

INTEGRITY.....KNOWLEDGE.....SERVICE.....COMMITMENT®

January 16, 2020

The Board of Directors
Vintage Grand Condominium Association, Inc.
4012 Crokers Lake Blvd.
Sarasota, FL 34238

We are pleased to confirm our understanding of the services we are to provide for Vintage Grand Condominium Association, Inc. for the year ended December 31, 2019.

We will audit the financial statements of Vintage Grand Condominium Association, Inc., which comprise the balance sheet at December 31, 2019 and the related statements of revenues and expenses, changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements. The document we submit to you will include, if provided, 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. Also, the following supplementary information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

1. Supplemental Statement of Revenues and Expenses –Operating Fund (Unaudited)

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 accounting principles generally accepted in the United States of America. 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 your financial statements. Our report will be addressed to the Board of Directors. 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 circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including

Affiliations

**Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants – Not-For-Profit Section/Tax Section**

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declining to express an opinion or issue a report, or withdrawing from the 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 may 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 accounting 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 violation 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 that come to our attention, and we will inform the appropriate level of management of any 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 auditors.

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. Accordingly, we will express no such opinion. However, during the audit, we will communicate to the Association and those charged with governance internal control related matters that are required to be communicated under professional standards.

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We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Other Services

We will prepare the Vintage Grand Condominium Association, Inc.'s federal and state income tax returns (if we are engaged to), based on information provided by you as outlined in our separate engagement letter. We will also prepare or assist in preparing the financial statements of Vintage Grand Condominium Association, Inc. in conformity with U.S. generally accepted accounting principles based on information provided by you, including proposing any adjusting journal entries that may be required.

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 are responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, 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 (a) access to all information which they are aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) 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 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 agree that you will not date the subsequent event note earlier than the date of your management representation letter.

During the course of our engagement, we may observe opportunities for economy in or improved controls over your accounting procedures and operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed. You are giving us express authorization to use the Association's financial statements data to establish benchmarking and statistical data.

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.

Engagement Administration, Fees and Other

We understand that your employees or third-party management company will prepare all cash, receivables and other confirmations we request and will locate any documents selected by us for testing.

John Stroemer is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our engagement ends upon issuance of the financial statements. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for those services.

Our fee for this engagement will be a minimum of \$7,000. This fee is based on both the value of our service to you and the costs we will incur in devoting our professional time and resources to this service. This fee is also based on anticipated cooperation from you and the assumption that the prior year's journal entries have been posted, all balance sheet accounts have schedules that agree to the general ledger, the proper accounting for the adoption of FASB ASC 606 (Revenue from Contracts with Customers) has been performed and unexpected circumstances will not be encountered during the engagement. Such circumstances include, but are not limited to, insurance claims, lawsuits, floods, fires, hurricanes and/or special assessments. **The fee for this engagement will only increase if additional work is required that was not anticipated in the above fee. We will discuss the anticipated fees associated with this additional work with you before we perform the additional work.** Failure to provide all necessary documentation in a timely manner will prevent completion of the engagement on a timely basis. Delays in the receipt of required documentation may also result in an increase in the fees incurred.

In the event that we have to produce work papers after the financial statements are released, or have to incur time to explain the financial statements, have meetings, or defend the accounting principles used by management and transactions contained in your records, we will bill you for time incurred at our standard hourly rates plus out-of-pocket costs. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

You agree that meetings and telephone calls to discuss/resolve questions or technical issues with residents of the Association are outside the scope of this engagement. In the event that residents contact Stroemer & Company, LLC directly, such inquiries will be directed to you. We will not respond unless we get your approval. Stroemer & Company's time in responding to any inquiries that you authorize will be billed separately to the Association at the standard hourly rates based on time incurred plus out of pocket costs.

We will invoice for 50% of the audit fee once we have received the signed engagement letter and will invoice the remaining 50% once a "draft" of the financial statements has been sent to management. Payment is due within 30 days.

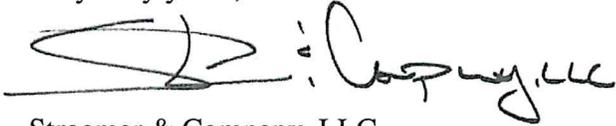
All unpaid invoices shall accrue a late charge at the rate of 1 1/2% per month, and a failure to resolve your account within the allotted time will result in these charges being added to your fees.

We reserve the right to withhold our services if any invoice goes unpaid for 60 days; and if the matter is not successfully resolved upon demand, you understand and agree to be liable for the costs of any collection efforts our office deems it necessary to take, to include attorney fees if any attorney is consulted or retained. We reserve the right to withdraw from this engagement in the event of violations of State or Federal law, we do not get the necessary records we need to complete the engagement, or if there is a lack of assistance or cooperation to complete our procedures. We reserve the right to withdraw from the engagement for any reason including, but not limited to, not getting the assistance we need to complete the engagement.

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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 and return a copy to us.

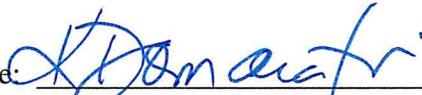
Very truly yours,



Stroemer & Company, LLC

RESPONSE:

This letter correctly sets forth the understanding of Vintage Grand Condominium Association, Inc. (Client).

Officer signature: 

Title: VICE PRESIDENT + TREASURER

Date: Jan 31, 2020