

Denning, Downey & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Balancing Cash Engagement Letter

July 26, 2021

Browning School District
Attn: Corrina Guardipee-Hall
PO Box 610
Browning, MT 59417

Dear Corrina,

This letter confirms the services we discussed in our email and phone conversations on July 23, 2021.

The project will be to assist the Browning School District Clerk in balancing cash for the period July 1, 2020 through June 30, 2021.

Our balancing plan is to perform one large reconciliation for all twelve (12) months rather than for each month. We propose this method because time is of the essence and it is overall less expensive than performing reconciliations by month (faster and cheaper). We would be able to begin immediately. Cost for the project is \$25,000 plus any travel related costs.

We were not engaged to, and will not conduct an examination or audit, the objective of which would be the expression of an opinion on the specified accounts and transactions, or on compliance or effectiveness of internal control over compliance, accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you. As such, the district accepts full responsibility for any decisions made. This is not a fraud engagement. Accordingly, we make no representation as to whether fraud did or did not exist.

It is understood that our responsibility is advisory only in nature and does not constitute making any management decisions. As such we will assist, train and advise the district on proper monthly balancing, but the district is responsible for making all decisions and takes full responsibility for those decisions. Those decisions include but are not limited to:

- Proper coding of all transactions
- Proper distributions of all receipts and disbursements
- Reporting to State and Federal Agencies

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. The district is responsible for all adjustments to the financial statements.

Browning School District's management is responsible for the scope and result of this engagement. Our responsibility was to identify the reconciling items for the above-described bank reconciliations from information provided from the District's accounting records and those of the bank statements. For purposes of this analysis, we have treated the cash held at Glacier County to be the equivalent of being held by a bank. Browning School District has identified Corrina Guardipee-Hall (Superintendent) as our primary contact for this engagement. It is her responsibility to oversee these services.

During the course of this engagement, we will make recommendations for correcting entries (adjustments), however, we may not be able to determine the initial cause of all error's due to incomplete information provided to us. In those situations, we will propose the correcting entry be made to "prior period restatements" or another account as directed by the district.

Additional understandings

Management's Decisions

D&D CPA's refuses to take any action that could be construed as making management decisions or performing management functions.

Hold Harmless

Because we rely on the district and its management to provide accurate information, the district holds harmless and releases D&D CPA's, it's partners and employees for all claims, liabilities, losses and costs arising in circumstances relating to this engagement. This provision shall survive the termination of this arrangement for services.

If in the course of this engagement or the result of this engagement we are compelled by a court, or a state or federal agency to provide information or testimony in relation to this engagement it is understood that the district will be responsible to pay us our hourly rate plus related travel expenses for all time required including preparation time.

Working papers

Our work papers are the property of the firm and will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. Our work papers are not a substitute for the district's own records and do not mitigate the District's record retention obligations.

Conclusion

If this letter correctly describes the District's understanding of our engagement, please sign an original of this engagement letter and return to us.

Sincerely,

Robert K. Denning CPA,
Denning Downey and Associates CPA's PC

APPROVED

The above letter confirms our understanding of the services to be performed and the limitations of those services.

July 26, 2021

Corrina Guardipee-Hall
Browning School District Superintendent