

## **Annual 2010 Tax Basis, No-disclosure Compilation Financial Statement Engagement Letter**

**Company:** \_\_\_\_\_ **Date** \_\_\_\_\_

This letter is to confirm our understanding of the terms and objectives of our engagement, and the nature and limitations of the services we will provide.

This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call to discuss this letter before you sign it.

We will compile, from information you provide, your financial statements as of the years ended December 31, 2008. These financial statements will be presented in accordance with the basis of accounting used by the company for income tax purposes (which is a method other than generally accepted accounting principles), except that substantially all disclosures required by such basis will be omitted. The preparation of these financial statements will be done according to the "compilation standards" as set forth in the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We will not audit or review such financial statements. Under the "compilation standards," a compilation is limited to presenting in the form of financial statements information that is the representation of management. The information provided by management will not be verified, corroborated, reviewed, and/or audited. Accordingly, no form of assurance will be given on the financial statements. Because we are performing our compilation work as accountants rather than as auditors, you should not record or describe our services as an audit or "auditing" in its minutes or books of record.

You agree to provide us with requested information, documentation, and explanations of supporting data to be included in your financial statements on a timely basis. If you fail to comply with this requirement or any of the terms of this engagement, as outlined herein, we reserve the right to withdraw from this engagement without completing your financial statements.

This engagement will not include any procedures designed to detect fraud, theft or illegal acts and you agree that we will have no responsibility to do so.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes. If the parties are unable to resolve the dispute through mediation within 60 days from the date notice is first given from one party to the other as to the existence of such a dispute and the demand to mediate, then they may proceed to resolve the matter by arbitration. Costs of any mediation proceeding shall be shared equally by all parties.

Our report will not include the expression of any assurance on your financial statements as a result of our work. Our report is expected to read as follows: "We have compiled the accompanying statements of assets, liabilities and equities-income tax basis, and the related statements of revenues and expenses-income tax basis for the years ended December 31, 2010 of \_\_\_\_\_] in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash/accrual accounting basis used by the Company for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles. Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equities, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters."

Should we become aware of additional departures, they will be mentioned in our report. Should such circumstances arise, we will discuss them with you immediately.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

In order for us to remain independent, you agree to perform all of the following functions in connection with other service we provide which may include tax preparation, bookkeeping, payroll preparation or similar non-attest functions: including making all management decisions and perform all management functions; designating an individual who possesses suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services; evaluating the adequacy and results of the services performed; accepting responsibility for the results of the services; and establishing and maintaining internal controls, including monitoring ongoing activities. By your signature below, you represent that you have the necessary knowledge and understanding about the nature of the procedures applied and the basis of accounting and assumptions used in the preparation of these financial statements for you to use them appropriately.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this engagement letter.

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved, or we may resign from the engagement without issuing a report. We will notify you of such conflicts as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services.

It is our policy to keep records related to this engagement for four years after which they are destroyed. However, Dean D Vohs, CPA does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

In the interest of facilitating our services to your company, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to your company. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

Our fee for these accounting services will be based on our standard rates and the time required, plus out of pocket expenses. Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at our election, we will stop all work until your account is brought current, or we will withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed financial statements discussed above or upon our suspension of services or resignation from the engagement.

In the event that we receive a summons or subpoena requesting that we produce documents from this engagement or testify about this engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. In the event that any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this engagement letter.

In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client and the accounting firm have discussed and have agreed on the fair allocation of risk between them. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the accountant's report discussed above.

Please indicate your understanding of the terms of this engagement letter agreement with the terms of this engagement letter by signing and returning to us one copy of this letter.

Sincerely,

Dean D. Vohs CPA

We appreciate the opportunity to serve you. By your signature below, you acknowledge that you understand and agree that our services are limited in scope and they are not designed to detect fraud, employee embezzlement or other fraudulent activities involving your bank accounts. It is our policy to initiate services after we receive the executed engagement letter.

**By:** \_\_\_\_\_ **Title:** \_\_\_\_\_ **Date** \_\_\_\_\_