

*Appendix A  
12-8-12  
Quarterly BOD meeting*

**TURTLE MOUNTAIN COMMUNITY COLLEGE  
BELCOURT, NORTH DAKOTA**

**MANAGEMENT REPORT**

**JUNE 30, 2012**

**DRAFT**

**MANAGEMENT LETTER**

**DRAFT**

## MANAGEMENT LETTER

To the Board of Directors  
Turtle Mountain Community College  
Belcourt, North Dakota

In planning and performing our audit of the financial statements of Turtle Mountain Community College for the year ended June 30, 2012, we considered the College's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarized our comments and suggestions regarding those matters. This letter does not affect our report dated December 3, 2012, on the financial statements of Turtle Mountain Community College.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss these comments and suggestions in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

**BRADY, MARTZ & ASSOCIATES, P.C.**

December 3, 2012

Turtle Mountain Community College  
Management Letter Memorandum  
June 30, 2012

1. Accounting Software

The accounting software could be more fully utilized. It was noted the budget process could be more integrated into the accounting software. A formal budgetary process could be developed incorporating the various department heads into the process. The school has purchased the budget module for the accounting software, but it has yet to be implemented.

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**AUDIT COMMITTEE LETTER**

**DRAFT**

To the Board of Directors  
Turtle Mountain Community College  
Belcourt, North Dakota

We have audited the financial statements of Turtle Mountain Community College for the year ended June 30, 2012, and have issued our report thereon dated December 3, 2012. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 17, 2012. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Turtle Mountain Community College are described in Note 1 to the financial statements. We noted no transactions entered into by the College during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Adjustments consisted of setting up year-end accruals.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 3, 2012.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of Turtle Mountain Community College and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**BRADY, MARTZ & ASSOCIATES, P.C.**

December 3, 2012