City of Hollywood, Florida

Single Audit Reports in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida

Year Ended September 30, 2014
Independent Auditor’s 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

Independent Auditor’s Report

The Honorable Mayor and the Members of the City Commission
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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hollywood, Florida (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 30, 2015. Our report includes a reference to other auditors who audited the financial statements of the Hollywood Fire Fighters’ Pension System and the City of Hollywood Police Officers Retirement System (collectively the Plans), as described in our report on the City’s financial statements, and the adoption of the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans, effective October 1, 2013, for the City’s pension plans. The financial statements of the Plans were not audited in accordance with Government Auditing Standards.

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) to determine the 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 entity’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. However, material weaknesses may exist that have not been identified.
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 determination of financial statement amounts. 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.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Fort Lauderdale, Florida
April 30, 2015

Independent Auditor’s Report

The Honorable Mayor and the Members of the City Commission
City of Hollywood, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited City of Hollywood, Florida’s (the City) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the requirements described in the 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 year ended September 30, 2014. 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.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and Chapter 10.550, Rules of the Florida Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

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 year ended September 30, 2014.
Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Chapter 10.550, *Rules of the Florida Auditor General* and is described in the accompanying schedule of findings and questioned costs as item CF 2014-01. Our opinion on each major federal program and state project is not modified with respect to this matter.

The City’s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item IC 2014-01 that we consider to be a significant deficiency.

The City’s response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2014, and the related notes to the financial statements which collectively comprise the City’s basic financial statements. We issued our report thereon dated April 30, 2015 which contained an unmodified opinion on those financial statements. Our report included a reference to other auditors and the adoption of the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans, effective October 1, 2013, for the Pension Plans. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis, as required OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General, 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.

McKladrey LLP

Fort Lauderdale, Florida
## Federal/State Agency/Pass-Through Entity

### CFDA Grant/Contract Number Expenditures Subrecipients

### Federal Programs/State Projects

#### U.S. Department of Housing and Urban Development

- **Direct Programs:**
  - Community Development Block Grant – Year XXXV
    - CFDA Number: 14.218
    - Grant Number: B-08-MC-12-0009
    - Expenditures: $8,256
    - Subrecipients: $-
  - Community Development Block Grant – Year XXXVI
    - CFDA Number: 14.218
    - Grant Number: B-09-MC-12-0009
    - Expenditures: 1,333
    - Subrecipients: -
  - Community Development Block Grant – Year XXXVIII
    - CFDA Number: 14.218
    - Grant Number: B-11-MC-12-0009
    - Expenditures: 55,791
    - Subrecipients: 26,956
  - Community Development Block Grant – Year XXXIX
    - CFDA Number: 14.218
    - Grant Number: B-12-MC-12-0009
    - Expenditures: 1,142,328
    - Subrecipients: 73,743
  - Neighborhood Stabilization Program – HERA
    - CFDA Number: 14.218
    - Grant Number: B-08-MN-12-0010
    - Expenditures: 475,864
    - Subrecipients: -
  - Neighborhood Stabilization Program
    - CFDA Number: 14.218
    - Grant Number: B-11-MN-12-0010
    - Expenditures: 949,297
    - Subrecipients: -

#### Total Community Development Block Grants

- Total Expenditures: 2,637,981
- Total Subrecipients: 100,699

#### HOME Investment Partnership Program Grant

- CFDA Number: 14.239
- Grant Number: M10-MC-12-0227
- Expenditures: 18,327
- Subrecipients: 18,327

- CFDA Number: 14.239
- Grant Number: M11-MC-12-0227
- Expenditures: 215,702
- Subrecipients: 34,867

- CFDA Number: 14.239
- Grant Number: M12-MC-12-0227
- Expenditures: 42,736
- Subrecipients: -

- CFDA Number: 14.239
- Grant Number: M13-MC-12-0227
- Expenditures: 58,018
- Subrecipients: 28,329

#### Total HOME Investment Partnership Program Grants

- Total Expenditures: 334,783
- Total Subrecipients: 81,523

#### Total U.S. Department of Housing and Urban Development

- Total Expenditures: 2,972,764
- Total Subrecipients: 182,222

#### U.S. Department of Justice

- **Direct Programs:**
  - COPS Hiring Program
    - CFDA Number: 16.710
    - Grant Number: 2010-UM-WX-0069
    - Expenditures: 525,263
    - Subrecipients: -

- **Indirect Programs:**
  - Passed Through Broward County Sheriff’s Office:
    - Edward Byrne Memorial Justice Assistance Grant
      - CFDA Number: 16.738
      - Grant Number: 2013-DJ-BX-0369
      - Expenditures: 40,141
      - Subrecipients: -

- Passed Through the Florida Office of the Attorney General:
  - Victims of Crime Act Grant
    - CFDA Number: 16.575
    - Grant Number: V13007
    - Expenditures: 47,914
    - Subrecipients: -

#### Total U.S. Department of Justice

- Total Expenditures: 613,318
- Total Subrecipients: -

#### U.S. Department of Justice/U.S. Department of Treasury

- **Direct Programs:**
  - Federal Equitable Sharing Program
    - CFDA Number: 16.922
    - Grant Number: N/A
    - Expenditures: 523,279
    - Subrecipients: -

#### Total U.S. Department of Justice/U.S. Department of Treasury

- Total Expenditures: 523,279
- Total Subrecipients: -

(Continued)
City of Hollywood, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
Year Ended September 30, 2014

<table>
<thead>
<tr>
<th>Federal/State Agency/Pass-Through Entity</th>
<th>CFDA Number</th>
<th>Grant/Contract Number</th>
<th>Expenditures</th>
<th>Awards to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indirect Programs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Department of Homeland Security</td>
<td></td>
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</tr>
<tr>
<td>Passed-Through the State of Florida Department of Financial Services:</td>
<td>97.044</td>
<td>EMW-2012-FO-05765</td>
<td>$150,761</td>
<td>$ -</td>
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<tr>
<td>Homeland Security – Assistance to Firefighters Grant</td>
<td>97.067</td>
<td>12-DS-20-13-00-16-XXX</td>
<td>33,311</td>
<td>-</td>
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<tr>
<td>Passed-Through the City of Miramar, Florida:</td>
<td>97.067</td>
<td>12-DS-22-11-23-02-236</td>
<td>222,514</td>
<td>-</td>
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<tr>
<td>Urban Area Security Initiative Grant</td>
<td>97.067</td>
<td>14-DS-C5-11-23-02-212</td>
<td>119,140</td>
<td>-</td>
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<tr>
<td>Total Homeland and Urban Area Security Grants</td>
<td>97.067</td>
<td>12-DS-20-13-00-16-XXX</td>
<td>374,965</td>
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<tr>
<td>Total U.S. Department of Homeland Security</td>
<td></td>
<td></td>
<td>525,726</td>
<td>-</td>
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<tr>
<td>U.S. Department of Environmental Protection Agency</td>
<td>66.468</td>
<td>DW060410</td>
<td>6,228,922</td>
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<td>Passed-Through Florida Department of Environmental Protection Agency:</td>
<td>66.458</td>
<td>WW59439</td>
<td>2,468,770</td>
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</tr>
<tr>
<td>Capitalization Grants for State Revolving Funds</td>
<td>66.458</td>
<td>WW060450</td>
<td>1,991,722</td>
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<tr>
<td>Capitalization Grants for State Revolving Funds</td>
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<td>WW060430</td>
<td>5,339,013</td>
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<tr>
<td>Subtotal</td>
<td>9,799,505</td>
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<td>16,028,427</td>
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<tr>
<td>Total U.S. Department of Environmental Protection Agency</td>
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<td></td>
<td>16,028,427</td>
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</tr>
<tr>
<td>U.S. Department of Health and Human Services</td>
<td>93.991</td>
<td>COHD1</td>
<td>21,707</td>
<td>-</td>
</tr>
<tr>
<td>Preventative Health and Health Services Block Grant – Water Fluoridation</td>
<td>93.991</td>
<td>COHD1</td>
<td>21,707</td>
<td>-</td>
</tr>
<tr>
<td>Total U.S. Department of Health and Human Services</td>
<td>93.991</td>
<td>COHD1</td>
<td>21,707</td>
<td>-</td>
</tr>
<tr>
<td>U.S. Department of Agriculture Food and Nutrition Services</td>
<td>10.559</td>
<td>04-985</td>
<td>52,011</td>
<td>-</td>
</tr>
<tr>
<td>Summer Food Program Grant – FY 2014</td>
<td>10.559</td>
<td>04-985</td>
<td>52,011</td>
<td>-</td>
</tr>
<tr>
<td>Total U.S. Department of Agriculture Food and Nutrition Services</td>
<td>10.559</td>
<td>04-985</td>
<td>52,011</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures of Federal Awards</td>
<td>20,737,232</td>
<td>$ 182,222</td>
<td>$ 20,737,232</td>
<td>$ 182,222</td>
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</tbody>
</table>

(Continued)
## Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)

### Year Ended September 30, 2014

<table>
<thead>
<tr>
<th>Federal/State Agency/Pass-Through Entity</th>
<th>Federal Program/State Project</th>
<th>CSFA Number</th>
<th>Grant/Contract Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Programs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vegetation Maintenance on SR 824 from SR7 to I-95</td>
<td>55.003</td>
<td>AJ356</td>
<td>$5,000</td>
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<tr>
<td>Street Lighting</td>
<td>55.XXX</td>
<td>405118-1-72-09</td>
<td>$190,180</td>
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<tr>
<td>Public Service Transportation – Trolley Grant</td>
<td>55.012</td>
<td>432220-1-84-01</td>
<td>$74,732</td>
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<tr>
<td><strong>Total Department of Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td>$269,912</td>
</tr>
<tr>
<td>Department of Community Affairs – Housing Finance Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Programs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Housing Initiatives Partnership Program Grant – FY2008-2009</td>
<td>52.901</td>
<td>225001</td>
<td>$9,283</td>
<td></td>
</tr>
<tr>
<td>State Housing Initiatives Partnership Program Grant – FY2009-2010</td>
<td>52.901</td>
<td>225001</td>
<td>$265,256</td>
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<tr>
<td>State Housing Initiatives Partnership Program Grant – FY2010-2011</td>
<td>52.901</td>
<td>225001</td>
<td>$49,409</td>
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</tr>
<tr>
<td>State Housing Initiatives Partnership Program Grant – FY2011-2012</td>
<td>52.901</td>
<td>225001</td>
<td>$238,741</td>
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<td>State Housing Initiatives Partnership Program Grant – FY2012-2013</td>
<td>52.901</td>
<td>225001</td>
<td>$27,994</td>
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<tr>
<td><strong>Total Department of Community Affairs – Housing Finance Corporation</strong></td>
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<td></td>
<td>$590,683</td>
</tr>
<tr>
<td>Department of Health</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Programs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed Through Broward County Office of Medical Examiner and Trauma Services</td>
<td>64.005</td>
<td>14-OMETS-8163(05)</td>
<td>$110,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Department of Health</strong></td>
<td></td>
<td></td>
<td></td>
<td>$110,000</td>
</tr>
<tr>
<td>Department of Elder Affairs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Programs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fred Lippman Multipurpose Center Elderly Grant</td>
<td>65.009</td>
<td>JL113-29-2014</td>
<td>$196,392</td>
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</tr>
<tr>
<td><strong>Total Department of Elder Affairs</strong></td>
<td></td>
<td></td>
<td></td>
<td>$196,392</td>
</tr>
<tr>
<td><strong>Total Expenditures of State Financial Assistance</strong></td>
<td></td>
<td></td>
<td></td>
<td>$1,166,987</td>
</tr>
</tbody>
</table>

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

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) presents the expenditure activity of all federal awards and state projects of the City of Hollywood, Florida (the “City”) for the year ended September 30, 2014. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the requirements described in the Florida Department of Financial Services, State Projects Compliance Supplement. 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 positions or cash flows of the City. The City’s reporting entity is defined in Note 1 of the City’s basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule.

2. Basis of Presentation

The accompanying Schedule includes expenditures of all federal programs and state projects awarded to the City which had activity for the fiscal year ended September 30, 2014. The Schedule has been prepared on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis for grants accounted for in proprietary fund types. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursements.
Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified? Yes X No
Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major program:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Numbers</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.218</td>
<td>U.S. Department of Housing and Urban Development: Community Development Block Grant</td>
</tr>
<tr>
<td>66.458</td>
<td>U.S. Department of Environmental Protection Agency: Capitalization Grants for State Revolving Funds</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B programs: $622,117
Auditee qualified as low-risk auditee? Yes x No

(Continued)
State Financial Assistance

Internal control over major projects:
- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Type of auditor's report issued on compliance for major projects: Unmodified
- Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Florida Auditor General? X Yes No

Identification of major projects:

<table>
<thead>
<tr>
<th>CSFA Number(s)</th>
<th>Name of State Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.901</td>
<td>State Housing Initiatives Partnership Program Grant</td>
</tr>
<tr>
<td>65.009</td>
<td>Fred Lippman Multipurpose Center Elderly Grant</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between type A and type B projects: $300,000
Section II – Financial Statement Findings

A. Internal Control

None reported

B. Compliance

None reported
City of Hollywood, Florida

Schedule of Findings and Questioned Costs
Federal Award Programs and State Projects (Continued)
Year Ended September 30, 2014

Section III – State Financial Assistance Findings and Questioned Costs

A. Internal Control over Compliance

**IC 2014–01 Period of Availability**

State Housing Initiatives Partnership (SHIP) Program – CSFA No. 52.901

Criteria: Internal control policies and procedures should be established to allow for the timely appropriation and expending of SHIP funding in accordance with program requirements. The City has two years to appropriate grant funding and an additional three years after which to expend such funding on program eligible costs.

Condition: We noted that grant funds were expended outside the period of availability allowed by the grant program agreement.

Questioned Costs: We noted that $576,001 of expenditures were incurred and paid, outside the established program period of availability.

Context: Two (2) of the (3) contracts selected for testing included costs that were incurred and paid for outside the program’s period of availability. Such costs amounted to $576,001.

Effect: The City is not in compliance with period of availability requirements of the program, which could result in a loss of grant funding or disallowance of grant related expenditures.

Cause: Lack of adequate administrative oversight as required by the program control procedures.

Recommendation: We recommend that the City conduct training on their established policies and procedures and on the grant operating departments’ responsibilities as they relate to the compliance requirements of the grant. In addition, management should ensure that all grant funding is utilized within the appropriate period of availability and have a procedure in place to request extensions if funding will not be fully utilized within the original period of availability.

Views of Responsible Officials and Planned Corrective Action: The Florida Housing Coalition (FHC) provided technical support to the City of Hollywood for the administration of its SHIP programs at the request of Florida Housing Finance Corporation. With the assistance from FHC, all SHIP funds for FY 2008-2009 were fully expended by September 16, 2013 and FY 2009-2010 and FY 2010-2011 were fully expended by May 31, 2014. Furthermore, the Hollywood City Commission approved the submission of the SHIP Annual Report by resolution on June 18, 2014.

When the City of Hollywood requested to apply for an extension, FHC responded that no extensions would be given because the City was being provided technical support to expend all outstanding funds. As part of this technical assistance, FHC reviewed the City’s Housing Polices, which was subsequently approved by the City Commission Resolution (R-2014-085) on April 2, 2014. Finally, the City is currently updating its Housing Procedures, which shall include a procedure to request grant extensions and how to handle the matter when FHC does not grant extensions.

Since receiving technical assistance, the City of Hollywood has become compliant and received its most recent SHIP funding allocation for FY2013-2014 in the amount of $199,546 and FY2014-2015 in the amount of $656,686.
B. Compliance

**CF 2014–01 Period of Availability**

*State Housing Initiatives Partnership (SHIP) Program – CSFA No. 52.901*

See IC 2014-01
City of Hollywood, Florida

Schedule of Prior Audit Findings
Federal Award Programs and State Projects
Year Ended September 30, 2014

Section I – Findings Required to be Reported in Accordance with Generally Accepted Governmental Accounting Standards

A. Internal Control
   None noted.

B. Compliance Findings
   None noted.

Section II – State Awards Findings and Questioned Costs

A. Internal Control over Compliance

   IC 2012–03 and IC 2013-01 Reporting
   Fred Lippman Multipurpose Center – CSFA No. 65.009
   Current Year’s Status: Corrected.

   IC 2013–02 Period of Availability
   State Housing Initiatives Partnership (SHIP) Program – CSFA No. 52.901
   Current Year’s Status: Not corrected. See current year finding IC 2014-01

B. Compliance

   CF 2012–01 and CF 2013-01 Reporting
   Fred Lippman Multipurpose Center – CSFA No. 65.009
   Current Year’s Status: Corrected.

   CF 2013–02 Period of Availability
   State Housing Initiatives Partnership (SHIP) Program – CSFA No. 52.901
   Current Year’s Status: Not corrected. See current year finding CF 2014-01