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CERTIFIED PUBLIC ACCOUNTANTS

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Engagement Letter for Business Tax Return Preparation

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2018, and to clarify the nature and extent of the tax services we will provide. We look forward to working with you and want to confirm our understanding of the arrangements for this service. Please read this letter carefully because it is important that we establish expectations for both of us as we work together. If you have any additional questions or concerns regarding this Engagement Letter, please call to discuss before signing it.

Please note that **Pass-through Income Tax Returns (S-Corporations, Partnerships, LLC's taxed as S-Corporations, LLC taxed as Partnerships and certain trusts), are due by March 15, 2019. C-Corporation, and LLC's taxed as C-Corporations are due by April 15, 2019.** Please submit your information by **February 1, 2019** for Partnership and S-Corporation returns, and **February 26, 2019** for C-Corporate returns **to ensure your Income Taxes can be completed by the deadline.** An additional extension of time to file may be requested before the due date, allowing you to extend your tax return due date until **September 16, 2019**. If an extension is filed, please submit your information by **July 16, 2019** **to ensure your Income Taxes can be completed by the extended deadline.** The extension is an extension of time to file your tax return and not an extension to pay any tax liability due. If any tax is due or you think it may be due, you must pay that amount to the IRS and any applicable state taxing agency by **March 15, 2019**. If payment is not made timely, there will be penalties and interest due. **Please be aware if your documents are submitted AFTER the due dates of February 1st or July 16th a Rush Fee will be applied for your return to be completed by the March 15th or September 17th deadline, respectively.**

We typically charge for the preparation of tax returns at our standard rates. We require a retainer of \$500 prior to starting the work. **This retainer is applied to the final billing.** We accept major credit cards for payment. **Please note, we will be charging additional fees for bookkeeping services and for the preparation of additional schedules if these services are necessary.** Please be assured that no charges will be made to your credit card without your prior notification. All charges for tax return preparation and bookkeeping services are due and payable prior to the release or the filing of your return. You will be contacted with an estimate of charges if they are above the basic rate for your approval.

We will provide you with an information checklist and questionnaire requesting specific information. Completing the checklist and questionnaire will assist us in making sure you are well served for a reasonable fee. In providing this information to us, **you represent that the information you are supplying is truthful, accurate and complete to the best of your knowledge and that you have truthfully disclosed to us all income and other relevant facts**

affecting the returns. You further represent that you have provided us true, correct and complete information regarding amounts you claimed as tax deductions, and have maintained written documentation supporting all amounts, including log books and receipts. We will not audit or otherwise verify the information you give us; however, we may ask for additional clarification of some information. You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state or local taxing authorities.

You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for the substantial accuracy of your financial records. The law imposes various penalties when taxpayers understate their tax liability. We recommend you retain all documents, cancelled checks, receipts and other data that form the basis of income and deductions for at least 3 years after filing your return. **Please remember, you have the final responsibility for the information on your income tax returns.**

In accordance with our firm's current document retention policy we will retain our work papers and your tax returns for your engagement for *seven (7)* years. After seven years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the time during which our records will be available. The working papers and files of our firm are not a substitute for the original records of your company. When any records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. It is agreed and understood that in connection with the performance of this engagement by Kohler & Eyre, CPA's, LLP, that the work papers prepared by us shall remain the property of Kohler & Eyre, CPA's, LLP.

Please note the following policies that are in effect:

- No tax return or related information will be released until the invoice has been paid in full, and payment plans are not available.
- There will be additional expedited fees for any returns completed in which we receive your information within 30 calendar days of the filing deadline.

Sending our Office Information - Please do not send originals. Scan in your data and email or send photo copies via mail. We will not mail back information sent to us be sure to mail copies only, you are responsible for retaining all originals. **Please be advised that if you are a client of our sister law firm, KKOS Lawyers, your signature on this engagement letter authorizes Kohler & Eyre, CPA's, LLP to access any legal documents held by KKOS Lawyers.**

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the tax return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss the return with us.

There is always a possibility that your returns may be selected for review by taxing authorities.

Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available, upon request, to represent you. **There will be additional charges for the time and expenses incurred.**

If we conclude that we are obligated to disclose a particular position on your tax return to a taxing authority and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. You also have the right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal.

All invoices are due and payable upon completion of the income tax return and all major credit cards are accepted. It is agreed and acknowledged that any unpaid balance pursuant to this Engagement Letter is subject to interest at the rate of Eighteen Percent (18%) per annum, collection charges (which may be as much as 50%), court costs and reasonable attorney fees. It is agreed and acknowledged that any returned or dishonored check will result in a \$25.00 check charge, and shall be subject to the provisions contained in U.C.A. §7-15-1 and U.C.A. §76-6-505. It is agreed and acknowledged that failure to make payment as provided by this Engagement Letter constitutes a breach of this Engagement Letter and shall immediately be entitled to all remedies available under the law. It is agreed and acknowledged that this shall be governed by the laws of the State of Utah and that venue shall be Cedar City, Iron County.

The engagement does not include any services not specifically stated in this letter. To formalize our relationship, we respectfully ask that you return all pages of the signed copy of this letter.

Thank you for your business!

Respectfully,
Kohler & Eyre, CPA's, LLP

Mark Kohler
LaDell Eyre
Brian Brown
Richard Taylor

CLIENT ACKNOWLEDGEMENT

Client Signature: _____

Print Name: _____

Date: _____

Company(s) included in this Engagement:

Current Company Information

* Please make additional copies of this form and fill out separately for each company.

*** If we have prepared your Business Income Tax Returns previously, please ONLY provide any information below that may have changed over the past year- Thank you.**

Company Name: _____

Contact Name(s): _____

Physical Address: _____

City: _____ State: _____ Zip Code: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Phone numbers: Home: _____ Cell: _____

Business: _____ Fax: _____

Email Address: _____

Business Start Date: _____ Federal EIN: _____

Type of Entity: Partnership (1065) S Corporation (1120S) C Corporation (1120)

Manager: _____ DOB: _____ SS#: _____ DL#: _____

Manager: _____ DOB: _____ SS#: _____ DL#: _____

President: _____ DOB: _____ SS #: _____ DL #: _____

Vice President: _____ DOB: _____ SS #: _____ DL #: _____

Secretary: _____ DOB: _____ SS #: _____ DL #: _____

Treasurer: _____ DOB: _____ SS #: _____ DL #: _____

Additional information that we need to discuss regarding changes in ownership or states in which you were doing business over the past year and since filing your last tax returns:

Client Credit Card Information

Business Name: _____

Name on Card (if different): _____

Client Billing Address (if different): _____

City, State & Zip Code: _____

Type of Card (Visa, MasterCard, Discover, American Express): _____

Card Number: _____

Expiration Date: _____

Card Security Code: _____

I understand that my Credit Card will be charged for the retainer of \$500 upon delivery of this Engagement Letter.

I understand that additional charges may apply depending on the work necessary to complete the returns.

Upon completion of my Tax Returns (please check one of the following):

I would like an electronic copy of my Tax Returns sent to me via my client portal or e-mailed to me.

I would like a hard copy of my Tax Returns mailed to me via UPS.

Items needed for 2018 Business Income Tax Return

Please provide photo copies of the following information for us to complete your 2018 Income Tax Return. Please do not send the originals to us. We ask that you retain the originals in a safe place in your possession in case questions arise or further information is needed from them in the future.

- 1) Financial Statements (Income Statement and Balance Sheet) as of December 31, 2018. These statements should tie to your beginning balances as of January 1, 2018 and your last year's tax return if one was filed. Also, all of your bank statements should be reconciled and your bank balances accurate as of December 31, 2018. If you are unable to provide this information our accounting staff is willing and able to assist with this process. Please be aware, though, that there are additional charges incurred for these bookkeeping services.
- 2) Any closing statements (HUD-1) for real estate and rental properties purchased during the year.
- 3) Interest statements and mortgage balances for any loans as of December 31, 2018. Please include escrow account activity and balances.
- 4) Beginning balance, interest rate, term and payment amount for any other loans your business has and the assets that are associated with them.
- 5) Please note any changes in business address, business ownership, address changes on present owners and contact information.
- 6) Property management statements regarding income and expenses in connection with your rental properties.
- 7) Complete information on any assets purchased or sold during the year of 2018.
- 8) If your business was formed prior to 2018 and we did not prepare your 2017 business tax return(s) please provide a copy of the last two years returns (2016 & 2017).
- 9) A signed engagement letter, a client information form and credit card information for billing purposes. We cannot begin processing your information until all of the information in item nine is received.
- 10) If this is your first year working with us, please send copies of Legal Documents; including the Stamped Articles and Operating Agreement, disclosing owners and percentage of ownership, IRS EIN Letter, and S-Election/2553 if applicable.

Just for informational purposes, if you are using QuickBooks as your accounting software program we would recommend that you create an accountants copy of the file and e-mail or send a copy of that file with your records to our office. This may save some potential questions we may have on the other information that you provide us.

Thank you for allowing us to assist you in this process.