

AN ORDINANCE TO AUTHORIZE AND APPROVE A MULTI-YEAR CONTRACT RETAINING BELFINT, LYONS, & SHUMAN, P.A. AS THE EXTERNAL AUDITOR FOR THE CITY OF WILMINGTON

#0177

Sponsor:

Council
Member
Harlee

WHEREAS, pursuant to Section 2-308 and Section 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of personal property or the rendering of services for a period of more than one year if approved by City Council by ordinance; and

WHEREAS, the City publicly advertised the specifications for the retention agreement with Belfint, Lyons, & Shuman, P.A. (the "Contract") in accordance with the requirements of Section 8-200 of the City Charter, and subsequently awarded the Contract, a copy of which, in substantial form, is attached hereto and incorporated by reference herein as Exhibit "A", to Belfint, Lyons, and Shuman, P.A. (the "Contractor"); and

WHEREAS, the Contract's initial term is for three years (Fiscal Years 2025, 2026, and 2027) with an option to extend this agreement for year four (Fiscal Year 2028) and year five (Fiscal Year 2029), on the same terms and conditions. The yearly contract amount, both for the initial three-year term and each additional year at the City's option, is set at \$198,000.00 per annum; and

WHEREAS, the primary purpose of the Contract is to retain the services of an External Auditor to provide full assurance that the City's accounting records surrounding its Financial Audit, Single Audit, Firefighters' Pension Fund Audit, and Police Pension Fund Audit are fair, complete and in adherence with generally accepted accounting principles, industry standards and regulatory requirements; and

WHEREAS, it is the recommendation of the City Auditor's Office and Audit Review Committee that the City authorize this agreement for services of an External Auditor.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. A multi-year contract between the City of Wilmington and Belfint, Lyons, & Shuman, P.A., a copy of which Contract, in substantial form, is attached hereto as Exhibit "A," for the purposes of retaining an External Auditor, at an estimated price of One Hundred Ninety-Eight Thousand Dollars and Zero Cents per annum (\$198,000.00) based on the terms of the contract, is hereby approved, and the Mayor or his designee is hereby authorized to exercise the City's option, as well as all additional undertakings related thereto, as may be necessary.

SECTION 2. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading.....February 5, 2026
Second Reading.....February 5, 2026
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this 4th
day of February, 2026.



Senior Assistant City Solicitor

Approved this ____ day of _____, 2026.

Mayor

SYNOPSIS: This Ordinance authorizes the City to enter into a multi-year contract with Belfint, Lyons, & Shuman, P.A. for the purposes of retaining an External Auditor, at an estimated price of One Hundred Ninety-Eight Thousand Dollars and Zero Cents per annum (\$198,000.00). The primary purpose of the Contract is to retain the services of an External Auditor to provide full assurance that the City's accounting records surrounding its Financial Audit, Single Audit, Firefighters' Pension Fund Audit, and Police Pension Fund Audi are fair, complete and in adherence with generally accepted accounting principles, industry standards and regulatory requirements.

FISCAL IMPACT STATEMENT: The Office of Management and Budget (OMB) has reviewed and analyzed the contract between the Audit Department and Belfint, Lyons & Shuman, P.A. ("BLS"). Under this contract, BLS will audit the City's financial statements for fiscal years 2025 through 2027, with an option to extend the agreement for two (2) additional years to cover fiscal years 2028 and 2029. The annual base fee is \$198,000.00 for each fiscal year. If the City exercises the two-year extension option, the total base cost for the full five-year period (fiscal years 2025 through 2029) would be \$990,000.00.

In addition, if the City requires BLS's assistance with adjusting journal entries during the fiscal year-end closing process and the number of entries exceeds ten (10) (the number included in the base fee), BLS will charge separately for those additional services. Fees for such services are outlined in Exhibit "A" of BLS's proposal under *Fees for Additional Services*. The fiscal impact of these additional services cannot be determined in advance, as it will depend on the number and nature of the required adjustments.

EXHIBIT A

**AGREEMENT BETWEEN THE CITY OF
WILMINGTON AND BELFINT, LYONS & SHUMAN, P.A.**

THIS AGREEMENT (“Agreement”), dated the ____ day of _____, 2026 (the “Effective Date”) is made by and between the City of Wilmington, a Delaware municipal corporation, by and through its Audit Department (“City”), and Belfint, Lyons & Shuman, P.A. (“BLS”), a Delaware professional services corporation.

WHEREAS, the City desires to obtain external professional auditing services relating to the City’s financial audit and Single Audit, and for the separate audits of the Firefighters’ Pension Plan and Police Pension Plan; and

WHEREAS, the City has engaged BLS to provide the aforementioned services to the City.

NOW THEREFORE, WITNESSETH that the City and BLS, in connection with their mutual promises made below, agree as follows:

- A. Scope of Services.** BLS shall provide to the City professional auditing services as specified in BLS’s Proposal to Provide Auditing Services (RFP 25027ADPS) dated October 29, 2024 and its three (3) engagement letters dated August 6, 2025, including the Terms and Conditions Addendums incorporated therein, which are attached to this Agreement as Exhibit A.
- B. Term.** Subject to the approval of Wilmington City Council, the term of this Agreement shall be three (3) years for the Fiscal Years ending on June 30, 2025, June 30, 2026, and June 30, 2027, with an option to extend the Agreement to year four (Fiscal Year ending June 30, 2028) and year five (Fiscal Year ending June 30, 2029).
- C. Funding.** The City shall pay BLS for the professional auditing services rendered under this Agreement a sum of One Hundred Ninety-Eight Thousand Dollars and Zero Cents (\$198,000.00) per annum for the initial 3-year term and for each additional year at the City’s option. BLS shall submit monthly invoices to the City specifying the amount to be paid and services rendered pursuant to that invoice. The City shall make payment within thirty (30) days upon receipt of an undisputed invoice for the services.
- D. General Terms and Conditions.** The City of Wilmington General Terms and Conditions, which are attached to this Agreement as Exhibit B, are incorporated herein and shall become an integral part of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed as of the day and year first written above.

CITY OF WILMINGTON

Witness

Terence J. Williams, City Auditor
800 N. French Street, 5th Floor
Wilmington, DE 19801

BELFINT, LYONS & SHUMAN, P.A.

Witness

Name: George G. Fornaris, CPA, CGFM
Title: Engagement Director
1011 Centre Road, Suite 310
Wilmington, DE 19805

EXHIBIT A

We are listening.

Proposal to Provide Auditing Services for
Audit Cost Section

City of Wilmington, Delaware

For Fiscal Years Ending
June 30, 2025, 2026 and 2027
RFP 25027ADPS

Prepared for:

Terence J. Williams, City Auditor and
the Audit Review Committee

Prepared by:

George G. Fournaris, CPA, CGFM
gfournaris@belfint.com / 302.573.3931

Michael Mast, CPA, CFE
mmast@belfint.com / 302.573.3957

October 29, 2024

City of Wilmington, Delaware
Professional Audit Services
RFP#25027ADPS
Belfint, Lyons & Shuman, P.A.

BLS

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BLS

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October 29, 2024

Terence Williams, City Auditor
City of Wilmington
Louis L. Redding City/County Building
800 French Street, 5th Floor
Wilmington, Delaware 19801-3537

RE: Professional Auditing Services for the City of Wilmington, Delaware

Belfint, Lyons & Shuman, P.A. (BLS) appreciates the opportunity to submit a proposal to audit the financial statements of the City of Wilmington, Delaware. (RFP 25027ADPS.)

The fees quoted in our proposal and included in the contract will be the maximum paid for standard audit services, unless both parties complete an amendment to the contract. If material problems arise, a contract amendment will be proposed to you and negotiated based on the fee schedule accompanying the proposal. No additional work will be performed by BLS without a written agreement. Our fees for the requested services are based on current accounting standards and the anticipated cooperation of your staff.

We are committed to providing these services at the following fee for the years ending June 30:

2025	\$198,000
2026	\$198,000
2027	\$198,000
2028	\$198,000
2029	\$198,000

*Based on current market conditions, at the City's discretion, the contract may be renegotiated and extended for two one-year contracts.

The audit cost includes assistance with adjusting journal entries for fiscal year end closing not to exceed ten (10) entries. Any entries exceeding ten (10) would be billed separately as addendum services.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. We look forward to extending our association with the City of Wilmington.

Sincerely,



George G. Fournaris, CPA, CGFM
Principal



Michael Mast, CPA, CFE
Principal



Jonathan D. Moll, CPA
Director

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Schedule of Professional Fees and Expenses

Detailed below is the Schedule of Professional Fees and Expenses for the audit of the City of Wilmington, Delaware for the initial audit for the years ending June 30, 2025, 2026, and 2027 which supports the firm's total all-inclusive maximum cost.

Schedule of Professional Fees and Expenses Audit of the City of Wilmington, Delaware Fiscal Years Ending June 30, 2025, 2026 & 2027									
Hourly Rate Standard Rates Quoted Rates	Director and Principal		Supervisors		Senior and Staff Auditors		Administrative Assistants		Subtotals
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	
		\$285-\$325 \$250		\$175 \$150		\$135-\$170 \$140		\$115 \$95	
	40	\$ 10,000	40	\$ 6,000	60	\$ 8,400	-	\$ -	140 \$ 24,400
ACFR Engagement Section	100	25,000	180	27,000	400	56,000	-	-	680 108,000
Planning	40	10,000	40	6,000	60	8,400	40	3,800	180 28,200
Fieldwork	180	25,000	140	21,000	340	57,600	-	-	660 103,600
Review/Reporting	40	10,000	40	6,000	60	8,400	40	3,800	180 28,200
	180	45,000	260	39,000	520	72,800	40	3,800	1,000 160,600
Uniform Guidance Engagement Section	16	4,000	16	2,400	16	2,240	-	-	48 8,640
Planning	4	1,000	24	3,600	80	11,200	-	-	108 15,800
Fieldwork	20	5,000	20	3,000	20	2,800	20	1,900	80 12,700
Review/Reporting	40	10,000	60	9,000	116	16,240	20	1,900	236 37,140
	40	\$ 10,000	60	\$ 9,000	116	\$ 16,240	20	\$ 1,900	236 37,140
									Other (Travel, Parking, Etc.)
									260
									Total Cost \$ 198,000

The above fee quote is based on discounted hourly rates.

Fees for Additional Services

Should you need additional services, beyond those mentioned in this proposal, we will develop an estimate and submit an addendum to the contract for approval prior to the start of any additional work. Our standards rates per hour are as follows:

	Range
Directors and Principals	\$270-\$675
Managers	205-315
Supervisors	165-265
Senior Accountants	137-255
Staff Accountants	120-195
Administrative Staff	90-190

The above standard rates may be discussed depending on the amount and type of additional services required.

BLS

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August 6, 2025

The Honorable Mayor, Members of City Council, and
Terence J. Williams, City Auditor
City of Wilmington, Delaware
Louis L. Redding, City County Building, 5th Floor 800 French Street
Wilmington, DE 19801

Belfint, Lyons & Shuman, P.A. is pleased to provide the City of Wilmington, Delaware (“you,” “your,” or “City”) with the professional services described below. This letter, the attached Terms and Conditions Addendum, and any other attachments or modifications incorporated herein (collectively, “Agreement”), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

AUDIT SCOPE AND OBJECTIVE

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of and for the year ending June 30, 2025. We will also audit the City’s statement of revenues, expenditures, and changes in fund balance - budget and actual for the year ending June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the City’s 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 City’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information 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 GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis.

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2. Other Post Employment Benefit (OPEB) Plans Required Supplementary Information;
 - a. Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios
 - b. Schedule of Actuarially Determined Contributions Post-Retirement Healthcare Benefit Fund (OPEB)
 - c. Schedule of Investment Returns Post-Retirement Healthcare Benefit Fund (OPEB)
3. Pension Plans Required Supplementary Information:
 - a. Schedule of Contributions
 - b. Schedule of Changes in the Employer's Net Pensions Liability and Related Ratios
 - c. Schedule of Investment Returns
4. Component Unit Pension Plans Required Supplementary Information

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

- Schedule of Expenditures of Federal Awards
- The Combining and Individual Fund Financial Statements and Schedules

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. The Introductory Section
2. The Statistical Section

You may also request that we assist in preparing reconciliations, the financial statements, schedule of expenditures of federal awards, and related notes of the City of Wilmington, Delaware in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related services previously defined. We, in our

sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) without obtaining approval through a written change order for such additional work.

If you mine, buy, sell, or exchange virtual currency, use virtual currency to pay for goods or services, or receive virtual currency as payment for goods and services, you are responsible for reporting this information to us in order to accurately prepare your financial reports.

You may request that we perform additional services not addressed by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. 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 agreement.

The deliverables presented as part of this engagement letter are not to be altered without our express written consent. If we consent, you agree to provide us with copies of master's or printer's proof of the entire document in sufficient time for our review and approval before distribution or print. With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Belfint, Lyons & Shuman, P.A., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your or a third-party's website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *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 of a reasonable user made based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND SINGLE AUDIT

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will make reference to other auditor's audits of the following component units: the Christiana Gateway Corporation, Wilmington Parking Authority, Riverfront Wilmington Business Improvement District, Wilmington UDAG Corporation, Cityfest, Inc. and the Wilmington Park Trust Fund Commission. Our major program determination and related testing will exclude components audited by other auditors.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We will obtain audited component unit financial statements. We will refer to the component unit audits in our report on the June 30, 2025 financial statements. We plan to use the work of the City Auditor to assist us in obtaining audit evidence. We will review internal audit reports issued by the City Auditor to identify areas or issues that may affect our audit.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Errors and missing entries in the year-end close process.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have also considered these as significant risks:

- Utility Billing
- Wage Tax
- Grant Revenues

Our audit of the financial statements does not relieve you of your responsibilities.

AUDIT PROCEDURES - INTERNAL CONTROL

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or **material weaknesses**. Accordingly, we will express no such opinion. However, during the audit, we will **communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.**

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*. Our report on compliance issued pursuant to *Government Auditing Standards*, will include a reference to other auditors who audited the financial statements of the component units and will identify those component units that were not audited in accordance with *Government Auditing Standards*. Our report will not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our report on the City's compliance and internal control over compliance for each major program will include a reference to other auditors who were engaged to separately perform audits, and, if required, audits in accordance with the Uniform Guidance. Our report will not include the results of the other auditor's testing of compliance, internal control over compliance, and other matters that are reported separately by those auditors. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS AND SINGLE AUDIT

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the

evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit, including information from component units; and (4) unrestricted access to persons within the government or component units from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements, and for 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 latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on November 15, 2025. With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Belfint, Lyons & Shuman, P.A., will not be included in any such offering document without our prior permission or consent. With regard to an exempt offering document with which Belfint, Lyons & Shuman, P.A., is not involved, you agree to clearly indicate in the exempt offering document that Belfint, Lyons & Shuman, P.A., is not involved with the contents of such offering document.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you

are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the *Audit Scope and Objectives* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

REPORTING

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Mayor and Members of City Council, of the City of Wilmington, Delaware. 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 a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions 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 issue reports, or we may withdraw from this engagement. We shall still be entitled to compensation for services rendered even though we may decline to express an opinion or issue a report or withdraw from the engagement entirely in accordance with this provision.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Engagement Timing - We will schedule the engagement after receiving the signed engagement letter based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules and retrieving supporting documents. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. Our services will conclude with the delivery of our report to you or upon termination of the engagement, if earlier.

ENGAGEMENT ADMINISTRATION

George G. Fournaris, CPA, CGFM is the engagement director and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We understand that your employees will prepare all cash, accounts receivable, debt, grant, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our most recent peer review report accompanies this letter.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Belfint, Lyons & Shuman, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the City's Cognizant Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested,

access to such audit documentation will be provided under the supervision of Belfint, Lyons & Shuman, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City's Cognizant Agency or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

ELECTRONIC SIGNATURES AND COUNTERPARTS

Each party hereto agrees that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

PROFESSIONAL FEES

Our professional fee for the services outlined above is estimated to be \$198,000 and is based upon the complexity of the work to be performed and our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees incurred and expenses incurred whether or not we complete the engagement.

CLOSING

We appreciate the opportunity to be of service to you and believe this Agreement accurately summarizes the significant terms of our engagement. This engagement letter, including the attached Terms and Conditions Addendum, and any other attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by an authorized person on behalf of the party to be charged therewith. If you have any questions, please let us know.

If you agree with the terms of our engagement as described in this letter and the attached Terms and Conditions Addendum, please sign and date where indicated and return it to us.

Very truly yours,

Belfint, Lyons & Shuman, P.A.

RESPONSE:

This letter correctly sets forth the understanding of City of Wilmington, Delaware.

 _____ Management Signature	<i>Director of Finance</i> _____ Title	<i>9/12/25</i> _____ Date
<i>Terence Williams</i> _____ Governance Signature	City Auditor _____ Title	<i>9/18/25</i> _____ Date

Additional services requested, if any:

cc: J. Brett Taylor, Director of Finance

BELFINT, LYONS & SHUMAN, P.A.
TERMS AND CONDITIONS ADDENDUM

OVERVIEW

As accountants, we endeavor to provide quality services in a consistent and timely manner. This Terms and Conditions Addendum ("Addendum") to the engagement letter describes the standard terms and conditions related to our provision of services to you and together with the accompanying engagement letter comprise your agreement with us ("Agreement"). If there is any inconsistency between the engagement letter and this Addendum, the terms of the engagement letter will govern to the extent of the inconsistency.

For purposes of this Addendum and our engagement letter, any references to Belfint, Lyons & Shuman, P.A. includes our firm and any of its subsidiaries, partners, principals, shareholders, officers, directors, members, employees, agents, successors, or assigns (collectively, "firm," "we," "us," or "our"). Any reference to "you" or "your" is a reference to the party or parties that have engaged us to provide services. References to Agreement mean the engagement letter or other written document describing the scope of services, any other attachments or modifications incorporated therein, and this Addendum.

PROFESSIONAL FEES, BILLING AND PAYMENT TERMS

Our professional fees for services are based upon the complexity of the work to be performed and the level of skill and time required by the individuals assigned to your engagement. We will bill you for our professional fees and any approved out-of-pocket costs monthly as work progresses, and the invoices rendered to you are payable on presentation. If payment is not received within thirty (30) days from the date of the invoice, you may, at our sole discretion, be assessed interest charges of one percent per month (12% per annum) on the unpaid balance.

We reserve the right to suspend or terminate our work due to nonpayment of fees and such services will not be resumed until your account is brought current. If our work is suspended or terminated due to nonpayment, you agree that we are not responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages including, but not limited to, consequential, indirect, lost profits, or punitive damages incurred as a result of the suspension or termination of our services. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification to you. We are not required to issue or release any reports or returns to you, even if completed, unless and until payment in full has been received for such services and you will be obligated to compensate us for all time expended and any out-of-pocket expenditures incurred through the date of termination.

If a retainer is applicable to this engagement, our firm's practice requires payment of the retainer upon execution of this Agreement and prior to commencement of services. You agree that the retainer will be earned as our professional time to complete the engagement is incurred and additional invoices will be rendered as the work progresses. The retainer will be applied to the final billing and any unused balance will be refunded at the end of the engagement.

ELECTRONIC DATA COMMUNICATION, STORAGE, AND USE OF THIRD-PARTY SERVICES

To enhance our availability to meet your professional service needs while maintaining service quality and timeliness, we may use third-party service providers to assist us in the provision of services to you, which may include receipt of your confidential information. These providers have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. By accepting the terms and conditions of our engagement, you are providing your consent and authorization to disclose your confidential information to a third-party service provider, solely to the extent such disclosure is necessary to deliver professional service or provide support services to our firm.

In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data access secure in accordance with our obligations under applicable laws, regulations, and professional standards and we require that our third-party vendors do the same.

Due to the nature of the Internet and use of online services, you recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or our third-party vendors. You expressly consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement with knowledge of the risks described herein.

BELFINT, LYONS & SHUMAN, P.A.
TERMS AND CONDITIONS ADDENDUM

To further enhance our services to you, we will make secure email and a secure portal available which allows us and you to electronically share data, engagement information, knowledge, and deliverables in a protected, online environment. If you choose to use the portal, you agree that we have no responsibility for the activities of the portal or the portal provider and agree to indemnify and hold us harmless with respect to any and all claims arising from or related to the operation of the portal. We recommend that you also maintain your own backup files of any records stored on the portal.

We also understand that some clients prefer to use other services for exchanging information with us such as Dropbox, Fileshare, Adobe files with passwords, or one of the many other third-party services that are designed to share information. If you choose to utilize these other methods to exchange your confidential information with us, we will generally accommodate this request; however, we cannot be held liable in any way for the security and safety of your confidential information and you accept full responsibility for any and all unauthorized access to your confidential information when using these methods.

RECORD RETENTION, OWNERSHIP, REQUESTS, AND CONFIDENTIALITY

It is our firm's policy to store our work product, correspondence, and client-provided documents electronically. By signing the engagement letter, you acknowledge that electronically stored documents and signatures will be considered original documents.

We will return all of your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without both your written request and our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

Our firm destroys workpaper files after a period of eight (8) years. Catastrophic events or physical deterioration may cause our firm's records to be unavailable before the expiration of the retention period stated in our record retention policy. A copy of our record retention policy is available upon request.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis and we will only use such information for the purposes of rendering services under the Agreement. If we receive a summons, subpoena, or investigative demand which requires us to produce documents from this engagement or testify about this engagement, and we are not prohibited from doing so by applicable law or regulation, we agree to inform you of any such requests as soon as practicable and before complying with such request, if possible. You may, within the time permitted for our firm to respond to any such request, initiate such legal action as you deem appropriate, at your sole expense, to protect this information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our reasonable professional time and reasonable expenses, as well as the fees and expenses of our counsel incurred in responding to such requests. This paragraph will survive termination of this Agreement.

If you provide our firm with copies of bank and/or brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in the *Services* section of the engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information, except for any procedures required under the *Services* section. We will not monitor transactions or investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt, and direct any questions regarding account activity to your banker, broker, or investment advisor.

You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

BELFINT, LYONS & SHUMAN, P.A.
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Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege which applies to tax advice included in taxpayer communications with federally authorized tax practitioners in certain limited situations. While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this matter.

MANAGEMENT RESPONSIBILITIES

While Belfint, Lyons & Shuman, P.A. can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge, and experience to oversee any non-attest services that we provide. You are responsible for evaluating the adequacy and results of the non-attest services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

CONFLICTS OF INTEREST AND INDEPENDENCE

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with the ethical standards of our profession, we may be required to suspend or terminate our services without completing the engagement. You agree that our suspension or termination of services due to a conflict shall not constitute a breach of any of our obligations.

Independence is an important component, and requirement, of many of the services we provide to our clients. We have a system of quality controls that includes monitoring employee and firm independence to ensure that we are independent both in fact and in appearance. Our professional standards include a provision that an employee of the firm who is offered a position of employment with a client is no longer independent. By signing the engagement letter, you agree to notify us immediately when you make an offer of employment to any of our employees. In the event that we identify a potential threat to our independence as a result of an offer of employment that you made to an employee of our firm, you agree to pay us for all reasonable professional time and reasonable expenses incurred by us that may be deemed necessary or appropriate, in our judgment, to re-perform procedures, reissue any reports, and communicate such information to known third parties as required by professional standards.

DISPUTE RESOLUTION AND INDEMNIFICATION

We strive to provide professional services in a timely and effective manner in accordance with applicable professional standards and your satisfaction is important to us. If you think that we made an error or otherwise created a dispute in connection with our engagement, we will work with you to attempt to resolve such issue to your satisfaction wherever possible. If a dispute arises out of or otherwise relates to our Agreement with you, including the scope of services of the engagement, or the breach thereof, you agree to first bring the dispute to our attention by informing our Managing Director, in writing, of the nature of the dispute, what damages you claim, and/or what you view as an appropriate resolution of the dispute. You agree that we shall have no less than fourteen (14) days to respond to you. The parties agree that this dispute resolution procedure shall be deemed concluded if no agreement or resolution is reached within thirty (30) days after the dispute is first communicated by you unless the parties agree to extend this period.

If the dispute cannot be settled through discussions with our Managing Director, the parties agree to try to resolve the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may also agree to conduct a private mediation utilizing the same rules. The mediator will be selected by the mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA and any mediator so designated must be neutral and unbiased. The mediation will be conducted in New Castle County, Delaware. The mediation will be treated as a settlement discussion and, therefore, all conversations during the mediation will be completely confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the party retaining such legal representation. Any mediation must be completed within one hundred eighty (180) days of the date that the claim was first asserted unless the parties otherwise agree.

Our liability for claims, damages, and costs that you may assert that relates to or otherwise arises out of this Agreement or the services to be provided hereunder, shall be limited to two (2) times the total amount of fees actually paid by you to us for the services rendered under this Agreement except that our liability shall not be limited on any attest services provided as part of this engagement.

Any claim, demand, or cause of action arising out of or otherwise relating to this Agreement, or the services to be provided under this Agreement, must be brought or commenced within two (2) years after the date that is the later of the date that services have concluded

BELFINT, LYONS & SHUMAN, P.A.
TERMS AND CONDITIONS ADDENDUM

or the date that you first become aware, or should have become aware, of such claim, demand, or cause of action. For purposes of this paragraph, services shall be deemed to have concluded as of the date we have provided the report or returns incident to such services, or the date we provide written notice to you that we have suspended or terminated services hereunder due to nonpayment or for any other reason provided in this Agreement.

If we provide non-attest services including tax, bookkeeping, advisory, preparation and/or compilation services as part of this engagement, you agree to indemnify, defend, and hold us harmless with respect to any and all claims made by third parties arising from this engagement and the non-attest services performed hereunder even if such claims allege that we were negligent, grossly negligent, or engaged in willful misconduct. The provisions of this paragraph shall apply regardless of the nature of the claim and you understand and agree that your obligation to indemnify, defend, and hold us harmless shall continue unless and until a tribunal of competent jurisdiction fully and finally determines that our gross negligence or willful misconduct was the substantial cause of the injuries and/or damages sustained by the third party.

If we provide attest services including audit, review or agreed-upon procedures as part of this engagement, you agree to indemnify, defend, and hold us harmless from any and all claims which arise from knowing misrepresentations made to us, or the intentional withholding or concealment of information from us by your management or employees. You also agree to indemnify and defend us for any claims made against us by third parties, which arise from any of these actions by your management or employees even if such claims allege that we were negligent, grossly negligent, or engaged in willful misconduct. Our identification to you of any such knowing misrepresentation or withholding or concealment of information in connection with any claim shall automatically trigger the obligation to indemnify, defend, and hold us harmless. The provisions of this paragraph shall apply regardless of the nature of the claim.

As provided in the preceding paragraphs and to the extent permitted by applicable law, regulations, ethics rules, or professional standards that apply to our firm or the services being provided, you agree to either pay all of our attorneys' fees and costs in defending against claims asserted by third parties against us or, at our request, agree to tender a defense on our behalf at your sole cost and expense. This requirement for a defense (or indemnification of defense costs) and indemnification shall apply even if a claim is asserted against us for negligence, gross negligence, or willful misconduct, unless and until there has been a final determination that we were, in fact, grossly negligent or that our conduct was willful misconduct and that such gross negligence or willful misconduct was the substantial cause of the injuries and/or damages sustained by the third party.

If we successfully pursue any collection activities because of your failure to timely pay fees due in connection with this engagement, you agree that we shall be entitled to recover reasonable attorneys' fees, not to exceed 20% of the amount awarded, together with any costs of collection or court costs that we may incur. You agree that any claim for fees and costs due to us may be brought in a Delaware state court of competent jurisdiction and that each of us expressly waives any right to a trial by jury.

Notwithstanding anything contained herein, you and we agree that regardless of where you are domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at our office located in New Castle County, Delaware. New Castle County, Delaware shall be the exclusive venue and jurisdiction for resolving disputes related to or otherwise arising out of this Agreement or the services performed hereunder. This Agreement shall be interpreted and governed in accordance with laws of the State of Delaware without regard to principles of conflicts of law.

TERMINATION AND WITHDRAWAL

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of the Agreement, or as we determine professional standards require. You further agree that we are not responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages including, but not limited to, consequential, indirect, lost profits, or punitive damages incurred as a result of the suspension or termination of our services.

ENTIRE AGREEMENT

The engagement letter, including this Addendum and any other attachments, encompass the entire Agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

If any portion of the Agreement is deemed to be invalid or unenforceable, the remainder of the terms set forth in the engagement letter and this Addendum shall remain in full force and effect and shall be unaffected. To the extent that a provision is deemed invalid or unenforceable as written, such provision shall be applied or interpreted in such manner as to comport with the spirit and intent of such provision, rendering it valid and enforceable under the law.



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

August 6, 2025

To the Board of Trustees, City of Wilmington, Delaware
Firefighters' Pension Fund,
and Terence J. Williams, City Auditor
Louis L. Redding City County Building
800 French Street
Wilmington, Delaware 19801

Belfint, Lyons & Shuman, P.A. is pleased to provide City of Wilmington Firefighters' Pension Fund ("the Plan," "you," or "your") with the professional services described below. This letter, the attached Terms and Conditions Addendum, and any other attachments or modifications incorporated herein (collectively, "Agreement"), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

AUDIT SCOPE AND OBJECTIVES

1. We will audit the financial statements of the Plan, including the related notes to the and the disclosures, which collectively comprise the basic financial statements of as of and for the year ending June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Plan's 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 Plan's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis Schedule of Contribution
- Schedules of Changes in Employers' Net Position Liability and Related Ratios
- Schedule of Investment Returns

1011 Centre Road • Suite 310 | Wilmington • DE 19805 | Phone: 302.225.0600 | Fax: 302.225.0625

A Professional Service Corporation with Offices in Wilmington, Delaware and West Chester, Pennsylvania
Member of the American Institute of Certified Public Accountants • An Independent Member Firm of Prime Global

2. We will also assist in preparing the financial statements and related notes of the Plan in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

If you mine, buy, sell, or exchange virtual currency, use virtual currency to pay for goods or services, or receive virtual currency as payment for goods and services, you are responsible for reporting this information to us in order to accurately prepare your financial reports.

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

The deliverables presented as part of this engagement letter are not to be altered and used for any purpose without our express written consent. If we consent, you agree to provide us with copies of master's or printer's proof of the entire document in sufficient time for our review and approval before distribution or print. You also agree to provide us a copy of the final reproduced or printed material for our approval before it is distributed. Consent to distribute or publish any deliverable by us (either consistent with this provision or given separately) does not afford such third party any right to rely upon the deliverable or any rights as a third-party beneficiary and no such third-party beneficiary relationship is intended.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *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 of a reasonable user made based on the financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of your and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk of material misstatement as part of our audit planning:

- Errors and missing entries in the year-end close process.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have also considered these as significant risks.

Our audit of the financial statements does not relieve you of your responsibilities.

AUDIT PROCEDURES - INTERNAL CONTROL

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and

obtain **evidence** that is **sufficient and appropriate** to provide a basis for our opinions. Tests of controls may be **performed** to test the **effectiveness** of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Plan's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OTHER SERVICES

We will also assist in preparing the financial statements of the City in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other non-attest services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate **goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported**. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are

also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Belfint, Lyons & Shuman, P.A., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement. With regard to an exempt offering document with which Belfint, Lyons & Shuman, P.A., is not involved, you agree to clearly indicate in the exempt offering document that Belfint, Lyons & Shuman, P.A., is not involved with the contents of such offering document.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report

thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the *Audit Scope and Objectives* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities relating to the financial statements, related notes, and any other nonaudit services we provide. You will be required to **acknowledge in the management representation letter our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them.** Further, you agree to assume all management responsibilities for, financial statement preparation services, and any other nonattest services we provide; you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

REPORTING

We will issue written reports upon completion of our audit. Our reports will be addressed to the Board of Trustees, City of Wilmington, Delaware Firefighters' Pension Fund. 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 a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is 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 an opinion, we may decline to express opinions or issue reports, or we may withdraw from this engagement. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, that in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement. We shall still be entitled to compensation for

services rendered even though we may decline to express an opinion or issue a report or withdraw from the engagement entirely in accordance with this provision.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Wilmington, Delaware Firefighters' Pension Fund is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

ENGAGEMENT TIMING

We will schedule the engagement after receiving the signed engagement letter based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules and retrieving supporting documents. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. Our services will conclude with the delivery of our report to you or upon termination of the engagement, if earlier.

ENGAGEMENT ADMINISTRATION

George G. Fournaris, CPA, is the engagement principal and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Board of Trustees, City of Wilmington, Delaware Firefighters' Pension Fund; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Belfint, Lyons and Shuman, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to City's Cognizant Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested,

access to such audit documentation will be provided under the supervision of Belfint, Lyons & Shuman, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City's Cognizant Agency, or Pass-through Entity. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

ELECTRONIC SIGNATURES AND COUNTERPARTS

Each party hereto agrees that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

PROFESSIONAL FEES

Our professional fee for the services outlined above is included with the fee for the City of Wilmington's audit contained in our audit engagement letter with the City of Wilmington, Delaware dated August 5, 2025, and is based upon the complexity of the work to be performed and our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees incurred and expenses incurred whether or not we complete the engagement.

CLOSING

We appreciate the opportunity to be of service to you and believe this Agreement accurately summarizes the significant terms of our engagement. This engagement letter, including the attached Terms and Conditions Addendum, and any other attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by an authorized person on behalf of the party to be charged therewith. If you have any questions, please let us know.

City of Wilmington, Delaware
Firefighters' Pension Fund
August 6, 2025
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If you agree with the terms of our engagement as described in this letter and the attached Terms and Conditions Addendum, please sign and date where indicated and return it to us.

Very truly yours,

Belfint, Lyons & Shurman, P.A.

RESPONSE:

This letter correctly sets forth the understanding of City of Wilmington, Delaware Firefighters' Pension Fund.

Officer: *JBh* Date: 9/12/25

Additional services or returns requested, if any:

cc: DaWayne Sims, City Treasurer
J. Brett Taylor, Director of Finance

BELFINT, LYONS & SHUMAN, P.A.
TERMS AND CONDITIONS ADDENDUM

OVERVIEW

As accountants, we endeavor to provide quality services in a consistent and timely manner. This Terms and Conditions Addendum ("Addendum") to the engagement letter describes the standard terms and conditions related to our provision of services to you and together with the accompanying engagement letter comprise your agreement with us ("Agreement"). If there is any inconsistency between the engagement letter and this Addendum, the terms of the engagement letter will govern to the extent of the inconsistency.

For purposes of this Addendum and our engagement letter, any references to Belfint, Lyons & Shuman, P.A. includes our firm and any of its subsidiaries, partners, principals, shareholders, officers, directors, members, employees, agents, successors, or assigns (collectively, "firm," "we," "us," or "our"). Any reference to "you" or "your" is a reference to the party or parties that have engaged us to provide services. References to Agreement mean the engagement letter or other written document describing the scope of services, any other attachments or modifications incorporated therein, and this Addendum.

PROFESSIONAL FEES, BILLING AND PAYMENT TERMS

Our professional fees for services are based upon the complexity of the work to be performed and the level of skill and time required by the individuals assigned to your engagement. We will bill you for our professional fees and any approved out-of-pocket costs monthly as work progresses, and the invoices rendered to you are payable on presentation. If payment is not received within thirty (30) days from the date of the invoice, you may, at our sole discretion, be assessed interest charges of one percent per month (12% per annum) on the unpaid balance.

We reserve the right to suspend or terminate our work due to nonpayment of fees and such services will not be resumed until your account is brought current. If our work is suspended or terminated due to nonpayment, you agree that we are not responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages including, but not limited to, consequential, indirect, lost profits, or punitive damages incurred as a result of the suspension or termination of our services. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification to you. We are not required to issue or release any reports or returns to you, even if completed, unless and until payment in full has been received for such services and you will be obligated to compensate us for all time expended and any out-of-pocket expenditures incurred through the date of termination.

If a retainer is applicable to this engagement, our firm's practice requires payment of the retainer upon execution of this Agreement and prior to commencement of services. You agree that the retainer will be earned as our professional time to complete the engagement is incurred and additional invoices will be rendered as the work progresses. The retainer will be applied to the final billing and any unused balance will be refunded at the end of the engagement.

ELECTRONIC DATA COMMUNICATION, STORAGE, AND USE OF THIRD-PARTY SERVICES

To enhance our availability to meet your professional service needs while maintaining service quality and timeliness, we may use third-party service providers to assist us in the provision of services to you, which may include receipt of your confidential information. These providers have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. By accepting the terms and conditions of our engagement, you are providing your consent and authorization to disclose your confidential information to a third-party service provider, solely to the extent such disclosure is necessary to deliver professional service or provide support services to our firm.

In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data access secure in accordance with our obligations under applicable laws, regulations, and professional standards and we require that our third-party vendors do the same.

Due to the nature of the Internet and use of online services, you recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or our third-party vendors. You expressly consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement with knowledge of the risks described herein.

BELFINT, LYONS & SHUMAN, P.A.
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To further enhance our services to you, we will make secure email and a secure portal available which allows us and you to electronically share data, engagement information, knowledge, and deliverables in a protected, online environment. If you choose to use the portal, you agree that we have no responsibility for the activities of the portal or the portal provider and agree to indemnify and hold us harmless with respect to any and all claims arising from or related to the operation of the portal. We recommend that you also maintain your own backup files of any records stored on the portal.

We also understand that some clients prefer to use other services for exchanging information with us such as Dropbox, Fileshare, Adobe files with passwords, or one of the many other third-party services that are designed to share information. If you choose to utilize these other methods to exchange your confidential information with us, we will generally accommodate this request; however, we cannot be held liable in any way for the security and safety of your confidential information and you accept full responsibility for any and all unauthorized access to your confidential information when using these methods.

RECORD RETENTION, OWNERSHIP, REQUESTS, AND CONFIDENTIALITY

It is our firm's policy to store our work product, correspondence, and client-provided documents electronically. By signing the engagement letter, you acknowledge that electronically stored documents and signatures will be considered original documents.

We will return all of your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without both your written request and our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

Our firm destroys workpaper files after a period of eight (8) years. Catastrophic events or physical deterioration may cause our firm's records to be unavailable before the expiration of the retention period stated in our record retention policy. A copy of our record retention policy is available upon request.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis and we will only use such information for the purposes of rendering services under the Agreement. If we receive a summons, subpoena, or investigative demand which requires us to produce documents from this engagement or testify about this engagement, and we are not prohibited from doing so by applicable law or regulation, we agree to inform you of any such requests as soon as practicable and before complying with such request, if possible. You may, within the time permitted for our firm to respond to any such request, initiate such legal action as you deem appropriate, at your sole expense, to protect this information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our reasonable professional time and reasonable expenses, as well as the fees and expenses of our counsel incurred in responding to such requests. This paragraph will survive termination of this Agreement.

If you provide our firm with copies of bank and/or brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in the *Services* section of the engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information, except for any procedures required under the *Services* section. We will not monitor transactions or investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt, and direct any questions regarding account activity to your banker, broker, or investment advisor.

You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

BELFINT, LYONS & SHUMAN, P.A.
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Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege which applies to tax advice included in taxpayer communications with federally authorized tax practitioners in certain limited situations. While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this matter.

MANAGEMENT RESPONSIBILITIES

While Belfint, Lyons & Shuman, P.A. can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge, and experience to oversee any non-attest services that we provide. You are responsible for evaluating the adequacy and results of the non-attest services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

CONFLICTS OF INTEREST AND INDEPENDENCE

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with the ethical standards of our profession, we may be required to suspend or terminate our services without completing the engagement. You agree that our suspension or termination of services due to a conflict shall not constitute a breach of any of our obligations.

Independence is an important component, and requirement, of many of the services we provide to our clients. We have a system of quality controls that includes monitoring employee and firm independence to ensure that we are independent both in fact and in appearance. Our professional standards include a provision that an employee of the firm who is offered a position of employment with a client is no longer independent. By signing the engagement letter, you agree to notify us immediately when you make an offer of employment to any of our employees. In the event that we identify a potential threat to our independence as a result of an offer of employment that you made to an employee of our firm, you agree to pay us for all reasonable professional time and reasonable expenses incurred by us that may be deemed necessary or appropriate, in our judgment, to re-perform procedures, reissue any reports, and communicate such information to known third parties as required by professional standards.

DISPUTE RESOLUTION AND INDEMNIFICATION

We strive to provide professional services in a timely and effective manner in accordance with applicable professional standards and your satisfaction is important to us. If you think that we made an error or otherwise created a dispute in connection with our engagement, we will work with you to attempt to resolve such issue to your satisfaction wherever possible. If a dispute arises out of or otherwise relates to our Agreement with you, including the scope of services of the engagement, or the breach thereof, you agree to first bring the dispute to our attention by informing our Managing Director, in writing, of the nature of the dispute, what damages you claim, and/or what you view as an appropriate resolution of the dispute. You agree that we shall have no less than fourteen (14) days to respond to you. The parties agree that this dispute resolution procedure shall be deemed concluded if no agreement or resolution is reached within thirty (30) days after the dispute is first communicated by you unless the parties agree to extend this period.

If the dispute cannot be settled through discussions with our Managing Director, the parties agree to try to resolve the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may also agree to conduct a private mediation utilizing the same rules. The mediator will be selected by the mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA and any mediator so designated must be neutral and unbiased. The mediation will be conducted in New Castle County, Delaware. The mediation will be treated as a settlement discussion and, therefore, all conversations during the mediation will be completely confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the party retaining such legal representation. Any mediation must be completed within one hundred eighty (180) days of the date that the claim was first asserted unless the parties otherwise agree.

Our liability for claims, damages, and costs that you may assert that relates to or otherwise arises out of this Agreement or the services to be provided hereunder, shall be limited to two (2) times the total amount of fees actually paid by you to us for the services rendered under this Agreement except that our liability shall not be limited on any attest services provided as part of this engagement.

Any claim, demand, or cause of action arising out of or otherwise relating to this Agreement, or the services to be provided under this Agreement, must be brought or commenced within two (2) years after the date that is the later of the date that services have concluded

BELFINT, LYONS & SHUMAN, P. A.
TERMS AND CONDITIONS ADDENDUM

or the date that you first become aware, or should have become aware, of such claim, demand, or cause of action. For purposes of this paragraph, services shall be deemed to have concluded as of the date we have provided the report or returns incident to such services, or the date we provide written notice to you that we have suspended or terminated services hereunder due to nonpayment or for any other reason provided in this Agreement.

If we provide non-attest services including tax, bookkeeping, advisory, preparation and/or compilation services as part of this engagement, you agree to indemnify, defend, and hold us harmless with respect to any and all claims made by third parties arising from this engagement and the non-attest services performed hereunder even if such claims allege that we were negligent, grossly negligent, or engaged in willful misconduct. The provisions of this paragraph shall apply regardless of the nature of the claim and you understand and agree that your obligation to indemnify, defend, and hold us harmless shall continue unless and until a tribunal of competent jurisdiction fully and finally determines that our gross negligence or willful misconduct was the substantial cause of the injuries and/or damages sustained by the third party.

If we provide attest services including audit, review or agreed-upon procedures as part of this engagement, you agree to indemnify, defend, and hold us harmless from any and all claims which arise from knowing misrepresentations made to us, or the intentional withholding or concealment of information from us by your management or employees. You also agree to indemnify and defend us for any claims made against us by third parties, which arise from any of these actions by your management or employees even if such claims allege that we were negligent, grossly negligent, or engaged in willful misconduct. Our identification to you of any such knowing misrepresentation or withholding or concealment of information in connection with any claim shall automatically trigger the obligation to indemnify, defend, and hold us harmless. The provisions of this paragraph shall apply regardless of the nature of the claim.

As provided in the preceding paragraphs and to the extent permitted by applicable law, regulations, ethics rules, or professional standards that apply to our firm or the services being provided, you agree to either pay all of our attorneys' fees and costs in defending against claims asserted by third parties against us or, at our request, agree to tender a defense on our behalf at your sole cost and expense. This requirement for a defense (or indemnification of defense costs) and indemnification shall apply even if a claim is asserted against us for negligence, gross negligence, or willful misconduct, unless and until there has been a final determination that we were, in fact, grossly negligent or that our conduct was willful misconduct and that such gross negligence or willful misconduct was the substantial cause of the injuries and/or damages sustained by the third party.

If we successfully pursue any collection activities because of your failure to timely pay fees due in connection with this engagement, you agree that we shall be entitled to recover reasonable attorneys' fees, not to exceed 20% of the amount awarded, together with any costs of collection or court costs that we may incur. You agree that any claim for fees and costs due to us may be brought in a Delaware state court of competent jurisdiction and that each of us expressly waives any right to a trial by jury.

Notwithstanding anything contained herein, you and we agree that regardless of where you are domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at our office located in New Castle County, Delaware. New Castle County, Delaware shall be the exclusive venue and jurisdiction for resolving disputes related to or otherwise arising out of this Agreement or the services performed hereunder. This Agreement shall be interpreted and governed in accordance with laws of the State of Delaware without regard to principles of conflicts of law.

TERMINATION AND WITHDRAWAL

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of the Agreement, or as we determine professional standards require. You further agree that we are not responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages including, but not limited to, consequential, indirect, lost profits, or punitive damages incurred as a result of the suspension or termination of our services.

ENTIRE AGREEMENT

The engagement letter, including this Addendum and any other attachments, encompass the entire Agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

If any portion of the Agreement is deemed to be invalid or unenforceable, the remainder of the terms set forth in the engagement letter and this Addendum shall remain in full force and effect and shall be unaffected. To the extent that a provision is deemed invalid or unenforceable as written, such provision shall be applied or interpreted in such manner as to comport with the spirit and intent of such provision, rendering it valid and enforceable under the law.



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

August 6, 2025

To the Board of Trustees,
City of Wilmington, Delaware Police Pension Fund,
Terence J. Williams, City Auditor
Louis L. Redding City County Building
800 French Street
Wilmington, Delaware 19801

Belfint, Lyons & Shuman, P.A. is pleased to provide City of Wilmington Police Pension Fund ("the Plan," "you," or "your") with the professional services described below. This letter, the attached Terms and Conditions Addendum, and any other attachments or modifications incorporated herein (collectively, "Agreement"), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

AUDIT SCOPE AND OBJECTIVES

1. We will audit the financial statements of the Plan, including the related notes to the and the disclosures, which collectively comprise the basic financial statements of as of and for the year ending June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Plan's 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 Plan's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:
 - Management's Discussion and Analysis
 - Schedule of Contribution
 - Schedules of Changes in Employers' Net Position Liability and Related Ratios
 - Schedule of Investment Returns

1011 Centre Road • Suite 310 | Wilmington • DE 19805 | Phone: 302.225.0600 | Fax: 302.225.0625

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2. We will also assist in preparing the financial statements and related notes of the Plan in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

If you mine, buy, sell, or exchange virtual currency, use virtual currency to pay for goods or services, or receive virtual currency as payment for goods and services, you are responsible for reporting this information to us in order to accurately prepare your financial reports.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communications from us documenting our agreement to perform additional services on your behalf, our services will be limited to and governed by the terms of this engagement letter.

The deliverables presented as part of this engagement letter are not to be altered and used for any purpose without our express written consent. If we consent, you agree to provide us with copies of master's or printer's proof of the entire document in sufficient time for our review and approval before distribution or print. You also agree to provide us a copy of the final reproduced or printed material for our approval before it is distributed. Consent to distribute or publish any deliverable by us (either consistent with this provision or given separately) does not afford such third party any right to rely upon the deliverable or any rights as a third-party beneficiary and no such third-party beneficiary relationship is intended.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *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 of a reasonable user made based on the financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

We have identified the following significant risk of material misstatement as part of our audit planning:

- Errors and missing entries in the year-end close process.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have also considered these as significant risks.

Our audit of the financial statements does not relieve you of your responsibilities.

AUDIT PROCEDURES- INTERNAL CONTROL

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will

communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

AUDIT PROCEDURES- COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Plan's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OTHER SERVICES

We will also assist in preparing the financial statements of the plan in conformity with accounting principles generally accepted in the United States of America based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other non-attest services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers) and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related

parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Belfint, Lyons & Shuman, P.A., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement. With regard to an exempt offering document with which Belfint, Lyons & Shuman, P.A., is not involved, you agree to clearly indicate in the exempt offering document that Belfint, Lyons & Shuman, P.A., is not involved with the contents of such offering document.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the *Audit Scope and Objectives* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for

providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities relating to the financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter, our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to assume all management responsibilities for, financial statement preparation services, and any other nonattest services we provide; you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

REPORTING

We will issue written reports upon completion of our audit. Our reports will be addressed to the Board of Trustees, City of Wilmington, Delaware Police Pension Fund. 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 a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is 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 an opinion, we may decline to express opinions or issue reports, or we may withdraw from this engagement. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, that in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement. We shall still be entitled to compensation for services rendered even though we may decline to express an opinion or issue a report or withdraw from the engagement entirely in accordance with this provision.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Wilmington, Delaware Police Pension Fund is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

ENGAGEMENT TIMING

We will schedule the engagement after receiving the signed engagement letter based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules and retrieving supporting documents. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. Our services will conclude with the delivery of our report to you or upon termination of the engagement, if earlier.

ENGAGEMENT ADMINISTRATION

George G. Fournaris, CPA, is the engagement principal and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Board of Trustees, City of Wilmington, Delaware Police Pension Fund; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Belfint, Lyons and Shuman, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to City's Cognizant Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Belfint, Lyons & Shuman, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City's Cognizant Agency, or Pass-through Entity. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

ELECTRONIC SIGNATURES AND COUNTERPARTS

Each party hereto agrees that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

PROFESSIONAL FEES

Our professional fee for the services outlined above is included with the fee for the City of Wilmington's audit contained in our audit engagement letter with the City of Wilmington, Delaware dated August 5, 2025, and is based upon the complexity of the work to be performed and our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees incurred and expenses incurred whether or not we complete the engagement.

CLOSING

We appreciate the opportunity to be of service to you and believe this Agreement accurately summarizes the significant terms of our engagement. This engagement letter, including the attached Terms and Conditions Addendum, and any other attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by an authorized person on behalf of the party to be charged therewith. If you have any questions, please let us know.

If you agree with the terms of our engagement as described in this letter and the attached Terms and Conditions Addendum, please sign and date where indicated and return it to us.
Very truly yours,

Belfant, Lyons & Shuman, P.A.

RESPONSE:

This letter correctly sets forth the understanding of City of Wilmington, Delaware Police Pension Fund.

Officer: 

Date: 9/12/25

Additional services or returns requested, if any:

cc: DaWayne Sims, City Treasurer
J. Brett Taylor, Director of Finance

BELFINT, LYONS & SHUMAN, P.A.
TERMS AND CONDITIONS ADDENDUM

OVERVIEW

As accountants, we endeavor to provide quality services in a consistent and timely manner. This Terms and Conditions Addendum ("Addendum") to the engagement letter describes the standard terms and conditions related to our provision of services to you and together with the accompanying engagement letter comprise your agreement with us ("Agreement"). If there is any inconsistency between the engagement letter and this Addendum, the terms of the engagement letter will govern to the extent of the inconsistency.

For purposes of this Addendum and our engagement letter, any references to Belfint, Lyons & Shuman, P.A. includes our firm and any of its subsidiaries, partners, principals, shareholders, officers, directors, members, employees, agents, successors, or assigns (collectively, "firm," "we," "us," or "our"). Any reference to "you" or "your" is a reference to the party or parties that have engaged us to provide services. References to Agreement mean the engagement letter or other written document describing the scope of services, any other attachments or modifications incorporated therein, and this Addendum.

PROFESSIONAL FEES, BILLING AND PAYMENT TERMS

Our professional fees for services are based upon the complexity of the work to be performed and the level of skill and time required by the individuals assigned to your engagement. We will bill you for our professional fees and any approved out-of-pocket costs monthly as work progresses, and the invoices rendered to you are payable on presentation. If payment is not received within thirty (30) days from the date of the invoice, you may, at our sole discretion, be assessed interest charges of one percent per month (12% per annum) on the unpaid balance.

We reserve the right to suspend or terminate our work due to nonpayment of fees and such services will not be resumed until your account is brought current. If our work is suspended or terminated due to nonpayment, you agree that we are not responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages including, but not limited to, consequential, indirect, lost profits, or punitive damages incurred as a result of the suspension or termination of our services. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification to you. We are not required to issue or release any reports or returns to you, even if completed, unless and until payment in full has been received for such services and you will be obligated to compensate us for all time expended and any out-of-pocket expenditures incurred through the date of termination.

If a retainer is applicable to this engagement, our firm's practice requires payment of the retainer upon execution of this Agreement and prior to commencement of services. You agree that the retainer will be earned as our professional time to complete the engagement is incurred and additional invoices will be rendered as the work progresses. The retainer will be applied to the final billing and any unused balance will be refunded at the end of the engagement.

ELECTRONIC DATA COMMUNICATION, STORAGE, AND USE OF THIRD-PARTY SERVICES

To enhance our availability to meet your professional service needs while maintaining service quality and timeliness, we may use third-party service providers to assist us in the provision of services to you, which may include receipt of your confidential information. These providers have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. By accepting the terms and conditions of our engagement, you are providing your consent and authorization to disclose your confidential information to a third-party service provider, solely to the extent such disclosure is necessary to deliver professional service or provide support services to our firm.

In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data access secure in accordance with our obligations under applicable laws, regulations, and professional standards and we require that our third-party vendors do the same.

Due to the nature of the Internet and use of online services, you recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or our third-party vendors. You expressly consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement with knowledge of the risks described herein.

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To further enhance our services to you, we will make secure email and a secure portal available which allows us and you to electronically share data, engagement information, knowledge, and deliverables in a protected, online environment. If you choose to use the portal, you agree that we have no responsibility for the activities of the portal or the portal provider and agree to indemnify and hold us harmless with respect to any and all claims arising from or related to the operation of the portal. We recommend that you also maintain your own backup files of any records stored on the portal.

We also understand that some clients prefer to use other services for exchanging information with us such as Dropbox, Fileshare, Adobe files with passwords, or one of the many other third-party services that are designed to share information. If you choose to utilize these other methods to exchange your confidential information with us, we will generally accommodate this request; however, we cannot be held liable in any way for the security and safety of your confidential information and you accept full responsibility for any and all unauthorized access to your confidential information when using these methods.

RECORD RETENTION, OWNERSHIP, REQUESTS, AND CONFIDENTIALITY

It is our firm's policy to store our work product, correspondence, and client-provided documents electronically. By signing the engagement letter, you acknowledge that electronically stored documents and signatures will be considered original documents.

We will return all of your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations.

Workpapers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without both your written request and our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

Our firm destroys workpaper files after a period of eight (8) years. Catastrophic events or physical deterioration may cause our firm's records to be unavailable before the expiration of the retention period stated in our record retention policy. A copy of our record retention policy is available upon request.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis and we will only use such information for the purposes of rendering services under the Agreement. If we receive a summons, subpoena, or investigative demand which requires us to produce documents from this engagement or testify about this engagement, and we are not prohibited from doing so by applicable law or regulation, we agree to inform you of any such requests as soon as practicable and before complying with such request, if possible. You may, within the time permitted for our firm to respond to any such request, initiate such legal action as you deem appropriate, at your sole expense, to protect this information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our reasonable professional time and reasonable expenses, as well as the fees and expenses of our counsel incurred in responding to such requests. This paragraph will survive termination of this Agreement.

If you provide our firm with copies of bank and/or brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described in the *Services* section of the engagement letter. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information, except for any procedures required under the *Services* section. We will not monitor transactions or investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt, and direct any questions regarding account activity to your banker, broker, or investment advisor.

You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than your personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

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Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege which applies to tax advice included in taxpayer communications with federally authorized tax practitioners in certain limited situations. While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this matter.

MANAGEMENT RESPONSIBILITIES

While Belfint, Lyons & Shuman, P.A. can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge, and experience to oversee any non-attest services that we provide. You are responsible for evaluating the adequacy and results of the non-attest services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

CONFLICTS OF INTEREST AND INDEPENDENCE

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with the ethical standards of our profession, we may be required to suspend or terminate our services without completing the engagement. You agree that our suspension or termination of services due to a conflict shall not constitute a breach of any of our obligations.

Independence is an important component, and requirement, of many of the services we provide to our clients. We have a system of quality controls that includes monitoring employee and firm independence to ensure that we are independent both in fact and in appearance. Our professional standards include a provision that an employee of the firm who is offered a position of employment with a client is no longer independent. By signing the engagement letter, you agree to notify us immediately when you make an offer of employment to any of our employees. In the event that we identify a potential threat to our independence as a result of an offer of employment that you made to an employee of our firm, you agree to pay us for all reasonable professional time and reasonable expenses incurred by us that may be deemed necessary or appropriate, in our judgment, to re-perform procedures, reissue any reports, and communicate such information to known third parties as required by professional standards.

DISPUTE RESOLUTION AND INDEMNIFICATION

We strive to provide professional services in a timely and effective manner in accordance with applicable professional standards and your satisfaction is important to us. If you think that we made an error or otherwise created a dispute in connection with our engagement, we will work with you to attempt to resolve such issue to your satisfaction wherever possible. If a dispute arises out of or otherwise relates to our Agreement with you, including the scope of services of the engagement, or the breach thereof, you agree to first bring the dispute to our attention by informing our Managing Director, in writing, of the nature of the dispute, what damages you claim, and/or what you view as an appropriate resolution of the dispute. You agree that we shall have no less than fourteen (14) days to respond to you. The parties agree that this dispute resolution procedure shall be deemed concluded if no agreement or resolution is reached within thirty (30) days after the dispute is first communicated by you unless the parties agree to extend this period.

If the dispute cannot be settled through discussions with our Managing Director, the parties agree to try to resolve the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Professional Accounting and Related Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may also agree to conduct a private mediation utilizing the same rules. The mediator will be selected by the mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA and any mediator so designated must be neutral and unbiased. The mediation will be conducted in New Castle County, Delaware. The mediation will be treated as a settlement discussion and, therefore, all conversations during the mediation will be completely confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs for legal representation shall be borne by the party retaining such legal representation. Any mediation must be completed within one hundred eighty (180) days of the date that the claim was first asserted unless the parties otherwise agree.

Our liability for claims, damages, and costs that you may assert that relates to or otherwise arises out of this Agreement or the services to be provided hereunder, shall be limited to two (2) times the total amount of fees actually paid by you to us for the services rendered under this Agreement except that our liability shall not be limited on any attest services provided as part of this engagement.

Any claim, demand, or cause of action arising out of or otherwise relating to this Agreement, or the services to be provided under this Agreement, must be brought or commenced within two (2) years after the date that is the later of the date that services have concluded

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or the date that you first become aware, or should have become aware, of such claim, demand, or cause of action. For purposes of this paragraph, services shall be deemed to have concluded as of the date we have provided the report or returns incident to such services, or the date we provide written notice to you that we have suspended or terminated services hereunder due to nonpayment or for any other reason provided in this Agreement.

If we provide non-attest services including tax, bookkeeping, advisory, preparation and/or compilation services as part of this engagement, you agree to indemnify, defend, and hold us harmless with respect to any and all claims made by third parties arising from this engagement and the non-attest services performed hereunder even if such claims allege that we were negligent, grossly negligent, or engaged in willful misconduct. The provisions of this paragraph shall apply regardless of the nature of the claim and you understand and agree that your obligation to indemnify, defend, and hold us harmless shall continue unless and until a tribunal of competent jurisdiction fully and finally determines that our gross negligence or willful misconduct was the substantial cause of the injuries and/or damages sustained by the third party.

If we provide attest services including audit, review or agreed-upon procedures as part of this engagement, you agree to indemnify, defend, and hold us harmless from any and all claims which arise from knowing misrepresentations made to us, or the intentional withholding or concealment of information from us by your management or employees. You also agree to indemnify and defend us for any claims made against us by third parties, which arise from any of these actions by your management or employees even if such claims allege that we were negligent, grossly negligent, or engaged in willful misconduct. Our identification to you of any such knowing misrepresentation or withholding or concealment of information in connection with any claim shall automatically trigger the obligation to indemnify, defend, and hold us harmless. The provisions of this paragraph shall apply regardless of the nature of the claim.

As provided in the preceding paragraphs and to the extent permitted by applicable law, regulations, ethics rules, or professional standards that apply to our firm or the services being provided, you agree to either pay all of our attorneys' fees and costs in defending against claims asserted by third parties against us or, at our request, agree to tender a defense on our behalf at your sole cost and expense. This requirement for a defense (or indemnification of defense costs) and indemnification shall apply even if a claim is asserted against us for negligence, gross negligence, or willful misconduct, unless and until there has been a final determination that we were, in fact, grossly negligent or that our conduct was willful misconduct and that such gross negligence or willful misconduct was the substantial cause of the injuries and/or damages sustained by the third party.

If we successfully pursue any collection activities because of your failure to timely pay fees due in connection with this engagement, you agree that we shall be entitled to recover reasonable attorneys' fees, not to exceed 20% of the amount awarded, together with any costs of collection or court costs that we may incur. You agree that any claim for fees and costs due to us may be brought in a Delaware state court of competent jurisdiction and that each of us expressly waives any right to a trial by jury.

Notwithstanding anything contained herein, you and we agree that regardless of where you are domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at our office located in New Castle County, Delaware. New Castle County, Delaware shall be the exclusive venue and jurisdiction for resolving disputes related to or otherwise arising out of this Agreement or the services performed hereunder. This Agreement shall be interpreted and governed in accordance with laws of the State of Delaware without regard to principles of conflicts of law.

TERMINATION AND WITHDRAWAL

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of the Agreement, or as we determine professional standards require. You further agree that we are not responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages including, but not limited to, consequential, indirect, lost profits, or punitive damages incurred as a result of the suspension or termination of our services.

ENTIRE AGREEMENT

The engagement letter, including this Addendum and any other attachments, encompass the entire Agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

If any portion of the Agreement is deemed to be invalid or unenforceable, the remainder of the terms set forth in the engagement letter and this Addendum shall remain in full force and effect and shall be unaffected. To the extent that a provision is deemed invalid or unenforceable as written, such provision shall be applied or interpreted in such manner as to comport with the spirit and intent of such provision, rendering it valid and enforceable under the law.

EXHIBIT B

EXHIBIT B

CITY OF WILMINGTON GENERAL TERMS AND CONDITIONS

(the Agreement between Belfint, Lyons & Shuman, P.A. and the City of Wilmington for Professional Auditing Services as supplemented by these General Terms and Conditions shall hereinafter be referred to collectively as this "Agreement")

1. **Insurance Coverage.** Belfint, Lyons & Shuman, P.A. (the "Contractor") shall provide insurance coverage for itself and all of its employees, if any, used in connection with this Agreement as follows: workers' compensation as required by law; and comprehensive general liability coverage for personal injury, including death, and property damage in the minimum amount of One Million Dollars (\$1,000,000.00). Such policies shall be issued by a financially sound carrier and/or carriers and shall be subject to the reasonable approval of the City of Wilmington (the "City"). The Contractor shall provide the City with a certificate of insurance evidencing the above-stated coverage and naming the City as an additional insured.

The Contractor shall also secure and maintain professional liability insurance coverage from a financially sound carrier and/or carriers licensed to do business in the State of Delaware for negligent acts, errors or omissions which arise from the professional services rendered by Contractor to the City under this Agreement. The professional liability insurance policy(ies) shall cover the Contractor, its officers, agents, and employees in the minimum amount of One Million Dollars (\$1,000,000.00).

2. **Use of Subcontractors.** The Contractor may use qualified consultants, subconsultants, or subcontractors to perform the services required under this Agreement upon the approval of the City.

3. **Discrimination and Harassment.** In the performance of this Agreement, the parties agree that they shall not discriminate or harass, or permit discrimination or harassment, against any person because of age, sex, marital status, race, religion, color, national origin or sexual orientation.

4. **Indemnification.** The Contractor shall defend, indemnify, and hold harmless the City, its employees, agents, and officers, from and against any and all claims, damages, actions, liabilities and expenses, including reasonable attorneys' fees, resulting from the negligent acts, errors or omissions of the Contractor, its employees, agents, subcontractors, consultants, or subconsultants in performing the services required under this Agreement.

5. **Records.** The Contractor shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the City to assure proper accounting for all project funds. Such records shall be made available for audit purposes to the City or its authorized representatives upon request.

6. **Reports and Information.** The Contractor, at such time and in such form as the City may require, shall furnish the City such reports as the City may request pertaining to the work

or services undertaken pursuant to this Agreement.

7. **Business License.** The Contractor shall obtain and/or maintain an appropriate business license from the City of Wilmington Department of Finance.

8. **Taxes.** The Contractor shall withhold, if applicable, City of Wilmington wage taxes from the compensation of its officers, agents and employees as required by the City of Wilmington wage tax law.

9. **Findings Confidential.** All of the reports, records, financial statements, reconciliations, schedules, notes, workpapers, forms, opinions, analyses, specifications, information, examinations, proposals, copies, and documents prepared, assembled, drafted, or generated by the Contractor under this Agreement are confidential, and the Contractor agrees that such documents shall not be made available to anyone, without the prior written approval of the City.

10. **Ownership of Information.** All of the reports, records, financial statements, reconciliations, schedules, notes, workpapers, forms, opinions, analyses, specifications, information, examinations, proposals, copies, and documents prepared, assembled, drafted, or generated by the Contractor in connection with this Agreement shall become the exclusive property of the City for use by the City as the City deems appropriate. The Contractor may keep copies of such documents for its records. Any reuse of the documents without the Contractor's written consent shall be at user's risk and responsibility.

11. **Notices.** Any notice which is required or may be given in connection with this Agreement shall be addressed to the parties as follows:

The City:

Terence J. Williams, City Auditor
City of Wilmington
800 N. French Street, 5th Floor
Wilmington, DE 19801

The Contractor:

George G. Fournaris, CPA, CGFM
Engagement Director
Belfint, Lyons & Shuman, P.A.
1011 Centre Road, Suite 310
Wilmington, DE 19805

12. **Independent Contractor.** The Contractor (and its employees and agents) is an independent contractor and not an employee or agent of the City.

13. **Oral Modifications.** This Agreement may not be changed orally, but only by an agreement in writing and signed by both parties.

14. **Conflict Between Provisions.** To the extent that there is any conflict between these General Terms and Conditions and other portions of this Agreement, the terms set forth in these General Terms and Conditions shall govern.

15. **Successors and Assigns.** This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the City and the Contractor, and their respective legal representatives, successors, and assigns.

16. **Termination.** The City may terminate this Agreement at its convenience upon two weeks' notice. In the event of termination, the City shall pay to the Contractor any fees then due for services performed by the Contractor through the effective date of termination, if such services have been performed as specified in this Agreement. The Contractor, upon receipt of such payment, shall deliver to City any deliverables, reports, or other documents to the extent then completed.

17. **Severability.** This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

18. **Payment.** Payment shall be made by the City to the Contractor as set forth in this Agreement and Contractor's Proposal to Provide Professional Auditing Services (*Audit Cost Section*) (RFP 25027ADPS) dated October 29, 2024 after the satisfactory completion of the work specified in this Agreement and upon proper, undisputed invoice to the City.

19. **Applicable Law and Dispute Resolution.** The laws of the State of Delaware shall govern this Agreement. All disputes in connection with this Agreement shall be resolved by the courts of New Castle County, Delaware. The Contractor agrees to submit exclusively to the jurisdiction and venue of said courts.

20. **Signed Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.