

December 16, 2021

To the Chair and Board of Commissioners and CRA Executive Director
Delray Beach Community Redevelopment Agency
Delray Beach, Florida

You have requested that we audit the financial statements of the governmental activities, general fund, and the aggregate discretely presented component unit of the Delray Beach Community Redevelopment Agency (the “CRA” or “Agency”), as of September 30, 2021 through 2024, and for the years then ended, and the related notes to the financial statements, which collectively comprise the CRA’s basic financial statements as listed in the table of contents.

Accounting Standards generally accepted in the United States of America require that certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management’s responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management’s Discussion and Analysis
2. Budgetary Comparison Schedule

Supplementary information other than RSI will accompany the CRA’s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Block 60 Parking Condominium Association, Inc. – Component Unit
 1. Statement of Net Position
 2. Statement of Activities
 3. Statement of Cash Flows
 4. Schedule of Revenues and Expenses – Budget and Actual

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the CRA's basic financial statements. Our report will be addressed to the governing body of the CRA. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report on Redevelopment Trust Fund Compliance upon completion of our audit.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods or any losses that might be incurred during any later periods for which we are not engaged as auditors.

Management's Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP");
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including the disclosures, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;

- d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report.
4. For including the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us;
 5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
 6. For preparing written representation requests from the CRA's attorneys as part of the engagement, and they may bill you for responding to these inquiries.
 7. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 8. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials;
 9. For informing us of their knowledge of any allegations of fraud or suspected fraud affecting the CRA received in communications from employees, former employees, regulators or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. We strongly urge you to obtain insurance protection for such risks;
 10. For the accuracy and completeness of all information provided; and
 11. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information.

At the conclusion of our audit, we will request certain written representations from you that, among other things, will confirm management's responsibility for the preparation of the financial statements in accordance with GAAP, attesting to the completeness and truthfulness of representations and disclosures made to us during the course of our work, the completeness and availability of all minutes of the Board and committee meetings, and, to the best of your knowledge and belief, the absence of irregularities involving management or those employees who have significant roles in the CRA's internal control structure. Management is also responsible for adjusting the financial statements to correct misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the audited financial statements are immaterial,

both individually and in the aggregate, to the financial statements as a whole. Any assistance provided by us in preparing the financial statements, adjusting entries or disclosures does not decrease management's responsibility to assure that the result is not misleading. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing any such services. The management representation letter must be signed and returned to us before we will release our auditors' report.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Communication with Those Charged with Governance

As part of our engagement, we are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process as well as other matters we believe should be communicated to those charged with governance. GAAS does not require the auditor to design procedures for the purpose of identifying other matters to communicate with those charged with governance. Such matters include, but are not limited to, (1) the initial selection of and changes in significant accounting policies and their application; (2) the process used by management in formulating particularly sensitive accounting estimates and the basis for our conclusions regarding the reasonableness of those estimates; (3) all passed audit adjustments; (4) any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the financial statements or our report; (5) our views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters; (6) major issues that were discussed with management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; (7) serious difficulties that we encountered in dealing with management related to the performance of the audit; and (8) matters relating to our independence as the CRA's auditors.

Auditors' Report and Reproduction

We will issue a written report upon completion of our audit of the CRA's financial statements. Our report will be addressed to those charged with governance. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report. If for any reason, we are unable to complete the audit or we are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

If you intend to publish or otherwise reproduce the financial statements and/or make reference to our Firm, you agree that the CRA's management will provide us with a draft for our review and approval before disclosure, inclusion or incorporation by reference of any of our reports or the reference to Marcum before such document or information is published, printed or distributed. You also agree to provide us with the final reproduced material for our approval before it is distributed. In addition, to avoid unnecessary delay or misunderstanding, you agree to provide us timely notice of your intention to issue any such document.

With regard to the electronic dissemination of the CRA's financial statements, including financial statements published electronically on the CRA's website, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document. However, you agree that you will notify Marcum and obtain our approval prior to including any of our reports on any electronic site.

Assistance By Your Personnel

We will ask that your personnel, to the extent possible, prepare required schedules and analyses, and make selected invoices and other required documents available to our staff. This assistance by your personnel will serve to facilitate the progress of our work and minimize our time requirements.

You acknowledge that the CRA's confidential information may be transmitted to us through an information portal or delivery system established by us or on our behalf. You shall notify us in writing of your employees, representatives, or other agents to be provided access to such portal or system; upon the termination of such status, you shall immediately notify us in writing. You acknowledge that you are responsible for the actions of your current and former employees, representatives, or other agents in connection with the transmission of your information. During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you understand that communication in those mediums involves a risk of misdirected or intercepted communications.

Background Checks

As a matter of our Firm policy, we may perform background checks on potential clients and/or on existing clients, on an as-determined basis. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures and we reserve the right to withdraw from any relationship should information which we deem to be adverse come to our attention. The results of all background checks and other investigatory procedures are submitted to, and reviewed by, our Firm's Client Acceptance Committee.

Predecessor Auditor

Before formally accepting this engagement, we are required by auditing standards generally accepted in the United States of America to make certain communications with your predecessor auditor. Soon after our appointment as your new auditors, we will request your permission to contact your predecessor auditor, and they will require your authorization to respond fully to our inquiries and to provide us with copies of certain of their working papers. Our continued acceptance of this engagement is subject to the results of such communication. We will notify you immediately if we become aware of anything from your predecessor auditor that results in our not being able to continue this engagement and requiring us to resign from this engagement.

Independence

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 audit, including within the one-year period prior to the commencement of the year-end audit, and through the date of issuance of our audit report. Pursuant to professional standards, 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 auditors' 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.

Confidentiality/Access to Working Papers

To the extent that, in connection with this engagement, Marcum comes into possession of the CRA's proprietary or confidential information, Marcum will not, except as described herein, disclose such information to any third party without consent, except (a) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining to the subject matter of this engagement letter, or (b) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by Marcum in breach hereof, (ii) is disclosed by you to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to Marcum on a non-confidential basis from a source other than you, your employees or agents which Marcum believes is not prohibited from disclosing such information to Marcum by obligation to you, (iv) is known by Marcum prior to its receipt from you, your employees or agents without any obligation of confidentiality with respect thereto, or (v) is developed by Marcum independently of any disclosures made by you or your employees or agents to Marcum of such information. You authorize Marcum to participate in discussions with and to disclose your information to your agents, representatives, administrators or professional advisors (including accountants, attorneys, financial and other professional advisors), their respective officers, directors or employees, and other parties as you may direct. In addition, you

acknowledge and agree that any such information that comes to the attention of Marcum in the course of performing this engagement may be considered and used by Marcum in the context of responding to its professional obligations as the CRA's independent accountants.

The working papers prepared in conjunction with our engagement are the property of Marcum and constitute confidential information. These working papers will be retained by us in accordance with applicable laws and with our Firm's policies and procedures. However, we may be required, by law or regulation, to make certain working papers available to regulatory authorities for their review, and upon request, we may be required to provide such authorities with photocopies of selected working papers.

The Firm is required to undergo a "Peer Review" every three years. During the course of a Peer Review engagement, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Consequently, the accounting and/or auditing work we performed for you may be selected. Your signing this letter represents your acknowledgement and permission to allow such access should your engagement be selected for review.

As a result of our prior or future services to you, we may be required or requested to provide information or documents to you or a third party in connection with a legal or administrative proceeding (including a grand jury investigation) to which we are not a party. If this occurs, we shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees) in complying with such request or demand. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of our profession.

Third-Party Service Providers

Marcum may use or subcontract the services to its affiliates, subsidiaries, Marcum related parties and/or third parties, (e.g. Confirmation.com and Bloomberg Professional Services) including contractors, subcontractors and cloud-based service providers, in each case within or outside of the United States (each, a "Subcontractor") in connection with the provision of services and/or for internal, administrative and/or regulatory compliance purposes. You agree that Marcum may provide confidential and other information Marcum receives in connection with this agreement to Subcontractors for such purposes. Marcum maintains internal policies, procedures and safeguards to protect the confidentiality of your information and Marcum will remain responsible to you for the protection of such information and services performed by such Subcontractors as provided herein.

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 ORGANIZATION IN ACCORDANCE WITH THE PROVISIONS OF THIS ENGAGEMENT LETTER:

This Firm and the CRA 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.

This Firm and the CRA each expressly agree and acknowledge that the Circuit Court of the 15th Judicial Circuit, in and for Palm Beach 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 arising after the date of this engagement letter.

The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of this Firm and/or the CRA 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 there under.

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 or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorneys' fees.

LIMITATION OF LIABILITY

You agree that our liability arising from or relating to our services shall not exceed the total amount paid by you for the services described herein. This shall be your exclusive remedy.

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

The CRA hereby indemnifies Marcum and its partners, principals, and employees, and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a **known and intentional misrepresentation** by a member of the CRA's management,

regardless of whether such person was acting in the CRA's interest. This indemnification will survive completion or termination of this agreement.

We will not assume management responsibilities on behalf of the CRA. However, we will provide advice and recommendations to assist management of the CRA in performing its responsibilities.

The CRA's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee any non-attest services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

We are prohibited by professional standards from preparing source documents and authorizing or approving transactions. Accordingly, management must determine and approve all transactions including appropriate account classifications. As part of our engagement, we may propose standard, adjusting or correcting journal entries to the financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

The services cannot be relied on to detect errors, fraud or illegal acts that may exist. However, we will inform you of any material errors, fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in the CRA's internal control as part of a non-attest/non-audit service engagement.

We will perform the following services that are considered non-attest services:

- Assistance with the Financial Statement Preparation

Other Services

We are always available to meet with you and/or other executives at various times throughout the year to discuss current business, operational, accounting and auditing matters affecting the CRA. Whenever you feel such meetings are desirable please let us know; we are prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend the meetings of the CRA's Board.

Timeline

Marcum's engagement ends on the earlier of termination (including without limitation, our resignation or declining to issue a report or other work product) or Marcum's delivery of its report. Any follow-up services that might be required will be a separate, new engagement. The

terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Fees

Our fee will be based on the services to be provided hereunder, the timeliness and completeness of the information and documentation provided to us, firm technology, firm processes, and time required of personnel at our discounted hourly rates. Our discounted hourly rates vary according to the level of the personnel assigned to your audit. 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 to be paid in full. In accordance with our Firm policies, should any invoice remain unpaid for more than thirty (30) days, we reserve the right to defer providing any additional services until all outstanding invoices are paid in full. Amounts past due sixty (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 CRA of any delay that results from such non-payment by you.

We estimate that our fees for the September 30, 2021 through 2024 audits of the CRA will not exceed \$28,000.

This estimate of our fees is based on certain assumptions, including the required assistance described above. To the extent that certain circumstances includes, but not limited to those listed in Appendix A, arise during the engagement, our fee estimate may be significantly affected and additional fees may be necessary but will be discussed with you prior to incurring any additional costs. Additional services provided beyond the described scope of services will be billed separately.

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 it is determined that any provision of this letter is unenforceable, all other provisions shall remain in full force and effect. 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.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the CRA and that no other person or entity shall be authorized to enforce the terms of this engagement. The undersigned represents and warrants that it has the requisite authority and

consents to enter into and perform this Agreement and the obligations herein for and on behalf of the CRA.

If you agree with the terms of our engagement, as described in this letter, please sign this PDF version of the engagement letter and return it to us by email and we will send you a fully executed copy.

Our acceptance of this engagement and return of a fully executed engagement letter is subject to the review and approval of our Firm's Client Acceptance Committee. If our Client Acceptance Committee decides not to accept this engagement for any reason, then we will inform you immediately in writing.

Moises D. Ariza, CPA, CGMA is the Engagement Partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This agreement is renewable at the option of the CRA for two (2) additional two (2) year periods. If the option years are exercised, a separate engagement letter describing the scope, fees, and limitations of such services will be required. 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

Moises D. Ariza, CPA, CGMA
Partner

ACCEPTED

This letter correctly sets forth the agreement of Delray Beach Community Redevelopment Agency.

Officer's signature: _____

Title: _____

Date signed: _____

Delray Beach Community Redevelopment Agency
Circumstances Affecting Timing and Fee Estimate

The estimated fee is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by Marcum in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Marcum may incur significant unanticipated costs.
2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to Marcum (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). Marcum will provide the accounting personnel with a separate listing of required schedules and deadlines.
3. Weaknesses in the internal control structure.
4. Significant new issues or unforeseen circumstances as follows:
 - a. New accounting issues that require an unusual amount of time to resolve.
 - b. Changes or transactions that occur prior to the issuance of our report.
 - c. Changes in the Organization's accounting personnel, their responsibilities, or their availability.
 - d. Changes in auditing requirements set by regulators.
5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by Marcum. All invoices, contracts and other documents which we will identify for the Organization, are not located by the accounting personnel or made ready for our easy access.
6. A significant level of proposed audit adjustments are identified during our audit.
7. Changes in audit scope caused by events that are beyond our control.
8. Untimely payment of our invoices as they are rendered.