



SPARANO, VINCELETTE & JOINER

CERTIFIED PUBLIC ACCOUNTANTS

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CHARLES J. VINCELETTE, CPA
EVELYN M. JOINER, CPA

June 13, 2019

Mr. Dino Peronti
Steeple Glenn Condominium Association
c/o Investment Property Services
102 Larch Circle, Ste 302
Newport, DE 19804

Dear Dino,

Thank you for giving me the opportunity to present our proposal for accounting and auditing services that our firm could provide for Steeple Glenn Condominium Association for the fiscal year December 31, 2018 and annually thereafter. I believe the following proposal provides you with all the information you would consider when choosing an accounting firm and the accounting services that meet the needs of your organization. I am certain that the experience and services offered by our firm meet the needs of your organization.

Firm Introduction

Sparano, Vincelette & Joiner, CPA's is a Delaware partnership with one office located on Newport Gap Pike in Wilmington. The firm has two active partners, Charles J. Vincelette, CPA and Evelyn M. Joiner, CPA. In addition, the firm has a small professional staff which includes five accountants, four who are CPAs.

Our firm is well qualified to meet your accounting and auditing needs. We have over 30 years of experience working with condominium associations. We work closely with a variety of management companies and attorneys who specialize in common interest realty associations. We currently provide review, audit, and tax services to a variety of commercial and residential condominium and homeowner associations in the Delaware and Pennsylvania regions. Our experience with these organizations has exposed us to a variety of problems and good procedures to help prevent future problems. We try to educate our clients with this knowledge to help them operate in the most efficient manner and to avoid problems that other organizations have encountered.

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Our firm is a member of the American Institute of Certified Public Accountants (AICPA). The membership provides us with timely information on a variety of technical, legislative and regulatory subjects that we can in turn apply to your review or audit to help ensure compliance with the appropriate standards and changes in regulations.

Our firm is committed to providing high quality services and adhering to the highest quality standards, which include establishing quality control programs, performing annual internal inspection procedures, and participating in a peer review program.

The following details some of the services you should consider.

Review Services

During a review, our primary purpose is to review and report upon your financial statements for the engagement period. You understand that management has the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets, and for substantial accuracy of its financial statements. A review does not provide assurance that we will become aware of all significant matters that would be disclosed in an audit, nor would we express an opinion on your financial statements. Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist.

During our review, we will accumulate and review evidence to obtain a limited level of assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with the applicable financial reporting framework.

A review does not contemplate obtaining an understanding of internal control, assessing fraud risk or testing accounting records. However, if conditions are discovered during our review, which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, those circumstances will be brought to management's attention.

Additionally, we will communicate with management, in writing when deemed appropriate, any material matters that are discovered during the review and any suggestions that we believe would assist management in their role.

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Our fees are based in part on the time required by the individuals assigned to the engagement, plus out-of-pocket direct expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required. We also give consideration to the difficulty and size of the assignment, the nature of the project, and the value of the services to the client. We estimate that the fee for this engagement will be between \$2,950 to \$3,250.

Financial Audit

During an audit, we have the primary purpose of expressing an opinion on the financial statements. We will obtain and document our understanding of your organization's internal controls, review board minutes and inquire directly with your attorney regarding any pending or potential lawsuits. We will review all relevant documentation pertaining to the audit and design an audit program specifically for your organization.

We will perform field work to include all appropriate steps in the audit program and any other steps that we feel are pertinent as we proceed with the audit. This will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and auditing beginning of the year balances. We will prepare and submit a draft of the financial statements and audit report for your review and acceptance.

If, during the course of this engagement, circumstances arise that would require substantially more time for completion of the audit, we would discuss the issues with you and determine the course of action that would be required to complete the audit. We would expect that individuals from the Association and management associated with the accounting records will be available to answer questions relating to the accounting policies.

During an initial audit, substantial time is spent to understand your organization, your fiscal and accounting policies and obtain an understanding of your internal control system. In addition, time will be spent to design an audit program specific to your organization. Our fees for the annual audit are based on the complexity of the work to be performed and an estimate of the professional time required by the individuals assigned to the engagement, plus out-of-pocket direct expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required. The fee estimate is based on cooperation from your personnel and the assumption that unexpected circumstances

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will not be encountered during the work performed. We estimate the fees for the initial audit to be between \$4,250 to \$4,750.

Tax Preparation Services

We will also prepare the required income tax returns for the Association. We estimate the fees for the tax return to be \$550.

It is our understanding that you will review the services detailed in our proposal and contact us with any questions. If you accept our proposal, we would appreciate your signing and returning a copy of the proposal to us.

Respectfully submitted,

Evelyn M. Joiner, CPA

RESPONSE:

On behalf on Steeple Glenn Condominium Association, I accept the above proposal and request the following services for the year ended December 31, 2018:

Please check:

- ☐ Audit
- ☐ Review
- ☐ Tax Return

Signature

Title

Date