

Craig A. Shepherd
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July 11, 2025

To the Honorable Mayor and City Council
City of Three Forks
P.O. Box 187
Three Forks, MT 59752-0187

RE: ENGAGEMENT LETTER FOR THE YEAR ENDED JUNE 30, 2025

I am pleased to confirm my understanding of the nature and limitations of the professional accounting services I am providing for the City of Three Forks, Montana for the year ended June 30, 2025.

From the information provided by the City, I will assist the City Clerk/Treasurer office in year-end procedures and preparation of the Annual Report for the fiscal year ended June 30, 2025. This work includes all or part of the following:

- Assistance with year-end closing entries.
- Assistance with capital assets journal vouchers to put into the capital asset software.
- Assistance in the review of the Annual Report.
- Assistance/consulting as it relates to GASB Statements that are applicable to the City of Three Forks.

I will advise you about appropriate accounting principles and their application and will assist in year-end adjustments and in the preparation of your financial statements, but the responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for adjusting the financial statements to correct material misstatements.

As part of my engagement, I may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

I estimate that the total fee for the annual report preparation to be **\$4,000**. If the need for additional services arises, my agreement with you will need to be revised. It is customary for me to enumerate these revisions in an addendum to this letter.

I appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign where indicated and return it to me, retaining a copy for your files.

Should you have any questions, please feel free to contact me.

Sincerely,

Craig A. Shepherd

RESPONSE:

This letter correctly sets forth the understanding of the City of Three Forks

By: _____

Title: _____

Date: _____