



STAFF REPORT

DATE: March 26, 2026

TO: Ted Henry, City Manager

FROM: Barry Smith, Finance Director

RE: 2025 Annual Audit – Engagement Letter

SUMMARY:

On March 23, 2026, the City received its engagement letter from our independent auditors, AGH, for FY2025. The engagement letter outlines the scope of the annual audit, the responsibilities of the auditors, the responsibility of management, and all services included in the annual audit. The engagement letter is signed annually by the Mayor and officially starts the annual auditing process.

FINANCIAL CONSIDERATION:

The fees for the 2025 Annual Audit are as follows:

Audit and Financial Statements:	\$38,325
Single Audit – “normal” programs:	\$8,500 (BASE Grant)
Total Cost:	\$46,825

The 2026 budget includes \$52,000 for total auditing costs.

RECOMMENDATION:

Approve the engagement letter from AGH for auditing services as of and for the year ending December 31, 2025, and authorize the Mayor to sign.