

**Principals**

Howard A. Goldklang, CPA, MBA
Donald E. Harris, CPA
Anne M. Sheehan, CPA
S. Gail Moore, CPA
Jeremy W. Powell, CPA
Renee L. Watson, CPA

1801 Robert Fulton Drive, Suite 200
Reston, VA 20191

Associate Principals

Matthew T. Stiefvater, CPA
Sheila M. Lewis, CPA

Manager

Andrew T. Plaughter, CPA

Engagement Letter

September 1, 2020

Board of Directors and Management
Parkfairfax Condominium Unit Owners Association

Dear Board of Directors and Management:

We are pleased to confirm our understanding of the services we are to provide for Parkfairfax Condominium Unit Owners Association for the years ended May 31, 2021 and 2022. The following pages of this engagement letter outline the objectives of the engagement and professional fees.

We will audit the financial statements of Parkfairfax Condominium Unit Owners Association, which comprise the balance sheets as of May 31, 2021 and 2022, and the related statements of income, members' equity and cash flows for the years then ended, and the related notes to the financial statements. The document we submit to you will include supplementary information about future major repairs and replacements required by the Financial Accounting Standards Board (FASB) if the Association has a replacement reserve study. Although we will apply certain limited procedures with respect to the required supplementary information, we will not audit the information and will not express an opinion on it. Also, if the Association wishes to present supplementary information accompanying the financial statements, that information will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Association's financial statements. Our report will be addressed to the Board of Directors of the Association. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur

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related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets and liabilities by correspondence with selected owners, creditors, and financial institutions. Our procedures will not determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because such a determination is outside the scope of the engagement. We may also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit and before the audit can be finalized, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Association or to acts by management or employees acting on behalf of the Association.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Other Services

We will also prepare the Association's federal and state income tax returns for the years ended May 31, 2021 and 2022. During our audit, if applicable, we will provide certain nonattest services such as the preparation of the financial statements and related notes to the financial statements in conformity with U.S. generally accepted accounting principles, reconciliation of general ledger account balances, cash to accrual conversions, and depreciation and amortization calculations based on information provided by you. We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

The other services are limited to the financial statement preparation services, and any other nonattest and tax services previously identified. 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. We will advise you with regard to tax positions taken in the preparation of the tax return, but responsibility for the tax returns remains with you.

Management Responsibilities

You are responsible for designing, implementing and maintaining internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the association from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Association involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Association complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and the results of the services; and accept responsibility for them.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

Discontinuation of Services

Should the Association decide to terminate this agreement for any reason after completion of the first year's engagement, but prior to the commencement of audit fieldwork for the second or subsequent year, notice must be provided in email or by mail.

If we elect to terminate our services for nonpayment, inability to obtain necessary financial records, or for any other reason not provided for in this letter, our engagement letter will be deemed to have been completed upon written notification of termination even if we have not issued a report. You will be invoiced for time expended through the date of termination and any out-of-pocket costs.

In the event we have not received the signed engagement letter within 120 days of issuance, the engagement letter will be voided. You may thereafter request reissuance of an engagement letter, which will be dated as per the date of reissuance.

Engagement Administration, Fees, and Other

We understand that you and your management agent will provide all documents and other evidence requested by our firm to complete our audit.

Anne M. Sheehan, CPA is the engagement principal and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for the preparation of the May 31, 2021 and 2022 audits will be \$15,250 and \$15,500, respectively. Our fee for the preparation of the federal and state income tax returns will be \$500 per year. As part of our audit process, we may need to confirm the Association's bank account balances. Many banks require our firm to use a third-party service to confirm bank accounts and we will bill the Association for the direct cost incurred for any bank confirmations. Currently, the cost is \$26 per account confirmed.

The fees above are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. Fee adjustments may be needed due to management or financial reporting changes, such as change in management agents, special assessments or borrowings, etc. We will bill for changes to the draft audit that are at the request of the Association. If the Association requests us to attend meetings, we will bill for such meetings at our hourly rates.

Our fees for audit services will be billed when we issue the draft audit report and for tax services when the tax returns are prepared, if applicable. We reserve the right to progress bill. Invoices are payable

upon receipt. A late payment fee of 2% may be charged to all balances not paid within 30 days of invoice date. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent.

Representation Letter and Issuance of Final Audit

An audit representation letter will be included with the draft audit. This letter is required by auditing standards and is needed to finalize the audit. It must be signed by the Board President or Treasurer and a management representative. The signed letter must be returned to our office within 60 days of the date of the draft audit with most recent financial statements to our office. If not received within 60 days, we will bill the Association for additional audit procedures at our standard hourly rates. These additional audit procedures are required if the representation letter is past due. Once the audit has been finalized, we will provide you with an electronic copy of the audit report.

If we do not receive the signed engagement letter before the income tax extension filing deadline, we will automatically prepare income tax extensions. If the engagement letter is subsequently not accepted, we will bill \$100 for the income tax extension preparation.

The signed engagement letter must be submitted by email, fax, or mail to:

Goldklang Group CPAs, PC
1801 Robert Fulton Drive, Suite 200
Reston, Virginia 20191
Email: cpas@ggroupcpas.com
Fax: 703.391.9004

We appreciate the opportunity to serve you and look forward to working with you in the upcoming year. We believe this letter accurately summarizes the significant terms of our engagement. If the above is acceptable to you, please sign below and return this letter to us, retaining a copy for your files.

Please contact us with any questions.

Very truly yours,

Goldklang Group CPAs, P.C.

GOLDKLANG GROUP CPAs, P.C.

RESPONSE:

This letter sets forth the understanding of Parkfairfax Condominium Unit Owners Association:

Board Representative:

Signature
1223 E0521 0522

Printed Name

Date



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Associate Principals

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Sheila M. Lewis, CPA

Manager

Andrew T. Plaughter, CPA

Acknowledgment of Management Responsibilities

September 1, 2020

Management Agent for
Parkfairfax Condominium Unit Owners Association

Dear Management Agent:

We are pleased to confirm your acknowledgment of management responsibilities for the services we are to provide for Parkfairfax Condominium Unit Owners Association for the years ended May 31, 2021 and 2022.

We will audit the financial statements of Parkfairfax Condominium Unit Owners Association, which comprise the balance sheets as of May 31, 2021 and 2022, and the related statements of income, members' equity and cash flows for the years then ended, and the related notes to the financial statements. We will also prepare the Association's federal and state income tax returns for the years ended May 31, 2021 and 2022. During our audit, if applicable, we will provide certain nonattest services such as the preparation of the financial statements and related notes to the financial statements in conformity with U.S. generally accepted accounting principles, reconciliation of general ledger account balances, cash to accrual conversions, and depreciation and amortization calculations based on information provided by you. We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

Management Responsibilities

You are responsible for designing, implementing and maintaining internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities under your control; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected

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misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls for the activities under your control to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Association involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, regulators, or others. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Where applicable, you also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide (not including tax services); oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and the results of the services; and accept responsibility for them.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

Very truly yours,



GOLDKLANG GROUP CPAs, P.C.

RESPONSE:

This letter sets forth the acknowledgment of management responsibilities for the services we are to provide for Parkfairfax Condominium Unit Owners Association:

Management Representative:

Signature
1223 E0521 0522

Printed Name

Date