



# AUDIT COMMITTEE AGENDA

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*JUNE 11, 2026*

This meeting will be held in the Finance Conference Room at West Valley City Hall (3600 S Constitution Blvd) and electronically via zoom. Members of the press and public are invited to attend in person or can email [abbey.smock@wvc-ut.gov](mailto:abbey.smock@wvc-ut.gov) prior to 2:00 PM on June 11, 2026 for electronic meeting participation information.

**MEETING:** Audit Committee

**DATE:** June 11, 2026 @ 4:00pm

**ATTENDEES:** Mayor Karen Lang, Chairman Lars Nordfelt, Ifo Pili, Dean Lundell, Steve Rowley, James Welch, Niclas Hales, Abbey Smock

**AGENDA:**

1. Chairman Lars Nordfelt call meeting to order.
2. Discussion and Approval of Audit Committee Minutes held February 05, 2026.
3. Approval of Engagement Letter for West Valley City Audit Fiscal Year 2025-2026 from K&C, LLC.
4. Audit Calendar FY 2025-2026 Review.
5. Audit Committee Discussion and Recommendations.
6. Adjourn.



# AUDIT COMMITTEE MINUTES

FEBRUARY 05, 2026

THE WEST VALLEY CITY AUDIT COMMITTEE MET ZOOM ON THURSDAY FEBRUARY 5, 2026 AT 4:00PM IN THE FINANCE DEPARTMENT CONFERENCE ROOM AND THROUGH VIRTUAL ZOOM TECHNOLOGY. THE MEETING WAS CALLED TO ORDER AND CONDUCTED BY CHAIRMAN LARS NORDFELT.

THE FOLLOWING MEMBERS WERE PRESENT:

**Karen Lang**, Mayor  
**Ifo Pili**, City Manager  
**Lyle Phelps**, Resident Representative

STAFF PRESENT:

**Jim Welch**, WVC Finance Director  
**Niclas Hales**, WVC Chief Accountant  
**Abbey Smock**, WVC Finance Assistant  
**Steve Rowley**, K&C Auditor

## INTRODUCTIONS

Chairman Lars Nordfelt called the meeting to order.

## APPROVAL OF JUNE 5, 2025 MINUTES

The Committee considered the Minutes of the June 5, 2025. There were no changes, corrections or deletions.

## MEETING POINTS

### 1. AUDIT REVIEW-

#### ✓ **Review of the West Valley City Audit Report for fiscal year ended June 30, 2025.**

The report included the auditor's opinion that the City's financial statements presented fairly, in all material respects, the financial position and related financial activity of the City in accordance with generally accepted accounting principles. The audit materials reviewed included discussion of auditor responsibilities, management responsibilities, internal controls, required supplementary information, other information, and compliance-related reporting. The auditors' reports under Government Auditing Standards, including internal control over financial reporting and compliance matters.

The Committee also reviewed federal program compliance materials. The Uniform Guidance section indicated that West Valley City complied, in all material respects, with the compliance requirements applicable to its major federal programs for the fiscal year ended June 30, 2025.



# AUDIT COMMITTEE MINUTES

*FEBRUARY 05, 2026 (continued)*

Federal award information shown included programs such as Community Development Block Grants, Housing Choice Vouchers, HOME Investment Partnerships, Department of Justice programs, and Emergency Management Performance Grant fire grants. Total federal award expenditures shown were approximately \$8,355,488, with \$293,144 shown in pass-through or related reporting.

A prior or reported compliance finding was shown related to expenditures in excess of budget for the Park Impact Fee special revenue fund. The amount shown was \$142,992. The explanation was that expenditures occurred near year-end and were not anticipated in the final amended budget approved by Council, with invoices received after fiscal year-end.

## 2. FRAUD RISK ASSESSMENT FOR FY 2025-2026

- ✓ The assessment showed a total score of **375 out of 395**, which placed the City in the **low-risk** category.

The fraud risk assessment showed affirmative responses for several control areas, including adequate separation of duties or mitigating controls; governing body-adopted policies for conflict of interest, procurement, ethical behavior, reporting fraud and abuse, travel, credit/purchasing cards, personal use of entity assets, IT and computer security, and cash receipting/deposits. It also showed affirmative responses for having qualified financial expertise on the management team, annual written commitment to ethical behavior, governing body training, annual financial training, a fraud hotline, and a formal audit committee

## MOTION TO ADJOURN

Motion to adjourn meeting by Lars Nordfelt.

THERE BEING NO FURTHER BUSINESS OF THE WEST VALLEY AUDIT COMMITTEE MEETING OF THURSDAY, FEBRUARY 05, 2026 WAS ADJOURNED.

June 1, 2026

West Valley City  
3600 Constitution Blvd.  
West Valley City, Utah 84119-3720



Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

We are pleased to confirm our understanding of the services we are to provide for West Valley City (the City) for the fiscal year ended June 30, 2026.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements of the City as of and for the year ended June 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City'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 City'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 appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Information about Infrastructure Assets Reported Using the Modified Approach
3. Schedule of the Proportionate Share of the Net Pension Liability – Utah Retirement Systems
4. Schedule of Contributions – Utah Retirement Systems
5. Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
6. Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Redevelopment Agency Special Revenue Fund
7. Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Community Services Special Revenue Fund
8. Notes to Required Supplementary Information

We have also been engaged to report on supplementary information other than RSI that accompanies the City'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 GAAS, 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 expenditures of federal awards.
2. Combining Balance Sheet – Nonmajor Governmental Funds
3. Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds
4. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds
5. Combining Statement of Net Position – Nonmajor Enterprise Funds
6. Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds
7. Combining Statement of Cash Flows – Nonmajor Enterprise Funds

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Transmittal letter
2. Statistical information

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions 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*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, 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 or noncompliance 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 or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come 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. We will include such matters in the reports required for a Single Audit. 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 government'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 individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Improper revenue recognition (assumed always) – this is the risk that revenue may not be recognized in accordance with GAAP.
- Management override of controls (assumed always) – this is the risk that management may override internal controls through pressure on subordinates or other methods.

As of the date of this letter, we have not completed our planning of the City's audit, therefore we will communicate any modifications to the significant risks of material misstatement identified above or if new significant risks of material misstatement are identified during our planning.

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 audit of financial statements does not relieve you of your responsibilities.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government 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. 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. 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*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

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, *Government Auditing Standards*, and the Uniform Guidance.

### **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 City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures 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*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Our audit will also include procedures that are required by the *State Compliance Audit Guide* concerning compliance with State fiscal laws identified by the State Auditor. We use the audit programs of the *State Compliance Audit Guide* to perform our audit procedures. We will issue the necessary reports as required by the *State Compliance Audit Guide* on the City's internal controls over compliance and will issue an opinion on the City's compliance with the state compliance requirements tested.

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) 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, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) 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, schedule of expenditures of federal awards, 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 (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government 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 the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management 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 government 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 government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of any prior year audit findings should be available for our review on or about August 1, 2026.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards 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 schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (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 schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (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 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.

## **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance 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 statements, schedule of expenditures of federal awards, and related notes 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 for the financial statements, schedule of expenditures of federal awards, 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, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, 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.

## **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.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; 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 KCHM, LLC dba K&C, Certified Public Accountants (K&C) 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 certain governmental agencies 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 K&C 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 an oversight agency. If we are aware that a federal

awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Steven Rowley 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 June 15, 2026 with planning and mid-year audit procedures.

Our fee for these services will be \$88,500. The above fee is based on anticipated cooperation from the City's personnel and the assumption that unexpected circumstances will not be encountered during the audit and the City's records will be ready to be audited on or around September 1, 2026. The above fee is also based on the current finance director, chief accountant, and other key accounting personnel being available to assist in the audit process. If the finance director, chief accountant, and/or other key accounting personnel are not available to assist with the audit process, and we anticipate that this circumstance will result in significant additional time, we will stop our audit procedures and will discuss it with the City and arrive at a new fee estimate before we incur the additional costs. Additional services for which we may be asked to perform will be billed at our standard rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. 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 30 days or more overdue and may 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 reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

If during the course of our engagement we encounter circumstances which we believe may create a conflict of interest or conflict with the ethical standards of our profession, we will inform the City of our concerns. If these concerns cannot be adequately addressed to our satisfaction, or we are compelled to do so by the professional standards of our profession, we may withdraw from the engagement with a written notice. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

As members of the AICPA and as required by the *Governmental Auditing Standards*, K&C affirms that we are in compliance with the external quality control Peer Review requirements as required by the related professional standards, rules and policies. Our most recent peer review report can be found on our website [www.kccpaoffice.com](http://www.kccpaoffice.com).

## **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and the City Council of the City. 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.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) 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 or on compliance, and (2) 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 Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. The State Compliance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Those three reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to West Valley City 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 attached copy and return it to us.

Very truly yours,

*K&C, CPAs*

K&C, Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of West Valley City.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# AUDIT CALENDAR

## for the audit of FY 2025 - 2026

| DATE     | RESPONSIBILITY                                               | ACTION TO BE TAKEN                                                                                         |
|----------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 01/15/26 | Assistant Chief Accountant                                   | Complete Fraud Risk Assessment                                                                             |
| 01/25/26 | Accounting Staff                                             | Prepare 1099 forms for City                                                                                |
| 01/25/26 | Accounting Staff                                             | Prepare 1099 forms for Housing Authority                                                                   |
| 02/05/26 | Audit Committee, Finance Director, Chief Accountant, Auditor | Audit Committee Meeting to review FY2025 audit.                                                            |
| 02/05/26 | Audit Committee, Finance Director, Chief Accountant, Auditor | Review Fraud Risk Assessment in Audit Committee                                                            |
| 02/28/26 | Accounting Staff                                             | Submit Housing Authority Audited Statements to FAS (REAC)                                                  |
| 02/28/26 | Accounting Staff                                             | Submit 1099 file to FIRE system                                                                            |
| 03/25/26 | Finance Director                                             | Present Fraud Risk Assessment to City Council                                                              |
| 04/30/26 | Accounting Staff, Budget Supervisor                          | Review budget in each fund to check for potential overages.                                                |
| 04/30/26 | Finance Director, Chief Accountant                           | Review amount of Treasurer's Bond/Crime Insurance                                                          |
| 05/15/25 | Finance Director, Budget Supervisor                          | Spending Cut-off                                                                                           |
| 06/11/26 | Audit Committee, Finance Director, Chief Accountant, Auditor | Audit Committee Meeting to plan FY2026 audit. Sign engagement letter for WVC.                              |
| 06/30/26 | Chief Accountant                                             | Open new fiscal year for posting                                                                           |
| 07/01/26 | Accounting Staff                                             | Golf Course Inventory                                                                                      |
| 07/01/26 | Accounting Staff                                             | Fuel & Parts Inventory                                                                                     |
| 07/15/26 | Chief Accountant                                             | Complete Payroll Accrual JE's                                                                              |
| 07/21/26 | Accounting Staff                                             | Complete Inventory Reconciliation and Adjustment JE                                                        |
| 07/21/26 | Jason                                                        | Review R&R Funds Accounts and Reconcile                                                                    |
| 07/21/26 | Jason                                                        | Request Collection Reports from Gold Cross for Allowance calculation                                       |
| 07/31/26 | Accounting Staff, Public Works                               | Work with Public Works to review Sidewalk data                                                             |
| 07/31/26 | Accounting Staff                                             | Request Arena Trial Balance from Doug Jardine                                                              |
| 08/15/26 | Jason                                                        | Request all Grant reports from Departments for Single Audit review                                         |
| 08/15/26 | Accounting Staff, Finance Director, Trustee, Legal           | After adoption of the budget, send lease renewal letter (between BA and City) to the trustee (Carl Mathis) |
| 08/20/26 | Accounting Staff                                             | Fund 21 TB Due to Auditors                                                                                 |
| 08/20/26 | Jason                                                        | Fund 31 TB Due to Auditors                                                                                 |
| 08/20/26 | Jason                                                        | Fund 32 TB Due to Auditors                                                                                 |
| 08/20/26 | Jason                                                        | Fund 33 TB Due to Auditors                                                                                 |
| 08/20/26 | Jason                                                        | Fund 34 TB Due to Auditors                                                                                 |
| 08/20/26 | Jason                                                        | Fund 35 TB Due to Auditors                                                                                 |
| 08/20/26 | Accounting Staff                                             | Fund 55 TB Due to Auditors                                                                                 |
| 08/20/26 | Accounting Staff                                             | Fund 57 TB Due to Auditors                                                                                 |
| 08/20/26 | Jason                                                        | Fund 66 TB Due to Auditors                                                                                 |

# AUDIT CALENDAR

## for the audit of FY 2025 - 2026

| DATE     | RESPONSIBILITY                 | ACTION TO BE TAKEN                                                                  |
|----------|--------------------------------|-------------------------------------------------------------------------------------|
| 08/20/26 | Accounting Staff               | Fund 25 TB Due to Auditors                                                          |
| 09/01/26 | Accounting Staff               | Request Infrastructure information from City Engineer                               |
| 09/01/26 | Accounting Staff               | Coordinate road repair data collection with Public Works                            |
| 09/10/26 | Accounts Payable               | Accounts Payable to stop using 6/30 Invoice Date or Effective Date after this date. |
| 09/15/26 | Jason                          | Request Certificate of Agency from RDA                                              |
| 09/21/26 | Jason                          | Fund 22 TB Due to Auditors                                                          |
| 09/30/26 | Accounting Staff               | Fund 37 TB Due to Auditors                                                          |
| 09/30/26 | Accounting Staff, Public Works | Complete Review of Unspent CIP Funds and Adjustment JE                              |
| 09/30/26 | Accounting Staff               | Fund 11 TB Due to Auditors                                                          |
| 09/30/26 | Accounting Staff               | Fund 24 TB Due to Auditors                                                          |
| 09/30/26 | Jason                          | Fund 60 TB Due to Auditors                                                          |
| 09/30/26 | Accounting Staff               | Fund 45 TB Due to Auditors                                                          |
| 09/30/26 | Jason                          | Debt Service Information Due to Auditors                                            |
| 09/30/26 | City Treasurer                 | Review and reconcile various bonds held by the City for developers                  |
| 09/30/26 | Accounting Staff               | Complete Bank Reconciliations for General Bank                                      |
| 10/01/26 | Jason                          | Request data on Impact Fees from Steve Pastorik                                     |
| 10/01/26 | Jason                          | Request data for Statistical Section                                                |
| 10/15/26 | Accounting Staff               | Fund 27 TB Due to Auditors                                                          |
| 10/15/26 | Accounting Staff               | Fund 36 TB Due to Auditors                                                          |
| 10/15/26 | Accounting Staff               | Fund 39 TB Due to Auditors                                                          |
| 10/15/26 | Accounting Staff               | Fund 81 TB Due to Auditors                                                          |
| 10/15/26 | Jason                          | Collect RDA Statement for Continuing Disclosure                                     |
| 10/29/26 | Accounting Staff               | Submit Unclaimed Property to State Treasurer                                        |
| 11/05/26 | Chief Accountant               | Fund 10 TB Due to Auditors                                                          |
| 11/25/26 | Auditors                       | Draft Report to City                                                                |
| 12/15/26 | Auditors                       | Final Audit Report to City                                                          |
| 12/15/26 | Accounting Staff               | Upload Impact Fees Report to State Auditor Website                                  |
| 12/17/26 | Accounting Staff               | Submit Audit to State Auditor's Office                                              |
| 01/15/27 | Chief Accountant               | Submit Audit to Federal Audit Clearinghouse 30 days after receipt of audit report   |
|          |                                |                                                                                     |