

Name: _____
Address _____

Date: _____

Engagement Letter – Page One

PLEASE SIGN ON PAGE TWO

The purpose of this engagement letter is to clearly define our respective responsibilities in the preparation of your personal income tax return(s) for the taxation year _____ and subsequent years should you choose to continue this engagement.

We appreciate the opportunity to work with you and advise you on income tax matters. Canada Revenue Agency (CRA) imposes penalties upon taxpayers, and upon us as tax return preparers, for failure to observe due care in reporting on your income tax return(s). In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements:

We will prepare your _____ personal income tax return and subsequent year returns based on information that you provide to us. We will not audit, review, or otherwise attempt to verify the accuracy or completeness of any information you submit, although we may ask you for clarification of some of the information. You may have received our checklists to guide you in gathering the necessary information for us. **Your completion of these forms will assist us in keeping our fee to a minimum.** Our fee for services is based upon the amount of time required at our standard billing rates, plus applicable out-of-pocket expenses. All invoices are due and payable upon presentation.

Our work in connection with the preparation of your income tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will render such accounting and bookkeeping as we find necessary for the preparation of these income tax return(s). All working papers and materials created by us in the course of this engagement shall at all times remain our exclusive property.

It is our responsibility to prepare your tax return(s) correctly according to the law and the information that you have provided. We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between CRA's interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will attempt to resolve such questions in your favour wherever possible. **It is your responsibility to provide us with all the information required to prepare complete and accurate returns.** You should retain all the documents and other data necessary to prove the accuracy and completeness of the return(s) to CRA. You have the final responsibility for the income tax return(s) and, therefore, you should review them carefully.

It is important that you provide ALL information slips for your tax return because the Canada Revenue Agency's (CRA's) slip-matching process is very accurate. In certain circumstances, unreported income can be subject to penalties. In addition, the law imposes various penalties when taxpayers understate their tax liability. If you would like information on the amount or circumstances of these penalties, please contact us.

CRA may select your return(s) for review. Often they request copies of your receipts and other times they may require a full audit. Any adjustments proposed by CRA are subject to certain rights of appeal. In the event of such tax examinations, we will be available upon request to represent you. We will render additional invoices for the time and expenses incurred in these situations.

If you have any questions about the content of this letter, please call our office. If the services outlined above are in accordance with your requirements and if the above terms of payment are acceptable to you, please sign this letter in the space provided on page two and return it to us prior to our commencing the preparation of your personal income tax return(s). If this engagement includes other members of your immediate family, we request that they also sign a copy of the engagement letter. You may sign for minor children. We appreciate the opportunity of continuing to be of service to you.

Yours very truly,
Koroll & Company, Chartered Professional Accountants, Professional Corporation
Per: **Michael Falcone, CPA, CGA, LPA, President**



Engagement Letter – Page Two

Client Acknowledgement

PLEASE SIGN AND RETURN

By signing this engagement letter, I agree that I will provide all necessary information for the preparation of my income tax return for _____ and subsequent years. I also confirm that the information I provide is accurate and complete to the best of my knowledge. This includes:

Informing you each year of all interests I held in foreign properties and investments with an aggregate cost in excess of \$100,000 (CDN) at any time in the year, as well as all income from any foreign properties regardless of their aggregate value and all income and transactions relating to non-resident trusts. These ownerships will be disclosed along with my tax return(s) in Form T1135. I understand there are substantial fines and penalties for non-compliance.

Confirming that all sources of income will be disclosed, all deductions were reasonably incurred to earn income, and all credits to be claimed by me are supported by receipts. All estimates for personal use of an automobile or truck, business portion of residence, and other such estimates I provide to you are reasonable and supported by usage logs and other evidence. I agree that I will provide to you all relevant evidence, or otherwise inform you of:

- All business income (including commission, farming, rental property or professional income)
- All income and benefits from employment, whether or not they are on the T4 slips
- Any other income from any investment, regardless of whether or not payment or documentation of this income is contained in a T3, T5 or T5013 slip received by me
- All dispositions of a capital nature, and their costs

In the event that it is determined that I have not provided all necessary information for the accurate preparation of my tax return(s), I agree to hold you harmless in respect of any penalties and costs assessed against me arising from the fact that I have not provided complete and accurate information.

By signing this engagement letter, I extend my permission for you to discuss my financial affairs with any other persons who might, to my knowledge, have information which could contribute to the completion of my income tax return(s).

I agree that invoices presented for the completion of income tax return(s) and/or assistance with tax examinations will be due and payable upon receipt.

Limits of Liability

I agree that Koroll & Company, Chartered Professional Accountants, Professional Corporation ("the Firm")'s liability hereunder for damages, regardless of the form of action, shall not exceed the total amount paid for services under the applicable engagement letter or in the authorization for the particular service if no engagement letter is made. This shall be my exclusive remedy.

I further agree that the Firm will not be liable for any lost profits, or for any claim or demand against me by any other party.

No action, regardless of form, arising out of the services under the engagement, may be brought by either party more than one year after the cause of action has occurred, except that an action for non-payment may be brought within one year of the date of last invoice or of last payment, whichever is later.

In no event will the Firm be liable for consequential damages even if the Firm has been advised of the possibility of such damages.



Signature _____
Name: _____

Date: _____