

**CITY OF HOLLYWOOD, FLORIDA**  
**COMPLIANCE REPORTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

# CITY OF HOLLYWOOD, FLORIDA

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor, City Commission and City Manager  
**City of Hollywood, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hollywood, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2024. Our report includes a reference to other auditors who audited the financial statements of Hollywood, Florida Community Redevelopment Agency (the "CRA"), which includes the Beach and Downtown Community Redevelopment funds as major governmental funds of the City. Our report also includes a reference to other auditors who audited the financial statements the City of Hollywood Firefighters' Pension Fund and the City of Hollywood Police Officers' Retirement System, fiduciary funds of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the City of Hollywood Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as finding SD2023-001, that we consider to be a significant deficiency.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***City's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Fort Lauderdale, FL  
June 26, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Commission and City Manager  
**City of Hollywood, Florida**

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited the City of Hollywood, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the fiscal year ended September 30, 2023. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the fiscal year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

### ***Auditors' Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and each state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

## ***Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550 Rules of the Auditor General***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated June 26, 2024, which contained unmodified opinions on those basic financial statements. Our report includes a reference to other auditors who audited the financial statements of Hollywood, Florida Community Redevelopment Agency (the "CRA"), the City of Hollywood Firefighters' Pension Fund and the City of Hollywood Police Officers' Retirement System. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has

been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Marcum LLP*

Fort Lauderdale, FL  
June 26, 2024



**CITY OF HOLLYWOOD, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Federal/State Grantor, Pass Through Entity, Program Title	ALN/ CSFA No.	Grant/ Contract Number	Expenditures	Passed through to Subrecipients
<b>FEDERAL GRANTS:</b>				
<b>U.S. Department of Agriculture (USDA)</b>				
Passed through Florida Dept of Agriculture and Consumer Services:				
Cooperative Forestry Assistance - 2021 Urban & Community Forestry - Inventory Grant	10.664	N/A	\$ 25,500	\$ -
<b>TOTAL U.S. Department of Agriculture (USDA)</b>			<b>25,500</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development:</b>				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant - Year XXXX	14.218	B-18-MC-12-0009	17,864	-
Community Development Block Grant - Year XXXX	14.218	B-19-MC-12-0009	236,492	-
Community Development Block Grant - Year XXXXI	14.218	B-20-MC-12-0009	118,881	-
Community Development Block Grant - Year XXXXII	14.218	B-20-MC-12-0009	116,470	116,470
Community Development Block Grant - Year XXXXIII	14.218	B-21-MC-12-0009	97,668	-
Community Development Block Grant - Year XXXXIV	14.218	B-22-MC-12-0009	245,404	-
Community Development Block Grant - Year XXXXV	14.218	B-23-MC-12-0009	429,932	114,938
<b>TOTAL Community Development Block Grant - Entitlement Grants Cluster</b>			<b>1,262,711</b>	<b>231,408</b>
HOME Investment Partnership Program Grant	14.239	M14-MC-12-0227	(28,329)	-
HOME Investment Partnership Program Grant	14.239	M16-MC-12-0227	31,513	31,513
HOME Investment Partnership Program Grant	14.239	M17-MC-12-0227	97,140	97,140
HOME Investment Partnership Program Grant	14.239	M20-MC-12-0227	38	-
HOME Investment Partnership Program Grant	14.239	M21-MC-12-0227	200	-
HOME Investment Partnership Program Grant	14.239	M22-MC-12-0227	616	-
HOME Investment Partnership Program Grant	14.239	M23-MC-12-0227	59,235	-
<b>TOTAL HOME Investment Partnerships Program</b>			<b>160,413</b>	<b>128,653</b>
<b>TOTAL U.S. Department of Housing and Urban Development</b>			<b>1,423,124</b>	<b>360,061</b>
<b>U.S. Department of Justice:</b>				
Direct Programs:				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0988	36,665	-
Public Safety Partnership and Community Policing Grants: Law Enforcement Mental Health and Wellness Act (LEMHWA)				
	16.710	15JCOPS-21-GG-02163-SLEM	13,481	-
Federal Equitable Sharing Agreement	16.922	SC-20-13-11	189,897	-
Indirect Programs:				
Passed through the State of Florida, Department of Legal Affairs:				
Victims of Crime Act Grant (VOCA) - FY 23	16.575	VOCA-2022-915	94,260	-
Passed through the City of Pompano Beach				
Edward Byrne Justice Assistance Grant (JAG) Program - FY 2018	16.738	2019-DJ-BX-0884	35,982	-
<b>TOTAL U.S. Department of Justice</b>			<b>370,285</b>	<b>-</b>
<b>U.S. Department of Transportation:</b>				
Direct Programs:				
Operation Fast Track 2 - City of Hollywood Trespassing Enforcement Project	20.325	69A36523403860CRSFL	51,544	-
Indirect Programs:				
Passed through the State of Florida, Department of Transportation:				
Highway Planning and Construction - Pedestrian and Bicycle Safety High Visibility Enforcement and Support Program				
	20.205	G2A92/433144-8404	30,799	-
Highway Planning and Construction - Federal-Aid Highway Program, Federal Lands Highway Program - Avant Garde Academy Multiple Locations Safe Routes To School,				
	20.205	G2675/441761-1-58-01	663,378	-
Highway Planning and Construction - City of Hollywood - Beverly Park - Various Locations				
	20.205	G2679 FPN:443944-1-38-01	507,717	-
Highway Planning and Construction - City of Hollywood's Beach Heights and Beach Estates				
	20.205	G2679 FPN:443976-1-38-01	409,612	-
<b>TOTAL Highway Planning and Construction</b>			<b>1,611,506</b>	<b>-</b>

(Continued)

**CITY OF HOLLYWOOD, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Federal/State Grantor, Pass Through Entity, Program Title	ALN/ CSFA No.	Grant/ Contract Number	Expenditures	Passed through to Subrecipients
Passed through the Broward Metropolitan Planning Organization				
Federal Transit Cluster:				
USDOT-FTA-BPMO-Hlwd Blvd/SR 7 Mobility Hub Project	20.507	FL-2020-012-00	629,813	-
TOTAL Federal Transit Cluster			<u>629,813</u>	-
Passed through the State of Florida, Department of Transportation:				
State and Community Highway Traffic Safety Program - Speed and Aggressive Driving Grant	20.600	G2G43	56,590	-
<b>TOTAL U.S. Department of Transportation</b>			<u>2,349,453</u>	-
<b>U.S. Department of Treasury</b>				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	8,333,651	-
<b>TOTAL U.S. Department of Treasury</b>			<u>8,333,651</u>	-
<b>U.S. Department of Health and Human Services</b>				
Direct Programs:				
Childcare and Development Block Grant	93.575	N/A	80,640	-
Indirect Program:				
Passed through the Florida Department of Health:				
Injury Prevention and Control Research and State and Community based programs	93.136	BWE51	1,105	-
<b>TOTAL U.S. Department of Health and Human Services</b>			<u>81,745</u>	-
<b>U.S. Department of Homeland Security:</b>				
Direct Program:				
Fiscal Year 2020 Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2020-FF-00474	2,613,507	-
Assistance to Firefighters Grant - Fiscal Year 2021	97.044	EMW-2021-FG-00150	368,182	-
Indirect Program:				
Passed through the State of Florida, Division on Emergency Management:				
Urban Area Security Initiative (UASI) - FY 20	97.067	R0232 / EMW-2020-SS-00035-S01	18,054	-
Urban Area Security Initiative (UASI) - FY 21	97.067	R0521 / EMW-2021-SS-00056-S01	40,333	-
Passed through the State of Florida, Division of Emergency Management:				
FEMA Disaster Assistance - Fire Mission (West Coast)	97.036	4673DR	183,135	-
FEMA Disaster Assistance - PD Mission (West Coast)	97.036	4673DR	808,113	-
FEMA Disaster Assistance - COVID19	97.036	4486DR	43,187	-
		4337-307-R, 4337-250-R, 4337-248-R, 4337-252-R, 4337-161-R, 4337-		
FEMA - Hazard Mitigation - Generator Project	97.039	151-R	34,093	-
<b>TOTAL U.S. Department of Homeland Security</b>			<u>4,108,604</u>	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 16,692,362</b></u>	<u><b>\$ 360,061</b></u>
<b>STATE GRANTS:</b>				
<b>State of Florida, Housing Finance Corporation</b>				
Direct Program:				
State Housing Initiatives Partnership (SHIP) Program	40.901	225001	\$ 430,856	\$ -
<b>TOTAL State of Florida, Housing Finance Corporation</b>			<u>430,856</u>	-
<b>State of Florida, Department of Environmental Protection:</b>				
Direct Programs:				
Capitalization Grants for Drinking Water State Revolving Fund	37.076	DW060460	537,220	-
Capitalization Grants for Drinking Water State Revolving Fund	37.077	WW0604A0	1,045,927	-
Capitalization Grants for Drinking Water State Revolving Fund	37.077	WW060480	100,000	-
<b>TOTAL State of Florida, Department of Environmental Protection</b>			<u>1,683,147</u>	-
<b>State of Florida, Department of Transportation:</b>				
Direct Programs:				
Florida Dept of State Historic Preservation Grants	45.031	23.h.sm.200.150	49,931	-
<b>TOTAL State of Florida, Department of Transportation</b>			<u>49,931</u>	-

(Continued)

**CITY OF HOLLYWOOD, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Federal/State Grantor, Pass Through Entity, Program Title	ALN/ CSFA No.	Grant/ Contract Number	Expenditures	Passed through to Subrecipients
<b>State of Florida, Department of Health:</b>				
Direct Program:				
FEMA - Hazard Mitigation - Generator Project	64.003	M230602	7,564	-
Indirect Programs:				
Passed through Broward County:				
Continuing Education for Prehospital Providers	64.005	23-OMETs-01	26,766	-
Pediatric Transport Harness	64.005	23-OMETs-03	698	-
<b>TOTAL State of Florida, Department of Health</b>			<b>35,028</b>	<b>-</b>
<b>State of Florida, Department of Elder Affairs:</b>				
Indirect Programs:				
Passed through the Areawide Council on Aging of Broward County, Inc.:				
Local Service Programs - Elderly Grant 2020-2021	65.009	JL 121-29-2023	224,201	-
Local Service Programs - Elderly Grant 2021-2022	65.009	JL 122-29-2024	9,609	-
<b>TOTAL State of Florida, Department of Elder Affairs</b>			<b>233,810</b>	<b>-</b>
<b>State of Florida, Fish and Wildlife Conservation Commission</b>				
Direct Program:				
Derelict Vessel Removal Project	77.005	22272	29,995	-
<b>TOTAL State of Florida, Fish and Wildlife Conservation     Commission</b>			<b>29,995</b>	<b>-</b>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b>\$ 2,462,767</b>	<b>\$ -</b>

See accompanying notes to schedule of federal awards and state financial assistance.

**CITY OF HOLLYWOOD, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) includes the federal award activity and state grant activity of the City of Hollywood, Florida (the “City”) for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 – INDIRECT COST RATE**

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF HOLLYWOOD, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified?   X   Yes        None reported

Non-compliance material to financial statements noted?        Yes   X   No

**Federal Awards and State Projects**

Internal control over major programs and projects:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified?        Yes   X   None reported

Type of auditors’ report issued on compliance for major federal programs and state projects:

*Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?

       Yes   X   N

Identification of major federal programs and state projects:

<u>ALN.</u>	<u>Federal Program or Cluster</u>
14.218	Community Development Block Grants (Cluster)
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.205	Highway Planning and Construction (Federal-Aid Highway Program)
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)
<u>CSFA No.</u>	<u>State Project</u>
37.077	Capitalization Grants for Drinking Water State Revolving Fund
40.901	State Housing Initiatives Partnership Program Grant

Dollar threshold used to distinguish between Type A and Type B programs – Federal:

\$750,000

Dollar threshold used to distinguish between Type A and Type B projects – State:

\$738,830

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

  X   Yes        No

**CITY OF HOLLYWOOD, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

***SIGNIFICANT DEFICIENCY***

**SD2023-001 – Bank Reconciliation Process**

***Criteria***

Prudent practice would dictate that a formal bank reconciliation be prepared and reviewed each month within 45 days of month end with the appropriate review and sign off as evidence of the completeness, accuracy and timeliness of the reconciliation. Performing timely monthly bank reconciliations reduces the risk that errors, fraud or misuse of funds could go undetected and/or uncorrected.

***Condition***

During our audit of the fiscal year ended September 30, 2023, the auditor evaluated and performed a review of controls over the bank reconciliation process. The review focused on controls related to the accuracy and timeliness of the bank reconciliation process. The auditor made selections and examined several bank reconciliations to determine if the reconciliation was performed and reviewed timely (within 45 days) with the appropriate sign off as evidence of the completeness, the accuracy and timeliness of the reconciliation. The auditor relied on bank reports and independently verified reconciliation data on a test basis. The audit scope was limited to cash held in City bank accounts; therefore, it did not include a review of escrow accounts or funds held by trustees.

During our bank reconciliation testing, the auditor selected 3 bank accounts to examine and noted that the City did not complete their monthly bank reconciliation on a timely basis for one of the selections (depository bank account). The other two bank reconciliations examined were performed within the City’s internal policy of 45 days after the end of each calendar month. Our conclusion on the effectiveness of the controls we reviewed are detailed in the following audit results.

**CITY OF HOLLYWOOD, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

*SIGNIFICANT DEFICIENCY (CONTINUED)*

**SD2023-001 – Bank Reconciliation Process (continued)**

*Cause*

There is a lack of adequate internal control over financial close and reporting as it relates to the bank reconciliation process.

*Effect*

Without bank reconciliations being prepared and reviewed timely for accuracy and completeness, the City may not know if the cash position is accurate and whether or not there were errors, fraud or misuse of funds.

*Recommendation*

We recommend the City implement internal controls associated with the preparation and review of bank reconciliations that will ensure reconciliations are prepared and reviewed on a monthly basis. Monthly bank reconciliations must be prepared and reviewed within 45 days of the month end to ensure accuracy and completeness of cash balances reported by the City and possibly identify fraud or misuse of funds.

*Views of Responsible Officials and Planned Corrective Actions*

See accompanying corrective action plan.

**SECTION III – FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None.

**CITY OF HOLLYWOOD, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None.

**II. PRIOR YEAR FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None.





## **MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor, City Commission and City Manager  
**City of Hollywood, Florida**

### ***Report on the Financial Statements***

We have audited the financial statements of the City of Hollywood, Florida (the “City”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 26, 2024. We did not audit the financial statements of the Hollywood, Florida Community Redevelopment Agency (the “CRA”), which includes the Beach and Downtown Community Redevelopment funds as major governmental funds of the City, and the City of Hollywood Firefighters’ Pension Fund and the City of Hollywood Police Officers’ Retirement System, fiduciary funds of the City, as described in our report on the City’s financial statements. This management letter does not include any matters reported on separately by those other auditors in their management letter, if any.

### ***Auditors’ Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### ***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 26, 2024, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note I to the financial statements. The City included the following blended component unit: the Hollywood Community Redevelopment Agency, comprised of the Downtown District and the Beach District. The Emerald Hills Safety Enhancement District is a discretely presented component unit of the City. Please note that the Central Residential Neighborhood Improvement District No. 1 and the City of Hollywood 441 Corridor Business NID No. 2 special districts were inactive as of September 30, 2023.

### ***Financial Condition and Management***

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did report audit finding (SD2023-001) in the accompanying schedule of findings and questioned costs.

### ***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, items 1 through 6 below are not applicable to the Central Residential Neighborhood Improvement District No. 1 and the City of Hollywood 441 Corridor Business NID No. 2 as both special districts are inactive as of September 30, 2023. There are no amounts to report for items 1, 3, and 5 below for the Emerald Hills Safety Enhancement District. The Emerald Hills Safety Enhancement District reported 1 (one) for item 2 and \$110,035 for item 4 below. The Emerald Hills Safety Enhancement District had a budget variance in the amount of \$310 for item 6 below.

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year.

- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project, and
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes.

***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, State and other granting agencies, the Mayor and the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Fort Lauderdale, FL  
June 26, 2024

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415 FLORIDA STATUTES**

To the Honorable Mayor, City Commission and City Manager  
**City of Hollywood, Florida**

We have examined the City of Hollywood's (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2023. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2023.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

*Marcum LLP*

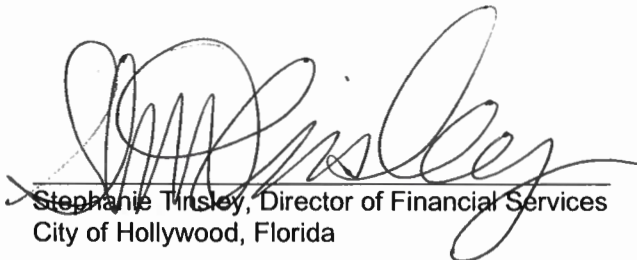
Fort Lauderdale, FL  
June 26, 2024

**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Stephanie Tinsley who being duly sworn, deposes and says on oath that:

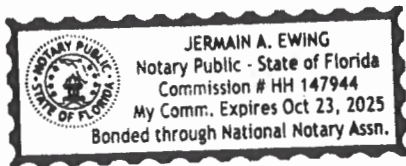
1. I am the Chief Financial Officer of City of Hollywood, Florida which is a local governmental entity of the State of Florida;
2. The governing body of City of Hollywood, Florida adopted Ordinance O-2019-18 (Water Impact Fee), O-2019-17 (Sewer Impact Fee), and O-2022-18 (Adoption of Impact Fees for General Government Buildings, Fire Rescue, Law Enforcement, Parks and Recreation, and Multi-Modal Transportation), implementing an impact fee(s) or authorized City of Hollywood, Florida to receive and expend proceeds of an impact fee(s) implemented by City of Hollywood, Florida; and
3. City of Hollywood, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

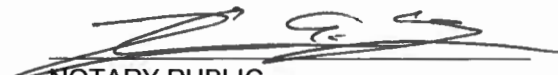
FURTHER AFFIANT SAYETH NAUGHT.

  
 Stephanie Tinsley, Director of Financial Services  
 City of Hollywood, Florida

STATE OF FLORIDA  
COUNTY OF (Name of County)

SWORN TO AND SUBSCRIBED before me this 19 day of March, 2024.



  
 NOTARY PUBLIC  
 Print Name Jermain A. Ewing

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:  
10/23/2025

2600 Hollywood Boulevard  
P.O. Box 229045  
Hollywood, Florida  
33022-9045

## **Corrective Action Plan**

Identifying Finding Number: SD2023-001

tel: 954.921.3228  
fax: 954.921.3064

Finding Description: Bank Reconciliation Process

View of Responsible Officials and Planned Corrective Action:

Beginning in April 2023, the City's Depository Bank Account was not reconciled in a timely manner. All the other 33 bank and investment account reconciliations were completed timely and accurately. The three main factors that caused the reconciliation to miss compliance with the City's policy involve staffing turnover, complexity of this specific reconciliation and the utility billing system upgrade failure.

The Department of Financial Services experienced staffing turnover that led to significant loss in expertise in particular with this specific complex bank reconciliation and multiple related systems. Though the Department was able to develop and, for the most part, successfully implement a transition plan where others were cross-trained for the incumbent's job responsibilities, the replacement for the incumbent was unable to complete the reconciliation nor communicate the issues before resigning from the position. The City Treasurer took on that responsibility, implemented the corrective action plan, which included a reorganization of duties and assignments and training among the remaining and ultimately new staff members, stabilizing the reconciliation process, and successfully recruited for replacements. The reconciliation process was further hampered by the utility billing system upgrades that occurred during this same period. The upgrade in April 2023, impacted the billing and cashing system resulting in the system being down for more than 3 weeks and complicating the reconciliation process. The second significant upgrade issue occurred in December of 2023 causing daily posting errors. Staff reviewed and corrected the payment posting issue on a daily basis until the billing software vendor was able to make the necessary corrections in February 2024. Throughout the period of non-compliance, the City continued to work with software vendors, reconciling transactions, reviewing subprocesses, payment processor interfaces, and customer accounts. Staff worked diligently and eventually was able to diagnose, understand, and implement corrective actions and update processes and procedures. Full implementation of the corrective actions was not done in time to meet the bank reconciliation compliance requirements until after the fiscal year end.

Due to the complexity of multiple systems posting to the system of record, familiarity with numerous processes is necessary to complete the Depository bank reconciliation in a timely manner as required. While the bank reconciliation was attempted and transactions were reviewed and posted on a daily basis, the final monthly reconciliation was late, but reconciled with immaterial differences.

Contact: Stephanie Tinsley, Director of Financial Services

Corrective Action Plan Completion Date: February 2024 and every month thereafter

2600 Hollywood Boulevard  
P.O. Box 229045  
Hollywood, Florida  
33022-9045

[hollywoodfl.org](http://hollywoodfl.org)