



July 1, 2026

Town of Independence
465 E 1200 S
Heber City, Utah 84032

Dear Town Council and Management:

Purpose of Letter

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for Town of Independence. This letter will confirm the nature and limitations of the services we will provide and the various responsibilities and other terms of the engagement.

Requested Procedures and Responsibilities

We will apply the agreed-upon procedures to Town of Independence's accounting records, Financial Survey, and compliance with applicable state laws for the year ended June 30, 2026, in accordance with *Utah Code 51-2a-201* and as enumerated in the *Guide for Agreed-Up On Procedures Engagements for Local Governments Entities with Annual Revenues or Expenditures Greater Than \$350,000 and Less Than \$1 million*, issued by the Office of the State Auditor. These procedures will be applied for the purpose of reporting our findings as a result of the procedures performed. The procedures we will perform have been agreed to by the specified parties to this engagement, which are the Town Council and Management of the Town of Vernon and the Office of the State Auditor.

Applicable Standards

Our engagement to apply agreed-upon procedures will be conducted in accordance with the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States (which standards incorporate by reference the American Institute of Certified Public Accountants general attestation standard on criteria, the field work and reporting attestation standards, and the corresponding statements on standards for attestation engagements). The sufficiency of the procedures is solely the responsibility of the specified parties listed above. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

We are required to be independent of Town of Independence and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to this engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each requirement identified above. Our audit does not provide a legal determination of Town of Independence's compliance with the compliance requirements referred to above.

Reporting on Agreed-upon Procedures

The agreed-upon procedures listed in the attached schedule are not designed to constitute an audit or review of Town of Independence's accounting records or the Financial Survey. Also, the agreed-upon procedures are not designed to constitute an examination or review of Town of Independence's compliance

with applicable state laws. Therefore, we will not express an opinion or conclusion on these matters. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

Report Distribution

We will present a written report listing the procedures performed and our findings. This report is intended solely for the use of the specified parties as identified above and should not be used by anyone other than these specified parties. In accordance with *Government Auditing Standards*, we are required to report significant deficiencies, material weaknesses, instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that come to our attention during our agreed-upon procedures that warrant your attention. Additionally, we will report on any matter that comes to our attention that causes us to believe that amounts reported on the Financial Survey should be adjusted by more than 5% of total revenues

Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. You will be given the opportunity to review a draft of the report and prepare a corrective action plan in response to identified internal control deficiencies and noncompliance matters.

Documentation Ownership and Retention

The attest documentation for this engagement is the property of Larson and Company PC and constitutes confidential information. However, we may be requested to make certain attest documentation available to the Office of the Utah State Auditor pursuant to authority given to it by law or regulation. If requested, access to such attest documentation will be provided under the supervision of Larson And Company PC personnel. Furthermore, upon request, we may provide copies of selected attest documentation to the Office of the Utah State Auditor who may intend, or decide, to distribute copies of information contained therein to others, including other governmental agencies.

We agree to retain our attest documentation for a period of at least five years from the date of our report.

Peer Review Report

In accordance with the requirements of *Government Auditing Standards*, we can make upon request the latest external peer review report of our firm for your consideration and files.

Management's Responsibilities

Our engagement will be conducted on the basis that Town of Independence's management acknowledge and understand that they have responsibility for:

- Designing, implementing, and maintaining internal control relevant to the Town of Independence's accounting records, accuracy and completeness of the Financial Survey, and compliance with applicable state laws;
- Selecting and determining the suitability and appropriateness of the criteria upon which the accounting records and the Financial Survey will be evaluated;
- Compliance with applicable state laws;
- Providing us with:
 - Access to all information of which management is aware that is relevant to the Town of Independence's accounting records, Financial Survey, and compliance, such as records, documentation, and other matters (management is responsible for the accuracy and completeness of such information);
 - Additional information that we may request from management for the purpose of performing the agreed-upon procedures; and

- Unrestricted access to persons within the entity from whom we determine it necessary to obtain attest evidence.
- Submitting our report to the Office of the Utah State Auditor.

Representations

At the conclusion of our engagement, we will require from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the agreed-upon procedures.

Provisions of Engagement Administration, Timing and Fees

Our engagement is scheduled for performance during September 2026 and, unless unforeseeable problems are encountered, the engagement should be completed by December 31, 2026.

Jon Haderlie, CPA, is the engagement partner for the services specified in this letter. The engagement partner's responsibilities include supervising Larson and Company, PC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every month and are payable upon presentation. We estimate that our fee for this engagement will be \$4,200. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more 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 upon written notification of termination, even if we have not completed 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.

Entire Agreement

This Agreement, including the Terms and Conditions Addendum, represents the entire agreement of the parties and supersedes all previous oral, written or other understandings and agreements between the parties. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

We appreciate the opportunity to assist 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 and return a copy to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

Respectfully,



LARSON & COMPANY, PC

RESPONSE:

This letter correctly sets forth our understanding.

Town of Independence

Acknowledged and agreed on behalf of Town of Independence by:

Management Signature: _____

Title: _____

Date: _____

Governance Signature: _____

Title: _____

Date: _____

TERMS AND CONDITIONS ADDENDUM

Use of Third Parties

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to confirmation services with financial institutions. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature above, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Audit Documentation

The audit documentation for this engagement is the property of Larson & Company PC ("Larson & Company") and constitutes confidential information. In some circumstances, we may be required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for you. So long as we are not a party to the proceedings in which the information is sought, you agree to pay any and all reasonable expenses including fees and costs for our time, as well as any legal or other fees that we incur as a result of such appearance or production of documents. If requested, access to such audit documentation will be provided under the supervision of Larson & Company's personnel.

Termination and Withdrawal

Either party may terminate this Agreement at any time and for any reason.

If this Agreement is terminated before services are completed, you agree to pay all fees and expenses we incur through the effective date of termination.

Conflicts of Interest

If we, in our sole discretion, believe a conflict of interest has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to terminate our services without issuing our work product.

Portals

We will utilize Suralink, a collaborative, virtual workspace in a protected, online environment. Suralink permits real-time collaboration across geographic boundaries and time zones and allows Larson & Company and you to share data, engagement information, and deliverables in a protected environment. In order to use Suralink, you may be required by the provider of Suralink to execute a portal agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that we have no responsibility for the activities of Suralink and agree to indemnify and hold us harmless with respect to any and all claims arising from your misuse of Suralink.

Larson & Company is not a host for any of your information. You are responsible for maintaining your own copy of this information. We do not provide back-up services for any of your data or records, including information we provide to you. Portals are utilized solely as a method of transferring data and are not intended for the storage of your information. Information on a portal may be deleted by Larson & Company with or without notice to you.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any loss arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

Confidentiality

In providing services to you, we may require information that is considered confidential and may include Personally Identifiable Information (PII), i.e. information that can be used to distinguish or trace an individual's identity such as address, bank account and social security information. We will maintain all client information, including PII, on a confidential basis and have a duty to do so based on the standards promulgated by the American Institute of Certified Public Accountants as well as applicable laws and regulations. You assume the risk of loss if you provide us with information, including PII, which differs from the information we request in order to provide services to you in accordance with the Agreement.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate agreement.

Brokerage, Investment Advisory or Digital Asset Statements

If you provide our firm with copies of brokerage, investment advisor, or digital asset statements, we will use the information solely for the purpose described in the Engagement Objective and Scope section of this Agreement. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

Mediation

If a timely dispute arises out of or relates to this Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association (“AAA”) under the *AAA Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in Utah.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.

This provision shall not apply to any dispute of fees owed, billed or due.

Indemnification of Larson & Company

The following is applicable to audit and attest engagements only:

You agree to hold us harmless from any and all claims which arise from knowing misrepresentations to us, or the intentional withholding or concealment of information from us by your management. You also agree to indemnify us for any claims made against us by third parties, which arise from any of these actions by your management. The provisions of this paragraph shall apply regardless of the nature of the claim.

The following applies to non-attest engagements only:

You agree to indemnify, defend, and hold harmless Larson & Company and any Larson & Company Stakeholders with respect to any and all claims made by third parties arising from this engagement,

regardless of the nature of the claim, and including the negligence of any party, excepting claims found to have arisen from the gross negligence or intentional acts of Larson & Company.

Designation of Venue and Jurisdiction

In the event of a dispute, the courts of the state of Utah shall have exclusive jurisdiction, and all disputes will be submitted to the state of Utah. We also agree that the law of the state of Utah, except for laws governing the choice of law, shall govern all such disputes.

Timing for Disputes

You agree that any claim arising out of this Agreement shall be commenced within 3 year(s) from the date our services conclude as outlined in the Timing of the Engagement section of the Agreement, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Larson & Company.

Independent Contractor

When providing services to your company, we will function as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this Agreement are solely obligations of Larson & Company, and no Larson & Company stakeholder shall be subjected to any personal liability whatsoever to you or any person or entity.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Survivability

The following sections of this Terms and Conditions Addendum shall survive termination of the Agreement: Limitation of Liability, Limitation of Damages, Indemnification, and Timing for Disputes.

Assignment, No Third Party Beneficiaries

All parties acknowledge and agree that the obligations and responsibilities of this Agreement cannot be assigned to any third party except as agreed to in writing. This Agreement has been entered into solely between you and Larson & Company, and no third-party beneficiaries are created hereby.

Force Majeure

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature intended to replicate a written signature, shall be presumed valid, and we may reasonably rely upon it. For purposes hereof, “electronic signature” includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.