



## AGENDA ITEM COMMENTARY

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<b>MEETING NAME:</b>	City Council
<b>MEETING DATE:</b>	January 6, 2025
<b>ITEM TITLE:</b>	Consider and take appropriate action on Resolution 2025-001 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOLFFORTH, TEXAS APPROVING AN ENGAGEMENT LETTER FOR AN ALTERNATIVE COMPLIANCE EXAMINATION WITH BOLINGER, SEGARS, GILBERT & MOSS, LLP; AND PROVIDING AN EFFECTIVE DATE
<b>STAFF INITIATOR:</b>	Terri Robinette, City Secretary

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### **BACKGROUND:**

On May 6, 2024, Resolution 2024-013 was approved by the City Council which approved the engagement letters for financial audit services with Bolinger, Segars, Gilbert & Moss, LLP for fiscal year 2024 audits. In addition to the required annual audit, we also signed a letter of engagement for a single audit due to the expenditure of ARPA funds in an amount exceeding \$750,000. In recent discussions with our audit team, it has been determined based on the amount of ARPA funds we received (under \$10 million) and since there were no other federal funds expended over \$750,000 in FY 2024, that we can take advantage of an alternative to the single audit requirement. This alternative is intended to reduce the burden of a full single audit on both the City and the Treasury Dept.

You have attached a letter of engagement for an Alternative Compliance Examination Engagement to be performed by our audit firm BSGM at a cost of \$5,000. The FY 2025 budget included \$7,500 for a single audit, so this alternative will be less expensive as well.

### **EXHIBITS:**

Resolution

Engagement Letter

### **COUNCIL ACTION/STAFF RECOMMENDATION:**

Approve Resolution