

TOOELE CITY CORPORATION

RESOLUTION 2026-33

A RESOLUTION OF THE TOOELE CITY COUNCIL APPROVING AUDIT AGREEMENT WITH LARSON & COMPANY, P.C., CERTIFIED PUBLIC ACCOUNTANTS.

WHEREAS, Tooele City Charter Section 3-02 (Independent Auditor), as well as Utah Code Chapters 51-2a (Part 2) and 10-6, require Tooele City's finances to be audited annually by an independent and competent certified public accountant; and,

WHEREAS, state audit guidelines recommend separating the year-end accounting functions from the audit functions; and,

WHEREAS, by Resolution 2025-72, approved on August 6, 2025, the City Council approved an accounting consulting services agreement, in support of the fiscal Year 2025-2026 audit, with WSRP Certified Public Accountants, which has performed the City's year-end accounting and auditing for a number of years; and,

WHEREAS, by Resolution 2021-79, approved on August 4, 2021, the City Council approved an agreement with Larson & Company, P.C., Certified Public Accountants ("Larson"), whereby Larson was retained to perform the audit of Tooele City's finances beginning with fiscal year 2020-2021 and ending with fiscal year 2024-2025; and,

WHEREAS, the City Administration recommends that Larson now be retained to perform the audit of Tooele City's finances beginning with fiscal year 2025-2026 and ending with fiscal year 2030-2031; and,

WHEREAS, the agreement with Larson, in the form of an engagement letter, is attached hereto as Exhibit A; and,

WHEREAS, the compensation payable to Larson under the agreements for the audit period is not to exceed \$257,500 (average \$42,900 per year), plus \$28,200 for the federal single audits, if required to be performed (average \$4,700 per year); and,

WHEREAS, City Code Sections 1-5-10, 1-6-4, 1-6-9, 1-14-4, and 1-22-4 require the City Council to approve city contracts and expenditures (also known as claims) of \$30,000 or more, which claims are best approved by resolution for the preservation of a record of both the claims and their approval; and,

WHEREAS, Utah Code Section 10-6-138 requires the City Recorder to "countersign all contracts made on behalf of the city and [to] maintain a properly indexed record of all such contracts"; and,

NOW, THEREFORE, BE IT RESOLVED BY THE TOOELE CITY COUNCIL that an agreement with Larson, consistent with the terms outlined in attached as Exhibit A, is hereby approved.


This Resolution shall become effective upon passage, without further publication, by authority of the Tooele City Charter.

IN WITNESS WHEREOF, this Resolution is passed by the Tooele City Council this 3rd day of June, 2026.

TOOELE CITY COUNCIL

(For)

(Against)










ABSTAINING: _____

MAYOR OF TOOELE CITY

(Approved)

(Disapproved)



ATTEST:



Shilo Baker, City Recorder

SEAL



Approved as to Form:



Matthew C. Johnson, City Attorney

Exhibit A

Larson & Company Engagement Letter



TOOELE CITY

PROPOSAL FOR INDEPENDENT AUDIT SERVICES



HELPING YOU SEE
THE BIG PICTURE

JON HADERLIE, CPA, AUDIT PARTNER
1606 SPANISH FORK PARKWAY, SUITE 200
SPANISH FORK, UT 84660
TEL: 801-798-3545 FAX: 801-798-3678
jhaderlie@larsco.com



May 7, 2026

Tooele City
Tooele, Utah 84074

Dear Mayor, Council Members and Management:

Thank you for giving us the opportunity to submit an audit services proposal for Tooele City. We have great regard for your organization and look forward to the prospect of working alongside you to safeguard your public funds by entering an agreement for audit services.

Our Qualifications. Larson & Company, PC (a Utah corporation) has been auditing government entities since our inception in 1975, 50 years ago. We have since become known as one of the premiere providers of auditing services to government entities in the State of Utah, and in that time, we have found our expertise as a focused government audit group, working year-round with over 80 government entities of various sizes. We understand you require professionals experienced in auditing municipal entities and possessing an understanding of the unique operating characteristics of a City in Utah. You also require experienced professionals who will be available as a resource to you year-round as questions or concerns may arise. Our specialists can offer proactive advice as a matter of course, including issues related to:

- application of GASB statements
- best practices related to Municipalities in Utah
- emerging regulatory issues, including transparency standards
- analyzing internal controls processes for possible weaknesses regarding fraud

You want your accounting professionals to be familiar with your organization, understand your mission, and remain accessible to discuss important issues facing Tooele City in the future. Because of our knowledge of government regulations, our municipal clients are served by knowledgeable, experienced staff for a reasonable fee with no surprises. In fact, some of our government clients have remained with Larson & Company for over 30 years.

A Winning Combination. Our government auditing experience with territories, counties, cities, and small government entities allows us to deliver not only the services required in your RFP, but far more guidance and service than you would expect from an auditor. Members of our government team are full-time government auditors. We focus on this diverse group of organizations in Utah and support the organizations that educate them. Because of this focus, we optimize the best methods in auditing government entities and bring efficiency and expertise to your audit needs. We can offer friendly service with a combination of quality and price that matches the value you seek.

We look forward to working with Tooele City. If you have any questions or require additional information, please contact me at (801) 798-3545 or jhaderlie@larsco.com.

Sincerely,

Larson & Company, Certified Public Accountants

A handwritten signature in black ink that reads 'Jon Haderlie, CPA'.

Jon Haderlie, CPA, Audit Partner





At Larson & Company, we believe our experience gives you the security to safeguard funding.

A. FIRM'S QUALIFICATIONS

Firm Organization and Locations Larson & Company is a privately owned regional accounting firm comprised of 115 employees, including 44 CPAs, 20 partners, and 64 professional staff. We operate from three offices throughout Utah, including Salt Lake County, Spanish Fork, and Moab.

Audit Office Information

Your audit will be conducted from our Spanish Fork office, which employs a government staff of highly qualified individuals. All our staff are full-time employees and many are licensed CPAs. We have a policy of being available to our clients whenever you need us, not just during the course of the audit. We expect questions throughout the year, so call us anytime. We typically do not bill for routine phone conversations, but we view these as ancillary services that add value to your audit, not additional time we can bill.

Exceeding Mandatory Criteria

The requirements for competent government auditors are strict. We pride ourselves on maintaining the highest standards of excellence within our profession. We not only meet the criteria in your RFP, we exceed it.

- Our firm is properly licensed for practice as certified public accountants in the state of Utah.
- Larson & Company meets all the requirements for independence and experience as promulgated by the AICPA Rule 101 and the *Government Auditing Standards*. We have heretofore not entered into any professional relationships or contracts with Tooele City within the last five years, and we do not deem a conflict of interest relative to performing the audit to exist.
- The training received by our government audit personnel is of high caliber. Each CPA on staff is licensed to practice in the State of Utah. Each member of the audit team assigned to your audit has received extensive training in current government auditing standards and regulations and meets the continuing education requirements. We also meet the external quality control review requirements contained in the *Government Auditing Standards*.
- No disciplinary action has been taken against a member of our firm in the 50-year history of the firm.
- The most current quality control review report can be found at the end of this proposal. We have received a passing report with no letter of comments attached, indicating a clean quality control history. This external quality control review included a specific review of government engagements.
- The Office of the Utah State Auditor performed a review of our workpapers and issued a report in August of 2021. The results of that review are a "pass" as noted on their website.



B. STAFF QUALIFICATIONS

Staff Resumes

As a professional services firm, the skills of our people are a big part of the value of our services. You want to work with knowledgeable individuals and decision makers that can get the job done. You want to get to know your team and expect continuity in the relationship with your team. We do, too. The professionals we are committing to Tooele City are experienced and well trained in audit issues affecting government entities and intend to be there to assist you on a long-term basis. It is anticipated that 4-5 full-time employees will be assigned to your audit, including the Partner and Manager supervising the engagement.

Staffing Approach

We have included the resumes for our lead government audit partner, audit manager, and senior staff auditor. All staff assigned to this audit are seasoned government specialists with the training and experience that will give Tooele City the most qualified team to complete their audit in a timely, efficient manner. The training our audit staff receives complies with all government standards and requirements for continuing education. This ensures you have the most current information for your organization every year during your audit.

The key members of the engagement team consist of:



Jon Haderlie, CPA,
Lead Audit Partner



Cody Powell,
Audit Manager



Khulene Gallo,
Audit Senior

A big part of the value of our service is our people. We are committing a highly qualified team to lead your engagement, with over 35 years of combined service experience.

JON HADERLIE, CPA



jhaderlie@larsco.com

801-798-3545

765 North Main
Spanish Fork, UT 84660

www.larsco.com

Lead Audit Partner

Jon is our most experienced government auditor and has worked with government entities of all sizes, including special service districts, cities and towns, counties, universities, territories, and charter schools. He is well known in the government community and his knowledge of government reporting requirements is unmatched in our organization. Jon is known for assisting his clients in understanding, identifying, and implementing internal controls necessary to maintaining a healthy organization. His approach is common sense, and he has the ability to connect with his clients on every level, from staff to management and governance. His expertise includes all accounting and auditing standards and regulations as specified by the AICPA, GASB, FASB, GAAS, and GAS. Jon is licensed to practice as a CPA in the State of Utah.

Jon's academic and professional accomplishments include the following:

- MBA, Utah State University, 2009
- Bachelor of Science, Accounting, Utah Valley University 2003
- Member, Utah Association of Certified Public Accountants (UACPA)
- Controller, private industry, 2004-2007
- AICPA Not-for-Profit Certification
- Committee Chair – NextGen CPAmerica
- Vice-Chair – UACPA Local Governments
- Chair – UACPA Local Governments
- Utah Association of Counties presenter on Internal Controls, Audit Committees, and Internal Audit Functions
- Utah Association of Counties presenter on Separation of Powers
- Utah Association of Counties presenter on Preparing for your upcoming audit.
- CPAmerica frequent presenter

Jon's Recent Government Continuing Education Courses Completed:

- UACPA Government Conference
- Utah State Auditor's Office Governmental Auditing Update
- Guide to Audits of Local Government
- Audits of States, Local Governments, and Non-Profit Organizations
- GASB 54: Fund Balance Reporting and Governmental Fund
- Staff Audit Training
- AICPA Not-for-Profit Certification
- Uniform Guidance
- CPAmerica A&A Yellowbook



CODY POWELL

Audit Manager

Cody has become one of our most in-demand employees since he joined the firm in 2013. He is proficient in testing and auditing government entities of all sizes and types, including counties, cities, special service districts, charter schools, and others. His audit proficiency has earned him a spot working on our largest government clients. Cody is known for quickly completing audit processes and his clients appreciate his easygoing personality.

CONTACT INFORMATION:

cpowell@larsco.com

801-798-3545

765 North Main
Spanish Fork, UT 84660

www.larsco.com

Cody's academic and professional accomplishments include the following:

- Masters of Accountancy, Westminster College, 2013

Cody's Recent Government Continuing Education Courses Completed:

- UACPA Government Conference
- Utah State Auditor's Office Governmental Auditing Update
- Guide to Audits of Local Government
- Audits of States, Local Governments, and Non-Profit Organizations
- GASB 54: Fund Balance Reporting and Governmental Fund
- Staff Audit Training



KHULENE GALLO

Audit Senior

Khulene is a rising star at Larson & Company. She joined the firm in 2018 and has quickly become one of the most well-liked team members among clients. She has the ability to assist clients with their reporting requirements, accounting functions, and best-practice controls.

Khulene's academic and professional accomplishments include the following:

- Masters of Accountancy, Western Governors University, 2021

Khulene's Recent Government Continuing Education Courses Completed:

- UACPA Government Conference
- Utah State Auditor's Office Governmental Auditing Update
- Guide to Audits of Local Government
- Audits of States, Local Governments, and Non-Profit Organizations
- GASB 54: Fund Balance Reporting and Governmental Fund
- Staff Audit Training

CONTACT
INFORMATION:

kgallo@larsco.com

801-798-3545

765 North Main
Spanish Fork, UT 84660

www.larsco.com



C. CLIENT REFERENCES

We think you will find our clients are exceptionally pleased with our services. Please contact any of these reference for more information.

The best and most valuable proof of our ability to deliver the services you require and deserve is evidenced by the fact that we continually serve over 50 governmental entities. The following four clients are those for whom we have performed financial statements audits and/or single audits over the last several years. We encourage you to contact these clients and ask about the quality of service provided by Larson & Company.

Spanish Fork City

Jordan Hales, Finance Director

jhales@spanishfork.org

801-804-4522

Audit Partner: Jon Haderlie, CPA (Financial statement audit and single audit)

Orem City

Brandon Nelson, Finance Director

bcnelson@orem.org

801-229-7010

Audit Partner: Jon Haderlie, CPA (Financial statement audit and single audit)

Price City

Lisa Richens, Finance Director

lisar@priceutah.net

435-636-3167

Audit Partner: Jon Haderlie, CPA (Financial statement audit and single audit)

Southeastern Utah Association of Local Governments

Kim Wells, Fiscal Director

kwills@seualg.utah.gov

435-613-0030

Audit Partner: Jon S Haderlie, CPA (Financial statement audit and single audit)

Similar Engagements with Other Government Entities

We serve a wide range of governmental entities, including the following similar clients:

Other Governmental Clients:

American Samoa Government	LBJ Hospital (American Samoa)
American Fork City	Delta City
Nephi City	Ephraim City
Nibley City	Fairview City
Juab County	Ivins City
Millard County	Heber City



Larson & Company understands the nature of your organization. We can begin to work right away, and you will not have to spend time each year training our staff.

D. PROPOSED APPROACH

Understanding of Scope of Work

We understand from your RFP document that the scope of your audit includes the following for each fiscal year of the contract period:

- Financial Report: Audited Financial Statements and Records of Tooele City and the accompanying opinion on these statements in accordance with Yellow Book;
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters in accordance with GAS;
- Reports Required for the Single Audit under the Uniform Guidance (if applicable), and Reporting Required by the Office of the Utah State Auditor;
- Management Letter;
- All reports and bound copies with an electronic copy of each will be submitted to Tooele City **before the requested deadline**.
- These shall all be performed in accordance with:
 - Auditing standards generally accepted in the United States of America, as promulgated by the American Institute of Certified Public Accountants (AICPA);
 - The *AICPA Audits of State and Local Governmental Units* audit and accounting guide;
 - *Government Auditing Standards*, 2023 revision, published by the U.S. Government Accountability Office;
 - The *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor;
 - The Single Audit Act; *Audits of States, Local Governments, and Non-Profit Organizations* under the uniform guidance (as applicable).

Specific Audit Approach

In order to understand our audit approach, it is necessary to understand the underlying philosophy of Larson & Company. Our mission statement is "Achievement Through Constant Improvement." Our founder, Dennis Larson, demonstrated to us that we are inherently happier when we are improving. Each employee is required to set goals each year that involve both business and personal aspirations. Our firm makes a constant effort to help provide everything necessary for our employees to achieve their goals. As we all strive to make improvements to our lives that we each have chosen for ourselves, we are happier. We abide by the idea that a happy employee is a productive employee. This philosophy of constant improvement carries over to our clients. We know that if we can assist you in achieving your goals, you will value our relationship, and both you and our firm will be rewarded.

When it comes to the accounting standard of professional skepticism, we believe there is a broad range within which to operate. We approach management and board of trustees in a non-adversarial way. Our process consists of testing and verification rather than challenge and confrontation. During the entire process, we understand that communication is key your success and the success of our firm. We have found that

properly communicating with our clients adds value to the services we provide and ensures a lengthy, mutually beneficial relationship.

Implementation of new GASB Pronouncements

As new standards are implemented, we strive to educate and assist our clients in understanding the standard. We stand ready at any time to clarify how the standards apply to each specific client. With the recent implementation of GASB 68, we met individually with each client to explain the meaning and ramifications of implementation.



Larson & Company
makes every effort
to create as little
disruption as
possible in your
day-to-day
activities.

E. PROJECT SCHEDULE

In order to achieve an efficient and effective audit, we will tailor our audit approach to fit the nature of your business and operations focusing on the likelihood of a material misstatement in the financial statements. In order to do so, it is essential for us to understand clients' needs and concerns. With this understanding, we will be better able to direct our emphasis to the areas of higher risk, focusing on the unique characteristics of your operating environment, the effectiveness of your internal control, and your financial statement amounts and disclosures.

Based on our understanding of the timetable and accounting department staffing, we propose the following tentative schedule for the audit of Tooele City's financial statements:

Initial Meetings with Management – Upon award of contract

The goal of these initial meetings is to establish effective two-way communication between auditor and management. We will discuss our overall assessments and the scope of our audit testing. Additionally we will discuss both management's responsibilities as well as our own responsibilities. Input from the audit committee will be explored in developing our understanding of the risks facing Tooele City and identifying the sources of evidence and information about specific transactions. We will also establish dates for the next phases of the audits.

Preliminary Audit Procedures – July/August 2026

During this planning phase, we will review and evaluate the internal controls of Tooele City to determine the timing and extent of our testing. We will review activity to date, update our initial risk assessments, and discuss any concerns regarding our audit procedures. We will also communicate with staff to coordinate the preparation of work papers and confirmations.

Audit Fieldwork – September/October 2026

During the testing phase we will verify asset balances, determine the completeness of liabilities and conclude our detailed examination of your financial cycles. After our fieldwork and before the issuance of our report, we will request certain representations from management in a *management representation letter*. A draft of this letter will be made available at least one week in advance of our anticipated date of signing. We are available to explain any language in the letter that is not clear to governing officials.

Issue Audited Financial Statements – November 2026

The reporting phase will begin as soon as our testing is complete. Our auditors will compile a preliminary draft report for review after fieldwork ends. We will make the report available to management and will be available to discuss any of our findings at this time. We will issue the audit reports and letters by Tooele City's requested deadline to allow management to have it to the Office of the Utah State Auditor prior to the deadline.

We will be available to meet with the audit committee during any of the above audit phases to discuss our progress. Should we encounter any significant adjustments or material weaknesses, we will discuss them with management and/or the audit committee, as appropriate, as soon as they come to our attention.

We find delays in the final report sometimes occur as a result of not receiving timely information from third parties. We will be proactive in keeping you informed about issues remaining and may ask your assistance in receiving information from third parties to avoid delays in issuing our report.

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 agencies. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Deliverables

A list of expected deliverables in connection with Tooele City's annual audit include:

1. Financial Statement Audit Report
2. Single Audit Report (when applicable)
3. Government Auditing Standards Report
4. Report on Compliance and Internal Control required by Utah State Auditor
5. Communication with Those Charged with Governance

Communication Process

Great emphasis is placed on the personal relationships we have built with our clients. Partners and managers take pride in their ability to proactively assist clients and will reach out to Tooele City to communicate any issues that might arise. You can feel confident in contacting the professionals at Larson & Company without the worry of incurring additional expense.



F. PROPOSED FEES

Our fee estimate is based on the complexity of the work required and considers our understanding of your present internal control and procedures together with an understanding that Tooele City will provide us with substantial assistance, including account analysis, workpaper schedules, confirmations, documentation of internal and financial controls, etc.

Larson & Company understands the pressures placed on organizations to manage costs and we believe you will find we provide an incomparable level of service at very competitive rates.

The “not to exceed” fee for regular assurance services for the years ending June 30, 2026-2031 is estimated below.

Year	Total All-inclusive Maximum Potential Price	
	Financial Statement Audit	Federal Single Audit under Uniform Guidance (when applicable)
2026	\$38,800	\$4,200
2027	\$40,400	\$4,400
2028	\$42,000	\$4,600
2029	\$43,700	\$4,800
2030	\$45,400	\$5,000
2031	\$47,200	\$5,200
Total	\$257,500	\$28,200

Billing Issues Throughout the Year

We view our relationship with Tooele City as long-term. Additionally, we are available to you, on an ongoing basis, to discuss matters of audit, compliance, financial reporting, or anything that concerns you. We view these routine consultations as ancillary services that add value to your audit and compliance needs, not additional time that we can bill.

Any significant matters, needing exhaustive research or resources will be discussed with you and agreed upon before the work is performed. This eliminates the surprise “nickel and dime” billing you may see from accounting firms with unusually low fee quotes. These services will be billed at our standard hourly rates disclosed above.



G. NON-DISCRIMINATION CLAUSE

Larson & Company does not discriminate against any individual because of race, religion, sex, color, age, handicap, or national origin, and these are not a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

H. OUR COMMITMENT TO YOU

We are committed to placing Larson & Company's financial assurance and consulting resources at your service. Our experience auditing municipalities and other governmental entities will assist you in meeting your compliance requirements.

Our goal is to provide you with practical, timely and affordable solutions to your financial and operational needs. Ultimately, our good name and reputation rest on how well our services work for organizations like yours. Please contact us if you have questions regarding this proposal. We look forward to working with you soon.

J. PEER REVIEW REPORT

A copy of Larson & Company's most recent peer review report may be downloaded from the AICPA using the following address:

https://peerreview.aicpa.org/public_file_search.html.

A copy has also been attached at the end of this document. No management letter was issued in conjunction with the report, indicating a clear record with no quality control issues.

K: CONTACT INFORMATION

Jon Haderlie, CPA
Lead Audit Partner
1606 Spanish Fork Parkway, Suite 200
Spanish Fork, UT 84660
801-798-3545 jhaderlie@larsco.com



Appendix: PEER REVIEW REPORT



PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
2504 W. KATHLEEN STREET
TAMPA, FLORIDA 33607
TELEPHONE: (813) 226-6091
FAX: (813) 229-7754

Report on the Firm's System of Quality Control

October 25, 2023

To the Partners of Larson & Company, P.C.
And the Peer Review Committee of the
Nevada Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Larson & Company, P.C. (the firm) in effect for the year ended April 30, 2023. 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of 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 and compliance with the firm's system of quality control 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, audits of employee benefit plans, and examinations of service organizations (a SOC 1 and a SOC 2 engagement).

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 Larson & Company, P.C. in effect for the year ended April 30, 2023, 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*. Larson & Company, P.C. has received a peer review rating of *pass*.

Prida Guida & Perez, P.A.

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS