

To: Celeste Lucia, Interim Finance Director
City of Hallandale Beach

From: Michael D. Futterman, CPA
Marcum LLP

The City brought to our attention, after they were contacted by the Florida Department of Transportation (FDOT), that a grant was provided to the City and was not included in the Schedule of Expenditures of Federal Awards (SEFA or Schedule) for the fiscal year ended September 30, 2015. As it turns out this grant program, which was actually federal US DOT funds and passed through the FDOT, was omitted from the federal schedule of expenditures maintained by the City; this federal grant program meets the criteria to be a major program and should have been tested and reported to the respective agencies during our audit for the fiscal year ended September 30, 2015.

As a result, and for the City to meet the requirements of the FDOT as well as the US DOT, we will have to audit and report on this grant program; if no unforeseen circumstances arise, we estimate that the fee will be \$7,000.

These are some of the procedures that we have to perform to be able to audit and report on this specific program:

1. Revise our FY 2015 single audit determination workpapers
2. Revise many other single audit workpapers to add this additional program.
3. Perform audit procedures for documentation of internal controls over compliance and testing of the key controls of that program
4. Perform compliance testing based on the applicable compliance requirements of the program
5. Revise the "single Audit Reporting Package" that was previously issued at the end of May 2016. This includes our auditors reports, schedule of expenditures of federal awards, the schedule of findings and questioned costs which delineates the major programs tested
6. Revise and perform the auditor certification portion of the Data Collection Form which is submitted to the federal single audit clearinghouse.

If you have any questions, please let us know.

Thank you