

January 23, 2025

Kalil Law Firm
Attn: Thomas Kalil
P.O. Box 2355
Willison, ND 58802

Dear Mr. Kalil:

Our auditors, Denning, Downey, & Associates, P.C., CPA's, P.O. Box 1957 Kalispell, MT 59903, are conducting an audit of our financial statements at June 30, 2024 and for the fiscal year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of City of Sidney, Montana, in the form of legal consultation or representation.

**Pending or Threatened Litigation, Claims, and Assessments
(excluding unasserted claims and assessments)**

Please prepare a description of all material pending or threatened litigation, claims, and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$10,000 individually or in the aggregate. The description of each matter should include:

- a. the nature of the litigation,
- b. the progress of the matter to date,
- c. how management of the City is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out of court settlement; and
- d. an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with FASB ASC 450, Contingencies.

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of FASB ASC 450, Contingencies (excerpts of which can be found in the ABA's Auditor's Letter Handbook). Please specifically confirm to our auditors that our understanding is correct.

Response

Your response should include matters that existed as of June 30, 2024, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitation on your response.

Our auditor's expect to have the audit completed shortly. They would appreciate receiving your reply as soon as possible so that they can issue the audit report. You may also be requested to provide updates to your written response at a later date. We authorize you to respond to a request for updates made directly from our auditors in connection with the audit of our financial statements as of June 30, 2024, and for the period then ended. We appreciate your timely response to such requests.

Other Matters

Please also indicate the amount we were indebted to you for services and expenses (billed or unbilled) on the date of your response.

Please direct your response to:

Denning, Downey & Associates, P.C.
Certified Public Accountants
P.O. Box 1957
Kalispell, MT 59903-1957

Sincerely,

Jessica Chamberlin, City Clerk
City of Sidney