



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
5/19/2021	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
		Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
		Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
File No.:				
21-152				
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
N/A	N/A	N/A	N/A	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	Geovanne Neste, Interim Finance Director	Finance	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Finance & Budget		<input type="checkbox"/> Organizational Capacity		<input type="checkbox"/> Infrastructure/Projects
Implementation Timeline:				
Estimated Start Date: N/A Estimated End Date: N/A				

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, ADOPTING ANNUAL FINANCIAL REPORT (AFR) ATTACHED AS EXHIBIT "A" AND COMPLIANCE REPORT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020 ATTACHED AS EXHIBIT "B"; AUTHORIZING THE TRANSMITTAL TO STATE AND FEDERAL AGENCIES AND ALL OTHER RECIPIENTS NAMED IN THE DISTRIBUTION LIST; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

Pursuant to Florida Statute and the City of Hallandale Beach Charter, the City Commission shall conduct an independent annual audit of all City Accounts by an independent Certified Public Accountant (CPA) firm. The financial and compliance reports relating to the independent audit are due to the State and other stakeholder agencies by June 30, 2021. This resolution is the City

Commission's formal acceptance of the financial statement audit for the period ended September 30, 2020.

Background:

Pursuant to Florida Statute 218.39, any municipality with revenues or the total of expenditures and expenses in excess of \$250,000, as reported on the fund financial statements must have a financial audit performed by an independent certified public accountant within 9 months after the end of its fiscal year (June 30, 2021). At the conclusion of the audit, the auditor shall notify each member of the governing body of a local governmental entity for which:

- Deteriorating financial conditions exist,
- and/or a fund balance deficit in total or a deficit for that portion of a fund balance for which sufficient resources of the local governmental entity, as reported on the fund financial statements, are not available to cover the deficit.

Pursuant to Article V, Division 2, Section 5.04, of the City of Hallandale Beach Charter, the Commission shall provide for an independent annual audit of all City accounts and may provide for such more frequent audits as it deems necessary. Such audits shall be made by a certified public accountant or firm of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the City government or any of its officers.

Current Situation:

The City has engaged the CPA firm of Mauldin & Jenkins, LLC, to perform its audit for the fiscal year ended September 30, 2020. The Fiscal Year 2019-20 audit began with interim work by the auditors in January 2021 and fieldwork began February 2021.

A representative of the firm will provide a brief presentation of the audit results to the City Commission at the May 19, 2021 meeting, and staff will ensure that the final audit report is placed on file and submitted to pertinent agencies by the June 30, 2021 deadline.

There are no deteriorating financial conditions or fund balance deficits for which sufficient resources are not available to cover the deficits to report for the fiscal year ended September 30, 2020. Please refer to (Exhibit A):

- the letter of transmittal on page I for more information regarding the audit process and major initiatives in the current year and future years that have a material impact on the City's financial position as a whole;
- and Management's Discussion and Analysis on page 4 for financial highlights during Fiscal Year 2019-20, an overview of the financial statements, and a detailed analysis of the activity that occurred during the fiscal year that had a material impact on the City's financial position as a whole.

Below are highlights of the audit results for the fiscal year ended September 30, 2020. For additional information, refer to the Compliance Report (Exhibit B):

- The auditor issued an unmodified opinion (clean opinion) on whether the financial statements were prepared in accordance with U.S. GAAP.
- No significant deficiencies or material weakness in internal control reported.
- No noncompliance material to the financial statements were noted.
- No Financial or Single Audit (Grant Compliance) findings were reported.

- No questioned cost reported relating to the major programs/projects audited:
 - Federal: U.S. Department of Homeland Security Staffing for Adequate Fire and Emergency Response Program (SAFER)
 - State: State of Florida Department of Environmental Protection Wastewater Treatment Facility State Revolving Loan Fund
- The City qualified as a low-risk auditee for fiscal year 2019-20

Why Action is Necessary:

Pursuant to Florida Statute 218.39, and Article V, Division 2, Section 5.04, of the City of Hallandale Beach Charter, the City Commission shall conduct an independent annual audit of all City Accounts by an independent Certified Public Accountant (CPA) firm. The financial and compliance reports are due to the State and other stakeholder agencies by June 30, 2021.

Cost Benefit:

There is no fiscal impact.

PROPOSED ACTION:

The City Commission consider the attached Resolution formally accepting the financial statement audit for the period ended September 30, 2020.

ATTACHMENT(S):

Exhibit 1 – Proposed Resolution
Exhibit 2 – FY2020 Audit Results Presentation by Mauldin & Jenkins, LLC
Exhibit A – FY2020 COHB Comprehensive Annual Financial Report
Exhibit B – FY2020 COHB Compliance Report

Prepared By: Geovanne Neste
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Interim Finance Director

Reviewed By: Sean Li
Sean Li
Controller

Approved By: Noemy Sandoval
Noemy Sandoval
Assistant City Manager