Item 6.b.

CBIZ Engagement Letter for FY25-26

City of Delray Beach *Human Resources - Pension*

M E M O R A N D U M

TO:	City of Delray Beach Police Officers' Retirement System Board of Trustees
FROM:	Lisa Castronovo, Pension Administrator
SUBJECT:	CBIZ engagement letter for FY 2025-26
DATE:	August 13, 2026

ISSUE:

Engagement letter for CBIZ for FY 2025-26

EXPLANATION:

CBIZ, the auditors for the City, the Firefighters Retirement System, and the Police Officers' Retirement System, has offered to extend its audit services for fiscal year 2025-26, which represents the second year of the current option period. The fee for the additional year is $22,800, an increase of $2,600 from prior years. Managing Director Moises Ariza provided an explanation for the increased fee (attached).

RECOMMENDATION:

Motion to approve CBIZ engagement letter for FY 2025-26

CBIZ CPAs

CBIZ CPAs P.C.

2255 Glades Road
Suite #321A
Boca Raton, FL 33431

P: 561.994.5050

May 22, 2026

To the Board of Trustees and Plan Administrator
City of Delray Beach Police Officers' Retirement System
100 N.W. 1st Avenue
Delray Beach, Florida

Dear Board of Trustees and Pension Administrator:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide City of Delray Beach Police Officers' Retirement System (the "Plan", "Client", "Entity", "you," or "your"). This letter constitutes the entire agreement between the Entity and CBIZ CPAs P.C. ("CBIZ CPAs," "Firm," "we," "us," or "our"") regarding the services described herein.

ENGAGEMENT OBJECTIVES AND OUR RESPONSIBILITIES

We will audit the financial statements of the Plan, as of September 30, 2026, and for the fiscal year then ended and the related notes to the financial statements, which collectively comprise the Plan's financial statements as listed in the table of contents. As stipulated in the City of Delray Beach Request for Proposal No. 2019-043, the parties have the option to extend the agreement for two (2) additional one-year periods through fiscal year ending September 30, 2028.

Our audit will be conducted with the objectives of our expressing an opinion.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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. 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 auditing standards generally accepted in the United States of America ("GAAS") and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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 financial statements.

Accounting principles generally accepted in the United States of America ("U.S. GAAP") as promulgated by the Governmental Accounting Standards Board (GASB) require that certain information, 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 GASB, 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 Plan's required supplementary information ("RSI") in accordance with GAAS. These limited procedures will consist 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, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of City Contributions
- Schedule of Investment Returns

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

- Schedule of Administrative and Investment Expenses

It is our understanding that our auditors' report will be included in your annual report which is comprised of financial statement of the Plan and that this annual report will be issued by March following the Plan's fiscal year.

Auditor Responsibilities

We will conduct our audits in accordance with GAAS, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards,* we will exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

2. Obtain an understanding of the system 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 Plan'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.

3. 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

4. Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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 may not be detected exists, even though the audit is properly planned and performed in accordance with 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.

Our responsibility as auditors is 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 Plan's financial statements. Our report will be addressed to the governing body of the Plan. 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 opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this 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.

MANAGEMENT'S RESPONSIBILITIES

Our audit will be conducted on the basis that management and, when appropriate, 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 U.S. GAAP;
2. For the design, implementation, and maintenance of an effective system of internal control over the financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying and ensuring that the entity complies with laws, statutes, regulations, rules, provisions of contracts and implementing systems designed to achieve compliance with applicable with laws, statutes, regulations, rules, provisions of contracts;
4. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
5. For taking prompt action when instances of noncompliance are identified;
6. 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 and others 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 (if applicable); 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.
7. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
8. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
9. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;

10. For informing us of any known or suspected fraud affecting the Plan involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
11. For the accuracy and completeness of all information provided;
12. For the evaluation of the effectiveness of the Plan's internal control over financial reporting using suitable and available criteria;
13. For providing us with management's written assessment about the effectiveness of the Plan's internal control over financial reporting;
14. For supporting management's assessment about the effectiveness of the Plan's internal control over financial reporting with sufficient evaluations and documentation (e.g., policy or accounting manuals, narrative memoranda, flowcharts, decision tables, procedural write-ups, or completed questionnaires)
15. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
16. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

Management is responsible for all management decisions and performing all management functions including critical judgments and conclusions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee any financial statement preparation services, or other services we or our associated company CBIZ, Inc. (or its related entities (collectively with CBIZ, Inc., "CBIZ")) provides.

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. If you are missing any documents or workpapers from our prior years' engagements, it is your responsibility to inform us. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors' report to the date the financial statements are issued.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

It is our understanding that our auditors' report will be included in your annual report which is comprised of the financial statements of the Plan and that this annual report will be issued by the subsequent February following the Plan's fiscal year end.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Plan's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

ENGAGEMENT FEES

We estimate that our fees for the services for 2026 will not exceed $22,800.

Following commencement of the audit, invoices will be issued on a periodic basis to reflect the progress of work completed.

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality, and completeness of the Client's records and, where applicable, upon the Client's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Client employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.). Circumstances – including but not limited to those such as those listed in Appendix A – may arise during the engagement that may cause delay or significantly affect our fees. CBIZ CPAs shall not be responsible for any consequences.

Invoices are due upon receipt. If our invoices for this, or any other engagements the Client may have with us, are not paid within 30 days after the invoice date, we may suspend or terminate our services for this and any other engagements. If we suspend our services, we may require that the Client pay all amounts due and/or submit a retainer to CBIZ CPAs before we resume such services. The Client agrees that if we suspend or terminate our services as a result of nonpayment, we will not be responsible for any consequences.

If invoices are not paid within 30 days of the invoice date, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law.

DISPUTE RESOLUTION PROCEDURE (MEDIATION AND ARBITRATION) AND GOVERNING LAW

Except for an action for collection of fees due under this engagement letter, any dispute arising out of or relating to this engagement, or breach thereof, shall first be submitted for mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures. The parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach a consensual resolution of the dispute. The mediator shall be selected by agreement of the parties; if the parties cannot agree on a mediator, a mediator shall be appointed by the AAA. The mediation shall be treated as a settlement discussion and shall be confidential. The mediator may not testify for any party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceeding. Each party shall bear its own costs in the mediation, and the fees and expenses of the mediator shall be shared equally by the parties. No other proceeding shall be commenced prior to 60 days after the parties' first appearance before the mediator.

If a dispute has not been resolved within 60 days after the written initiation of the mediation, the dispute shall be settled by arbitration administered by the AAA under its Accounting and Related Services Arbitration Rules (the "Rules"). In the event of a conflict between the Rules and this Agreement, this Agreement shall control. The arbitration shall be conducted before a panel of three arbitrators, selected by application of the rules of the AAA, or by mutual agreement of the parties, except that all arbitrators shall be lawyers or former judges. Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery. The arbitration panel shall issue its final award in a written and reasoned decision to be provided to each party. The arbitration panel shall have no authority to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction. All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content, or result of the arbitration only as expressly provided by the Rules. The award reached as a result of the arbitration will be binding on the parties, and judgment on the award may be entered in any court having jurisdiction.

The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of the Firm and/or the Client and our relationship with you shall be governed by the laws of the State of Florida (without giving effect to its choice of law principles).

LIMITATION OF LIABILITY

Unless otherwise prohibited by law or applicable professional standard, you agree that CBIZ CPAs and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ CPAs pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ CPAs. Unless otherwise prohibited by law or applicable professional standard, in no event shall CBIZ CPAs or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.

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 Plan hereby indemnifies CBIZ CPAs and its shareholders and other professionals, 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 Plan's management, regardless of whether such person was acting in the Plan's interest. This indemnification will survive completion or termination of this agreement.

OTHER MATTERS

Auditors' Report and Reproduction

We will issue a written report upon completion of our audit of the Plan'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 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.

Except to the extent prohibited by law, if you intend to publish or otherwise reproduce the financial statements and/or make reference to our Firm, you agree that the Plan'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 CBIZ CPAs 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. Our fees for any additional procedures or services we require to provide approval to you would be in addition to those fees discussed above. Notwithstanding the foregoing, you may distribute the financial statements "as is," without our written consent; provided such financial statements are not inserted in any other document or are not altered or revised in any manner, including without limitation, the alteration, addition or removal of data or information to or from such financial statements.

Background Checks

As a matter of our Firm policy, we may perform background checks, which may require out-of-pocket expenses. 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 engagement should information we deem to be adverse come to our attention.

Independence and Our Personnel

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. These services are being provided under the AICPA and Government Accountability Office (GAO) independence standards. If the Plan becomes subject to Public Company Accounting Oversight Board ("PCAOB") or Securities and Exchange Commission ("SEC") independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA and Government Auditing Standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards. CBIZ CPAs' acceptance of this engagement is conditioned on confirming that it is independent under applicable standards. We will inform you promptly if we determine that we are not independent.

In addition, we will periodically reevaluate our independence as part of our customary client continuance process or more frequently should circumstances arise that may require us to investigate whether our independence may have been impaired in which case we may terminate and resign from this engagement in our sole and absolute discretion. You agree to promptly advise us of any matters or changes in circumstances that could affect our independence or give rise to conflicts including, changes in senior management or the Board of Trustee, or entities that may have preexisting relationships with CBIZ or CBIZ CPAs or conflicts that could affect our independence.

Any discussions that the Client has with personnel of CBIZ CPAs or CBIZ regarding potential employment with the Client could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure our independence on this engagement. Any additional costs incurred due to these procedures will be billed at our standard hourly rates.

Furthermore, we strive to maintain a staff of quality, trained professionals. In recognition of the investment we have made to recruit and develop our personnel, solely to the extent not prohibited by law, you agree to not solicit any of our employees involved in this engagement at any time while we are performing services for you or within one year thereafter; irrespective of whether they've worked on your account or not. However, this limitation shall not apply to employment via a general solicitation or open job posting which is not directed towards the employee or CBIZ CPAs.

Access to Working Papers; Confidentiality

Our workpapers and files for this engagement are the property of CBIZ CPAs. If we receive a subpoena or other administrative, judicial, or government demand or request requiring it to provide information or documents, we will, unless prohibited by law, provide written notice to the Plan of such demand or request. The Plan shall reimburse CBIZ CPAs for our time at standard rates and reasonable expenses (including reasonable attorneys' fees and expenses) incurred in responding to such demands or requests.

Certain professional standards, including American Institute of Certified Public Accountants Code of Professional Conduct 1.700 and similar rules adopted by state boards of accountancy, prohibit the disclosure of client confidential information without client consent, except in limited circumstances. CBIZ CPAs will treat the Client's confidential information in accordance with applicable professional standards. The Client acknowledges and agrees that we may disclose confidential information as directed by the Client or as permitted by law, rule, regulation, professional standards or guidelines, or the terms of this engagement letter. The Plan authorizes CBIZ CPAs to use email and other electronic methods to transmit and receive information, including confidential information, related to this engagement. CBIZ CPAs will employ commercially reasonable efforts to protect the confidentiality of transmitted information.

In performing our engagement, we will utilize professional and administrative staff who are employed by or otherwise associated with CBIZ or other entities. These individuals will be under the direct control and supervision of CBIZ CPAs, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and CBIZ CPAs has contractual agreements requiring confidential treatment of all client information.

In addition, the Plan agrees that we may provide CBIZ with access to the Plan's accounting, financial, and other records in our possession so that CBIZ can provide the Plan with any services it has engaged them to perform.

Should you request that we use a third-party electronic file transfer service in connection with this engagement, you acknowledge that CBIZ CPAs makes no representations or warranties regarding the security of data transmitted to and from, or stored by, that third-party electronic file transfer service. You also agree that CBIZ CPAs is not responsible for any loss, or unauthorized interception, of data transmitted to and from, or stored by, third-party electronic file transfer service.

You agree that we may use confidential information we receive as part of this engagement for internal and/or third-party data analysis or other insight generation. Information developed in connection with these purposes may be disclosed to you or current or prospective clients, but only on an anonymous basis; we will not use or disclose confidential information in a way that would permit you to be identified by third parties without your consent.

In addition, you agree that we may use your name and logo and a brief description of our services solely for the purpose of identifying you as a client of the Firm in the Firm's marketing and promotional materials, including proposals.

Nothing in this letter is intended to limit your rights and obligations pursuant to the Florida "Sunshine Law", Florida Statute 286.011.

Regarding the application of Chapter 119 (Public Records), Florida Statutes, the Custodian of public records for this contract is:

Lisa Castronovo, CEBS, CPPT
100 NW 1st Avenue
Delray Beach, FL 33444
(561) 243-7289
castronovol@mydelraybeach.com

Termination

Our engagement ends on the earlier of termination or resignation (including without limitation, our declining to issue a report or other work product) or CBIZ CPAs' delivery of its report. We acknowledge your right to terminate this agreement at any time, and you acknowledge our right to terminate this agreement and resign at any time in our sole and absolute discretion, 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. All terms which by their nature are reasonably intended to survive will survive termination, resignation or expiration.

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 Plan and the City of Delray Beach 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 Plan.

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.

A copy of our most recent peer review report is available on our website (www.cbizcpas.com/about-us).

Very truly yours,

Moises D. Ariza, CGMA, CPA
Shareholder
CBIZ CPAs P.C.

Date Signed: ______________

ACKNOWLEDGED AND AGREED

Authorized signature:________________________

Name: _____________________________________

Title: _____________________________________

Date signed: ______________________________

APPENDIX A

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 CBIZ CPAs in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, CBIZ CPAs 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 CBIZ CPAs (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). CBIZ CPAs 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 Client'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 CBIZ CPAs. All invoices, contracts and other documents which we will identify for the Client, are not located by the accounting personnel or made ready for our easy access.

6. A significant level of proposed audit adjustments is 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.

From:	Ariza, Moises
To:	Castronovo, Lisa
Cc:	Weber, Paul; Mahoney, Craig; Pension; Montgomery, Scott
Subject:	RE: Delray Beach Police and Firefighters" Retirement System - Engagement Letters
Date:	Tuesday, July 7, 2026 12:11:36 PM
Attachments:	image002.png image006.png image007.png image008.png Delray Beach Police Officers' Retirement AUD ENG LTR 093026 - 5.22.26.pdf Delray Beach Firefighters' Retirement AUD ENG LTR 093026 - 5.22.26.pdf

Good morning Lisa – I hope all is well. **Please confirm receipt of this email.**

First, I would like to apologize for my delayed response. I believe Scott mentioned that I experienced an unexpected family emergency that required an extended leave of absence. I have recently returned to the office and appreciate your patience.

Regarding the engagement letter, it applies solely to fiscal year 2026, which represents the second year of the current option period. The original pension audit engagement letters executed in February 2022 do not align with the audit service periods established under City Request for Proposal No. 2019-043. We identified this discrepancy when reviewing and executing the option years under the City's agreement. As outlined in RFP No. 2019-043 (see image below), the initial contract period covered six fiscal years (FY 2019 through FY 2024), followed by two option periods (FY 2025–FY 2026 and FY 2027–FY 2028). To ensure consistency with the terms of the RFP, the engagement letter has been structured to cover only fiscal year 2026.

Regarding the proposed fee, I would like to provide some additional context. For the past five years, the Pension Plans have benefited from a highly favorable audit fee arrangement. When the Plans' previous auditors elected to discontinue serving governmental entities, we were pleased to step in and provide continuity during a critical transition period. Since that time, we have maintained fees that have remained well below the actual costs incurred to perform the audit.

Based on our current standard billing rates, internal labor costs, and the level of effort required to perform the engagement in accordance with professional standards, our actual costs have consistently exceeded the fees charged in prior years. In developing our proposed fee for fiscal year 2026, we carefully considered increased labor costs, inflationary pressures, market pricing, and the specialized expertise required to perform this work. Even with these considerations, the proposed fee continues to represent approximately a 30% discount from our standard audit rates.

We greatly value our long-standing relationship with the Plans and remain committed to providing a high-quality audit while maintaining fees that are both fair and competitive. Please let me know if you would like to discuss the fee structure or engagement terms in more detail.

Sincerely,

Moe

Moises Ariza, CPA, CGMA
Managing Director, CBIZ
Shareholder, CBIZ CPAs P.C.
2255 Glades Road, Suite 321A, Boca Raton, FL, 33431

Moises.Ariza@cbiz.com
Phone: (561) 994-5050___

From: Castronovo, Lisa <castronovol@mydelraybeach.com>
Sent: Friday, June 26, 2026 10:01 AM
To: Montgomery, Scott <Scott.Montgomery@cbiz.com>
Cc: Ariza, Moises <Moises.Ariza@cbiz.com>; Weber, Paul <WeberP@mydelraybeach.com>; Mahoney, Craig <mahoney@mydelraybeach.com>; Pension <pension@mydelraybeach.com>
Subject: [EXT] FW: Delray Beach Police and Firefighters' Retirement System - Engagement Letters

Sender: castronovol@mydelraybeach.com from USA

Resending as I believe I did not receive a response.

Regards,

Lisa Castronovo, CEBS, CPPT | Pension Administrator
City of Delray Beach | 80 Depot Ave, Suite 1 | Delray Beach, FL 33444
☎ 561-243-7289 (direct) ☎ 7289 (ext)| ✉ castronovol@mydelraybeach.com

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From: Castronovo, Lisa
Sent: Thursday, May 28, 2026 1:58 PM
To: Montgomery, Scott <Scott.Montgomery@cbiz.com>
Cc: Ariza, Moises <Moises.Ariza@cbiz.com>; Weber, Paul <WeberP@mydelraybeach.com>; Mahoney, Craig <mahoney@mydelraybeach.com>; DeFranco, Alexandria <defrancoa@mydelraybeach.com>; Brown, Elizabeth <BrownE@mydelraybeach.com>
Subject: RE: Delray Beach Police and Firefighters' Retirement System - Engagement Letters

Good afternoon, Scott.

I just reviewed the 2022 agreements the Firefighters' and Police Officers' boards executed with Marcum (attached) for fiscal year ends 2021 – 2025. The following statement is in both agreements:

This agreement is renewable at the option of the Plan 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.

Based on this statement, I believe the agreements you provided now (under CBIZ) should be for fiscal year ends 2026 and 2027, with an option to then extend for fiscal year ends 2028 and 2029.

Please advise if I am correct. Also, please provide an explanation for the 12+% increase in the annual fee.

Regards,

Lisa Castronovo CEBS, CPPT
Pension Administrator
80 Depot Avenue, Suite 1
Delray Beach, FL 33444
(561) 243-7289
(561) 243-7082 (fax)
castronovol@mydelraybeach.com

From: Montgomery, Scott <Scott.Montgomery@cbiz.com>
Sent: Friday, May 22, 2026 2:32 PM
To: Castronovo, Lisa <castronovol@mydelraybeach.com>
Cc: Ariza, Moises <Moises.Ariza@cbiz.com>
Subject: Delray Beach Police and Firefighters' Retirement System - Engagement Letters

Hi Lisa,

As promised, please find attached the engagement letters the for the Police and Firefighters' Retirement System audits. Please return a signed PDF version of the letters back to us and we will send you a fully executed copy.

We look forward to working with you and your team again. Have a nice weekend.

Scott Montgomery, CPA
Director
CBIZ
Phone: (561) 653-7322 Cell: (561) 704-7122