

GEORGE ELLIS REDFORD, IV

CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION

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2015 FORM 1120S - S CORPORATION TAX RETURN
ENGAGEMENT LETTER

Dear Client:

This letter is to confirm and specify the terms of our engagement for the year ended December 31, 2015 and to clarify the nature and extent of the services we will provide. Also, by sending you the engagement letter, we have assumed that you are the person responsible for the tax matters of the corporation. If this is not a correct assumption, please provide us with the name of the tax matters person.

Our engagement will be designed to perform the following services:

1. Prepare the federal and state income tax returns with supporting schedules from information that you will provide to us.
2. Perform any bookkeeping necessary for preparation of the income tax returns.

Our work in connection with the preparation of your 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 them to your attention.

We will use our 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 otherwise instructed by you, we will resolve such questions in your favor whenever possible.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on these penalties, please contact us. Because an S corporation is an entity whose tax attributes generally flow through to its shareholders, the penalty for substantial understatement of tax relating to S corporation items may be imposed at either the corporate or shareholder level.

Management is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of the financial records. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law. You represent that you have disclosed to us all foreign bank and financial accounts in which you have either an interest, or over which you have signature authority, along with the maximum total value of same during 2015. You represent that you have disclosed to us all reportable and listed transactions in which you were a participant during 2015. A list of these can be found on the Internal Revenue Service website www.irs.gov. You have the final responsibility for the income tax returns and, therefore, you should carefully review them before you sign and file them.

By signing this engagement letter, you acknowledge and accept that George Ellis Redford, IV, P.C. is not responsible for compliance concerning retirement plans and employee benefit plans. You should consult your third party administrator to make sure your plans are in compliance with applicable federal and state laws and regulations. If you do not have someone responsible for these functions, we strongly recommend obtaining someone. There have been numerous changes in this area, especially with the passing of the Affordable Care Act, and the penalties for noncompliance can be severe.

The filing deadline for the 2015 tax return is March 15, 2016. In order to meet this filing deadline, the information needed to complete the return should be received in this office as soon as possible. We will make every effort to have the return ready on, or before, that date. If necessary, an automatic extension will be filed that will extend the due date to September 15, 2016. There are no costs associated with this extension as there is no tax due with an S corporation return.

Your returns may be selected for review by the taxing authorities. Any adjustments proposed 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 under a separate engagement letter for that representation.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation.

This engagement letter does not cover the preparation of any financial statements. Any services related to the preparation of financial statements will be addressed in a separate engagement letter.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. However, if there are additional returns you expect us to prepare (such as personal property and/or business license returns), please inform us by noting so just below your signature at the end of the returned copy of this letter.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

George Ellis Redford, IV, CPA

Signature: _____

Printed Name: _____

Company Title: _____ Date: _____

Comments or additional requests: _____
