

# N.F. Foss, CPA, PC

October 22, 2018

NorthPark Homeowners Association  
C/o Vista Management Associates, Inc.

Please find enclosed the following engagement letters for the year ended December 31, 2018 for review by the Board of Directors.

1. Engagement letter for an audit of financial statements and tax return preparation.
2. Engagement letter for a review of financial statements and tax return preparation.
3. Tax Return Preparation only.

Please have the Board of Directors sign the desired engagement letter and return it to our office.

Thank you in advance for your assistance.

Sincerely,

*Nancy F. Foss, CPA*

Nancy F. Foss, CPA

# **N.F. Foss, CPA, PC**

---

October 22, 2018

To the Board of Directors  
NorthPark Homeowners Association  
C/o Vista Management Associates, Inc.

We are pleased to confirm our acceptance and understanding of the services we are to provide for NorthPark Homeowners Association for the year ended December 31, 2018.

We will audit the financial statements of NorthPark Homeowners Association, which comprise the balance sheets as of December 31, 2018, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements. The document we submit to you will include supplementary information about future major repairs and replacements required by the Financial Accounting Standards Board (FASB). Although we will apply certain limited procedures with respect to the required supplementary information, we will not audit the information and will not express an opinion on it.

## **Audit Objective**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of NorthPark Homeowners Association's financial statements. Our report will be addressed to the Board of Directors of NorthPark Homeowners Association. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or am unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

## **Audit Procedures**

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities by correspondence with selected owners, creditors, and financial institutions. Our procedures will not determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because such a determination is outside the scope of the engagement. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accountings policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Association or to acts by management or employees acting on behalf of the Association.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

#### **Other Services**

We will prepare the Association's federal and state income tax returns for the year ended December 31, 2018 for the Department of the Treasury, Internal Revenue Service and the Department of Revenue, State of Colorado based on information provided by you. We will also prepare the financial statements of NorthPark Homeowners Association in conformity with U.S. generally accepted accounting principles based on the information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

#### **Management Responsibilities**

You agree to assume all management responsibilities for the tax services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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 Association involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Association complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Certain communications involving tax advice are 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 that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

You are required to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. You will not date the subsequent event note earlier than the date of the management representation letter and the date of the auditor's report.

#### **Engagement Administration, Fees, and Other**

We understand that the employees of the Association's management company will locate any documents selected by us for testing.

Nancy F. Foss, will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will range from \$1,700 to \$1,800 for the audit and \$300 for the tax return preparation. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Additional expenses may be \$100 to \$250. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. If requested by management or the board of directors, we would be pleased to present our findings to the board of directors upon completion of our audit.

NorthPark Homeowners Association  
Page four

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 copy and return it to us.

Very truly yours,

*N. F. Foss, CPA, PC*

N. F. Foss, CPA, PC

RESPONSE:

This letter correctly sets forth the understanding of NorthPark Homeowners Association.

Governance signature: *Lou Goldstein*

Title: *President*

Date: *11/13/18*

# **N.F. Foss, CPA, PC**

---

October 22, 2018

To the Board of Directors  
NorthPark Homeowners Association  
C/o Vista Management Associates, Inc.

We are pleased to confirm our acceptance and understanding of the services we are to provide for NorthPark Homeowners Association for the year ended December 31, 2018.

We will perform a review engagement with respect to the financial statements of NorthPark Homeowners Association which comprise the balance sheet as of December 31, 2018, and the related statements of revenues, expenses, and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements.

## **Our Responsibilities**

The objective of our engagement is to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our review engagement in accordance with Statements on Standards for Accounting and Review Services 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.

A review engagement includes primarily applying analytical procedures to your financial data and making inquiries of management. A review engagement is substantially less in scope than an audit engagement, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review engagement does not contemplate obtaining an understanding of the Association's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or other examination of source documents; or other procedures ordinarily performed in an audit engagement. Accordingly, we will not express an opinion regarding the financial statements. The required supplementary information about future major repairs and replacements of common property accompanying the reviewed financial statements, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The required supplementary information will not be subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but will be compiled from information that is the representation of management, without audit or review. We will not express an opinion, conclusion, nor provide any assurance on such information.

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. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our review procedures regarding noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

8925 South Ridgeline Boulevard, Suite 106 • Highlands Ranch, CO 80129  
Telephone 720-471-4936 • [nancy@teamfossepa.com](mailto:nancy@teamfossepa.com)

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our responsibility is to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of 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.
- 2) The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
- 3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
- 4) The prevention and detection of fraud.
- 5) To ensure that the Association complies with the laws and regulations applicable to its activities.
- 6) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 7) To provide us with—
  - a) access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) additional information that we may request from you for the purpose of the review engagement.
  - c) unrestricted access to persons within the Association of whom we determine it necessary to make inquiries.
- 8) To provide us, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.

### **Our Report**

We will issue a written report upon completion of our review of NorthPark Homeowners Association's financial statements. Our report will be addressed to the board of directors of NorthPark Homeowners Association. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from accounting principles generally accepted in the United States of America, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If, for any reason, we are unable to complete the review of your financial statements, we will not issue a report on such statements as a result of this engagement.

**Other Services**

We will prepare the Association's federal and state income tax returns for the year ended December 31, 2018 for the Department of the Treasury, Internal Revenue Service and the Department of Revenue, State of Colorado based on information provided by you. We will also the financial statements of NorthPark Homeowners Association in conformity with U.S. generally accepted accounting principles based on the information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

**Other Relevant Information**

Nancy F. Foss is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will range from 1,300 to \$1,400 for the review and \$300 for the tax return preparation. You will also be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. Additional expenses are estimated to be \$150. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees may be rendered each month as work progresses and are payable on presentation.

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 known 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 acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*N. F. Foss, CPA, PC*

N. F. Foss, CPA, PC

Acknowledged:  
NorthPark Homeowners Association

Name

*Lauri Steedman*

Date

*11/13/18*

Title

*President*



# **N.F. Foss, CPA, PC**

---

October 22, 2018

To the Board of Directors  
NorthPark Homeowners Association  
C/o Vista Management Associates, Inc.

This letter is to confirm and specify the terms of our engagement with NorthPark Homeowners Association and to clarify the nature and extent of the services we will provide.

Our engagement will be designed to perform the following services:

1. Prepare the Association's federal and state income tax returns for the year ended December 31, 2018 for the Department of the Treasury, Internal Revenue Service and the Department of Revenue, State of Colorado based on information provided by you.
2. Perform any bookkeeping we find 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 fraud, should any exist.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. 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 the amount or circumstances of these penalties, please contact us.

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 have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Our fee for this tax return will be \$300.

NorthPark Homeowners Association  
Page two

If the foregoing is in accordance with your understanding, please sign this letter in the space provided and return it to us.

Sincerely,

*N. F. Foss, CPA, PC*

N. F. Foss, CPA, PC

RESPONSE:

This letter correctly sets forth the understanding of NorthPark Homeowners Association

Officer Signature: *Lori Bedolein*

Title: *President*

Date: *11/13/18*