



July 27, 2026

Honorable Mayor and Members of City Council
City of Allentown
435 Hamilton Street
Allentown, PA 18103

Dear Honorable Mayor and Members of City Council:

We are pleased to confirm our understanding of the consulting services we are to provide for the City of Allentown (City).

Outlined below are our understanding of the engagement and the nature of the assistance we will provide:

Maher Duessel will assist with the preparation and refinement of a five-year General Fund financial projection to support the City's 2027 budget process and to help inform decision-making related to capital financing, pension changes, and the potential loss of stormwater-related revenue.

The City's Finance Team will provide the underlying financial data, historical information, current budget information, assumptions, and other relevant inputs needed for the analysis, including any existing projection materials prepared by the City. Based on the information provided by the City and assumptions identified by or agreed to by the City, Maher Duessel will assist the City in preparing, refining, and evaluating a forward-looking five-year General Fund projection and related scenario analysis.

Specifically, our services would include the following:

- Obtain and review financial data, budget information, projection materials, and other relevant materials provided by the City,
- Review historical General Fund operating results and other available financial information relevant to the projection,
- Assist the City in preparing and refining a five-year General Fund projection based on information provided by the City and assumptions identified by or agreed to by the City,
- Incorporate into the projection the City's identified assumptions and available information related to capital financing, pension changes, and the potential loss of stormwater-related revenue,
- Perform or assist with scenario analysis related to selected key variables and assumptions affecting the General Fund forecast,
- Develop or enhance and provide the City with a reusable financial forecasting spreadsheet or model that consolidates agreed-upon operating and capital considerations and can be updated by the City as conditions change, and discuss its general structure and intended use with City representatives,
- Identify and discuss with City representatives questions, observations, and areas that may warrant refinement or clarification during the projection process,

- Meet with City representatives to discuss the projection, assumptions, and scenario results,
- Prepare a memorandum for Council summarizing the procedures performed, assumptions used, and results of the projection and related analysis.

Our work would be advisory in nature and intended to support the City's decision-making process. We would rely on information, assumptions, projections, and other inputs prepared and provided by the City, and the City would remain responsible for the underlying data, the assumptions used, the projection, and decisions made based on the analysis. We would not provide legal, actuarial, or other specialist determinations unless separately agreed.

This engagement would not include an audit, review, compilation, examination, or any other form of assurance on the projection, the underlying information, or future results. We would not make management decisions for the City or determine the City's course of action.

As your auditor, we have some limitations (set forth in our professional standards) as to what services we can provide to the City and maintain our independence. In order to maintain independence in relation to the City, Maher Duessel, CPAs (Maher Duessel) will not perform management functions or make management decisions. The functions and decisions rest with management of the City. In addition, the above-described services will be performed by an individual who does not serve on your audit engagement. The services provided by Maher Duessel will not embrace any functions which, in Maher Duessel's judgment would impair our independence as outlined in AICPA Professional Standards, including, but not limited to, Code of Professional Conduct, Interpretation 101-3 under Rule of Conduct 101: Performance of Other Services as outlined within the applicable sections of *Government Auditing Standards* applicable to the engagement period.

In performing the services described above, Maher Duessel personnel will not be authorized signers on the City's bank, investment, or other financial accounts, will not have authority to initiate or approve wire transfers or other disbursements, and will not have custody of the City's assets. The City is solely responsible for establishing and maintaining authorization, approval, and dual-control procedures for disbursements and other transactions.

Accordingly, as part of this engagement, the City represents that:

- Management is responsible for the substantive outcomes of the work and therefore has a responsibility to be in a position in fact and appearance to make an informed judgment on the results of this service.
- Management will continue to be responsible for directing the overall finance function, authorizing transactions, approving transactions, and assuming responsibility for the accuracy and completeness of the financial statements and compliance with applicable laws and regulations.
- Management has designated a management-level individual to be responsible and accountable for overseeing this service.
- Management will establish and monitor the performance of this service to ensure that it meets management's objectives.

- Management will evaluate the adequacy of the services performed and any findings that result.
- Management acknowledges responsibility for the design and internal control over the City's financial information.
- No services to be rendered are intended to be, or are to be construed as, Maher Duessel "operating or supervising" the operation of the City's financial systems.
- Periodically, and as requested, the City will provide Maher Duessel with representations that it has completed the above tasks required of management.

Should we identify any potential adjustments to the City's accounting records as part of the project, we will summarize such items in writing and provide to management for their evaluation and posting to the accounting system. Management agrees to accept the responsibility for reviewing and concluding on the appropriateness of any proposed adjustments, and final conclusions on the results of our engagement.

Because of the limitations of our services, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcation, may exist and may not be detected by us.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

The responsibility for auditing the records of the City rests with the City's separately retained auditor and the work performed by Maher Duessel shall not include an audit or review of the records or the expression of an opinion on financial data.

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.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain

the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Professional standards require Maher Duessel to establish policies and procedures designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations. It is Maher Duessel's policy that any complaints or allegations should be reported to the managing partner, or engagement partner identified at our website (www.md-cpas.com).

The City and Maher Duessel agree that any claim arising from this agreement shall be commenced within one year of the date of the services or the date of the engagement letter if no report has been issued. Maher Duessel's responsibility for any claims, damages or cost shall be limited to the amount of fees paid for the services rendered under this engagement letter.

In the course of our engagement, should we be required to consult with legal counsel, we will engage legal counsel to provide support and legal determinations, and we will be reimbursed for any out-of-pocket expenses related to their retention.

The fee for our professional services will be \$25,000.

Out-of-pocket expenses associated with these services will be reimbursed. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If the level of services changes and significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

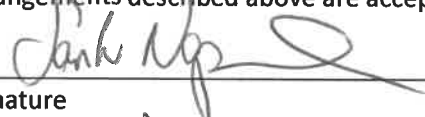
You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence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

Sincerely,

Maher Duessel

BY: 
Cara L. Nicoletti, Principal

The arrangements described above are accepted by the City.

BY: 
Signature
Santo Napoli
Name of authorized signer

Council President
Title
8/14/2026
Date

