

Members of the School Board
Independent School District No. 2143
Waterville, Minnesota

We appreciate the opportunity to work with you and the staff at Independent School District No. 2143 (the District) over the past four years to conduct your annual financial audits. This has been a successful working relationship because we have spent a great deal of time understanding how your District operates, and you getting to know how we conduct our audits. As a result, we have been able to achieve a process that is mutually beneficial to both parties through good working relationships, resulting in efficiencies in the process. However, if the District is ever dissatisfied with our services, the District has the option to terminate our services at any time during this three year extension period.

As a result, we are prepared to offer the District a three year extension of our services with a less than 3.0 percent increase for years 2020 - 2022. This will allow us to continue a relationship that through the past years has been shaped and polished to provide both parties with outstanding results.

Our fee for these services will be as follows:

<u>Year</u>	<u>Audit</u>	<u>UFARS Compliance</u>	<u>Total</u>
2020	\$ 14,700	200	\$ 14,900
(1) 2021	15,100	200	15,300
2022	<u>15,500</u>	<u>200</u>	<u>15,700</u>
Total	<u>\$ 45,300</u>	<u>\$ 600</u>	<u>\$ 45,900</u>

Note: If a Single Audit were required, the estimated cost would be \$2,800 for each major program and \$250 for the Data Collection Form.

- (1) The implementation of GASB 87 which is related to leases will involve additional time to implement. We are estimating the one-time fee between \$750 - \$1,250. We will develop a plan to try to minimize the costs related to this implementation.

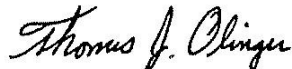
The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 peer review letter accompanies this letter.

We appreciate the opportunity to be of continued service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If you have any questions, please contact me at 507-304-6802.

Very truly yours,

ABDO, EICK & MEYERS, LLP
Certified Public Accountants & Consultants



Thomas J. Olinger, CPA
Governmental Services Partner

RESPONSE:

This letter correctly sets forth the understanding of Independent School District No. 2143.

Signature: _____

Title: _____