

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN URBAN RENEWAL AGENCY OF THE CITY OF MOSCOW, IDAHO
AND PRESNELL GAGE PLLC**

THIS AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN MOSCOW URBAN RENEWAL AGENCY AND PRESNELL GAGE PLLC (hereinafter "this Agreement"), is made and entered into this 4th day of December, 2023, by and between Moscow Urban Renewal Agency, a public agency of the State of Idaho, 504 South Washington Street, Moscow, Idaho, 83843 (hereinafter "MURA"), and Presnell Gage PLLC, a Limited Liability Company of the State of Idaho, 1216 Idaho Street, Lewiston, Idaho, 83501 (hereinafter "CONSULTANT").

WITNESSETH:

WHEREAS, MURA has a need for financial auditing to comply with State and Federal regulations; and

WHEREAS, CONSULTANT has experience in providing financial government audits and CONSULTANT is specially trained, experienced, licensed, and competent to perform such services and has agreed to provide such services;

NOW, THEREFORE, it is agreed for and in consideration of the mutual covenants and promises between the Parties hereto, that all matters stated above are true and correct and incorporated herein by reference as if copied in their entirety and agree to the following:

SECTION I: SCOPE OF SERVICES

- A. CONSULTANT shall perform and furnish to MURA upon execution of this Agreement all services and comply in all respects as specified in the document from CONSULTANT dated November 7, 2023, providing for the audit scope and objectives, which is attached hereto as Attachment "A" and incorporated herein by this reference, together with any amendments that may be agreed to in writing by both Parties.
- B. Services and work provided by the CONSULTANT at MURA's request under this Agreement will be performed in a timely manner in accordance with a Schedule of Work, which the Parties hereto shall agree to. The Schedule of Work may be revised from time to time upon mutual written consent of the Parties.
- C. MURA agrees to cooperate and perform the tasks identified in Attachment "A".

SECTION 2: FEES AND CONDITIONS FOR CONSULTING SERVICES

- A. CONSULTANT shall be compensated with a lump sum payment for the term of this Agreement to be paid after services are rendered and CONSULTANT provides MURA with an invoice which shall include an itemization of the services provided and the standard hourly rates that apply, to be paid by MURA within thirty (30) days of receipt of said invoice in an

amount **not to exceed** Five Thousand Nine Hundred Fifty Dollars (\$5,950.00) to be paid upon completion of the services described herein, but no later than September 30, 2024;

- B. Except as expressly provided in this Agreement, Consultant shall not be entitled to receive from MURA any additional consideration, compensation, salary, wages, or other type of remuneration for services rendered under this Agreement, including, but not limited to, meals, lodging, transportation, printing or other similar expenses.

SECTION 3: TERM AND TERMINATION

A. Term

This Agreement shall be effective commencing on December 4, 2023 and ending upon completion of the services as provided in Attachment "A", which shall be completed no later than March 31, 2024.

B. Termination of Agreement

This Agreement may be terminated by CONSULTANT upon ninety (90) days prior written notice, should MURA fail to substantially perform in accordance with its terms through no fault of CONSULTANT. MURA may terminate this Agreement with ninety (90) days prior written notice without cause and without further liability to CONSULTANT except as designated by this Section. In the event of termination, CONSULTANT shall be paid for services performed to termination date based upon the work completed. All materials related to the services which have been produced by CONSULTANT as part of the services shall become the property of, and shall be surrendered to, MURA at or before such termination.

Notwithstanding the above, CONSULTANT shall not be relieved of liability to MURA for damages sustained by MURA by virtue of any breach of this Agreement by CONSULTANT, and MURA may withhold any payments to CONSULTANT for the purposes of set-off until such time as the exact amount of damages due to MURA from CONSULTANT is determined. This provision shall survive the termination of this Agreement and not relieve CONSULTANT of its liability to MURA for damages.

SECTION 4: INSURANCE

A. CONSULTANT's Professional Liability Insurance

In performance of professional services, CONSULTANT will use that degree of care and skill ordinarily exercised under similar circumstances by members of the accounting profession. Should CONSULTANT or any of CONSULTANT's agents or employees be found to have been negligent in the performance of professional services from which MURA sustains damage, CONSULTANT has obtained Professional Liability (Errors and Omissions) Insurance in the minimum amount of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate, and said insurance shall be held active for the entire term of the Agreement and a two (2) year (minimum) period from the

date of termination of this Agreement. MURA shall receive notice of any pending termination of said insurance within five (5) days of first notice to CONSULTANT.

B. CONSULTANT's Additional Insurance

1. CONSULTANT shall maintain statutory workers' compensation insurance coverage, employer's liability, cyber liability, and comprehensive general liability insurance coverage.
2. The comprehensive General Liability insurance shall have a minimum limit of One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) aggregate, and CONSULTANT shall cause MURA to be named as an additional insured under said policy. The amounts of such insurance shall not be deemed as a limitation of the indemnity and hold harmless covenant contained herein, and in the event MURA becomes liable for an amount in excess of such insurance coverage, CONSULTANT shall indemnify and hold harmless MURA for the whole thereof.
3. The Cyber Liability insurance shall have a minimum of Five Hundred Thousand Dollars (\$500,000) per claim with Social Engineering Sublimit of One Hundred Thousand Dollars (\$100,000) per claim.

SECTION 5: GENERAL TERMS

A. Entire Agreement

This Agreement and its Exhibits constitute the entire Agreement and understanding between the Parties and it shall not be considered modified, altered, changed or amended in any respect unless done in accordance with this Agreement, reduced to writing, and signed by the Parties hereto.

B. Protected Information

CONSULTANT agrees to ensure that any information obtained during the performance of this Agreement is used and maintained only in a manner permissible by Idaho law. CONSULTANT agrees to keep any information provided by MURA confidential and to exercise reasonable and prudent care in protecting the confidentiality of such information. CONSULTANT agrees to not disclose confidential information to any person or entity without the express prior written consent of MURA.

C. Reports and Information

1. At such times and in such forms as MURA may require, there shall be furnished to MURA such statements, records, reports, data, and information as MURA may request pertaining to matters covered by this Agreement.

2. CONSULTANT shall maintain all writings, documents, and records prepared or compiled in connection with the performance of this Agreement for a minimum of five (5) years from the termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographic, electronic, and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds, symbols or any combination thereof.
3. Under the Idaho Public Records Act, Idaho Code Title 74, Chapter 1, records received from CONSULTANT and certain records produced by CONSULTANT in the performance of the Agreement may be open to public inspection and copying unless exempt from disclosure. Upon request, CONSULTANT shall provide records subject to inspection under Idaho Code section 74-102 and not maintained by the MURA. In any record provided to MURA, CONSULTANT shall clearly designate individual portions of records that it desires to keep exempt as "exempt" on each page of the documents and shall indicate the basis for the exemption, by including the specific section of the Idaho Code that allows the record to be exempt. MURA will not accept a legend or statement on one page that all, or substantially all, of a document is exempt from disclosure. CONSULTANT shall indemnify and defend MURA against all liability, claims, damages, losses, expenses, actions, attorney fees, and suits whatsoever for honoring CONSULTANT's designation of exempt records or for CONSULTANT's failure to designate records as exempt. CONSULTANT's failure to designate as exempt any record that is released by MURA shall constitute a complete waiver of any and all claims for damages caused by the release. If MURA receives a request for materials claimed to be exempt by CONSULTANT, CONSULTANT shall provide the legal defense for the claim and pay all expenses incurred by MURA in connection with the request.

D. Audits and Inspections

At any time during normal business hours and as often as MURA may deem necessary, there shall be made available to MURA for examination of all of CONSULTANT's records with respect to all matters covered by this Agreement. CONSULTANT shall permit MURA to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, records of personnel, conditions of employment and other data relating to all matters covered under this Agreement.

E. Publication, Reproduction and Use of Material

No material produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country. MURA shall have unrestricted authority to publish, disclose or otherwise use, in whole or in part, any reports, data or other materials prepared under this Agreement.

F. License and Adherence to Law

CONSULTANT represents that it possesses the skill and experience necessary and all licenses required to perform the professional services under this Agreement. CONSULTANT further agrees to comply with all applicable Federal, State and Local statutes and regulations in the performance of the services hereunder, and are hereby made a part of this Agreement and shall be adhered to at all times. Violation of any of these statutes or regulations by CONSULTANT shall be deemed material and shall subject CONSULTANT to termination of this Agreement for cause. No pleas of misunderstanding or ignorance on the part of CONSULTANT will, in any way, serve to modify the provisions of this requirement. CONSULTANT and its surety shall indemnify, defend and hold harmless MURA and its employees, agents, engineers and representatives against any claim or liability arising from or based on the violation of any such laws, codes, ordinances, or regulations, whether by CONSULTANT, CONSULTANT's employees, or its subcontractors.

Anti-Boycott Against Israel Act. CONSULTANT certifies it is not currently engaged in, and will not for the duration of this Agreement engage in, a boycott of goods and services from Israel or territories under its control. Failure to comply with Idaho Code § 67-2346 will result in this Agreement being void as against public policy.

Ownership or Operation by China. Pursuant to Idaho Code § 67-2359, CONSULTANT certifies that it is not currently owned or operated by the government of China and will not for the duration of this Agreement be owned or operated by the government of China. The terms in this section defined in Idaho Code § 67-2359 shall have the meaning defined therein.

No Public Funds for Abortion Act. Pursuant to Idaho Code Title 18 Chapter 87, CONSULTANT certifies that it is not an abortion provider or an affiliate of any abortion providers and does not, and will not for the duration of this Agreement, authorize the use of state facilities or public funds for abortion-related activity.

G. Independent Contractor

MURA and CONSULTANT hereto warrant by their signatures that no employer/employee relationship is established between MURA and CONSULTANT by the terms of this Agreement. It is understood by the Parties hereto that CONSULTANT is an independent contractor and, as such, neither it nor its employees, if any, are employees of MURA for purposes of tax, retirement system, or social security (FICA) withholding.

H. Indemnification

CONSULTANT waives any and all claims and recourse against MURA, including the right of contribution for loss and damage to persons or property arising from, growing out of, or in any way connected with or incident to CONSULTANT's performance or failure to perform under this Agreement. Further, CONSULTANT shall indemnify, hold harmless, and defend MURA, its officers, agents, employees, and volunteers against any and all claims, demands, damages, costs, expenses, actions, settlements, fees, and liability arising out of or in

connection with CONSULTANT's acts or omissions under this Agreement, or CONSULTANT's failure to comply with any State or Federal statute, law, regulation or rule.

I. Costs and Attorney Fees

In the event either Party incurs legal expenses to enforce the terms and conditions of this Agreement, the prevailing Party is entitled to recover reasonable attorney's fees and other costs and expenses, whether the same are incurred with or without suit, in addition to other relief as may be granted by a Court of competent jurisdiction. This provision shall be deemed to be a separate contract between the Parties and shall survive any default, termination or forfeiture of this Agreement.

J. Jurisdiction, Venue and Non-Waiver

It is agreed that this Agreement shall be construed under and governed by the laws of the State of Idaho. In the event of litigation concerning it, it is agreed that proper venue shall be the District Court of the Second Judicial District of the State of Idaho, in and for the County of Latah. Failure of MURA to not exercise any of its rights under this Agreement, or breach thereof, shall not be deemed to be a waiver of such right or a waiver of any subsequent breach.

K. Time is of the Essence

The Parties hereto acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, and provision hereof, and that the failure to timely perform any of the obligations hereunder shall constitute a breach of and a default under this Agreement by the Party so failing to perform.

L. Modification and Assignability of Agreement

This Agreement may not be enlarged, modified, or altered except upon written agreement signed by the Parties hereto. CONSULTANT may not subcontract or assign its rights (including the right to compensation) or duties arising hereunder without the prior written consent and express authorization of MURA. Any such subcontractor or assignee shall be bound by all of the terms and conditions of this Agreement as if named specifically herein.

M. Construction and Severability

If any part of this Agreement is held to be invalid or unenforceable, such holding will not affect the validity or enforceability of any other part of this Agreement so long as the remainder of the Agreement is reasonably capable of completion.

N. Advice of Attorney

Each Party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or had the opportunity to seek such advice.

O. MURA's Representatives

MURA designates the Executive Director as the representative authorized to act on behalf of MURA. The authorized representative shall examine the documents of the work as necessary and shall render decisions related thereto in a timely manner so as to avoid unreasonable delays.

P. Conflict of Interest

CONSULTANT covenants that it presently has no interest and will not acquire any interest, direct or indirect, in the services which would conflict in any manner or degree with the performance of services hereunder. CONSULTANT further covenants that, in performing this Agreement, it will employ no person who has any such interest. Should any conflict of interest arise during the performance of this Agreement, CONSULTANT shall immediately disclose such conflict to MURA.

Q. Non-Discrimination

It is illegal under the U.S. Federal law to discriminate against an employee, either intentionally or through disparate impact, on account of race, color, gender, religion, sex, national origin, physical or mental disability, age, marital or familial status (including pregnancy), sexual orientation, and gender expression or identity. CONSULTANT shall not discriminate against any employee or applicant for employment. CONSULTANT's action under this Section shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places, available to employees and other applicants for employment, notices setting forth the provisions of this non-discrimination Section.

R. Notice

Such communications as are required by this Agreement shall be satisfied by mailing or by personal delivery to the Parties at the following address:

CONSULTANT:

Presnell Gage, PLLC
609 S. Washington St., Ste 202
Moscow, ID 83843

MURA:

Executive Director
Moscow Urban Renewal Agency
504 S. Washington St.
Moscow, ID 83843

S. Special Warranty

CONSULTANT warrants that nothing of monetary value has been given, promised or implied as remuneration or inducement to enter into this Agreement. CONSULTANT

declares that no improper personal, political or social activities have been used or attempted in an effort to influence the outcome of the competition, discussion, or negotiation leading to the award of this Agreement. Any such activity by CONSULTANT shall make this Agreement null and void. CONSULTANT further warrants that all materials and goods supplied under this Agreement shall be of good merchantable quality and that all services will be performed in a good workmanlike manner. CONSULTANT acknowledges that it will be liable for any breach of this warranty.

T. Approval Required

This Agreement shall not become effective or binding until approved by both Parties through execution of this Agreement.

U. Authority to Execute

The persons executing this Agreement on behalf of their respective Parties represent and warrant that they have the authority to do so under law and from their respective Parties under penalty of perjury pursuant to the law of the State of Idaho.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date indicated below, acknowledging the retroactive effective date of the Agreement to be December 4, 2023.

CONSULTANT

Presnell Gage, PLLC



Nick Nicholson

Date: 1/31/24

MURA

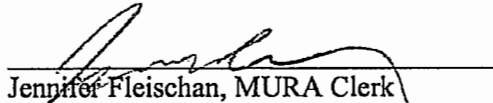
Moscow Urban Renewal Agency



Cody Riddle, Executive Director

Date: 1/18/2024

ATTEST:

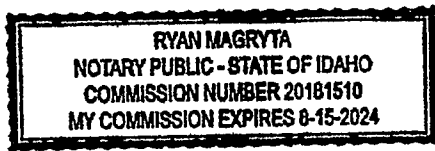


Jennifer Fleischman, MURA Clerk

ACKNOWLEDGMENT

STATE OF Idaho)
County of Ada) ss:

On this 31st day of January, 2024, before me, a Notary Public in and for said State, appeared Nick Nicholson, known to me to be the person named above and acknowledged that they executed the foregoing as the duly authorized representative of Presnell Gage, PLLC.



Ryan Magryta
Notary Public for the State of Idaho
Residing at Eagle, ID
My commission expires 8-15-2024



Attachment "A"

presnell
GAGE, PLLC
ACCOUNTING AND CONSULTING

November 7, 2023

Board of Commissioners
Moscow Urban Renewal Agency
Moscow, Idaho

We are pleased to confirm our understanding of the services we are to provide Moscow Urban Renewal Agency for the year ended September 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of the Moscow Urban Renewal Agency as of and for the year ended September 30, 2023.

Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as the Management's Discussion and Analysis (MD&A), to supplement Moscow Urban Renewal Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Moscow Urban Renewal Agency's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by United States generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedules for Major Funds

Lewiston Office: 1216 Idaho Street, P.O. 555, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

We have also been engaged to report on supplementary information other than RSI that accompanies the Moscow Urban Renewal Agency's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements:

1. Independent Auditor's Report – *Government Auditing Standards*

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Moscow Urban Renewal Agency and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We will identify significant risks of material misstatement as part of our audit planning at the start of audit procedures.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Moscow Urban Renewal Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Moscow Urban Renewal Agency in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter.

This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the government; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Presnell Gage, PLLC, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an Oversight Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Presnell Gage, PLLC, personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oversight Agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Nick Nicholson, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,950. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is 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, 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 make available to you a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2020 peer review report accompanies this letter.

Reporting

We will issue a written report upon completion of our audit of Moscow Urban Renewal Agency's financial statements. Our report will be addressed to the Board of Commissioners of Moscow Urban Renewal Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose.

If during our audit we become aware that Moscow Urban Renewal Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

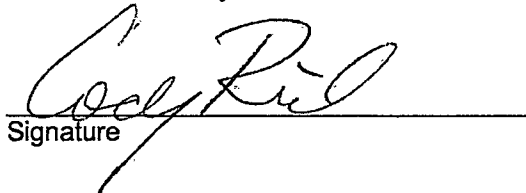
We appreciate the opportunity to be of service to Moscow Urban Renewal Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

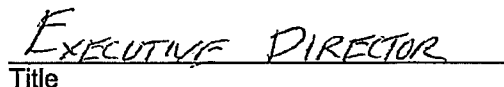


PRESNELL GAGE, PLLC

RESPONSE:

This letter correctly sets forth the understanding of the Moscow Urban Renewal Agency.


Signature


Title



12600 SE 38th Street, Suite 245, Bellevue, WA 98006
Phone 425-401-5061 | Fax 425-401-6306 | bpm@bpmcpa.com

Report on the Firm's System of Quality Control

March 14, 2021

To the Partners of Presnell Gage, PLLC and the
Peer Review Committee of the Nevada Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Presnell Gage, PLLC (the firm) in effect for the year ended March 31, 2020. 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 and audits of employee benefit plans.

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 Presnell Gage, PLLC in effect for the year ended March 31, 2020, 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*. Presnell Gage, PLLC has received a peer review rating of *pass*.

BPM LLP

BPM LLP
Certified Public Accountants