

CITY OF FORT LAUDERDALE, FLORIDA

SINGLE AUDIT REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

CITY OF FORT LAUDERDALE, FLORIDA
SINGLE AUDIT REPORT
Year Ended September 30, 2022

TABLE OF CONTENTS

	PAGE(S)
Independent Auditor’s Report on Schedule of Expenditures of Federal Awards and State Financial Assistance	1-2
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance in Accordance with the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	3-5
Schedule of Expenditures of Federal Awards and State Financial Assistance	6-9
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	10-11
Schedule of Findings and Questioned Costs	12-16



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Commission
City of Fort Lauderdale, Florida

Report on the Audit of the Schedule of Expenditures of Federal Awards and State Financial Assistance

Opinion

We have audited the schedule of expenditures of federal awards and state financial assistance of the City of Fort Lauderdale, Florida (the "City") for the year ended September 30, 2022, and the related notes (Schedule).

In our opinion, the accompanying schedule of expenditures of federal awards and state financial assistance presents fairly, in all material respects, the expenditures of federal awards and state financial assistance of the City of Fort Lauderdale, Florida for the year ended September 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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; and 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 and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.



Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance as well as Chapter 10.550, Rules of the Auditor General will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, 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 the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

This report is intended solely for the information and use of the Honorable Mayor and Members of the City Commission, management, and specific legislative or regulatory bodies and is not intended to be, and should not be, used by anyone other than these specified parties.



Miramar, Florida
July 21, 2023



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Mayor and Members of the City Commission
City of Fort Lauderdale, 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 Fort Lauderdale, 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 Florida Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City of Fort Lauderdale, Florida's major federal programs and State projects for the year ended September 30, 2022. The City of Fort Lauderdale, Florida'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 of Fort Lauderdale, Florida 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, 2022.

Basis for Opinion on Each Major Federal Program

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; and 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 and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* are further described in the Auditor's 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. Our audit does not provide a legal determination of the 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 of Fort Lauderdale, Florida's Federal programs and State projects.

Auditor's Responsibilities 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 the 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 of Fort Lauderdale, Florida's compliance with the requirements of each major federal program and State project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and 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 the City of Fort Lauderdale, Florida'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 the City of Fort Lauderdale, Florida'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 the City of Fort Lauderdale, Florida'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items **2022-001** and **2022-002**. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Fort Lauderdale's response to the noncompliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 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 Auditor's 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. Accordingly, this report is not suitable for any other purpose.



Miramar, Florida
July 21, 2023

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>	<u>Transfer to Subrecipient</u>
<u>I. CASH FEDERAL FINANCIAL ASSISTANCE</u>				
U.S. Department of Agriculture				
Indirect Programs:				
Food and Nutrition Service				
Child Nutrition Cluster				
Summer Food Service Program for Children				
Passed Through Florida Department of Agriculture and Consumer Services:				
Summer Food Service Program for Children – FY20	10.559	04-0987	\$ 5,547	\$ -
Summer Food Service Program for Children – FY22	10.559	18474	<u>59,493</u>	<u>-</u>
Total Child Nutrition Center 10.559			<u>65,040</u>	<u>-</u>
Child and Adult Care Food Program:				
Passed Through Florida Department of Health Child Care				
After School Snack Program – FY20	10.558	N/A	900	-
After School Snack Program – FY22	10.558	A-4798	<u>12,481</u>	<u>-</u>
Total Assistance Listing #10.558			<u>13,381</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>78,421</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Office of Community Planning and Development				
CDBG – Entitlement Grant Cluster				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	1,399,886	345,413
Home Investment Partnership Program				
	14.239	M-19-MC-12-0205	30,642	74,990
	14.239	M-20-MC-12-0205	132,410	-
	14.239	M-21-MC-12-0205	133,281	-
	14.239	M-22-MC-12-0205	68,585	-
HUD – American Rescue Plan Affordable Housing Act	14.239	M21-MP120205	<u>326</u>	<u>-</u>
Total Assistance Listing #14.239			<u>365,244</u>	<u>74,990</u>
Housing Opportunities for Persons with AIDS	14.241	N/A	6,298,664	5,988,609
Coronavirus Aid Relief & Economic Security Act				
COVID19 Community Development Block Grants/ Entitlement Grants				
	14.218	B-20-MW-12-0005	627,007	-
COVID19 Housing Opportunities for Persons With AIDS	14.241	FLH20-FHW004	<u>152,403</u>	<u>146,586</u>
Total U.S. Department of Housing and Urban Development			<u>8,843,204</u>	<u>6,555,598</u>

(Continued on next page)

See Notes to Schedule.

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>	<u>Transfer to Subrecipient</u>
U.S. Department of Justice:				
Indirect Programs:				
Office of Juvenile Justice and Delinquency Prevention				
Juvenile Justice and Delinquency Prevention				
Passed Through Florida Department of Juvenile Justice:				
Juvenile Justice Delinquency Program	16.540	10637	14,541	-
Bureau of Justice Assistance:				
Edward Byrne Memorial Justice Assistance Grant Program				
FY21 Local Law Enforcement Crime Gun Intelligence Center Integration Initiative				
Fort Lauderdale Police Crime Gun Reduction Campaign	16.738	15PBJA-21-GG-03280-JAGP	17,635	-
Equitable Sharing Program:				
Forfeiture Fund – Federal Equitable Sharing (Non-Treasury)	16.922	N/A	875,633	-
Coronavirus Emergency Supplemental Funding Program:				
COVID19 FY20 Fort Lauderdale Public Safety Response	16.034	2020-VD-BX-0846	<u>71,420</u>	<u>-</u>
Total U.S. Department of Justice			<u>979,229</u>	<u>-</u>
U.S. Department of Transportation:				
Direct Programs:				
Federal Aviation Administration (FAA)				
Airport Improvement Program:				
Construct Taxiway F	20.106	3-12-0024-032-2019	15,635	-
Runway Incursion MITI	20.106	3-12-0024-033-2020	814,423	-
COVID19 FAA Coronavirus Response	20.106	3-12-0024-035-2021	<u>17,491</u>	<u>-</u>
Total Assistance Listing #20.106			<u>847,549</u>	<u>-</u>
Indirect Programs:				
Federal Transit Administration (FTA)				
Federal Transit Cluster				
Federal Transit Formula Grants				
Passed Through Broward Metropolitan Planning Organization				
Downtown Fort Lauderdale Mobility Hub: Streetscape	20.507	FTA G-22	402,893	-
Indirect Programs:				
Federal Highway Administration (FHWA)				
Highway Planning and Construction Cluster				
State Bicycle Pedestrian Safety Program				
Passed Through University of South Florida				
FY21 FDOT-Florida's Bicycle/Pedestrian Focused Initiative: Communication and High Visibility Enforcement	20.205	G1X15	56,865	56,865

(Continued on next page)

See Notes to Schedule.

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>	<u>Transfer to Subrecipient</u>
U.S. Department of Transportation (cont'd):				
Indirect Projects:				
State and Community Highway Safety				
Highway Safety Cluster				
FL Traffic Safety Office				
Fort Lauderdale Police Motorcycle Safety Campaign	20.600	G2307	<u>20,746</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,328,053</u>	<u>56,865</u>
U.S. Department of Treasury:				
Direct Programs:				
Coronavirus Relief Fund				
Coronavirus State and Local Fiscal Recovery Funds	21.019	1505-0271	16,166,993	-
Indirect Programs:				
US Treasury Pass Through Broward County ARPA				
COVID19 Broward County Non-Congregate Sheltering Program	21.023	N/A	<u>11,025</u>	<u>-</u>
Total U.S. Department of Treasury			<u>16,178,018</u>	<u>-</u>
U.S. Environmental Protection Agency:				
Indirect Programs:				
Nonpoint Source Implementation Grants				
Passed Through Florida Department of Environmental Protection:				
River Oaks Preserve Project	66.460	NF019	<u>36,779</u>	<u>-</u>
Total U.S. Department of Environmental Protection			<u>36,779</u>	<u>-</u>
U.S. Department of Homeland Security:				
Direct Programs:				
Federal Emergency Management Agency (FEMA)				
Homeland Security Grant Program				
Passed Through City of Miami:				
FY2020 Urban Area Security Initiative (UASI) Grant Program	97.067	R0232	72,808	-
FY2020 Urban Area Security Initiative – Fire Rescue Technical Rescue Team (TRT) Equipment	97.067	R0232	72,675	-
FY2020 Urban Area Security Initiative – Fire Rescue Technical Rescue Team (TRT) Equipment	97.067	R0232	20,792	-
FY2020 Urban Area Security Initiative – Fire Rescue Technical Rescue Team (TRT) Equipment	97.067	R0232	8,372	-
FY2020 Urban Area Security Initiative – Fire Rescue Technical Rescue Team (TRT) Equipment	97.067	R0232	173,982	-
FY2020 Urban Area Security Initiative – Fire Rescue Technical Rescue Team (TRT) Equipment	97.067	R0232	<u>8,750</u>	<u>-</u>
Total Assistance Listing #97.067			<u>357,379</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>357,379</u>	<u>-</u>
Total Expenditures of Federal Financial Assistance			<u>\$ 27,801,083</u>	<u>\$ 6,612,463</u>

(Continued on next page)

See Notes to Schedule.

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>CSFA Number</u>	<u>Contact/ Grant Number</u>	<u>Expenditures</u>	<u>Transfer to Subrecipient</u>
II. STATE FINANCIAL ASSISTANCE				
Florida Inland Navigation District				
Direct Project:				
Waterways Assistance Program				
George English Park Boat Ramp Renovations Ph II	N/A	BR-FL-20-147	\$ 399,999	\$ -
Bill Keith Preserve Shoreline Stabilization PH I	N/A	B-FL-17-126	<u>128</u>	<u>-</u>
Total Florida Inland Navigation District			<u>400,127</u>	<u>-</u>
Florida Housing Finance Corporation:				
Direct Projects:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	<u>508,271</u>	<u>-</u>
Total Florida Housing Finance Corporation			<u>508,271</u>	<u>-</u>
Florida Department of State, Division Historical Resources				
Direct Projects:				
City-Wide Architectural Resource Survey – Phase II	45.031	22.h.sm.100.002	<u>50,000</u>	<u>-</u>
Total Florida Department of State, Division Historical Resources			<u>50,000</u>	<u>-</u>
Florida Department of Transportation				
Direct Projects:				
Transit Corridor Development Program	55.013	N/A	21,720	-
Aviation Grant Program:				
Design & Construct Airfield Signage Replacement at FXE	55.004	G0Z90	90,060	-
Design Mid-Field Taxiway Extens and Run-Up Area	55.004	GIB52	133,380	-
Taxiway Foxtrot Relocation 431024-19401	55.004	G1648	10,235	-
FXE Design and Construct Taxiway Golf Pavement Rehabilitation	55.004	G1L87	<u>49,037</u>	<u>-</u>
Total CSFA #55.004			<u>282,712</u>	<u>-</u>
Total Florida Department of Transportation			<u>304,432</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,262,830</u>	<u>\$ -</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 29,063,913</u>	<u>\$ 6,612,463</u>

(Concluded)

See Notes to Schedule.

CITY OF FORT LAUDERDALE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2022

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance (the Schedule) presents the activity of all federal awards programs and state financial assistance projects of the City of Fort Lauderdale, Florida (the “City”), for the year ended September 30, 2022. Federal awards programs and state financial assistance projects received directly, as well as passed through other government agencies, are included on the Schedule.

The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and the accrual basis of accounting for expenditures in the propriety funds. Under the modified accrual basis expenditures are recognized in the period liabilities are incurred, if measurable. Under the accrual basis, expenditures are recognized in the period liabilities are incurred.

The expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – PROGRAM CLUSTERS

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. Based on this definition, similar programs are presented accordingly.

NOTE 4 – CATALOG OF STATE FINANCIAL ASSISTANCE (CSFA NUMBER)

The program titles and CSFA numbers were obtained from the State of Florida or pass-through grantor of the 2022 Catalog of State Financial Assistance. Where a CSFA number was not assigned to a program, as in the case of the Waterways Program, the CSFA reference number was marked “N/A” on the Schedule of Expenditures for Federal Awards.

The Waterways Program is funded through the Florida Inland Navigation District (FIND), a special taxing district of the State of Florida which is not assigned a department number. The contract numbers for the Waterways Program were BR-FL-20-147 and BR-FL-17-126. Per the agency request this program was included in the expenditures of state funding.

CITY OF FORT LAUDERDALE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2022

NOTE 5 – CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

NOTE 6 – NON-CASH AND FEDERAL INSURANCE

The City did not receive non-cash assistance in the current fiscal year.

NOTE 7 – DE MINIMIS COST

The City did not elect to use the 10% de minimis cost rate allowed under the Uniform Guidance in fiscal year 2022.

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section I - Summary of Independent Auditors' Results

Financial Statements

Type of report the auditor 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? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards and State Financial Assistance

Internal control over major Federal programs and State projects:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ 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 2 CFR 200.516(a) of the Uniform Guidance or Chapter 10.550, *Rules of the Auditor General*? _____ X Yes _____ No

Identification of Major Federal Programs and State Projects:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Programs</u>
14.239	HOME Investment Partnerships Program
14.241	Housing Opportunities for Persons with AIDS
16.922	Forfeiture Fund - Federal Equitable Sharing (Non-Treasury)
20.019	Coronavirus State and Local Fiscal Recovery Funds
20.106	Airport Improvement Program
20.507	Downtown Fort Lauderdale Mobility Hub: Streetscape

<u>CSFA Numbers</u>	<u>Name of State Projects</u>
40.901	State Housing Initiatives Partnership Program (SHIP)
N/A	Waterways Assistance Program

Dollar threshold used to distinguish between

Type A and Type B programs:

Federal	<u>\$834,032</u>
State	<u>\$378,849</u>

Auditee qualified as low-risk auditee? _____ Yes X No

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section II - Current Year Findings - Financial Statement Audit

None Reported.

Section III - Current Year - Major Federal Award Programs and State Financial Assistance Findings and Questioned Costs

Federal Grants

2022-001 – Reporting – 20.106 Airport Improvements

Condition: The City could not provide documentation that SF-425, *Federal Financial Report* was completed and submitted annually as required by the Compliance Supplement.

Context: The City is required to perform task in noted areas to be in compliance with the grant terms. For this program annual reporting was a compliance requirement, through submission of the SF-425, Federal Financial Report. The Airport was unaware that this compliance requirement was to be fulfilled by them, therefore, the report was not filed deeming them not in compliance.

Effect: The City is not in compliance with the grant terms and therefore funding may be jeopardized.

Cause: Staff responsible for completing the reporting were not aware of the requirement and/or that it was their responsibility to complete the task.

Questioned Costs: None

Recommendation: A review of the grant agreement and terms with the grant manager/project led to ensure that all requirement(s) are understood and to whom is responsible to complete the task.

Views of responsible officials and planned corrective actions: The airport submits quarterly reports for FAA AIP projects, however due to an oversight the annual SF-425 form was not completed. The SF-245 form was completed and submitted on June 14, 2023, and a procedure has been drafted to ensure compliance with the reporting requirements in the future. Additionally, the Airport's Project Manager position will be moved from the Public Works Department to the Executive Airport Department in fiscal year 2024 which will improve supervision of the grant reporting requirements.

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section III - Current Year - Major Federal Award Programs and State Financial Assistance Findings and Questioned Costs (cont'd)

Federal Grants (cont'd)

2022-002 Eligibility – 14.241 HOPWA

Condition: The City could not validate the income used in determining eligibility for services of HOPWA funds documented in the Provide Enterprise (PE) System. In addition, income verification support was inconsistent with monthly income amount noted and there was evidence of instances where the monthly support provided was not for a consecutive 3-month period, as required for income verification. Furthermore, self-verification was used to verify income after the COVID-19 restriction was lifted.

Context: The participant's information is initially inputted by the agency (sub-recipient) and submitted to the City for review and approval of funding for housing. For case management, the agency (sub-recipient) input an intake form which includes income, proof of status and identification is reviewed during the annual monitoring process completed by the City. The participant file should include the application information entered and scans of supporting documentation. The PE system does limitations of storage capacity therefore the original hard copies are kept at the agency site and provided upon request.

Effect: The City may not be in compliance with the programs eligibility criteria and funding may be jeopardized.

Cause: The subrecipients procedure are not conducive to ensure proper income verification of program participants. The City must also increase monitoring of files and perform additional procedures to address known risk with identified subrecipient(s) and/or process(es).

Questioned Costs: Undetermined

Recommendation: To increase the sample population and frequency of testing of the participant case files to ensure that the program guidelines are being met. Increase the frequency of the subrecipient monitoring and the perform follow-up of noted monitoring findings within prior to traditional annual monitoring. In addition, to provide continual training to the subrecipients and perform assessment of efficiencies of procedures to determine viability of relationship.

View of responsible officials and planned corrective actions: The City identified this issue also during performance of the subrecipient annual monitoring. A monitoring letter was submitted with the noted findings to the agency of Sunserve, with a corrective action plan returned to acknowledge the finding.

The City scheduled a mandatory training on January 12, 2023, which required a minimum of 2 people per agency to attend, and educated on the proper way to perform income verifications and document within the PE system.

State Grants

None Reported.

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section IV - Prior Year - Major Federal Award Programs and State Financial Assistance Findings and Questioned Costs

Finding 2021-001 – Schedule of Expenditures of Federal Awards and State Financial Assistance – Material Weakness

Criteria or specific requirement: Internal control should be in place to ensure the Schedule of Expenditures of Federal Awards and State Financial Assistance (“SEFA”) is prepared correctly including identification of the proper Assistance Listing Number (“ALN”) and inclusion of grant expenditures that should be reported on the SEFA.

Condition: The City inappropriately listed a grant under the incorrect ALN. In addition, the City reported grant expenditures on the SEFA that should not have been reported on the SEFA. Finally, the City reported expenditures as state financial assistance that should have been reported as Federal financial assistance.

Context: Crowe noted in the original SEFA prepared and presented in January, 2022 an amount of approximately \$1 million for Assistance Listing Number (ALN) 97.036 passed through the County. Upon receipt of a revised SEFA in early February 2022, the amount increased approximately \$8.7 million. Upon further review of the grant agreement, Crowe noted that the City incorrectly reported this under the wrong ALN. The City reported this under 97.036 when it should have been reported under 21.019. Subsequent to this the City provided a letter from the County dated January 19, 2021 indicating the \$8.7 million should not be put on the SEFA and that local funds were used from the County versus Federal funds, so the City removed the \$8.7 million from the SEFA. In addition, the City reported approximately \$5.7 million on the SEFA under ALN 97.036 that should not have been reported as funds have yet to be obligated by the grantor and therefore are not available to the City. Finally, the City reported approximately \$83 thousand as state financial assistance that should have been reported as Federal financial assistance.

Effect: The grant expenditures were not originally classified properly on the SEFA. Recording a grant on the SEFA that should not have been reported on the SEFA resulted in a material misstatement of the SEFA.

Cause: The SEFA is prepared by staff in the Treasury Division by reviewing the grant agreements, revenues and expenditures in the City’s accounting system. The SEFA is then submitted to grant coordinators for review. Once the SEFA has been reviewed by grant coordinators, supervisory personnel in the Treasury Division reviews and provides final approval. During multiple reviews, the grants in question were inadvertently overlooked causing wrong classifications.

Recommendation: Crowe recommends the City implement effective internal control to ensure the SEFA is prepared in accordance with appropriate standards.

FY2022 Update: The FY 2022 SEFA had to be revised to include approximately \$16.1M for Assistance Listing Number 21.019 for program COVID Relief, American Rescue Program, which was omitted from original schedule. The City also adjusted the SEFA for approximately \$49,000 from Federal to State for CFSA program 55.004, as it was improperly classified in the original version. We recommend that the City review the current internal controls to ensure that they are properly designed to ensure that the SEFA is prepared properly.

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2022

Section IV - Prior Year - Major Federal Award Programs and State Financial Assistance Findings and Questioned Costs

Finding 2021-002 – Sub-Recipient Monitoring – Significant Deficiency

Assistance Listing Number: 14.239
U.S. Department of Housing and Urban Development
HOME Investment Partnership Program

Criteria or specific requirement: Internal control should be in place to ensure that information submitted by the Sub-Recipient is reviewed by the City and that the review is documented.

Condition: The City could not provide documentation that the Single Audit Report for the Sub-Recipient of the City was reviewed by appropriate personnel of the City.

Context: The City requires that their Sub-Recipient provide a Single Audit Report on an annual basis. The City was able to provide the completed Single Audit Report of the Sub-Recipient but was unable to provide documentation that the City reviewed the Single Audit Report to determine if the Sub-Recipient had any findings and/or questioned costs in the Single Audit Report.

Effect: The Sub-Recipient could have had findings and/or questioned costs and the City would be unaware of the findings and/or questioned costs.

Cause: Staff responsible for receiving and reviewing the Sub-Recipient’s Single Audit Report separated from the City and the current staff could not locate evidence of receipt or review.

Questioned Costs: None

Recommendation: Crowe recommends the City implement effective internal control to ensure the Sub-Recipients Single Audit Report is reviewed and that the review is documented.

Views of responsible officials and planned corrective actions: The City will ensure that all single audit reviews for sub-recipients are documented in a central repository and can be retrieved when required if staff turnover occurs.

FY2022 Update: No longer applicable.