

# BradyMartz

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Independent School District No. 676  
Kevin Ricke, Superintendent  
P.O. Box 68  
Badger, MN 56714

Dear Mr. Ricke:

We are pleased to submit the following proposal to provide audit services for Independent School District No. 676 for the years ending June 30, 2023, 2024, and 2025. You have the option to enter into a 1, 2, or 3 year contract.

We understand the audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the provisions of Minnesota Legal Compliance Audit Guide.

Our fee will be as follows:

	<u>6/30/23</u>	<u>6/30/24</u>	<u>6/30/25</u>
Financial statement audit	\$13,000	\$13,600	\$14,300

The fee estimate is based upon the District receiving less than \$750,000 in federal awards subject to Uniform Guidance audit requirements. If a single audit were required, an additional fee of \$4,000 would be added for each major program.

These fees are based on the anticipated time required to complete the audit with cooperation of your staff. Should we encounter unusual or unexpected problems which would cause us to be unable to continue the audit, we will promptly notify you of such and obtain your approval prior to performing any additional services which will result in fees exceeding the above estimated amounts.

We have enclosed a copy of our most recent external peer review report.

The person authorized to make representation and to bind the proposal for Brady, Martz & Associates, P.C. is:

Tracee Bruggeman, Shareholder  
100 Third St E  
Thief River Falls, MN 56701  
Phone: (218) 681-6265

We thank you for considering our firm and hope to work with you on this engagement.

Sincerely,

BRADY MARTZ & ASSOCIATES, P.C.

BY:   
Tracee Bruggeman, CPA

Enclosure 1



Certified Public Accountants  
& Consultants

## Report on the Firm's System of Quality Control

To the Shareholders  
Brady Martz & Associates, P.C.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brady Martz & Associates, P.C. (the Firm) in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (the Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of the Firm in effect for the year ended March 31, 2021, has been suitably designed, and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. The Firm has received a peer review rating of *pass*.

Jackson Thornton & Co., P.C.

A handwritten signature in black ink, appearing to be 'JTC', with a long horizontal stroke extending to the right.

Montgomery, Alabama  
September 9, 2021