

Ernest L. Tomkiewicz CPA PLLC  
10 Ferry Street  
Suite 301A  
Concord NH 03301

July 31, 2020  
Corporation X  
Los Angeles, CA 90017

We are pleased to confirm our acceptance and understanding of the services we are to provide for the year ended December 31, 2019.

You have requested that we prepare the financial statements of Corporation X, which comprise the balance sheet as of December 31, 2019, and the related statements of income, and cash flows for the year then ended and the related notes to the financial statements, and perform a review engagement with respect to those financial statements

#### Our Responsibilities

The objective of our engagement is to—

1. prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and
2. obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.
3. Prepare the supplementary schedule of operating expenses based on information provided by you.

We will conduct our review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's Code of Professional Conduct, and its ethical principles of integrity, objectivity, professional competence, and due care, when preparing the financial statements and performing the review engagement.

A review engagement includes primarily applying analytical procedures to your financial data and making inquiries of management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review engagement does not contemplate obtaining an understanding of the Company's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents; or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding the financial statements.

The accompanying supplementary information, as indicated above, will be presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and will be derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information will not be subjected to the review procedures applied in our review of the basic financial statements. We will not audit or review the supplementary information and we will not express an opinion, a conclusion, nor provide any assurance on such information.

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 Company or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that indicates fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

### 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 accounting principles generally accepted in the United States of America and to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the Company complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.
8. To provide us with—
  - 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.
  - additional information that we may request from you for the purpose of the review engagement.
  - unrestricted access to persons within the Company 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. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

## Our Report

We will issue a written report upon completion of our review of Corporation X's financial statements. Our report will be addressed to the management of Corporation X. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from accounting principles generally accepted in the United States of America, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If, for any reason, we are unable to complete the review of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's review report in any document containing financial statements that indicates that such financial statements have been reviewed by us and, prior to inclusion of the report, to obtain our permission to do so.

## Other Relevant Information

Ernest L Tomkiewicz CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will range from \$X,XXX to \$X,XXX for the financial statement preparation and review. You will not be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

A retainer equal to 50% of the mid-service range (\$X,XXX) will be required to begin service. You will be sent an invoice via PayPal to remit payment. Work is scheduled to take two weeks, from the time of receipt of this signed engagement letter and retainer, to complete. This is based on cooperation of company staff and will be a Monday following any day that lands on a weekend (Saturday or Sunday).

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

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 acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*Ernest L Tomkiewicz CPA*

Ernest L. Tomkiewicz CPA

Acknowledged:

Signature: Corporation X. Representative

Print Name