

January 2021

Dear Client:

We would like to remind you to make arrangements for us to receive your 2020 tax information as soon as possible in order that we can complete your tax returns in a timely manner.

You can drop your information off at one of our offices, mail it to us, or send it electronically in a ZIP File via our secure "Send Us A File" option on our website at www.wg-cpa.com.

We will no longer be providing paper copies of tax returns. The completed tax returns will be provided to you in electronic format thru your secure portal. You will receive an email notifying you that the tax returns have been completed and are available in your portal. Instructions will be included in the email on how to access and download your tax returns for your review.

Due to Federal & State regulations, we are required to have you complete our 2020 Year End Business Questionnaire and sign our 2020 Business Engagement Letter. Our questionnaire will assist you in assembling your 2020 tax information and provide us with the information needed for us to prepare accurate tax returns. Please review and complete both of these and return them to us.

The Business Tax Engagement Letter outlines our services being provided in preparing your 2020 business tax returns and will also provide you with a better understanding of our services and limitations.

The Questionnaire and Engagement Letter are available on our website at www.wg-cpa.com in the "2020 Tax Returns" tab.

We will initiate the 2020 year-end tax services after we receive your signed engagement letter and completed questionnaire. We must receive all the information needed to prepare your return by February 19, 2021 to ensure that your return will be completed by the due date of March 15, 2021.

We appreciate your assistance and look forward to working with you. Please continue visiting our website at www.wg-cpa.com for up-to-date business and tax information and feel free to contact us with any questions.

Sincerely,



Worthing & Going, P.A.
Certified Public Accountants

2020 Business Tax Return Engagement Letter

Dear Client:

We want to express our appreciation for this opportunity to work with you. This letter is to confirm and specify the terms of our engagement for the tax year ended 2020 and to clarify the nature and extent of the tax services we will provide.

Our engagement is limited to performing the following services:

1. Prepare the federal and state income tax returns and supporting schedules. This engagement pertains only to the 2020 tax year, and our responsibilities do not include preparation of any other tax returns that may be due to any taxing authority.
2. Prepare any adjusting entries we find necessary in connection with the preparation of the income tax returns. We will provide you a copy of these adjusting entries with your return.
3. Prepare tax basis depreciation schedules.
4. Our engagement will be complete once the tax returns have been electronically filed and accepted by the taxing agency and/or the delivery to you, of any return(s) that need to be paper filed.

If the company has a financial interest in any foreign accounts, it must electronically file the Fin CEN Report 114, *Report of Foreign Bank and Financial Accounts* ("FBAR."), as required by the U.S. Department of the Treasury. Such filing requirements apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority.

If the company fails to disclose the required information to the U.S. Department of the Treasury, the failure to disclose may result in substantial civil and/or criminal penalties. You are responsible for providing us with all the information necessary to prepare the FBAR. **Failure to file can result in penalties ranging from \$10,000 to the greater of \$100,000 or 50% of the account balance.**

Please note that if the company had a taxable presence in more than one state, such as an employee or sales within the state, or any tangible property owned or rented within the state, the company, its shareholders, directors or officers may be subject to state income, sales, use or franchise tax in that state, depending upon the particular facts. It is the company's responsibility, not Worthing & Going's, to determine if assistance is needed in deciding whether the company, its shareholders, directors or officers may be liable for state income, sales, use or franchise tax, or may have a filing requirement in the various states.

We will prepare your returns based upon the information you provide us. It is your responsibility to provide all the information required to prepare your returns, as well as verifying that the information is accurate and complete. We will provide you with a questionnaire and/or checklists of information required for the returns, and you represent that the information you provide will be accurate and complete to the best of your knowledge. Your use of such forms will assist us in preparing accurate tax returns. We will not audit or otherwise verify the information provided, although we may ask for clarification if the information appears to be incorrect, inconsistent, or incomplete. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover errors or other irregularities, should any exist. We will inform you of any material errors, fraud or other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as a tax preparer is limited to the tax period specified above, and does not extend to any later periods of which we are not engaged as tax preparers. **You have the final responsibility for the income tax returns and, therefore, you should review them carefully before signing.**

If, during our work, we discover information that affects your 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.

Our fees for tax services will be based on a number of factors, including but not limited to, time spent as well as the complexity of the services we perform. In addition, the company agrees to reimburse us for any out-of-pocket costs incurred in connection with the performance of our services. In certain situations we may request a retainer for our expected fees for the engagement. This retainer will be applied against the final invoice for our services. Any difference between the retainer and our actual fees will be payable upon receipt or refunded. **Our invoices are due and payable upon presentation, and payment is expected when your tax return is completed.**

Amounts not paid within 30 days from the date of the invoice will be subject to a late payment charge of 1.5% per month (18% per year). If, for any reason, the account is turned over to an attorney for collection, an additional charge of 33½ % will be added to cover collection costs.

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

The Internal Revenue Code provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on these penalties, please contact us. You acknowledge that any such understated tax and any imposed interest or penalties are your responsibility and that we have no responsibility in that regard. Because this is an entity whose tax attributes flow through to its partners or members, the penalty for substantial underpayment of tax relating to this entity may be imposed on the partners or members. In our role as a preparer of your tax returns, we will not prepare a return that in our view lacks the appropriate support.

Your returns may be selected for audit or review by one or more than one taxing authority. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, if you wish to have us represent you during the examination and/or during any appeal, please make that request of us in writing. If we agree to represent you in that regard, such representation will be the subject of, and governed by, a separate engagement letter.

Although we may orally discuss tax issues with you from time to time, such discussions will not constitute advice upon which we intend for you to rely on for any purpose. Rather, any advice upon which we intend for you to rely, and upon which you will rely, will be embodied in a written report or correspondence from us to you, and any such writing will supersede any prior oral representation between the parties on the issue.

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 (or other employees) 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.

If the tax returns we are to prepare in connection with this engagement are for a company with multiple owners and/or board members, each is our client. You, on behalf of the multiple owners and/or board members, acknowledge that there is no expectation of privacy from the other(s) concerning our services in connection with this engagement, and we are at liberty to share with any of you, without the prior consent of the other(s), any and all documents and other information concerning preparation of the company's returns.

Our services are not designed to provide assurance on internal controls or to identify reportable conditions, that is, significant deficiencies or material weaknesses in the design or operation of internal control. Accordingly, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot be relied upon to disclose the same. However, during the procedures, if we become aware of such reportable conditions, we will communicate them to you.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper income tax returns.

Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services. You have the final responsibility for the income tax returns and, therefore, should review them carefully before you authorize us to electronically file or before you sign them.

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 Company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In those instances, we will outline for you each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative which you select after having considered the information provided by us.

Without disclosure in the return itself of the specific position taken on a given issue, we must have a reasonable belief that it is more likely than not that the position will be held to be the correct position upon examination by taxing authorities. If we do not have that reasonable belief, we must be satisfied that there is at least a reasonable basis for the position, and in such a case the position must be formally disclosed on Form 8275 or 8275-R, which form would be filed as part of the return. If we do not believe there is a reasonable basis for the position, either the position cannot be taken or we cannot sign the return. In order for us to make these determinations, we must rely on the accuracy and completeness of the relevant information you provide to us, and, in the event we and/or you are assessed penalties due to our reliance on inaccurate, incomplete, or misleading information you supplied to us (with or without your knowledge or intent), you will indemnify us, defend us and hold us harmless as to those penalties.

We can also provide you with interim and year-end tax planning services on issues that you specifically bring to our attention in writing. Our ability to provide you with appropriate guidance on such issues will be entirely dependent on the timeliness, accuracy, and completeness of the relevant information bearing on the issue which we will rely on you to provide to us.

You should retain all the documents, canceled checks and other data that form the basis of income and deductions for seven years. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. 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 we may ask to be compensated for any time and costs associated with the effort.

In connection with this engagement, we may communicate with you or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated 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 e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of e-mails 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 e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We use outside IT service providers to monitor our computer systems. We also use outside third party service providers for computer software and processing. We have confidentiality agreements with these providers who are responsible for all work performed. You authorize us to use such outside service providers.

We periodically send out letters, e-mails, and newsletters with information that we believe may be useful to you. The information may be related to taxes, wealth management, mortgage and other economic matters. You authorize us to send you such information from time to time.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, as set forth above, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may be a direct or indirect result of any inaccurate, incomplete, or misleading information that you provide to us during the course of this engagement (with or without your knowledge or intent), you agree to indemnify us, defend us (with counsel of our choosing), and hold us harmless as against such obligation.

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorney's fees and mediation cost.

Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorney's fees. Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount and shall not exceed the amount of the fee charged by and paid by you, for the services set forth in the engagement letter.

We have the right to withdraw from this engagement, at our discretion, if you don't provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misinterpret any facts. Our withdrawal will release us from any obligation to complete your return, and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

We must receive all pertinent information to prepare your return by February 19, 2021 to ensure that your returns will be completed by the due date of March 15, 2021. The timeliness of your cooperation is essential to our ability to complete this engagement. If we have not received all of your information by that date than the tax returns will not be completed by the due date and thus you may be subject to late filing or late payment penalties. If you would like us to prepare an extension of time to file of your behalf, you must contact us directly.

We are required to obtain a signed copy of the engagement letter and the completed 2020 Year End Business Questionnaire before commencing work on your 2020 tax returns.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties. If, after full consideration and consultation with counsel, if so desired, you agree to authorize us to prepare your tax returns pursuant to the terms set forth above, please execute this letter on the line below designated for your signature and return the original of this executed letter to our office, along with the completed 2019 Year End Business Questionnaire and any supporting documentation requested therein. You should keep a copy of this letter for your records.

If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below and return it to our office. By signing below, you are agreeing with the terms of this engagement and you are also signing that you have read and accurately completed our 2020 Year End Business Questionnaire to the best of your knowledge.

Sincerely,

Worthing & Going, P.A.
Certified Public Accountants

AGREED TO AND ACCEPTED:

The foregoing is in accordance with my understanding of your engagement to provide tax services. The terms described in this letter are acceptable and are hereby agreed to:

Responsible Party's Signature

Title

Responsible Party's Name (please print)

Date

2020 YEAR END BUSINESS QUESTIONNAIRE

We cannot begin our work on the tax returns until we receive this completed Questionnaire and the signed Engagement Letter. The accuracy of the tax returns is dependent upon us receiving all of the requested information. If any question is left blank, the answer is assumed to be either "No" or "\$0".

If you are sending us documents via the "Send us a File" feature on our website, please be sure to utilize a "Zip File". See our website for instructions on how to use the "Send us a File" feature and how to send the documents utilizing a "Zip File".

BUSINESS NAME: _____

PRIMARY CONTACT NAME & EMAIL ADDRESS	PRIMARY PHONE #
<p>Name: _____</p> <p>Email Address: _____ <i>(This should be the Email to be used for your portal.)</i></p> <p>IMPORTANT INFORMATION</p> <p>We will no longer be providing paper copies of tax returns. The completed tax returns will be provided to you in electronic format thru your secure portal. You will receive an email notifying you that the tax returns have been completed and are available in your portal. Instructions will be included in the email on how to access and download your tax returns for your review.</p> <p>Any original paper documents you sent to us can be picked up at our offices or mailed to you at your request.</p> <p><i>If your mailing or physical address has changed please provide the new address:</i></p> <p>_____</p>	<p>_____</p> <p>Preferred Method of Contact:</p> <p>Email _____ OR Phone _____</p>

BOOKKEEPER & FINANCIAL SOFTWARE INFORMATION	BOOKKEEPER PHONE #
<p>Name: _____</p> <p>Email Address: _____</p> <p>Please provide us with a backup copy of your QuickBooks or Peachtree, if you use these software packages. If not, please, provide us with a general ledger, trial balance, balance sheet and profit and loss statement or a summary of the annual financial activity of the business.</p> <p>If you use a password on your files, please provide the Password: _____</p>	<p>_____</p> <p>Preferred Method of Contact:</p> <p>Email _____ OR Phone _____</p>

COVID-19 INFORMATION	YES	NO
1. Did your business receive Paycheck Protection Program (PPP) funds related to the Covid-19 pandemic? <i>If yes, please provide details of the amount of funds received. Include a copy of the application and documentation for loan forgiveness response from the bank, if applicable.</i>	_____	_____
2. Did your business receive any other funds/loans/grants (local, state, federal or other) related to the Covid-19 pandemic and economic recovery, such as Economic Injury Disaster Loan (EIDL)? <i>If yes, please provide details.</i>	_____	_____

FOREIGN ACCOUNTS	YES	NO
1. Were you a grantor or transferor for a foreign trust, have any interest in, or a signature, or other authority over a bank account, securities account, or other financial account in foreign country? See the Resources tab on our website for more information.		
2. Did you have a foreign income or pay any foreign taxes during the year? If Yes, please provide documentation and details of this activity.		

Please provide the following documentation if applicable:	Done	N/A
1. Copies of any correspondence from a tax authority.		
2. For each new or outgoing shareholder or partner, please provide social security number, address, the date of the change, and copies of the new ownership agreements.		
3. A copy of the final bank statements and reconciliations for each of your bank accounts showing <u>all activity through 12/31/20</u> . Please keep in mind these statements may be dated in January of 2021.		
4. If you are accrual basis of accounting, you should have completed a physical count of your inventory at year end in order to verify the balance on hand. Please provide the value of that Inventory as of 12/31/20.		
5. Provide copies of any invoices or fixed assets (equipment, vehicles, etc.) purchased during the year. Please include any related loan documentation regarding the financing of these purchases. Also, list any fixed assets disposed of or traded during the year, noting any sale proceeds. Please consider items costing \$2,500 or more as a fixed asset.		
6. <u>Loans</u> – Please provide the following for each loan: Documentation supporting year end loan balances (year-end loan statements from lender, or if one is not provided by lender then a statement of year-end loan balance which has been verbally verified with the lender). Please keep in mind these statements may be dated in January of 2021.		
7. <u>Credit Cards</u> – Please provide the following for each credit card: Credit card statements which verifies year end credit card balances. Please keep in mind these statements may be dated in January of 2021. If credit card activity has not been recorded or summarizes, please provide all of the credit card statements showing all 2020 activity.		
8. Provide copies of the payroll forms the Federal W-3 and W-2's, as well as an annual Payroll Summary if provided by your payroll company.		
9. Please note any retirement plan contributions that will be made to an employer sponsored retirement plan.		
10. List non-deductible expenses such as entertainment, penalties, life insurance premiums, club dues.		
11. Please provide the total miles driven during the year on each business vehicle and also provide any personal miles driven on each business vehicle, if applicable.		
12. If you're personal vehicle is used or business purposes, please provide the business miles driven for the year on that personal vehicle.		

13. Did you have any taxable presence in more than one state, such as an employee, sales or services, or any tangible property owned or rented? If your business has a presence in more than one state, it may be subject to tax filing requirements in many other states. If you have a presence in more than one state, please provide details by state.		
14. Copies of any business leases that you have entered into such as equipment or auto.		
15. Provide an accounting for any business related expenses that were paid personally, or personal expenses paid from business accounts.		
<p>16. Did you have payments to any vendors that would require you to file Form(s) 1099-NEC or 1099-MISC?</p> <p><i>(Please refer to the “Resources: Bulletin Board” tab on our website for information on the 2020 Filing Requirements for Form 1099-NEC or 1099-MISC.)</i></p> <p>If yes, did you file the forms as required?</p> <p>If you did, please provide copies of Forms 1099 and 1096 that were sent to the IRS.</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>

ADDITIONAL COMMENTS / QUESTIONS: