



**Citrin Cooperman Advisors LLC**

50 Rockefeller Plaza  
New York, NY 10020  
T 212.697.1000 F 212.697.1004  
citrincooperman.com

September 30, 2024

Terrence Moore, City Manager  
City of Delray Beach, Florida  
100 NW First Avenue  
Delray Beach, FL 33444

Dear Mr. Moore,

Thank you for the opportunity to begin a relationship with the City of Delray Beach (the “Client” or the “City”). You have requested Citrin Cooperman Advisors LLC, a limited liability company formed under the laws of the State of Delaware, having its principal place of business at 50 Rockefeller Plaza, New York, NY 10020 (“CCA”) to provide advisory services as outlined below (the “Engagement”).

Throughout this letter, CCA and the Client or the City are each individually referred to as “Party” and collectively as the “Parties.”

This engagement letter represents the entire understanding between you and CCA with respect to the Engagement. Any amendments to this engagement letter must be in writing and signed by an authorized representative of both Parties.

Michael Camacho, Partner, will be responsible for the Engagement.

### **Scope of Services**

CCA is being retained by you, as it relates to the Engagement to provide Process & Internal Control Assessment services (the “Services”).

The Services performed under this engagement letter are advisory in nature and CCA, its partners, and staff have no decision-making authority in how the Client runs its business. Final decisions and outcomes regarding the Client’s operations, interactions with customers, and management of vendors and subcontractors are solely the responsibility of the Client and its officers and staff.

## ***PROCESS & INTERNAL CONTROLS ASSESSMENT***

We will perform a process and internal controls assessment over certain business processes with the goal of providing feedback as to the adequacy of the design of controls, identification of any deficiencies which come to our attention as a result of the procedures documented below, and areas for potential improvement based on best practices.

We will perform the following:

- **Step 1 – Scoping:** In conjunction with City Management and the Commission, discuss priorities and determine which business processes will be included in the scope of the current engagement.
  
- **Step 2 – Perform a Process and Internal Control Overview:** Using interviews and walk-throughs, obtain an understanding of the processes and internal controls, including an understanding of the roles and responsibilities of key personnel and technology, for the business processes agreed-upon in Step 1. Some examples of business processes are as follows:
  - Billing, Accounts Receivable, Cash Receipts (Tax, Water, Sewer)
  - Purchasing, Receiving, Accounts Payable, Cash Disbursements
  - Time Tracking, Payroll Processing, Payroll Recording
  - General Ledger Close, Financial Reporting
  - Debt Recording & Compliance
  - Capital Assets
  - Interfund Transfers
  - Pensions Funds (General, Police, Fire)
  - Grant Compliance
  - IT/Cybersecurity
  
- **Step 3 – Identification of Remedial Actions and Operational Comments:** During the Process and Internal Control Overview, identify potential control deficiencies or gaps, or other observations which come to our attention, which may result in potential enhancements to processes and controls and reduction of opportunities for fraud or asset misappropriation.
  
- **Deliverables:** We will provide the following deliverables at the end of this engagement:
  - **Executive Summary of Observations** – any identified control deficiencies or gaps, or other observations which may result in potential enhancements to processes and controls of the Client.

## **Professional Standards**

The Services will be performed in conformity with applicable professional standards, specifically the Statement on Standards for Consulting Services promulgated by the American Institute of Certified Public Accountants (“AICPA”).

Accordingly, we will plan the Engagement, in relation to any specific assignment, to accumulate sufficient relevant data to afford a reasonable basis for our oral or written findings and/or recommendations for management consideration and decision making. The Services are considered to be non-attest services and are considered advisory in nature under the AICPA’s code of professional conduct section ET 1.295.105.

## **Assumptions and Client Responsibilities**

The Client is responsible for making all management decisions, performing all management functions, and for designating an individual with suitable skill, knowledge, or experience to oversee the Services. The Client is responsible for evaluating the adequacy and results of the Services and accepting responsibility for them.

The Client understands the scope of the Services to be performed and acknowledges they possess suitable skills, knowledge, and experience sufficient to oversee the Services. Consequently, management of the City will be responsible for overseeing and evaluating the adequacy of and accepting the results of, and for making all management decisions with respect to the subject matter of the Services.

The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities. The Services cannot be relied on to detect errors, fraud, or illegal acts that may exist.

The work performed under this engagement letter is advisory in nature and CCA, its partners, and staff have no decision-making authority in how the Client runs its business. Final decisions and their outcomes regarding the Client’s operations, interactions with customers, and management of vendors and subcontractors are solely the responsibility of the Client and its officers and staff.

Management of the City is responsible for the fair presentation of the Client’s financial statements in conformity with US GAAP, if applicable, and for establishing and maintaining effective internal control over financial reporting, including (a) designing and implementing programs and controls to prevent and detect fraud, and (b) monitoring ongoing activities. Accordingly, the responsibility for matters pertaining to accounting and financial reporting, including the proper accounting treatment for a particular transaction, rests with management of the City.

You further acknowledge that you are responsible for:

- Coordinating to have the appropriate personnel with decision-making authority to approve the extent of and support the Services provided in the Engagement.
- Providing the facts, circumstances, and assumptions relevant to the Engagement and informing us of changes in facts, circumstances, and assumptions.
- Providing access to all financial records and related information, locations, critical systems or applications, and to management, internal experts, and personnel with information of relevance pertaining to the Engagement.
- Informing CCA of all known deficiencies in internal control over financial reporting or instances of fraud to which management is aware that are relevant to the Engagement.
- Evaluating the adequacy and the results of the Services and accepting responsibility for such results, including ultimate resolution to any observations or recommendations communicated to you which came to our attention during the Engagement.

We do not offer investment advice, nor do we recommend specific programs for investment. Therefore, the Engagement will not include any such advice or recommendation.

We will not audit or otherwise verify the data submitted by you that might be used in our calculations and planning, but we may ask you to clarify some of it.

### **Conflict Check**

We have undertaken an inquiry for any potential conflicts of interest with respect to the Engagement, and none have come to our attention. You agree, however, to notify us immediately in the event the individuals or entities related to the Engagement change, or if any new named party or parties should be included in the Engagement in the future. Also, this does not prevent or restrict CCA from providing services unrelated to the Engagement, and you agree that, should we require you to waive any conflict of interest for such unrelated matters, such waiver shall not be unreasonably withheld.

Our acceptance of the Engagement is subject to CCA's client intake and due diligence procedures.

### **Fees and Expenses**

Our professional fees for the Scope of Services described above will be based upon the actual number of hours required to complete the process and internal control assessments for the selected business processes at our discounted hourly rates listed below. During Step 1 of the engagement, we will discuss the estimated hours to complete each business process selected by the City to limit our professional fees under this engagement to no more than \$60,000. If, at a later date, the City wishes to perform additional process and internal control assessments for other business processes, a new engagement letter will be executed.

Level	Discounted Hourly Rates	Standard Hourly Rates
Partner	\$400	\$490 - \$750
Director	\$350	\$400 - \$450
Manager	\$300	\$325 - \$375
Senior	\$190	\$250 - \$280
Staff	\$160	\$190 - \$220
IT Senior	\$200	\$260 - \$290
IT Staff	\$150	\$200 - \$230

You will also be billed for actual out-of-pocket costs such as report production, direct technology fees, research and library databases, shipping, travel, meals and fees for services from other professionals, as well as a charge of 5% of fees for all other expenses, including indirect administrative expenses such as technology, communications and clerical assistance. Neither the amount of our fees nor the payment of our fees and expenses will depend on the results of our work.

If a modification or other alteration to the Engagement, including deliverables, timeframes, and fees is identified by either the City or CCA, it shall be brought to the attention of the other Party's management and may be documented in a separate engagement letter, which shall describe, at a minimum, the original item to be changed, the proposed change, the reason for the change, and the impact of the change on the Engagement, including the Engagement's schedule and pricing.

### **Payment Terms**

Invoices for the aforementioned fees and expenses will be rendered each month as work progresses. Payment for each invoice is due upon receipt. In accordance with CCA firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full.

You acknowledge and agree that we are not required to continue work in the event of your failure to pay any statement or invoice from us. Should work be suspended, CCA shall not be liable to you for any damages that occur as a result of our ceasing to render the Services. In the event that a situation arises that precludes us from completing the Engagement, you agree to pay us for the time we incurred on the Engagement in accordance with our agreed upon fee structure.

In the event that the Client disagrees with or questions any amount due under an invoice, the Client agrees that they shall communicate such disagreement to us in writing within ten business days of the invoice date. Any disagreement with any amount not made known to CCA within that period shall be deemed waived.

To safeguard against any assertion or allegation that our work may in some way be influenced by, or contingent upon, the outcome of the Engagement, we require that you pay any outstanding professional fees prior to completion of the Engagement.

You agree to reimburse CCA for attorney's fees and costs incurred in connection with the collection of past due fees.

### **Document Production and Retention**

We will use our professional judgment in determining what records and documents will be reviewed and relied upon for the purpose of the Engagement. You understand that we will need prompt access to documents, materials, facilities, and/or personnel to perform the Services in a timely and professional manner. You further understand that delays in providing data or information may result in a delay in the completion of the Engagement and increased costs.

The accuracy of information supplied to CCA as part of the provision of the Services is the sole responsibility of the Client. CCA is not responsible and shall not be held liable for the results of the Services performed on the basis of inaccurate, incomplete, or untruthful information furnished by the Client.

The information and data the Client supplies to CCA will be complete and accurate in every respect to the best of the Client's knowledge; any reports, analysis, or other documents prepared by CCA will be used in compliance with all applicable laws and regulations; and the Client will hold CCA harmless for any breach of this representation. CCA's analysis will be based on the information and data supplied. CCA will have no responsibility to update the Services for events that occur after completion of the Engagement.

In accordance with our firm's current document retention policy, we will retain copies of the records supplied to us along with our workpapers for the Engagement for a period of ten years or a period based on applicable professional standards, whichever is longer.

Upon request, all of the original records provided by the Client to CCA will be returned. In the event records are not requested to be returned, they will be destroyed. Physical deterioration or catastrophic events may shorten the time during which our records will be available. The workpapers and files of CCA are not a substitute for the original records provided to us by the Client. It is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

### **Electronic Transmittals**

During the course of the Engagement, CCA or the City may need to electronically transmit confidential information to each other and to other entities engaged by either Party. E-mail is a fast and convenient way to communicate. However, e-mail is not a secure means of communication and thus, confidentiality could be compromised.

CCA utilizes Fieldguide, ShareFile or other CCA approved applications, a secure content collaboration, file-sharing and sync solution to electronically transmit confidential information. The City agrees to use ShareFile and acknowledges that the use of e-mail and other unsecure electronic methods to transmit and receive information, between CCA and the City and between CCA and third-party service providers or other entities engaged by either or the City, could be compromised.

The Client agrees not to provide to, make available to, or request for CCA to process, use, store or manipulate any data containing or comprising personal data, personal information, or other information of or about a natural person or which might, alone or in conjunction with other information allow for the identification of a natural person who is a citizen of or resides in any jurisdiction outside the United States that has implemented a comprehensive privacy or data security law such as the European General Data Protection Regulation or the United Kingdom or Swiss equivalents of same, the Chinese Personal Information Protection Law, or the Brazilian Lei Geral de Protecao de Dados Pessoais.

No title, copyright, patent, trademark, trade secret or other right of intellectual property not expressly granted under this engagement letter is to be exchanged between the Parties.

### **Outside Service Providers**

CCA may use certain outside service providers such as independent contractors and vendors to assist in the completion of the Services. Outside service providers include individuals who are not employed by CCA. CCA may share confidential information about the Client with these outside service providers and CCA remains committed to maintaining the confidentiality and security of the Client's information.

In addition, CCA will secure confidentiality agreements with all outside service providers to maintain the confidentiality of the Client's information and will take reasonable precautions to determine that such outside service providers have appropriate procedures in place to prevent the unauthorized release of the Client's confidential information. If CCA is unable to secure an appropriate confidentiality agreement, the Client will be asked to provide consent prior to the sharing of the Client's confidential information with the outside service provider. CCA will remain responsible for the work provided by any such outside service provider.

### **Independent Contractors**

The relationship of the Parties under this engagement letter shall be and at all times shall remain one of independent contractors. CCA is not a partner, agent, employee, or legal representative of the Client or the City, and neither CCA nor the Client will take any action which has the effect of creating an appearance contrary to the relationship of the Parties being one of independent contractors.

### **Assignment and Delegation**

This engagement letter may not be assigned or delegated in whole or in part by the Client without the prior express written consent of CCA which shall not be unreasonably withheld.

### **Force Majeure**

Neither Party shall be liable for failure to perform or delay in performing any obligation, other than payment of money, under this engagement letter or any contract of sale hereunder if such failure or delay is due to fire, flood, earthquake, strike, labor trouble or other industrial disturbance, war (declared or undeclared), embargo, blockage, shortage of labor, materials or equipment, legal prohibition, governmental action, riot, insurrection, damage, destruction, epidemic or pandemic or

any other cause beyond the control of the defaulting Party preventing or delaying the performance of the Services.

### **Dispute Resolution**

Any dispute arising out of or relating to the Engagement, or breach thereof, shall first be submitted for good faith mediation administered by the American Arbitration Association (“AAA”) and its Accounting and Related Services Arbitration Rules and Mediation Procedures (the “Rules”).

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 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. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the Parties. Mediation shall take place at a place to be designated by the Parties in New York, New York. No litigation, arbitration or other proceeding shall be commenced prior to sixty days after the Parties’ first appearance before the mediator.

If the dispute is not resolved by mediation within sixty days of the Parties’ first appearance before the mediator, then the Parties shall have an additional sixty days to file a written demand for arbitration administered by the AAA under the Rules. If the Parties fail to file the written demand for arbitration within this sixty-day period, the Parties agree that any potential claims shall be deemed to have been waived.

The arbitration will be conducted before a single arbitrator selected from the AAA’s Panel of Accounting Professionals and Attorneys and shall take place at a place to be designated by the Parties. The arbitrator shall be a fit and impartial person and shall have at least ten years of experience in commercial litigation, accounting or a similar field connected to the subject matter of the dispute. The arbitrator, with the aforementioned requisite qualifications, shall be selected pursuant to the Rules.

The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each Party. In his or her decision, the arbitrator will declare one Party the prevailing Party. The arbitrator shall have no authority to award non-monetary or equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing Party’s actual compensatory loss.

Any discovery sought in connection with the arbitration must be expressly approved by the arbitrator only upon a showing of substantial need by the Party seeking discovery. 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 confirmation of the arbitration award may be sought in any court having jurisdiction.

Any and all claims by you arising with respect to or relating to the Engagement must be commenced within one year following the date on which CCA delivered the work product associated with the Engagement by filing a written request for mediation. If the Engagement is terminated and the related deliverables are not delivered to the City, for any reason, any and all claims by you arising under the



Engagement must be commenced within one year of the date you are informed of the Engagement's termination.

CCA's maximum liability to you arising for any reason relating to the Engagement shall be limited to the fees paid to CCA for the Services. Subject to the foregoing, CCA shall not be liable to you for any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the Services for an amount in excess of your actual damages. In no event shall CCA be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs).

This engagement letter, its enforcement and any dispute relating in any way to the Engagement will be governed by the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

The invalidity or unenforceability of any provision of this engagement letter shall not affect the validity or enforceability of any other provision of this engagement letter.

### **Responses to Third Parties**

As a result of the Services provided to you, we may be requested or subpoenaed to provide information or documents (some of which may be privileged) to you or a third party in a legal, administrative or similar proceeding in which we are not a party. If this occurs, our efforts in responding to such requests or subpoenas will be billable to you as a separate engagement irrespective of whether we are providing any other services to you at that time. You agree that we shall be entitled to compensation for our time at our standard hourly rates and for reimbursement for all associated expenses, including any legal fees incurred in responding to such requests or subpoenas.

### **Practice Structure**

Citrin Cooperman & Company, LLP has a contractual arrangement with Citrin Cooperman Advisors LLC, whereby Citrin Cooperman Advisors LLC provides Citrin Cooperman & Company, LLP with professional and support personnel and performs all services in connection with our engagements for which licensure as a CPA firm is not required. In order to avoid duplication of efforts arising out of this arrangement, we request that you consent to our sharing with Citrin Cooperman & Company, LLP the information that we may obtain from you in the course of the Engagement. Unless you indicate otherwise, your acceptance of the terms of the Engagement shall be understood by us as your consent to make disclosures to Citrin Cooperman & Company, LLP and its employees of confidential information that we may obtain in the course of the Engagement.

Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Citrin Cooperman & Company, LLP provides attest services to its clients. Citrin Cooperman Advisors LLC is not a licensed CPA firm and does not provide audit or attest services. Citrin Cooperman & Company, LLP has a contractual arrangement with Citrin Cooperman Advisors LLC, whereby Citrin Cooperman Advisors LLC provides Citrin Cooperman & Company, LLP with professional and support personnel to perform professional services on behalf of Citrin Cooperman & Company, LLP.

Our firm has offices in several states located throughout the United States and a wholly owned and controlled offshore affiliate. Work on the Engagement may be performed in any of our locations based on our scheduling needs and availability.

### **Additional Services**

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

### **No Hire Provision**

As you can appreciate, our most valuable asset is our staff. CCA invests a great deal of time and effort to train our staff, as well as substantial financial resources to attract and retain top professionals. Accordingly, you agree that neither you nor your affiliates will offer employment to any member of CCA's team delivering the Services during the term of the Engagement and for a period of 12 months thereafter (the "No Hire Period"). In the event that you or your affiliate employ any member of CCA's team delivering the Services related to the Engagement during the No Hire Period, you agree to pay CCA fifty percent (50%) of that individual's annual compensation at the time of their termination from CCA.

### **No Publicity**

The Parties shall not engage in any advertising or promotional activity that refers to the other Party without receiving the written consent of the other Party prior to publication or announcement.

**Acceptance**

We sincerely appreciate this opportunity to be of service to you. If the foregoing is in accordance with your understanding of the terms of the Engagement, please sign this engagement letter in the space below and return it to us along with the advance retainer, at which time our work can begin.

Very truly yours,

*Citrin Cooperman Advisors LLC*

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CITRIN COOPERMAN ADVISORS  
LLC

Agreed and accepted:

**City of Delray Beach, Florida**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_