



January 28, 2016

Rene D. Gonzalez, Chief Financial Officer
City of Hallandale Beach
400 South Federal Highway
Hallandale Beach, Florida 33009

Re: Engagement of Marcum LLP ("Marcum," the "Firm," "we," "us" or "our")

The purpose of this letter is to confirm our understanding of the terms and objectives of our engagement to provide services to the City of Hallandale Beach, Florida ("City," "you" or "your").

Objective of Our Assignment

We will perform limited procedures, as noted in Appendix A, on the reconciliation of the Hallandale Beach Police Department's ("HBPD") equitable sharing account balances to the Equitable Sharing Agreements of the Department of Justice (DOJ) and the Department of Treasury (DOT) reporting from fiscal year 2011 to fiscal year 2015 (5 years) to assist the City in updating the equitable sharing revenues, expenditures, and interest reported by the Hallandale Beach Police Department to the Asset Forfeiture and Money Laundering Section ("AFMLS") in prior years.

In performing our services, we will be relying on the sufficiency, accuracy, and reliability of information provided by the City of Hallandale Beach. Our ability to complete our work will depend on the cooperation of the City.

Scope of Our Work

The outline of our work plan is included in Appendix A to this letter, which indicates specific procedures delineated by the DOJ and certain other general procedures that we deem necessary.

Our procedures will be performed pursuant to the Standards for Consulting Services issued by the American Institute of Public Accountants. Because the above procedures do not constitute an audit conducted in accordance with auditing standards generally accepted in the United States of America, we will not express an opinion on any of the accounts or items referred to above. Our engagement cannot be relied upon to disclose errors, irregularities or illegal acts, including fraud or defalcations that may exist. We will inform you of any material errors, irregularities or illegal acts that come to our attention, unless they are clearly inconsequential.



The sufficiency of the procedures for this purpose and the contents of our work plan are solely the responsibility of the City and the DOJ. Consequently, we make no representations regarding the sufficiency of the procedures either for the purpose of this engagement or for any other purpose. At the conclusion of our engagement, we may require a representation letter from you stating that the procedures performed were consistent with the procedures you requested. Upon completion of the procedures we will provide you with a report of our findings.

Our Report

Our findings will be communicated to you in a written memorandum. This report is intended solely for the use of the City and the DOJ in connection with evaluating the accuracy of the reconciliation of the Hallandale Beach Police Department's ("HBPD") equitable sharing account balances from fiscal year 2011 to fiscal year 2015, and should not be used by the City or DOJ for any other purposes without our prior written consent. The provision of our report to the City will constitute satisfactory completion of our engagement, and we have no responsibility to update our report for events and circumstances that occur after the date of its issuance.

Independence and Non-Solicitation

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. In order to preserve the integrity of our relationship, no offer of employment shall be discussed with any Marcum professionals assigned to the engagement, including within the one year period subsequent to the engagement. Should such an offer of employment be made, or employment commences during the indicated time period, we will consider this an indication that our independence has been compromised. As such, we may be required to recall our report due to our lack of independence. In the event additional work is required to satisfy independence requirements, such work will be billed at our standard hourly rates.

Third-Party Service Providers

The Firm may, from time to time, and depending on the circumstances, use third-party service providers to assist us with this engagement. We may share confidential information about you with the third-party service providers, but remain committed to maintaining the confidentiality of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information. Furthermore, the Firm will remain responsible for the work performed by such third-party service providers.

Dispute Resolution Procedure, Waiver of Jury Trial and Jurisdiction and Venue for Any and All Disputes Under This Engagement Letter and Governing Law

AS A MATERIAL INDUCEMENT FOR US TO ACCEPT THIS ENGAGEMENT AND/OR RENDER THE SERVICES TO THE TOWN IN ACCORDANCE WITH THE PROVISIONS OF THIS ENGAGEMENT LETTER:

The Firm and the City each hereby knowingly, voluntarily and intentionally waive any right either may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this engagement letter and/or the services provided hereunder, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party. The Firm and the City each expressly agree and acknowledge that the Circuit Court of the 17th Judicial Circuit, in and for the Broward County, Florida, and the United States District Court for the Southern District of Florida, shall each have exclusive and sole jurisdiction and venue for any respective state or federal actions arising from, relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions of either party.

The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of the Firm and/or the City and our relationship with you shall be governed by the laws of the State of Florida to the extent said laws are not inconsistent with the Federal Securities Laws and Rules, Regulations and Standards thereunder. In any litigation brought by either the Firm or the City, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.

We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct and indirect charges including out-of-pocket expenses incurred through the date of termination or resignation.

No action, regardless of form, arising out of the services under this agreement may be brought by either party more than one year after the date of the last services are provided under this agreement.

Fees

Our fee for these services will be based on the actual time spent at our discounted hourly rates. Our hourly rates vary according to the level of the personnel assigned to your procedures. Our invoices for these fees will be rendered as the work progresses, and are due and payable upon presentation. In the event that you dispute any of the fees or expenses on a specific invoice, you agree to notify us within twenty (20) days of receipt of the invoice of such dispute. If you fail to notify us within the twenty (20) day period, your right to dispute such invoice will be waived. Prior to the commencement of the services described above, any past due balances are required

Honorable Mayor, City Commission and City Manager
City of Hallandale Beach
January 28, 2016
Page 4

to be paid in full. In accordance with our Firm policies, should any invoice remain unpaid for more than thirty days, we reserve the right to defer providing any additional services until all outstanding invoices are paid in full. Amounts past due 60 days from the invoice date will incur a finance charge of 1% per month. Nothing herein shall be construed as extending the due date of payments required under this agreement, and you agree that we are not responsible for the impact on the Town of any delay that results from such non-payment by you.

As a result of our planning process, we believe that the professional services described in Appendix A can be completed for an estimated fee of \$6,000 to \$7,000. The estimate of our fee is based on certain assumptions, including the scope of procedures that may be requested, and the required assistance by the City's management in providing us with requested information and responding to our inquiries. Additional services provided beyond the described scope of services will be billed separately. If our estimate needs to be revised based on the documents provided or the lack of documentation provided, we will discuss with you in advance prior to incurring additional costs and provide a revised estimate for those services.

Agreement

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provision of this letter is determined to be unenforceable, all other provisions shall remain in force.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the City and that no other person or entity shall be authorized to enforce the terms of this engagement.

If you agree with the terms of our engagement, as described in this letter, please sign the letter and return it to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Very truly yours,

Marcum LLP

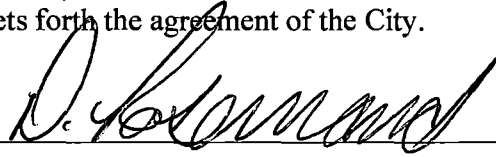


Michael D. Futterman, CPA
Partner

Honorable Mayor, City Commission and City Manager
City of Hallandale Beach
January 28, 2016
Page 5

This letter correctly sets forth the agreement of the City.

Officer's Signature: _____

A handwritten signature in black ink, appearing to read "D. Roman", written over a horizontal line.

Title: City Manager

Date: _____

1-29-16

APPENDIX A

Our procedures will consist of the following:

- The current year's Department of Justice ("DOJ") equitable sharing bank statement balances must be reconciled to the DOJ general ledger. The new balance is to be properly reconciled and supported by HBPD's DOJ equitable sharing funds cash on hand. The same reconciliation is requested as to HBPD's Treasury Department equitable sharing fund account.
- City's equitable sharing accounts are to be reviewed to support, upon completion of the review, for HBPD to provide the following items to AFMLS for all fiscal years 2010-2011 through 2014-2015:
 - Detailed support for the reconciliation of DOJ and Treasury equitable sharing revenues and expenditures for the fiscal years reviewed.
 - Bank verification of the current DOJ and Treasury equitable sharing balance as well as the current fiscal year general ledger reflecting the DOJ and Treasury equitable sharing fund balance.
 - Documentation as evidence that all DOJ and Treasury equitable sharing revenues, expenditures, and interest are no longer commingled, and are tracked together on a separate account or accounting code.