Lewiston Urban Renewal Agency
REGULAR MEETING AGENDA
November 14, 2023 - 12:00 PM
Lewiston City Hall – Back Conference Room – 1134 F Street
Lewiston, Idaho 83501

Seating will be available on a first-come, first-served basis. All others who wish to observe this meeting may watch and listen to the livestream on their own device(s) by visiting the City of Lewiston's website at cityoflewiston.org.

I. CALL TO ORDER

II. CITIZEN COMMENTS

An opportunity for citizens to address the Agency. Citizens are asked to limit their time to three (3) minutes each. Comments and questions can be made by: 1) attending in-person; 2) emailing comments and questions prior to the start of the meeting to sgrow@cityoflewiston.org or dortiz@cityoflewiston.org; 3) mailing written comments prior to the start of the meeting to Shannon Grow, PO Box 617, Lewiston ID 83501; or 4) calling 208-746-1318 x 7265 and leaving a message. Your comments will then be forwarded to the Agency.

III. CORRECTIONS OR ADDITIONS TO AGENDA - Action Item

IV. ACTIVE AGENDA

- **A. APPROVAL OF MINUTES, OCTOBER 10, 2023 – ACTION ITEM**
- **B. APPROVAL OF INVOICES-ACTION ITEM**
  - **1. REDEVELOPMENT ASSOCIATION OF IDAHO, MEMBERSHIP DUES, INVOICE M16005, $2,600.00 - ACTION ITEM**
- **C. REVIEW OF FINANCIAL SUMMARY, OCTOBER 2023 – INFORMATION ITEM**
- **D. APPROVAL OF ENGAGEMENT LETTER WITH PRESNELL GAGE, PLLC FOR AUDIT SERVICES – ACTION ITEM**

V. UNFINISHED & NEW BUSINESS

- **A. DOWNTOWN RAA#7**
- **B. EAST ORCHARDS SEWER #5**
- **C. BOARD MEMBER COMMENTS**
- **D. STAFF COMMENTS**

VI. **ADJOURNMENT** - Action Item

The City of Lewiston is committed to providing access and reasonable accommodation in its services, programs, and activities and encourages qualified persons with disabilities to participate. If you anticipate needing any type of accommodation or have questions about the physical access provided at this meeting, please contact Community Development Specialist Dawn Ortiz at least forty-eight (48) hours in advance of the meeting at 208-746-1318, ext. 7265.

THE URBAN RENEWAL AGENCY BOARD OF THE CITY OF LEWISTON, IDAHO, met in a regular meeting Tuesday, October 10, 2023, at Lewiston City Hall. Chairperson Sheila Bond called the meeting to order at 12:00 p.m.

I. CALL TO ORDER

BOARD MEMBERS PRESENT: Sheila Bond, Chairperson; Joe Anderson, Vice Chairperson; Don Beck; Joe Gish; Jim Kleeburg; A.L. "Butch" Alford; Tim Switzer;

BOARD MEMBERS EXCUSED:

STAFF MEMBERS PRESENT: Shannon Grow, URA Director; Katie Hollingshead, Assistant URA Director; Luke Antonich, City Engineer; Aaron Butler, IT;

OTHERS PRESENT: Thaddeus O'Sullivan, O'Sullivan Legal PLLC

II. CITIZEN COMMENTS

None.

III. CORRECTIONS OR ADDITIONS TO AGENDA

None.

IV. ACTIVE AGENDA (ACTIVE ITEM)

A. Approval of Minutes, September 12, 2023 – Action Item

Vice Chair Anderson and Board member Gish moved and seconded, respectively to approve the September 12, 2023 meeting minutes. Motion passed 7-0.

B. Approval of Invoices

1. **City of Lewiston, Reimbursement for EOS III Costs, Invoice 2, $21,277.65**
2. **Elam & Burke, Invoice 204164, $25.00**

Director Grow clarified for the board that reimbursement to the City from September had been voided because of a transposition of the dollar amount, and that part of this invoice before the board would replace that $17,755 amount that had been approved with the corrected amount of $17,577.

Vice Chair Anderson and Board member Beck moved and seconded, respectively to approve invoices for both City of Lewiston and Elam & Burke. Motion passed 7-0.

C. Review of Financial Summary, September 2023 – Information Item

Director Grow provided that the summary was as of September 30, 2023 and included the additional bond payment. She explained that September was the end of the fiscal year and there may be changes to the September 2023 financial summary after accruals are added.

D. Review of draft Engagement Letter with O'Sullivan Legal PLLC – Action Item

Director Grow let the board know that per their direction at the September meeting, she had spoken with Mr. O'Sullivan regarding monthly review of the URA agenda's and meeting attendance. Director Grow introduced Mr. O'Sullivan, who was attending via Zoom, to the board.

Mr. O'Sullivan thanked the board for the opportunity and said that he did not see a need for him attend every URA meeting but that he would like to attend some so that he could meet all the board members and develop a rapport. Mr. O'Sullivan mentioned that he had discussed the travel rate with Director Grow, but that had accidentally been excluded from the engagement letter, travel rate would be ½ of the normal hourly rate. Mr. O'Sullivan said that he has been practicing law for 20 years and was a graduate of Gonzaga, his background is in litigation, but is now practicing general law and represents several different types of municipalities.

Board member Gish asked if Mr. O'Sullivan could combine visits to Lewiston for URA meetings with his current visits to Pullman so that a cost share on travel time could be realized.

The board discussed potentially moving the URA meetings to a different day to accommodate Mr. O'Sullivan attending and possibly sharing travel costs with another municipality. Director Grow offered that the board could chose to amend the current by-laws for a different regular meeting date.

Board member Alford asked Mr. O'Sullivan if he had any experience with URA's and if the Zoom meeting option would be good enough for when he couldn't attend in person. Mr. O'Sullivan said that he has not done legal work for a URA yet, but that he has read the relevant state statutes regarding URA's and feels he can get up to speedy fairly quick. As for the Zoom meeting option, it is great if attending in person isn't possibly but he would prefer attending in person.

There being no other questions for Mr. O'Sullivan, Chair Bond called for the vote. Vice Chair Anderson moved to accept the engagement letter from O'Sullivan Legal PLLC with the amendment that travel time is charged at ½ the hourly rate. Board member Beck provided the second. Motion passed 7-0.

Assistant Director Hollingshead let the board know that members would only need to abstain from voting if they had a conflict of interest that included a monetary benefit to the board member.

V. UNFINISHED AND NEW BUISNESS

A. Downtown URA Review –

Director Grow presented an overview of the Downtown Revenue Allocation Area, creation of the plan, area that it covers and duration of the term. She reviewed the projects outlined in the plan, including water mains, pedestrian staircases, wayfinding, streets, parking lots, parking garages, flood control, wastewater lines, and blight removal. The estimated revenue increment was based on a growth rate of 4% with a total increment of $10.2 million estimated over the 20-year term of the RAA. Current balance of increment collected is $86,692 as of August 2023.

Director Grow stated that the Twin City Foods site is included in the Revenue Allocation Area and that City Council had voted on 10/9/2023 to reopen negotiations regarding the City purchasing the property.

Board member Beck asked for clarification if the City is buying the property or if the URA is buying the property. Director Grow stated that the City is going to try and negotiate the purchase of the property on their own behalf.

Board member Alford asked for further clarification regarding the purchase of the Twin City Foods property. Could the URA purchase the property? Director Grow stated that URA's can purchase property but that the purchase of the Twin City Foods property is not specifically identified as a project in the Downtown Revenue Allocation Area plan. If the URA wanted to pursue the purchase of property, she believed that the plan would need to be amended.

Director Grow continued that the URA could help the city with infrastructure or other improvements that fit with the projects outlined in the plan.

Vice Chair Anderson asked if the URA would have to wait until there was enough increment accrued or would have to go into debt to pay for improvements. Director Grow answered yes, there is the possibility to try and get a bond, but reminded the board that when the bond for the East Orchards Sewer RAA was secured the City of Lewiston secured that bond with a 1 million dollar reserve, and the City may not be in the same position to secure another bond at this time.

Board member Gish then presented an analysis of the Downtown Revenue Allocation Area to the board (attached as appendix A) with an executive summary looking at the possibility of the URA purchasing the Twin City Foods property, taking care of the remediation of the property and then subdividing the property and selling lots to developers. Board member Gish walked the board through some high level assumptions regarding increment revenue and possible outcomes for increased property value.

Board member Alford ask Director Grow to provide a refresh on the possibility of the Bypass Road being moved. Director Grow stated that there was a study done in the early 2000's that looked at rerouting the Bypass Road from its current location. The Bypass Road property is owned by the Corps of Engineers and the Idaho Transportation Department has an easement for the roadway, so there a number of entities involved. The Idaho Transportation Department doesn't have any argument against the rerouting of the road, but they aren't willing to invest any money in a project like that. The URA could look at paying for a project like that but it will be an expensive endeavor. There are concept plans with the Downtown Master Plan and the Waterfront Plan that have already been developed and approved by the City Council. Regardless of who owns the property, the URA could participate in the rehabilitation of the property if that was the desire of the board.

Board member Beck mentioned that with the Railroad abandoning their tracks in the area, those lands are usually reverted back to the original owners and that could possibly cause some issues with land ownership.

Chair Bond asked how the URA could best support the effort. Director Grow stated that under the existing Downtown RAA plan, there are a number of projects that can be accomplished without an amendment to the plan. The board can wait and see where the City goes with the negotiations for the purchase because there should be more information available by the November meeting.

B. Board Member Comments -

Board member Alford let the board know that he missed the September meeting because he was flying fishing on the Lochsa but wanted the board to know that he was thinking of all of them. He asked about the packets and if they are only being distributed via email. Director Grow said that yes, the agenda and the packet will be sent out via email prior to the meeting each month.

C. Staff Comments

None.

VI. ADJOURN (ACTION ITEM)

There being no further business, Board members Alford and Anderson moved and seconded, respectively, to adjourn. The motion carried 7-0 and the Urban Renewal Agency Board adjourned at approximately 12:52 p.m.

RESPECTFULLY SUBMITTED, ATTEST:

____________________________ ____________________________________

KATIE HOLLINGSHEAD,
RECORDING SECRETARY

URBAN RENEWAL AGENCY CHAIR

Approved this _____ day of ________________, 2023.

Appendix A

October 10, 2023

Executive Summary – Plan for the Lewiston URA to Buy the Twin City Foods Property

This is an executive summary proposal to refine the existing Downtown RAA Project to purchase and improve the Twin City Foods property by cleaning up the soil, resolving any arbitrary legal issues, creating a development design, installing infrastructure and then subdividing and selling the property for development.

Background: The Twin City Foods property is approximately 13 acres located on the confluence of the Snake and Clearwater river has been vacant for decades. The land contains a water well and sewer lines running underneath the clearwater river to north Lewiston. Some of the ground contains contaminated soil that must be cleaned up prior to development. The Twin City Foods property is 13 acres of one of the most valuable properties in downtown Lewiston as it sits at the confluence of the Snake and Clearwater Rivers and is directly adjacent to the Lewiston Levy.

The URA mission is to take blighted areas, improve them so they can be put back into use and new development can create increased property tax revenue. Improving the approximately 13 acres of Twin City Foods property to allow for development is directly in line with the URA's mission.

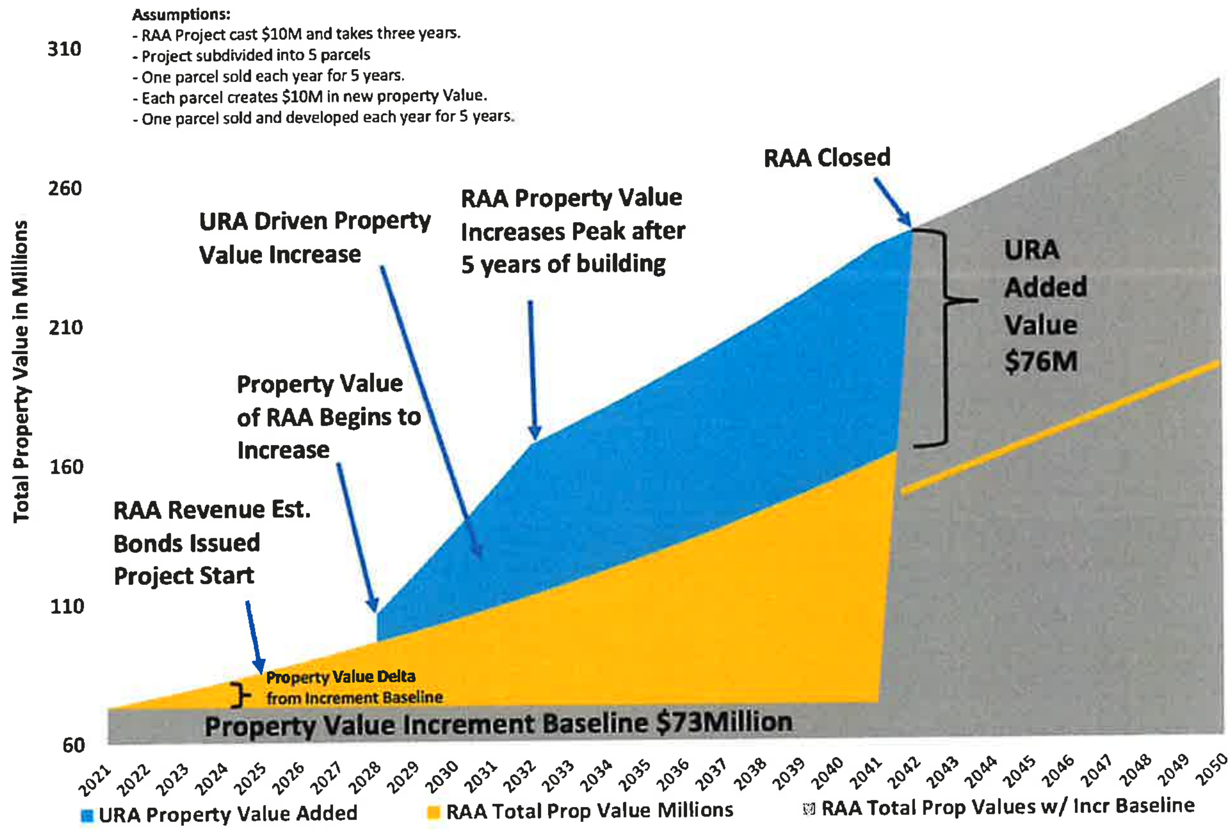
Plan Summary:

The URA utilizes bond revenue from the Downtown RAA to buy the Twin City Foods Property, clean up the contaminated soil, resolve any legal issues with the property such as water rights, easement and infrastructure ownership issues. Subcontract an overall development plan for the site, then install infrastructure base on the plan. The site will then be subdivided in to approximately 5 lots for sale to developers.

Assumptions:

1. The Downtown URA will generate at least $10 million is current dollar revenue over its lifespan.
2. Bonds can be issues against this revenue estimate.
3. $10 million will cover the cost of the URA project.
4. The URA can purchase the TCF property
5. DEQ or grants can be attained by the URA to clean up any soil contamination.
6. Once purchased the City and/or URA attorneys can be used to clean up any legal issues with easements, water rights, and ownership of the infrastructure.
7. A development plan for the entire 13 acre parcel can be developed.
8. Infrastructure is put in place based on the development plan.
9. The project is subdivided into 5 smaller parcels to be resold to developers.
10. Each parcel sold represents $10M is added property value.

Downtown RAA Value Chart



Invoice

Redevelopment Association of Idaho. Inc.
776 E Riverside Drive, Suite 240
Eagle, Idaho 83616

Date	Invoice #
10/1/2023	M16005

Bill To
Lewiston Urban Renewal Agency Attn: Laura VonTersch PO Box 617 Lewiston, ID 83501

Item	Qty	Description	Rate	Amount
	1	**Membership Dues - fiscal year 2024**		**$ 1,000.00**
	1	**Legislative Contribution - FY 2024**		**$ 1,600.00**
			Total Due	**$ 2,600.00**

Presnell Gage, PLLC
ACCOUNTING AND CONSULTING

October 12, 2023

Board of Commissioners
Urban Renewal Agency of the City of Lewiston
Lewiston, ID 83501

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

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the major fund, and the disclosures, which collectively comprise the basic financial statements of the Urban Renewal Agency of the City of Lewiston 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 the Urban Renewal Agency of the City of Lewiston'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 the Urban Renewal Agency of the City of Lewiston'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, 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 Urban Renewal Agency of the City of Lewiston'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 report combined with our auditor's report on the financial statements:

1. Schedule of Revenues, Expenditures, and Changes in Fund Balances - Government Funds

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 Urban Renewal Agency of the City of Lewiston 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 comes 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 Agency'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 Agency 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 the Urban Renewal Agency of the City of Lewiston'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 the Urban Renewal Agency of the City of Lewiston 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 Agency 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 Agency 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 Agency received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Agency 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 Agency; 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.

Dawn Aliverti, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately October 30, 2023, and to issue our reports no later than January 31, 2024.

Our fee for these services will be $5,100. The 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 the Urban Renewal Agency of the City of Lewiston's financial statements. Our report will be addressed to the Board of Commissioners of the Urban Renewal Agency of the City of Lewiston. 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 the Urban Renewal Agency of the City of Lewiston 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 the Urban Renewal Agency of the City of Lewiston 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

PRESNELL GAGE, PLLC

RESPONSE:

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

______________________________ ______________________________
Signature Title

____
Date

BPM

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