



January 1, 2021

The attached Fixed-Price Agreement is a list of proposed services to be provided to you by Fox & Company CPAs, Inc. We hope to better meet your expectations of service from our firm by clearly identifying the particular services to be provided and their frequency.

## **Compilation Engagement**

If specified in the above-referenced FPA, you have requested that we prepare the financial statements of the company specified on the above-referenced FPA, which comprise the statement of assets, liabilities, and equity – tax-basis as of the date(s) specified in the above-referenced FPA, and the related statements of revenue and expenses – tax-basis, and cash flows – tax-basis for the period(s) ended during 2021 as referenced on the above-referenced FPA and perform a compilation engagement with respect to those financial statements. We are pleased to confirm our acceptance and our understanding of this compilation engagement by means of this letter.

### **Our Responsibilities**

The objective of our engagement is to:

- a. Prepare financial statements in accordance with the tax-basis of accounting based on information provided by you; and
- b. Apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the tax-basis of accounting.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with the tax-basis of accounting and assist you in the presentation of the financial statements in accordance with the tax-basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the tax-basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
- b. The preparation and fair presentation of financial statements in accordance with the tax-basis of accounting.

- c. The inclusion of all informative disclosures that is appropriate for the tax-basis of accounting. This includes:
  - i. A description of the tax-basis of accounting, including a summary of significant accounting policies, and how the tax-basis of accounting differs from accounting principles generally accepted in the United States of America, the effects of which need not be quantified; and
  - ii. Informative disclosures similar to those required by accounting principles generally accepted in the United States of America.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the compilation engagement.
- h. To provide us with:
  - i. Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - ii. Additional information that we may request from you for the purpose of the compilation engagement.
  - iii. Unrestricted access to persons within the entity of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your financial statements and all other non-attest services that we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

## **Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content.

Our report will disclose that the financial statements are prepared in accordance with the income tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

If found to not be independent from the company specified in above-referenced FPA, we will disclose that we are not independent in our compilation report.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to ask our permission to do so.

## **Preparation Engagement**

If specified in the above-referenced FPA, you have requested that we prepare the financial statements of the company specified on the above-referenced FPA, which comprise the statement of assets, liabilities, and equity – tax basis as of the date(s) specified in the above-referenced FPA and the related statements of revenue and expenses – tax basis. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

## **Our Responsibilities**

The objective of our engagement is to prepare financial statements in accordance with the tax-basis of accounting based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

### **Management Responsibilities**

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with the tax-basis of accounting. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARs:

- a. The selection of the tax-basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
- b. The prevention and detection of fraud.
- c. To ensure that the entity complies with the laws and regulations applicable to its activities.
- d. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- e. To provide us with:
  - i. Access to all information of which you are aware that is relevant to the preparation and presentation of the financial statements, such as records, documentation, and other matters;
  - ii. Additional information that may be requested for the purpose of the preparation of the financial statements; and
  - iii. Unrestricted access to persons within company specified on the above-referenced FPA of whom we determine necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

### **Other Relevant Information**

As part of our engagement, we will also provide the additional services detailed in the above-referenced FPA.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Johanna Turner is the engagement partner for the services specified in this letter. Her responsibilities include supervising Fox & Company CPAs, Inc.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the accountant's report.

**Our fees for the above services will be based on the Fixed-Price Agreement. This agreement will remain in effect until 12/31/21.**

You will be billed as stipulated in the Fixed-Price Agreement. Invoices are due and payable when issued unless prior arrangements have been made or established. Finance charges on all accounts past 30 days are 1.5% per month (minimum of \$5.00 per month). All credit card transactions will include a 3% convenience fee.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

If your needs change during the year, the nature of our services can be adjusted appropriately. Likewise, if you have special projects with which we can assist, please let us know.

Very Truly Yours,



Laura Clifford, CPA, President  
Fox & Company CPAs, Inc.

Response:

This letter correctly sets forth our understanding.

Client Name: \_\_\_\_\_

Acknowledged and agreed to by:

Signature: \_\_\_\_\_

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

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