Wegner CPAs

January 26, 2016

Melinda Schab, General Manager
Moscow Food Co-op
121 E. 5th Street
Moscow, Idaho 83843

Dear Melinda:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

1. We will review the balance sheet of Moscow Food Co-op as of December 31, 2015, and the related statements of income, retained earnings, and cash flows for the year then ended, and issue an accountant's report thereon in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The objective of a review is to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for:

a. the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

b. designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

c. preventing and detecting fraud.

d. identifying and ensuring that the Cooperative complies with the laws and regulations applicable to its activities.

e. making all financial records and related information available to us and for the accuracy and completeness of that information.

f. providing us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.

We will conduct our review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A review includes primarily applying analytical procedures to your financial data and making inquiries of Cooperative management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of the Cooperative's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion regarding the financial statements as a whole.

New York Office:
230 Park Avenue, 10th Floor
New York, NY 10146
P: (212) 551-1724
F: (262) 522-7550

Washington DC Office:
400 North Washington Street
Second Floor
Alexandria, VA 22314
P: (703) 519-0990

Wisconsin Office:
2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

If, for any reason, we are unable to complete our review of your financial statements, we will not issue a report on such statements as a result of this engagement.

You are responsible for assuming all management responsibilities, and for overseeing any bookkeeping services, tax services, or other services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Bruce Mayer is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be based in part upon the amount of time required at our standard billing rates for the personnel working on the engagement, plus travel and other out-of-pocket costs such as report production, word processing, postage, etc. We estimate that our fees for these services will be $5,500 for the review. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, accounts 45 or more days past due will have a delinquent service charge computed by a periodic rate of 1½% per month (annual percentage rate of 18%) applied to the unpaid balance, and work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. You will also be obligated to compensate us for reasonable collection costs including attorney fees incurred by us resulting from nonpayment.

We appreciate the opportunity to be of service to you 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.

Sincerely,

Wegner CPAs, LLP

Bruce Mayer

Bruce Mayer, CPA
Partner

Acknowledged:

Moscow Food Co-op

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Melinda Schab, General Manager