

**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 17th day of October, 2024, 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 Statement of Qualifications from CONSULTANT dated July 8, 2024, 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 each of the five (5) years of the term of this Agreement to be paid after services are rendered each year 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** the following amounts to be paid upon completion of the services described herein, but no later than September 30 of each year:

1. 2024 audit and report: Six Thousand Fifty Dollars (\$6,050)
2. 2025 audit and report: Six Thousand Two Hundred Dollars (\$6,200)
3. 2026 audit and report: Six Thousand Three Hundred Fifty Dollars (6, 350)
4. 2027 audit and report: Six Thousand Five Hundred Dollars (\$6,500)
5. 2028 audit and report: Six Thousand Six Hundred Fifty Dollars (\$6,650)

- 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 in effect for five (5) years upon execution of this Agreement unless terminated sooner pursuant to the terms of this Agreement.

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.

This Agreement is contingent upon MURA receiving the necessary funding to cover the obligations of MURA. In the event that such funding is not received or appropriated, then, and in that event, MURA's obligations under this Agreement shall cease and each Party shall be released from further performance under this Agreement without any liability to the other Party, and CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

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 attachment 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.

Anti-Boycott of Certain Sectors. Pursuant to Idaho Code § 67-2347A, CONSULTANT certifies that it is not engaged in, and will not for the duration of this Agreement engage in, a boycott of any individual or company because the individual or company 1) engages in or supports the exploration, production, utilization, transportation, sale or manufacture of fossil fuel-based energy, timber, minerals, hydroelectric power, nuclear power, or

agriculture or 2) engages in or supports the manufacture, distribution, sale, or use of firearms, as defined in Idaho Code § 18-33302 (2)(d).

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.

This Agreement may also be executed by the use of electronic signatures pursuant to Idaho Code § 28-50-107. If electronic signatures are utilized, the acknowledgment before a notary is not required.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date and year first written above.

CONSULTANT:

Presnell Gage, PLLC

Nick Nicholson
Nick Nicholson

MURA:

Moscow Urban Renewal Agency

Cody Riddle
Cody Riddle, Executive Director



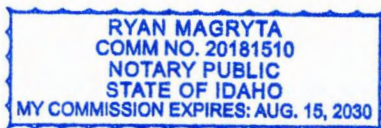
ATTEST:

Jennifer Fleischman
Jennifer Fleischman, MURA Clerk

ACKNOWLEDGMENT

STATE OF Idaho)
County of Ada) ss:

On this 20th day of November, 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
My commission expires 8/15/2030

Attachment "A"

**CITY OF MOSCOW AND
URBAN RENEWAL AGENCY**

STATEMENT OF QUALIFICATIONS

SUBJECT: Request for Qualifications

PRESNELL GAGE, PLLC
Accounting & Consulting

NICK NICHOLSON, PARTNER

609 S Washington
Moscow, Idaho 83843

(208) 882-221
nnicholson@pg.cpa

July 8, 2024

**CITY OF MOSCOW &
URBAN RENEWAL AGENCY**

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presnell
GAGE, PLLC
ACCOUNTING AND CONSULTING

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Moscow Idaho 83843
www.presnellgage.com

(208) 882-2211

Fax (208) 883-3808

July 8, 2024

Sarah Banks
City of Moscow
PO Box 9203
Moscow, Idaho 83843

We are pleased to present our qualifications for performing the audits of the City of Moscow and the Urban Renewal Agency for the year ending September 30, 2024, with the option to perform the audits for each of the four subsequent fiscal years. We will perform the audits as required by Professional Standards.

Presnell Gage, PLLC is one of the largest CPA firms in the State of Idaho, with offices in Moscow, Pullman, Lewiston, Orofino, Grangeville, and Eagle. Our extensive experience in auditing Idaho cities and other governmental entities makes us well qualified to perform your audits. We have been the auditors for the City of Moscow for the last 24 years and the Urban Renewal Agency for the last 23 years. Our managing member has been with Presnell Gage, PLLC for 19 years and is a committed public accounting professional. The experience and maturity of our staff will provide the framework to assist the City with meaningful management service projects. Few CPA firms can provide this continuity and expertise.

This proposal is a firm and irrevocable offer for the fiscal year 2024. We understand the work to be conducted and agree to follow the time line established in the Request for Qualifications. All information contained in this Statement of Qualifications is true and accurate.

We are looking forward to continuing to serve you and believe we can provide you with high quality professional service. If you have any questions, please contact Nick Nicholson.

Presnell Gage, PLLC
Presnell Gage, PLLC

SCOPE OF SERVICES

Financial Statements

We will audit the general purpose financial statements of the City of Moscow and the Urban Renewal Agency for the fiscal year ending September 30, 2024 and the subsequent four fiscal years that are optional.

The objective of our audits will be the expression of an unmodified opinion on the general purpose financial statements, but our ability to express an opinion, and the wording of our opinion, will be dependent upon the facts and circumstances at the date of our report. If our opinion is other than unmodified, the reasons will be fully disclosed.

We will assist in the preparation of and will review the City's ACFR that will be in compliance with the standards established for the Government Finance Officers Association Certificate of Achievement. Our firm assists in the preparation of ACFRs for two cities and, therefore, has experience in this area.

Federal Single Audit Requirements

We will audit the general purpose financial statements of the City and report on the Schedule of Expenditures of Federal Awards in relation to the general purpose financial statements taken as a whole.

We will report on our understanding of the City's internal control structure and the assessment of control risk made as part of the financial statement audit as required under the *Government Auditing Standards* issued by the Comptroller General of the United State.

We will report on the internal control (accounting and administrative) systems used in administering federal financial assistance programs as required by the new Uniform Guidance.

Management Letters

It is the policy of our firm to provide comprehensive management letters or exit conferences in conjunction with all major financial statement engagements. These letters or conferences are designed to suggest improvements in accounting control, accounting policies and procedures, managerial practices, operational efficiency and other matters which will contribute to the overall operating abilities of our clients.

We anticipate continuing to meet with the administration, the Audit Committee, and other Council, or Board members, as requested, to discuss these items.

AUDITING STANDARDS

Formal Auditing Standards

Our audits will be performed in accordance with auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*, and the Standards set forth in the *Government Auditing Standards* issued by the Comptroller General of the United States.

Continuing Professional Education

Presnell Gage, PLLC assures that all of our staff obtain at least 80 hours of continuing professional education (CPE) within a two-year period, with a minimum of 30 hours in one year. In addition, we assure that all professional staff are in compliance with the CPE requirements detailed in the *Government Auditing Standards*. These continuing education programs cover topics that address the special needs of our clients, our staff, and our firm as a whole.

Peer Review

A copy of our latest report issued by CPA Consulting, Inc., P.S., and performed using the standards established by the Peer Review Board of the AICPA will be enclosed each year with our annual engagement letter. These standards require that at least one governmental audit be reviewed. In fact, the reviewers selected multiple governmental audits in our most recent peer review.

PROPOSAL REQUIREMENTS

Independence

Presnell Gage, PLLC affirms that the firm is independent of the City and Agency as defined by auditing standards generally accepted in the United States of America, the U.S. General Accounting Office's *Government Auditing Standards*, and the *Code of Professional Conduct*.

Furthermore, Presnell Gage, PLLC has no conflict of interest with regard to any other work performed by the firm for the City of Moscow or the Urban Renewal Agency.

License to Practice in Idaho

Presnell Gage, PLLC affirms that all members and all assigned key professional staff are properly licensed to practice in the State of Idaho. The firm does employ certain accountants who are in the process of obtaining their licenses as Certified Public Accountants.

Firm Qualifications and Experience

Size of Firm

Presnell Gage, PLLC is an all-Idaho, regional firm established in Lewiston, Idaho in 1950. It has grown into one of the largest CPA firms in Idaho and has offices in Lewiston, Moscow, Pullman, Orofino, Grangeville, and Eagle. Work for this audit will be performed out of the Moscow and Lewiston offices. The following presents a recap of the total personnel in our firm:

<u>Personnel</u>	<u>Total</u>
Partners	8
Managers & Supervisors	7
Seniors	7
Other professional staff	<u>9</u>
	31
Support staff	<u>6</u>
	<u>37</u>

Our governmental audit team and the anticipated staffing for your audits is composed of the following:

<u>Audit Team</u>	<u>Governmental Audit Team</u>	<u>Proposed Staffing</u>
Partners	4	3
Managers & Supervisors	2	1
Other professional staff	<u>7</u>	<u>2</u>
	<u>13</u>	<u>6</u>

All proposed staffing in this engagement is expected to be employed on a full-time basis.

External Quality Control Review

Presnell Gage, PLLC is a leader in the AICPA Peer Review Program. The *Idaho Accountancy Act* requires that we have a peer review every three years. Presnell Gage, PLLC had the first peer review conducted in the United States under this program and has had 13 subsequent reviews, all of which have resulted in pass ratings. The last seven peer reviews included specific government engagements as required by professional standards.

State Desk Reviews

Most of the audits that we perform for governments are reviewed by the State Legislative Auditor. All audits were accepted as filed.

Disciplinary Actions

Presnell Gage, PLLC has not had any disciplinary action taken against the firm in the last three years. Presnell Gage, PLLC is not aware of any pending actions against the firm at this time.

Partner, Supervisory and Staff Qualifications and Experience

Our firm has a Governmental Audit Team that is charged with the responsibility of handling all audits of governmental units. Governmental units have audit and reporting requirements that are unique and specialized. By utilizing the same group of professionals on these audits, we are able to offer the individual entities an audit team that has a working knowledge of these special requirements. The team members selected for your audits are listed below.

Nick Nicholson, Engagement Partner

Mr. Nicholson has been engaged in public accounting since 2005 when he came to work for Presnell Gage, PLLC. Mr. Nicholson is licensed to practice as a Certified Public Accountant in the State of Idaho. He has been an active participant in the audits of cities as well as other governmental entities for the past 19 years. He is a member of the Idaho Society of CPAs. Mr. Nicholson has been a member of the City of Moscow audit team for the last 19 years. Mr. Nicholson will serve as the audit partner of your audits. During the last three calendar years, Mr. Nicholson had 73 hours of governmental specific continuing professional education.

Scott J. Dockins, Review Partner

Mr. Dockins has been engaged in public accounting since 1979 with Presnell Gage, PLLC. Mr. Dockins is licensed to practice as a Certified Public Accountant in the State of Idaho. His areas of auditing experience include school districts, municipalities, water and sewer districts, financial institutions, electric utilities, and lumber mills. He is a member of the American Institute of CPAs and the Idaho Society of CPAs. He is a qualified peer reviewer who has conducted over 100 reviews on CPA firms throughout the western United States. Mr. Dockins will provide final technical and quality review of the results of the audits.

Dawn A. Aliverti, Review Partner

Ms. Aliverti has been engaged in public accounting since 1994 and has been with Presnell Gage, PLLC, since 2004. She received a Bachelor of Science in Accounting from Central Washington University. Ms. Aliverti is licensed to practice as a Certified Public Accountant in the States of Idaho and Washington. She has extensive experience in audits of governmental entities (cities, URA, self-funded health plans), non-profit entities, for profit entities, and worker compensation exchanges. She continually receives specialized training in governmental auditing, federal single audit and yellow book requirements. She is a member in good standing of the American Institute of CPAs, Idaho State Board of Accountancy, and Washington State Board of Accountancy. During the last three calendar years, Ms. Aliverti had 58 hours of governmental specific continuing professional education.

Staff Accountants

Staff accountants will be chosen from the governmental audit team to the extent necessary. All staff accountants have completed or are in the process of obtaining their certification and licensing.

All clients of our firm for whom financial review or audit services are provided have a partner and supervisor assigned to their account. This team approach provides our clients with an assurance of accessibility to our firm and continuity of service. We will continue to provide a level of staff continuity to your organizations that will prove to be very satisfactory.

Similar Engagements with Other Government Entities

We have performed the audits for the City of Moscow and the Urban Renewal Agency since September 30, 2000. Other similar engagements are:

City of Lewiston

Report issued: Annual Comprehensive Financial Report

Dates performed: 1954-2023

Engagement partner: Dawn Aliverti, CPA

Principal client contact: Aimee Gordon, Finance Director, (208) 746-3671

Federal single audit performed: yes

Urban Renewal Agency of the City of Lewiston

Report issued: Independent Audit

Dates performed: 2008-2023

Engagement partner: Dawn A. Aliverti, CPA

Principal client contact: Aimee Gordon, Finance Director, 208-746-3671

Federal single audit performed: As required

Plummer/Worley Joint School District No. 44

Report issued: Independent Audit

Dates performed: 1988-2023

Engagement partner: Nick Nicholson, CPA

Principal client contact: Sara Allen, (208) 686-1211

Federal single audit performed: yes

City of Potlatch

Report issued: Independent Audit

Dates performed: 1998-2022

Engagement partner: Nick Nicholson, CPA

Principal client contact: Dave Brown, Mayor, (208) 875-0708

Federal single audit performed: As required

Nez Perce County

Report issued: Independent Audit

Dates performed: 1991-2023

Engagement partner: Thomas J. Luper, CPA

Principal client contact: Patty Weeks, Auditor, 208-799-3020

Federal single audit performed: Yes

Specific Audit Approach

City Personnel Assistance

We would expect the City personnel to prepare agreed-upon schedules and other data. Our audit approach will be designed to perform in the most efficient manner by allowing the City to perform the accounting procedures and allowing our personnel to perform auditing procedures.

We will assist in the preparation of all financial statements, auditor's reports, and schedules that must be included in the general purpose financial statements. City personnel will prepare additional schedules required for the ACFR.

General Financial Audit

Our general financial audit approach may be divided into four phases which, although distinct in the items they cover, may overlap and should be considered as an ongoing process. Results of subsequent phases may require the auditor to reassess the decisions arrived at in the prior phase and may necessitate changes in the approach to the audit.

A brief summary of the phases follows:

Phase I – Our initial audit objective is to gain an understanding of the City's accounting environment, the internal control structure, and the accounting system. This understanding will be obtained by review of system documentation, interviews with City personnel, and review of information prepared by City personnel.

During this phase, we will also draw upon our experience as auditors for this and other Idaho cities to consider the types of problems or adjustments that we may encounter.

Phase II – The second phase of our audit will include designing an audit program based upon the audit committee's and our expectations. This phase will include testing the City's accounting procedures and assessing the degree of reliance we can place on those systems. As noted under Phase III, we believe that some of the revenue and expenditure tests are most efficiently completed by corresponding with State and County officials to verify the completeness of City revenues and expenditures.

We generally use nonstatistical sampling methods as outlined in accounting standards because the sampling procedure is only one of the audit procedures performed on an account balance or a class of transactions. If we were placing sole reliance on the sampling procedure, we would use statistical sampling procedures. We use sample sizes as outlined in accounting standards and generally use a random number selection process, although in some situations a systematic sampling method is more appropriate. Sampling tests will be performed in testing the City's internal control structure and also in compliance testing for the Single Audit requirements.

Phase III – The third phase of our audit involves the year-end testing of account balances. For the City of Moscow and the Urban Renewal Agency, these procedures will include correspondence with the State and County officials as a cost effective method of testing the City's financial statements as well as our procedures to test internal accounting records.

Phase IV – The fourth phase is preparation and publishing of the statements, the management letter, if necessary, along with meetings with City and URA personnel.

Staffing and Hours by Phase

Phase I procedures will be performed by the engagement partner and the in-charge supervisor. This phase should take approximately 30 hours. Designing the audit program in Phase II will again be done by the engagement partner and the in-charge supervisor. The bulk of the testing will be performed by the in-charge supervisor and the staff accountants. This phase should take approximately 50 hours. Phase III procedures will be performed mainly by the in-charge supervisor and staff accountants with supervision by the engagement partner as required. This phase should take approximately 165 hours. Phase IV procedures will be performed mainly by the in-charge supervisor and staff accountants with supervision by the engagement partner as required. This phase should take approximately 80 hours.

Use of Analytical Procedures

We make extensive use of analytical procedures during the audit. These procedures include comparisons to prior years, comparisons to budget, certain ratio and cost analysis, and analysis of client-specific relationships and their reasonableness.

Use of EDP Software

We utilize "ProSystems" audit software for our own workpapers and analysis and do not use any software that interacts directly with the City's EDP system. However, we do request final trial balances in Microsoft Excel format if possible. Our approach on this engagement would be to audit around the EDP system rather than through it. Our use of the Pro-Systems software allows us to be more efficient in our audit as well as provide detailed trial balances and proposed adjustments to the City staff for their review and approval.

Determining Applicable Laws and Regulations

We will determine the laws and regulations that are subject to audit test work through our knowledge of Idaho cities, research of program documentation, and inquiry of City personnel.

Identification of Anticipated Potential Audit Problems

Based on preliminary discussions with the Finance Director and our knowledge of the controls in place at the City and the Agency, we do not anticipate any audit problems requiring extended assistance from your personnel. Of course, this may change during the audit process. If such an event should occur, we would contact you or the audit committee prior to performing any additional services.

Cost Proposals

Our proposed fees for the fiscal years ending September 30, 2024-2028 are presented below. These fees are "total, all-inclusive, maximum prices" and will not increase as long as there is no significant decline in City and Agency participation where a corresponding increase in outside accounting assistance is required. Any decline in client participation will be discussed with the Finance Director prior to incurring additional accounting fees.

	<u>CITY</u>	<u>URA</u>
2024 audit and report	33,150	6,050
2025 audit and report	33,800	6,200
2026 audit and report	34,500	6,350
2027 audit and report	35,200	6,500
2028 audit and report	35,900	6,650

The proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: Nick Nicholson

Name of Official: Nick Nicholson

Title: Certified Public Accountant, Partner

Firm: Presnell-Gage, PLLC

Address: 609 S Washington, Suite 202, Moscow, ID 83843

Email: nnicholson@pg.cpa

Firm Home Page Address: www.pg.cpa

Date: July 8, 2024



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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