



February 10, 2025

Management, Honorable Mayor and City Council
City of New Prague and New Prague Public Utilities Commission
New Prague, Minnesota

We appreciate the opportunity to work with you and the staff at the City of New Prague (the City) and the New Prague Public Utilities Commission (PUC) over the past several 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 City and PUC 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.

We have outlined below a three-year extension of our services for years ending December 31, 2025, 2026, and 2027. Our fees below outline a 5.4 percent increase over 2024, then approximately a 3.5 percent increase thereafter. 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:

Year	City Audit	PUC Audit	Single Audit Per Major Program <i>if applicable</i>	Data Collection Form <i>if applicable</i>	OSA Reporting Form	Total with Single Audit
2025	\$43,000	\$10,200	\$4,900	\$375	\$1,075	\$59,550
2026	\$44,500	\$10,600	\$5,100	\$375	\$1,100	\$61,675
2027	\$46,000	\$11,000	\$5,400	\$375	\$1,125	\$63,900

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, including time required for implementation of new GASB standards, 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 2023 peer review letter accompanies this letter.

We appreciate the opportunity to be of continued service to your City and PUC 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 952-715-3004.

Very truly yours,

Abdo

Brad Falteysek, CPA
Governmental Services Partner

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RESPONSE:

This letter correctly sets forth the understanding of the City of New Prague and the New Prague Public Utilities Commission, Minnesota.

Signature: _____
Mayor

Date: _____

Signature _____
City Administrator

Date: _____



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 6, 2023

To the Partners of
Abdo, LLP
and the Peer Review Committee of the Minnesota Society
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Abdo, LLP (the firm) in effect for the year ended May 31, 2023. 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 (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. 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 a compliance audit 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 Abdo, LLP in effect for the year ended May 31, 2023, 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*. Abdo, LLP has received a peer review rating of *pass*.

A handwritten signature in black ink, reading "Brady Martz". The signature is written in a cursive, flowing style.

Brady Martz and Associates, P.C.
Grand Forks, North Dakota