



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

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February 7, 2007

The Honorable Bruce Kubicek
Chair
Steele County Board of Commissioners
630 Florence Avenue, PO Box 890
Owatonna, Minnesota 55060-0890

Dear Commissioner Kubicek:

As follow-up to a telephone conversation between Steven Rohlik, Steele County Treasurer, and Greg Hierlinger, Deputy State Auditor, I am confirming that the Office of the State Auditor will not perform the audit of Steele County for the year ended December 31, 2006. Mr. Rohlik has indicated that the County will contract with a certified public accounting firm for its 2006 audit. The State Auditor's Office will be reevaluating our audit schedule this summer and will inform you of our intentions for audit services for Steele County for future years.

The State Auditor has issued guidelines pursuant to Minn. Stat. § 6.65 that prescribe minimum procedures and the audit scope for county audits performed by CPA firms. These guidelines are available under the educational materials for local officials link on our website at www.auditor.state.mn.us.

Pursuant to Minn. Stat. § 6.48, we will be exercising the authority to review audits performed by CPA firms. Any additional information from the CPA firm that the State Auditor deems in the public interest may be included in the review such as the work papers supporting the audits. The County will be billed for any such review.

When your audit is complete, please submit a copy of the report, including the management letter, to:

Tom Karlson
Office of the State Auditor
525 Park Street, Suite 500
St. Paul, MN 55103

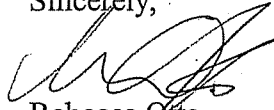


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If you have any questions regarding this matter, please do not hesitate to contact Greg Hierlinger, Deputy State Auditor, at (651) 296-7003.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca Otto', written over a horizontal line.

Rebecca Otto
State Auditor

cc: The Honorable Laura Ihrke, County Auditor
The Honorable Steven Rohlik, County Treasurer
Mr. Dave Severson, County Coordinator