

Memorandum

REPORT TO: City Commission

FROM: Melissa Hodnett, Finance Director

SUBJECT: Ratification of City Manager signature on the Standard Audit Contract Amendment 2024

MEETING DATE: February 11, 2025

AGENDA ITEM TYPE: Agreement - Vendor/Contract

RECOMMENDATION: Consider the Motion: I move to ratify the City Manager's signature on the Standard Audit Contract Amendment 2024.

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

BACKGROUND: MCA Section 2-7-503 requires that a financial report be prepared annually. This statute also requires a biannual audit of the financial report - including the accounts, financial records, and transactions of all administrative departments of the City - by independent certified public accountants selected by the City Commission. The City Commission and City Administration have historically believed that an annual audit provides a higher level of financial assurance and fiscal integrity than a biannual audit, and this intension is expressed in Section 5.09 of the City Charter. The Association of International Certified Public Account (AICPA) through AU-C210 requires the terms of an audit engagement to be documented in an audit engagement letter.

The audit services standard audit contract for fiscal years 2023, 2024, and 2025 and audit engagement letter for fiscal year 2023 is with the audit firm Eide Bailly, LLP. The current standard audit contract is being amended to reflect a rate reduction of \$10,716 for the audit period covering 7/1/2023 to 6/30/2024 and to define the audit scope in Sections 1, 2, and 7 of Appendix A and B as conducting a single audit in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards equal to or in excess of \$750,000 during the fiscal year(s).

UNRESOLVED ISSUES: None

ALTERNATIVES: None

FISCAL EFFECTS: Savings of \$10,716 were realized in fiscal year 2024.

Attachments:

[City of Bozeman Standard Audit Contract Amendment
2024.pdf](#)

Report compiled on: January 30, 2025