



FRASER, WALDROP & COMPANY CPA'S INC

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The CPA. Never underestimate The value.™

Thank you for engaging us to prepare your 2024 personal tax returns. This package contains important information to help us accurately and efficiently complete that work.

### **Appointments**

To complete your returns as quickly as possible, we will only schedule appointments on Tuesday, Thursday, and Saturday between the hours of 10am and 4pm. **No appointments will be scheduled between April 3, 2025, and April 20, 2025.** Appointments are not required to complete your tax returns. Email is the best way to contact us.

### **Engagement Letter Package**

An engagement letter is enclosed or has been sent for electronic signature that describes our mutual responsibilities. Please read, sign and return the Engagement Letter agreement, indicate your choice and sign the Audit Protection Plan Agreement, and initial, sign and return the Documentation Preparation Checklist. Those that sign electronically do not have to print anything.

### **Organizers**

You should receive an organizer via your Portal. However, if you do not have a portal or have asked for a paper copy, you will find a copy of your organizer enclosed. The 2024 Tax Organizer will assist you in collecting and reporting information necessary for us to properly prepare your 2024 income tax returns. Please complete the organizer sections as appropriate and provide supporting documentation where necessary. Prior year data may be included on the organizer for your reference.

We ask that all information be sent to us as early as possible. **If your tax detail is not received in our office before March 4, 2025, then it is highly likely that your tax return will be placed on extension.** You can upload these documents to your Portal (the most secure method) or they can be mailed or delivered to our office. Your return will be completed as quickly as possible after you provide your final tax return information.

### **Electronic Delivery and Filing of Your Tax Returns**

You will receive a copy of your returns in a standard .pdf file format via your Portal, which is delivered via secure encrypted communications to protect your data from end-to-end. Upon receiving your e-signed e-file release forms, we will electronically file your tax returns and will notify you only if they are **not** accepted by their respective agencies. Any returns or estimates that cannot be electronically filed will be provided to you in paper form.

We appreciate the opportunity to work with you. We hope you enjoyed a happy holiday season, and we wish you a healthy and prosperous New Year!

Very truly yours,

*Fraser, Waldrop & Company CPA's Inc.*

FRASER, WALDROP & COMPANY CPA'S INC.

## FRASER, WALDROP & COMPANY INCOME TAX RETURN PREPARATION ENGAGEMENT LETTER

Fraser, Waldrop & Company CPA's Inc. ("firm," "we," "us," or "our") is pleased to provide you with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

### Engagement Objective and Scope

We will prepare your 2024 Federal and State individual income tax returns based on information and representations that you provide. We will not prepare any tax returns other than those identified above, without your written request, and our written consent to do so. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We will not prepare financial statements or perform valuations of any kind. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely to assist you with your tax filing obligations with the Internal Revenue Service ("IRS") and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, including any entity or investment which may seek to evaluate your creditworthiness or financial strength. You agree to indemnify and hold us harmless from any and all claims arising from the use of the tax returns for any purpose other than complying with your tax filing obligations regardless of the nature of the claim, excepting claims arising from our gross negligence or intentional wrongful acts.

Our engagement does not include any procedures designed to detect errors, fraud, theft, or other wrongdoing. Therefore, our engagement cannot be relied upon to disclose such matters. In addition, we are not responsible for identifying or communicating deficiencies in your internal controls. You are responsible for developing and implementing internal controls applicable to your operations.

Assisting you with your compliance with the Corporate Transparency Act ("CTA"), including beneficial ownership information ("BOI") reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend the Agreement or issue a separate agreement to reflect the obligations of all parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this Agreement.

### CPA Firm Responsibilities

It is our duty to prepare your returns based on the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. Unless otherwise noted, the applicable standard of care for a "reasonable tax return preparer" shall be based upon the following pronouncements:

- the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA");
- U.S. Treasury Department Circular 230 ("Circular 230"); and
- the Internal Revenue Code, Treasury Regulations, and any applicable state/local corollaries (collectively, "the Code").

As tax return preparers, these pronouncements also prohibit us from signing a tax return unless we have a reasonable belief that there is substantial authority for tax positions taken on the tax return, or we have a reasonable basis for tax return positions taken on the return which are disclosed as required by the Code. If you request that we report a tax position on your return which we feel is contrary to published guidance, frivolous, or a willful attempt to evade tax, we will be unable to proceed. If you are unwilling to disclose a position where required or we conclude that your failure to disclose does not permit us to sign your tax return, we will be unable to proceed.

It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

We will prepare your tax returns based upon your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependent child) as reflected in your income tax returns for last year. *If your filing status has changed, you wish to change your filing status, or you have questions about your filing status, please contact us immediately.*

Fraser, Waldrop & Company CPA's Inc. will not make any management decisions or perform management functions on your behalf.

### Arguable positions

If there are conflicting interpretations of tax law, or if tax law is unclear, we will explain the possible positions that may be taken in order for us to sign your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials and our professional standards. Tax reference materials include, but are not limited to, the Code, Revenue Rulings, Revenue Procedures, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. You will be responsible for these amounts, as well as any related professional fees you may incur, to respond to the tax authority.

### Confidentiality

If the tax returns prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of the firm under the terms of this Agreement. Both spouses acknowledge that any tax return information, including supporting documents provided to us, used in the preparation of your joint return, and any communications made to us by either of you in connection with the preparation of your joint return, may ultimately be shared with either spouse, without prior consent of the other.

### Bookkeeping Assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. In the event we conclude that such services are necessary to prepare your tax returns, we will advise you in writing before services are performed and bill you for the required services. These services will be billed at our standard hourly rates and will be subject to the terms of this Agreement.

### Estimated tax payments

You may be required to make quarterly estimated tax payments. We will calculate these payments for the 2025 tax year based upon the information you provide to prepare your 2024 tax returns (the "safe harbor" rule). Updating recommended payments to more closely reflect your actual current year's income is not within the scope of this engagement, unless requested by you, and agreed to by us, in writing. These services will be billed at our standard hourly rates and will be subject to the terms of this Agreement.

### Tax Planning Services

Our engagement does not include tax advice which would impact future tax years. However, we may communicate potential tax strategies to you, and you may ask high-level questions of us. It is your responsibility to communicate to us, in writing, any interest in pursuing a tax strategy identified, or if you require more than a cursory response to your question. If we determine that assisting you with the implementation of any proposed tax strategy, or responding to your question requires additional research, analysis, discussion, or documentation, we will confirm our understanding with you in writing prior to proceeding.

We shall not be liable for any forgone tax or other benefits if you fail to advise us of your desire to investigate or pursue any tax strategy communicated to or by us. Any tax advice described in this paragraph and provided to you shall be governed by this Agreement and billed at our standard hourly rates.

### Government Inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If you are contacted by a tax authority, either for an examination or other inquiry, you may request our assistance in responding.

### Third Party requests

We will not respond directly to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

### Reliance on others

There may be times when you engage another advisor to assist you. If you wish to take a tax position based upon the advice of another advisor, before we are able to sign your tax return, we must comply with the applicable provisions of the Code and the SSTS.

We will review the other advisor's work, including a written statement from the advisor describing the statutory basis for the position and the suggested disclosure standard to appropriately report the position. If additional research or disclosure is required, you agree to pay for the additional charges necessary to complete the disclosure or research.

Moreover, you understand that the IRS, state or local tax authority may disagree with the position taken on the return. If this occurs, you will be responsible for any additional tax, penalties and interest, as well as any related professional fees, you may incur.

If, after review of the work prepared by your other advisor, we determine that we are unable to sign the tax return, we will be unable to proceed.

### Abusive tax strategies

Certain tax positions or strategies, while not currently identified as "abusive" by the IRS, may ultimately be determined to be so in the future. Consequently, you agree to advise us of any transaction you have entered into that entitles you to disproportionate tax benefits (deductions, credits, or refunds), that generates significant income deferral or non-recognition, or that generates significant tax losses without corresponding cash impacts ("abusive tax strategy"). If you fail to timely notify us, in writing, of any abusive tax strategy you have entered into, you will be responsible for any liability, including but not limited to, additional tax, penalties, interest and related professional fees.

### **Client Responsibilities**

You acknowledge and agree that your failure to comply with the responsibilities enumerated in this section may result in economic or other loss to you, such as disallowance of tax deductions or credits claimed, additional tax, penalties or interest assessed against you, or loss of administrative rights. You agree to accept responsibility for any consequences of your failure to fulfill your responsibilities.

We will provide you with an income tax organizer to help you compile and document the information necessary to prepare your income tax returns. You are responsible for fully and accurately completing the income tax organizer, including any activities in which you engage outside of the U.S. or your home state.

### Administrative Adjustments and Compliance with BBA

If you are or were a partner at any time in a partnership and receive(d) Schedule K-1 (1065), you may receive a Form 9986, *Partner's Share of Adjustments to Partnership-Related Items*. Form 9986 is used by partnerships to correct errors on previously filed partnership returns and to provide the IRS and partners with each partner's share of those tax corrections. Recipients of Form 9986 must report this information and any additional tax due to the IRS on Form 9978, *Partner's Additional Year Reporting Tax*, within a specified timeframe.

Our services do not include assisting you with anything pertaining to Form 9986 and/or Form 9978 unless specifically identified in the *Engagement Objective and Scope* section. If you receive a Form 9986 once our work has begun but prior to the filing of your tax return, you are responsible for alerting us and requesting assistance. Additionally, the impact an adjustment from Form 9986 may have on any state return you have previously filed is unclear and may only be determined with additional research. If you do not alert us or request our assistance, we will infer that you have not received Form 9986 absent other information you provide to us.

### All income

You are responsible for identifying and communicating to us all income earned and received by you from any U.S. or non-U.S. source. This includes income earned from gambling and online wagers, gig or hobby work, and activity for which you should receive a Form 1099-K (online sales) whether or not you actually receive a 1099-K.

### Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You will be responsible for any liability including but not limited to, additional tax, penalties, interest, and related professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

### Gift Tax Returns

The preparation of gift tax returns is not within the scope of this engagement. The IRS considers a gift to be any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money's worth) is not received in return. Under federal tax law, certain gifts are taxable and subject to an annual gift tax exclusion amount, which for 2024, is \$18,000 per taxpayer. You are responsible for informing us if you have made any transfer of value for which you did not receive full consideration, such as, but not limited to, those made in trust, forgiveness of debt, or the use of property for which no or below-market rent was charged.

### Gifts received from foreign persons

The preparation of IRS Form 3520 is not within the scope of this engagement. If you transferred property to or received property from a foreign person or trust, or are a U.S. person who "owns" assets in a foreign trust, you may be required to file a separate IRS Form 3520, *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts* or Form 3520-A, *Annual Information Return of Foreign Trust with a U.S. Owner*. You are responsible for providing us with details of any cash, property, or value exchanged with foreign persons or trusts, or of ownership of foreign assets, including access to foreign bank or investment accounts.

### Personal Expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by documentation and records required by the IRS and other tax authorities.

### State and local filing obligations

You are responsible for determining your filing obligations with any state or local tax authorities, including but not limited to, income, franchise, sales, use, and property taxes or abandoned and unclaimed property. The preparation of any state or local tax return not listed above is not within the scope of our engagement. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You will be responsible for tax due and penalties associated with the failure to file or untimely filing of any form for which we were not engaged to prepare.

### U.S. filing obligations related to foreign investments and activities

U.S. citizens and residents generally must report income and activities related to both domestic and foreign assets (worldwide income). You are responsible for fulfilling your filing obligations related to foreign activity where required. U.S. reporting requirements related to foreign activity are very complex. **Contact us immediately** if you have:

- Ownership of, investment in, or officer responsibilities for a corporation, partnership, or other business entity formed under the laws of another country;
- Fiduciary, grantor, or beneficiary relationships in connection with an entity formed under the laws of another country;
- Ownership of, signature authority over, or control over any financial account held in a financial institution located in another country;
- Citizenship or government-approved employment/visa status with a country other than the U.S. (including anyone in your immediate household, or your parents who live outside the U.S.);
- Transferred property, including cash, offshore either directly or through the purchase of or investment in an entity formed under the laws of another country;
- Received or have legally-recognizable rights to receive property, including cash, from a trust, business, or investment formed under the laws of another country or individual residing in another country;
- Conducted business with any entity or person physically located in another country, regardless of whether such business is for-profit, not for-profit, or informal/irregular;
- Received property, including cash, or income from a source outside of the U.S. which is not reported on a brokerage statement (such as a 1099-B or similar report); or
- Any other activity or economic arrangement which takes place outside of the U.S.

Based upon the information you provide, we will use this data to inform you of any additional filing requirements, which may include FinCEN Form 114, *Report of Foreign Bank and Financial Accounts* ("FBAR"). The FBAR is not a tax return and its preparation is not within the scope of this engagement.

Failure to timely file the required forms may result in substantial civil and/or criminal penalties. By your signature below, you agree to provide us with complete and accurate information regarding any foreign investments in which you have a direct or indirect interest, or over which you have signature authority, during the above referenced tax year.

If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us and we will respond in writing. You will be responsible for tax due, penalties, and interest associated with the failure to file or untimely filing of any of these forms.

### Foreign filing obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

### Digital assets

There are specific tax implications of investing in digital assets (e.g., virtual currencies such as Bitcoin, non-fungible tokens, virtual real estate, and similar assets). The IRS considers these to be property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, digital assets are subject to the same general tax principles that apply to other property transactions.

If you transacted in digital assets during the tax year, you may have tax consequences and/or additional reporting obligations associated with such transactions. Depending on the nature or volume of those transactions, a change to the scope of our services may be required. You are responsible for providing us with complete and accurate information, including basis, regarding any transactions in, or transactions that have used, digital assets during the applicable tax year.

### Ultimate responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic income tax returns and accompanying schedules and statements for review prior to filing with the IRS, state, and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically. For joint returns, both spouses must sign the e-file authorization in order to ensure its validity. We shall not be liable for any penalties or interest resulting from your failure to timely sign and return Form 8879 or state equivalents. **We will not file an extension on your behalf if you fail to timely sign and return Form 8879 or state equivalents.**

If we are unable to file your return(s) electronically, we will deliver to you a paper copy suitable for mailing to the taxing authorities. Once delivered to you, you bear full responsibility for reviewing the paper returns for accuracy, and either signing and timely filing them, along with any payments due, or notifying us of any issue which may need to be addressed prior to filing.

You have final responsibility for the payment of your taxes in whatever amount ultimately determined. If you choose, you may opt to have funds automatically withdrawn from a designated account and transmitted when your tax return is electronically filed. We will not transmit partial payments. It is your responsibility to provide us with correct account and routing numbers, to review this information for accuracy prior to submission of your return, and to ensure that sufficient funds are available at the time of payment. We shall have no liability for any tax due, penalties, interest, or overdraft charges which may result from your failure to ensure sufficient funds are available at the time of payment.

Once your return is complete (e-file acceptance or provision of a paper copy to you), we shall have no obligation to update your returns for subsequent legislative or administrative changes or future judicial interpretations under this Agreement.

### **Timing of the Engagement**

We expect to begin our services upon receipt of this executed Agreement, the completed 2024 income tax organizer and all documents requested either in the organizer or by our office.

Our services will conclude:

- on the later of:
  - the latest date of electronic acceptance of your 2024 tax returns by the relevant tax authority;
  - the date we deliver the paper copy of your returns to you; or
  - December 31, 2025 if, and only if, the actual method is used to calculate estimated tax vouchers for tax year ended December 31, 2025 as noted in the Engagement Objective and Scope section of this Agreement.
- Upon written notification by either party that the engagement is terminated, or
- one (1) year from the execution date of this Agreement, whichever comes first.

### **Extensions of Time to File Tax Returns**

The original filing due dates for your income tax returns are April 15, 2025 for Federal and April 15, 2025 for the State of Colorado. Other states may have different due dates. **Due to the high volume of tax returns prepared by our firm, you must provide all the information needed to prepare the tax returns before March 10, 2025. Failure to do so may result in the inability to complete your returns by the original filing due dates.**

It may become necessary to apply for an extension of the filing due dates if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may limit your ability to make certain elections, extend the time available for a government agency to undertake an examination of your return and/or extend the statute of limitations to file a legal action. If we apply for an extension of time to file because you have not provided us all of the information needed to prepare the tax returns by the original due date, you agree to hold our firm harmless from any consequences arising from any election waived. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

**If you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, we will not file these applications unless and until we receive both an executed copy of this Agreement and your express written authorization to file for an extension. In some cases, your signature may be required on such applications prior to filing. Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.**

### **E-filing**

In addition to being a return preparer, we are an Electronic Return Originator (ERO) and will prepare your return(s) and/or extension(s) in a format that permits us to electronically transmit ("e-file") those forms to the appropriate tax authority on your behalf.

When we e-file any form on your behalf, including requests for extensions of time to file, and we agree, the IRS and states require you to sign and return to us the appropriate governmental form(s) before your returns can be filed electronically. For joint returns, both spouses must sign the e-file authorization before the return can be transmitted. **If you fail to timely sign and return e-file authorization, we cannot and will not e-file any form on your behalf.** In those situations, you will be solely responsible for any penalties or interest assessed against you.

If your return(s) or extension(s) cannot be e-filed, we will deliver to you a paper copy suitable for mailing to the taxing authorities. Once delivered to you, you bear full responsibility for reviewing the paper returns for accuracy, and either signing and timely filing them, along with any payments due, or notifying us of any issue which may need to be addressed prior to filing.

Once our services have concluded, we shall have no obligation to notify you of future tax law developments affecting your return(s) except as may be required by Circular 230 or the SSTS related to errors we identify.

### **Penalties and Interest Charges**

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities.

### **Professional Fee**

Our professional fee is based upon the complexity of the expected work to be performed and our professional time and out of pocket expenses. We will bill at our standard billing rates, plus any out-of-pocket expenses and a computer charge. Circumstances may arise that impact our estimated fee such as, but not limited to, issues encountered with the timely delivery, availability, quality, or completeness of the information you provide to us, changes in your personnel or operations that impact our services or other unanticipated items that arise during our engagement and that require additional time in order to complete the agreed-upon services. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the income tax returns.

We will bill you for our professional fees, expenses, and out-of-pocket costs as of the date we deliver our work product to you. **All invoices are due and payable on presentation.** A finance charge of 18% per annum will be added to balances outstanding after 30 days. In the unlikely event your account needs to be referred to collections because of nonpayment, you agree to pay all cost of collections, attorney, and court costs. We reserve the right to suspend or terminate our work for non-payment of fees. If our work is suspended or terminated, you agree that we will not be responsible for any damages you may incur as a result of the work stoppage.

#### **Electronic Data Communication and Storage**

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

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

#### **Client Portals**

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

Fraser, Waldrop & Company CPA's Inc. is not a host for any of your information. You are responsible for maintaining your own copy of this information. We do not provide back-up services for any of your data or records, including information we provide to you. Portals are utilized solely as a method of transferring data and are not intended for the storage of your information. Information on a portal may be deleted by Fraser, Waldrop & Company CPA's Inc.

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

#### **Third Party Service Providers or Subcontractors**

We may use a third-party service provider to assist us where necessary to help provide professional services to you or support the needs of our firm. This may include provision of your confidential information to the third-party service provider. We require our third-party service providers to have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures.

By accepting the terms and conditions of our engagement, you consent to the disclosure of your confidential information to third-party service providers, if such disclosure is necessary to deliver professional services to you or provide support services to our firm. In certain circumstances, we may require a separate written consent from you before your information is transmitted to a third party.

#### **Confidentiality**

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

#### **Independent Contractor**

When providing services to your company, we will be functioning as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you. Our obligations under this agreement are solely obligations of Fraser, Waldrop & Company CPAs, and no partner, principal, employee or agent of Fraser, Waldrop & Company CPAs shall be subjected to any personal liability whatsoever to you or any person or entity.

#### **Mediation**

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

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

This provision shall not apply to any dispute related to our billing and/or invoices.

#### **Limitation of Damages**

**NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, FRASER, WALDROP & COMPANY CPA'S INC. SHALL NOT BE LIABLE FOR ANY LOST PROFITS, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE CONSEQUENTIAL, OR SIMILAR DAMAGES, TO THE EXTENT SUCH DAMAGES MAY BE LAWFULLY LIMITED OR EXCLUDED OF ANY NATURE EVEN IF WE HAVE BEEN ADVISED BY YOU OF THE POSSIBILITY OF SUCH DAMAGES.**

#### **Indemnification**

Unless otherwise stated in the Agreement, you agree to indemnify, defend, and hold harmless Fraser, Waldrop & Company CPA's Inc. and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns with respect to any and all claims made by third parties arising from this engagement, regardless of the nature of the claim, and including the negligence of any party, excepting claims arising from the gross negligence or intentional acts of Fraser, Waldrop & Company CPA's Inc.

## **Insurance**

Fraser, Waldrop & Company CPA's Inc. shall, during the term of the engagement and for 3 years after termination of same by either you or us, maintain in full force and effect, accountants' professional liability and cyber liability insurance coverage from an insurer or insurers licensed to conduct business in the state of Colorado. As of the policy effective date, such insurer or insurers shall be rated A- (Excellent), by A.M. Best with a Financial Size Category of Class VII or greater. Premiums for said insurance policy shall be paid by Fraser, Waldrop & Company CPA's Inc.

Upon your written request Fraser, Waldrop & Company CPA's Inc. shall furnish certificates of insurance for the required insurance coverage. Such certificate of insurance shall indicate the minimum limits of liability per claim and in the aggregate, as required by you.

## **Designation of Venue and Jurisdiction**

In the event of a dispute, you and we agree that the courts of the state of Colorado shall have jurisdiction and all disputes will be submitted to the Denver County Court which is the proper and most convenient venue for resolution. We also agree that the law of the state of Colorado shall govern all such disputes.

## **Timing for Disputes**

You agree that any claim arising out of this Agreement shall be commenced within 1 year from the date our services conclude as outlined in the *Timing of the Engagement* section of the Agreement, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Fraser, Waldrop & Company CPA's Inc.

## **Records Management**

### Record Retention and Ownership

We will return all of your original records and documents provided to us on or before the conclusion of the engagement. Our copies of your records and documents are solely for our documentation purposes and are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations. You are responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to you by us. If we provide deliverables or other records to you via an information portal, you must download this information within 30 days. Professional standards preclude us from being the sole repository of your original data, records, or information.

Work papers and other documents created by us are our property and will remain in our control. Copies are not to be distributed without your written request and our prior written consent. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. Our firm destroys work paper files after a period of 5 years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period, as stated in our record retention policy.

### Working Paper Access Requests by Regulators and Others

State, federal, and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, the sale of your organization, or the sale of our accounting practice. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

### Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

## **Disclaimer of Legal and Investment Advice**

Our services under this Agreement do not constitute legal or investment advice unless specifically agreed to in the *Engagement Objective and Scope* section of this Agreement. Our services under this Agreement do not constitute legal advice

## **Marketing and Educational Communications**

Newsletters, updates, explanations of technical developments or similar communications to you we may periodically send to you are strictly for marketing or general educational purposes and should not be construed as professional advice on which you may rely. These communications, by themselves, do not create a contractual relationship between us and you, a binding obligation for us to provide services to you, nor a requirement on our part to monitor issues for you.

## **Referrals**

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, or investment advisors. We may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or the suitability of any product we refer to you or that you separately retain. Further, we are not responsible for any services we perform that fail to meet the intended outcomes as a result of relying on the services of other professionals or products you may retain.

### **Brokerage, Investment Advisory or Digital Asset Statements**

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

### **Federally Authorized Practitioner – Client Privilege**

Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations. This privilege is limited in several important respects. For example, the privilege may not apply to your records, state tax issues, state tax proceedings, private civil litigation proceedings or criminal proceedings.

While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this federally authorized practitioner-client privilege.

### **Limitations on Oral and Email Communications**

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

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

### **Electronic Signature and Counterparts**

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

### **Conflicts of Interest**

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

### **Force Majeure**

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

### **Termination and Withdrawal**

Either party may terminate this Agreement at any time and we reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, non-payment of fees, your failure to comply with the terms of this Agreement, or as we determine professional standards require. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, or for any liability, including but not limited to, penalties or interest that may be assessed against you resulting from your failure to meet such deadlines. If this Agreement is terminated before services are completed, you agree to compensate us for the services performed and expenses incurred through the effective date of termination.

### **Proprietary Information**

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, “hard copy” format or other medium.

Federal laws specify that all information you provide to us for preparation of your returns is confidential with few exceptions. We cannot disclose this information to a third party without your written consent. Please remember, our preparation of your returns is for income tax filing purposes only. We cannot provide copies of these returns directly to any third party, such as a bank. **You will be charged \$25 for each additional paper copy of your federal and state return requested.** There is no additional charge for returns that are posted to your portal.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this engagement letter.

### **Severability**

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

### **Survivability**

The following sections of this Agreement shall survive termination of the Agreement: Limitation of Liability, Limitation of Damages, Indemnification, and Statute of Limitations.



**Assignment**

All parties acknowledge and agree that the terms and conditions of this Agreement shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

**Entire Agreement**

This engagement letter, including any attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties. This Agreement has been entered into solely between you and Fraser, Waldrop & Company CPA's Inc., and no third-party beneficiaries are created hereby.

We appreciate the opportunity to be of service to you. Please sign and date this agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive this executed agreement. By providing us with the source data needed to prepare your tax returns, you are agreeing to all terms contained in this agreement.

Very truly yours,

*Fraser, Waldrop & Company CPA's Inc.*

**Accepted By:**

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Please Print Spouse Name

\_\_\_\_\_  
Spouse Signature

\_\_\_\_\_  
Date

**FRASER, WALDROP & COMPANY CPA'S INC.**  
**Individual Audit Protection Plan**  
**Client Disclosure Agreement Form**

The IRS sent out over 200 million automated notices last year to unsuspecting taxpayers leveraging technology instead of relying on their own work force. A majority of these notices were downright incorrect that cost taxpayers millions of dollars to defend and prove their "innocence". Your chances of receiving one of these notices questioning items on your return, or stating that you're being audited or informing you that your tax identity was stolen is increasing every year.

It can cost anywhere from \$300 to \$1,000 and up just to respond to an uncomplicated IRS/State computer generated notice. Defending an actual audit or having your tax ID stolen can mean real financial stress to your life. Audit representation fees alone can range from \$3,500-\$10,000 and up. In order to safeguard you from incurring any of these unforeseen expenses, we've created our **Audit Protection Plan**. For just a small fee, you can rest assured-we've got you covered under one of our Plans below:

- Basic Plan - \$70.00/yr.** (\$300 value)  
We'll respond to written notices from the IRS, State, or local tax authorities.
  
- Silver Plan - \$90.00/yr.** (\$4,000 value)  
**Includes everything in Basic Plan, PLUS:**  
We'll respond to written notices from the IRS, State, or local tax authorities.  
\*\*We'll represent and defend you in case of an IRS or State Tax Income Tax Audit.  
We'll restore your tax account and any refunds due to Tax Identity Theft.
  
- Gold Plan - \$250.00/yr. (Best Value!)** (\$5,000+ value)  
**Includes everything in Silver Plan, (\$4,000 value), PLUS:**  
One hour of additional consultation services at no additional charge. (\$300 value)  
We'll provide copies of your tax returns upon your request at no charge.  
4-15 minute phone calls and two 30 minute office visits. (\$600 value);  
Priority phone, email (returned within 24 hours) and office access;  
Office visits scheduled within the same week if available.  
  
\*\*We'll waive our hourly Audit fee for up to 10 hours of audit representation.  
Additional hours will be billed at our regular rate of \$300/hour  
(Value= Regular fee: \$3,000 retainer+ \$300/hour).

This protection becomes effective upon the filing of your 2024 Form 1040 and generally lasts for 3 years from the date your return was filed.

(Opt-OUT)  By checking here, I indicate my choice *not* to participate in the **Audit Protection Plan**. I understand that I will be subject to additional charges at **Fraser, Waldrop & Co CPA's Inc hourly billing rate** if my return is selected for audit, or if I receive notices from a taxing authority questioning items on my return, or if my tax identity is stolen or if I need additional services not included with the preparation of my tax return.

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Client Signature

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Date

## DOCUMENTATION PREPARATION CHECKLIST

*Initial each completed item and return this document with the following documentation:*

### Engagement Letter & Audit Protection Plan Agreement

\_\_\_\_\_ I will sign and upload, deliver, or enclose the 2024 Engagement Letter and 2024 APP Agreement.  
*initial*

### Supporting Tax Documentation

\_\_\_\_\_ I will upload or enclose Government tax documents W-2s, 1099s, etc., with all pages of all brokerage  
*initial* statements and mutual funds tax documents, and all pages of K-1 forms. (An exception is made for K-1s  
not regularly issued before the April 15 filing deadline.)

\_\_\_\_\_ I will upload or enclose charitable receipts greater than \$5,000, or when goods or services were also  
*initial* provided.

\_\_\_\_\_ I will upload or enclose supporting documentation for any estimated tax payments made for the 2024 tax  
*initial* year (including but not limited to IRS Account payment history, a copy of cleared checks, bank statements,  
etc.). Exact amounts with payment dates written into the organizer is an acceptable alternative.

\_\_\_\_\_ I will provide any electronic images of documents in **.pdf format**. I understand that .jpg and other file  
*initial* formats require additional time to manage and my preparation fees may be adjusted. I understand that  
providing documentation in envelopes, stapled or other binding, highlighted, etc. increases the preparation  
time of my tax return. I understand that providing totals in lieu of physical receipts for expenses also saves  
time.

### Organizer

\_\_\_\_\_ I will answer all questions, providing amounts and dates as necessary. I will upload or enclose Rental and  
*initial* Schedule C income and expenses (if applicable). I understand that completing my organizer saves time and  
saves me money. I will upload or enclose the completed organizer.

### Documentation Preparation Checklist

\_\_\_\_\_ I understand that complete tax detail information received after March 4<sup>th</sup> may result in my tax return being  
*initial* placed on extension.

\_\_\_\_\_ I will inform Fraser Waldrop and Company when all of my documents have been uploaded to the portal  
*initial* (with the exception of K-1s typically issued after April 15th). We cannot begin working until you notify us  
that we have received all of the above information:

Office: 303-759-3124

Email: Bill Fraser [Bill@coprotax.com](mailto:Bill@coprotax.com)

Marsha Taylor [Marsha@coprotax.com](mailto:Marsha@coprotax.com)

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date