

**DEPARTMENT OF ADMINISTRATION  
STANDARD AUDIT CONTRACT**

This Contract is made this 6th day of March, 20 26, by and among

Strom & Associates P.C.

**Certified Public Accountant  
("Contractor"),**

City of Conrad

**Government Entity  
("Entity"),**

and the **Montana Department of Administration, Local Government Services Bureau**, ("State"), acting under the authority of Title 2, Chapter 7, Part 5 of the Montana Code Annotated. **The State's mailing address, phone number, and email address are P.O. Box 200547, Helena, MT 59620-0547; (406) 444-9101; and LGSPortalRegistration@mt.gov.**

1. **Effective Date:** This contract is not effective with respect to any party until it is approved and signed by the State, as required by Section 2-7-506(3), MCA. The Contractor may not begin any audit work until the State gives its approval. If the Contractor begins work before the State's approval of the contract and the State subsequently does not approve the contract, the Contractor is not entitled to receive any compensation for the work performed.

2. **Audit Period and Payment:** This contract covers the following audit period(s):

July 1, 20 24 to June 30, 20 25

A. The Entity shall pay the Contractor for the audit work on the basis of time and necessary out-of-pocket expenses, which will not exceed:

\$ 24,100	for initial (or sole) audit covering	<u>07</u> / <u>01</u> / <u>2024</u>	to	<u>06</u> / <u>30</u> / <u>2025</u>
\$	for subsequent audit covering	<u>  </u> / <u>  </u> / <u>  </u>	to	<u>  </u> / <u>  </u> / <u>  </u>
\$	for subsequent audit covering	<u>  </u> / <u>  </u> / <u>  </u>	to	<u>  </u> / <u>  </u> / <u>  </u>
\$	for subsequent audit covering	<u>  </u> / <u>  </u> / <u>  </u>	to	<u>  </u> / <u>  </u> / <u>  </u>
\$	for subsequent audit covering	<u>  </u> / <u>  </u> / <u>  </u>	to	<u>  </u> / <u>  </u> / <u>  </u>

B. The entity shall pay the fees listed in Appendices A, B, C, D, and E, as applicable, which are attached hereto and incorporated by reference. Any change to the audit fees requires a contract amendment.

C. The contract payments do not include the cost of additional work that may be required if the Contractor discovers a defalcation or material irregularity. **Any change in the scope of the audit services to be provided under this contract requires an amendment.**

D. The Contractor may submit interim bills to the Entity each month, based upon the estimated percentage of contract completion. The Entity may retain ten percent (10%) of each of these estimates until the Contractor has delivered the final audit report, at which time the Entity shall release the amount retained.

3. **Peer Review:** The Contractor shall provide the Entity with a copy of its most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the contract period.