CITY COUNCIL
Special Called Meeting Agenda

July 23, 2026
6:00 PM
6738 Dixon Street
Milton, FL 32570

1. **Open Meeting**
2. **Persons to Appear**
3. **Warren Averett**

    Item # 2026-4211
    Warren-Averett Authorization for Out-Of-Scope Services (action item)

4. **Public Input**
5. **Adjournment**

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the City at least 48 hours before the meeting by contacting City Hall, 6738 Dixon Street, Milton, or by calling 983-5410.

"If any person decides to appeal any decision made by the board, agency, or commission, with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." FS 286.0105

Agenda Item # 2026-4211

Warren-Averett Authorization for Out-Of-Scope Services (action item)

MEETING DATE	PREPARED BY
July 23, 2026	

BACKGROUND

Warren-Averett is the City's auditor and is currently engaged in completing the FY 2025 Audit. Additional Services outside of the original scope of work in the contract for services have been identified. The attached letter from Warren-Averett details those services.

Warren-Averett is requesting authorization to continue providing these services, as necessary, through the completion of the audit.

If approved, staff will report on the total hours worked to Council upon receipt of the bi-weekly report from Warren-Averett.

SUMMARY

Funds for this work will be identified within the current Administration and Finance Department Operating Budget.

RECOMMENDATION

Staff recommends authorization for Warren-Averett to provide the out-of-scope services.

ATTACHMENTS

1. Warren Averett Letter - Milton City Council July 7

Warren Averett
CPAs AND ADVISORS

350 W Cedar Street, Suite 400
Pensacola, FL 32502
850.435.7400
warrenaverett.com

July 7, 2026
Honorable Mayor and Members of the City Council
City of Milton

Dear Mayor and Council Members:

We are writing to request Council's approval for out-of-scope services related to the City's annual financial audit currently in progress. As the audit has progressed, several areas have required work beyond the original engagement scope, and we want to ensure Council is informed and that documented approval is in place as we continue.

As of June 30, 2026, approximately 39 hours have been incurred at our standard rates, estimated at approximately $15,000, in the following areas:

- Grant Revenue Reconciliations – 14 hours. Assisting with the reconciliation of general ledger activity to underlying grant schedules, identifying variances, and tracing revenue recognition to bring the accounts into agreement.
- Property and Equipment Reconciliations – 13 hours. Fixed asset accounts were not reconciled during the year. We assisted the CFO with proposing entries, identifying errors in the underlying schedules, and recording additional costs related to grant-funded construction in progress and retainage.
- Pooled Cash Reconciliation Support – 12 hours. Additional meetings and discussions to support City staff through the reconciliation process and perform an initial review of the reconciliations provided.

A total estimated cost for the remaining out-of-scope work is not yet available, as the reconciliations and related follow-up are still in process., We intend to continue through completion and present Council with the final total once the work concludes; however we will update the City Manager on the total hours incurred on a bi-weekly basis. A discount will be applied to the final billing. City management and Warren Averett share the same goal of completing the audit as soon as possible and we intend to work quickly and efficiently to discharge our responsibilities as your auditor.

We respectfully request Council's approval to proceed with the out-of-scope work described above, with the understanding that:

- Work will continue through completion of the reconciliations and related audit procedures
- Warren Averett will provide a final summary of hours and total cost, net of any applicable discount, upon completion. The City Manger will be updated on total hour incurred on a bi-weekly basis.
- The final change order amount will be brought back to Council for ratification at that time

We appreciate the Council's continued support and the cooperation of City staff throughout this audit. Please contact me with any questions.

Sincerely,

Kristen R. Mcallister, CPA, CGFM
Pensacola, Florida