

etc.), the Town may be required to have one or more single audits prepared. The cost for a single audit is \$5,000 for up to two major programs and \$2,500 for any additional major program thereafter. The cost for preparation of annual financial statements is \$7,500.00. The total cost for the FY 2022 audit is \$61,100. Estimated audit costs for FY 2023 and FY 2024 are \$62,930 and \$64,810, respectively. These estimates are subject to change based on the scope of work to be determined annually.

All independent audit contracts must be approved by the staff of the LGC. Invoices from the audit firm must be approved by LGC prior to payment by the Town. The LGC approves up to 75% of the total fee prior to submission of the final audited financial statements to the LGC.

FISCAL & STAFF IMPACT: The total cost for FY22 audit and financial statement preparation with no more than two single audits will not exceed \$61,100. However, if more than two major programs require a single audit, the cost will be \$2,500 per single audit. Funds for the annual audit, single audits, and financial statement preparation are included in the Finance Department's General Fund operating budget.

RECOMMENDATION: That the Council adopt Attachment A to: 1) award a contract to Dixon Hughes Goodman LLP for a total cost not to exceed \$61,100 to perform independent audit, two program single audits, and annual financial statements for the fiscal year ending June 30, 2022; and 2) authorize the Mayor and Town Manager to execute the Contract to Audit Accounts (form LGC-205 or equivalent), engagement letter and/or additional items not addressed in the LGC-205. The continuation of DHG services in subsequent fiscal years ending June 30, 2023 and June 30, 2024 will be based on negotiation of scope of work and costs with approval by the Town Council and LGC.