

# HACKER ROMANO

*Certified Public Accountants*  
www.hackerromano.com

Gary Hacker, CPA  
Albert E. Romano, Jr., CPA

December 13, 2024

Hillcrest No. 3 Condo, Inc.  
940 S. Hillcrest Court  
Hollywood, FL 33021

We are pleased to confirm our acceptance and understanding of the services we are to provide for Hillcrest No. 3 Condo, Inc. for the month then ended.

1.) You have requested that we prepare the financial statements of Hillcrest No. 3 Condo, Inc., which comprise the Balance Sheet and the related statements of Profit and Loss for the period then ended. These financial statements will omit the statement of cash flows and substantially all the disclosures ordinarily included in financial statements prepared in accordance with generally accepted accounting standards.

## **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 (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, 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 Association 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 the preparation of the financial statements in accordance with the accounting principles generally accepted in the United States of America. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARS:

- 1) The selection of the 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.

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## **Reply to:**

3300 North 29th Avenue • Suite 102  
Hollywood, Florida 33020

954.922.2207 • 305.944.0460  
561.909.0190 • Fax: 954.922.3385

16648 Randolph Siding Road  
Jupiter, FL 33478

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- 2) 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.
- 3) The prevention and detection of fraud.
- 4) To ensure that the Association complies with the laws and regulations applicable to its activities.
- 5) 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.
- 6) To provide us with—
  - Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
  - Additional information that may be requested for the purpose of the preparation of the financial statements, and
  - Unrestricted access to persons within the company with whom we determine it 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.

2) We will also:

- Prepare the federal income tax return.

The objective of the tax services portion of the engagement is to prepare the tax returns in accordance with Statements on Standards for Tax Services issued by the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure to us of all relevant facts affecting the return(s). You also have final responsibility for the tax return and, therefore, the appropriate CIRA officials should review the return carefully before an authorized officer signs and files it.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement. Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without any verification by us.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Certain communications involving tax advice may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in our fees for preparation of the tax return(s).

- 3) We will also monthly prepare and record cash receipts and disbursements and adjusting journal entries as required. Post transactions to the general ledger and reconcile the monthly bank statements. We will also prepare Estoppel letters as required (fee paid separately to us by the closing agent). We will also assist in the preparation of the annual budget.

### Other Relevant Information

Albert E Romano, Jr., CPA is responsible for supervising the engagement. Our fees for these services will be \$400. monthly for service 1 and 3 (plus out of pocket expenses postage etc) and \$300 per year for service 2. 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 agree with the terms of our engagement as described in this letter, please sign the enclosed and return it to us.

Sincerely,

Hacker & Romano, CPA's

  
Albert E. Romano, Jr., CPA

This letter correctly sets forth our understanding.