

# CAROL A. REITHMILLER, CPA, PLLC

January 3, 2024

Dear Client:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. To ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements. **No returns will be started without this signed agreement on file.**

## *Engagement Objective and Scope*

We will prepare the following federal and state tax returns for the year ended 12/31/2023:

\_\_\_\_\_ Prepare 2024 Business Personal Property Listing(s) (**info due to us 1/19/24 for NC**)

\_\_\_\_\_ Prepare 2024 NC Business Personal Property Listing(s) Extension \$111 each (**info due to us 1/22/24**)

\_\_\_\_\_ Prepare 2023 S Corporate Federal and \_\_\_\_\_ (state/s and cities) return

\_\_\_\_\_ Prepare 2023 Schedule K2 and K3 for each partner (only if you have surveyed your members)

\_\_\_\_\_ Prepare 2024 PTE and \_\_\_\_\_ (state/s and cities) payments

We will not prepare any tax returns except those identified above, without your written request, and our written consent to do so. We will prepare your tax returns based upon information and representations that you provide to us. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

If your business has any operations in states other than those specifically listed, you are responsible for providing our firm all information necessary to prepare any additional applicable state(s) income tax returns such as the identity of all states in which the Partnership does business and the extent of business operations in each relevant state.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service (“IRS”) and state and local tax authorities as identified above. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

We require your **Balance Sheet as of December 31, 2023**, your **Income Statement for the period of January 1, 2023, through December 31, 2023**, along with detailed listing of any fixed assets that you purchased or disposed. If you use QuickBooks, we request a backup of the file (prefer the portable file not the accountant’s copy). For each **business automobile/truck**, we **require the mileage** broken down between business and personal.

## 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. We will request your approval in writing before rendering these services. Additional charges will apply for such services. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification of some of the information.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. **You have the final responsibility for the income tax returns and, therefore, you should carefully review them before you sign and file them.**

Our work in connection with the preparation of your corporate income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. However, should we find any irregularities or unusual items we will bring them to your attention. If we discover any errors or omissions on a prior year return, we will bring that to your attention.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless you otherwise instruct, we will resolve such questions in your favor whenever possible.

The filing deadline for the **S-Corporate** tax returns is Friday, **March 15, 2024**. To meet this filing deadline, the information needed to complete the return should be received in this office no later than Monday, **February 19, 2024**.

If an extension of the time to file is required, any tax due with this return must be paid with the extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties. The fee for preparing Federal Form 7004, Application for Automatic Extension of Time to File, is \$111 and each states' extension is \$111. Payment is due when the extension is filed. This request **must** be made to us in writing. Contact us at 704-583-9090 and we will send you the extension request form or you may print it from our website (ladycpa.com).

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such governmental tax examination, we will be available, upon request, to represent you and will render additional invoices for the time and expenses incurred.

### ***CPA Firm Responsibilities***

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services ("SSTs") issued by the American Institute of Certified Public Accountants ("AICPA") and U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. 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.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used to communicate by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenue or anticipated profits, or disclosure of communication of confidential or proprietary information.

### PTE tax payments

You may want to make quarterly estimated tax payments. If selected, we will calculate these payments for the 2024 tax year based upon the information you provide to prepare your 2023 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. If you would like us to provide this service, we will confirm this update in a separate engagement letter.

### Tax planning services

Tax planning services are not within the scope of this engagement. While preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. If you ask us to provide tax planning services, we will confirm this representation in a separate engagement letter.

### Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

Payment in full will be required at time of pickup. Our fee for these and other services will be at our standard billing rates, available online at [www.ladycpa.com](http://www.ladycpa.com), plus out-of-pocket expenses. All invoices are due and payable upon presentation of work. For late payments, a 1.5% interest fee will be assessed each month of delinquency. If the account remains delinquent for 90 days, the debt will be turned over to a collection agency for recovery. All collection fees will be assessed on your account. Returns will be held at the front desk until payment is made in full.

You may terminate this engagement at any time. Should you do so, however, you remain liable for all unpaid fees as discussed above. We reserve the right to withdraw from this engagement at any time because of unpaid fees, the guidance of our professional standards, or for any other reason. We will notify you in advance of any decision by us to withdraw and will take all reasonable steps to assist in the orderly transfer of your tax services. Otherwise, this engagement will be considered complete upon acceptance of your e-filed returns by the tax authorities. If your returns are not e-filed, you will have final responsibility for mailing your returns to the applicable taxing authorities.

With respect to any services, work product, or other deliverables hereunder, or this engagement generally, the firm’s liability to the Client shall in no event exceed the fees that it receives for the portion of the work giving rise to liability, nor shall the firm’s liability include any special, consequential, incidental, or exemplary damages or loss, including any lost profits, savings, or business opportunity.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than a copy of your income tax return, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

Corporate Transparency Act/Beneficial Ownership Reporting

Assisting you with your compliance with the Corporate Transparency Act (CTA) including beneficial ownership information (BOI) is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including the BOI reporting requirements and the collection of relevant ownership. We have no liability resulting from your failure to comply with CTA. Information on this can be found at <https://www.fincen.gov/boi>.

If the foregoing is in accordance with your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. However, if there are other tax returns you expect us to prepare, please inform us by noting so just below your signature at the end of the returned copy of this letter.

Thank you for the opportunity to be of service.

Sincerely,

*Carol A. Reithmiller, CPA, PLLC*

Accepted By: \_\_\_\_\_ Date: \_\_\_\_\_  
(signature)

Company Name: \_\_\_\_\_

Comments or Additional Requests: