

[Your firm name and logo]

[Firm name]

[Firm address]

[Date]

[Board chair or CEO name]

[Company legal name]

[Company address]

Re: Review of financial statements as of and for [period]

Dear [Board chair or CEO name],

Services and objective

You have engaged [Firm name] to review the financial statements of [Company legal name], comprising the balance sheet as of [date] and the related statements of income, changes in equity and cash flows for the [period] then ended, and the notes. Our objective is to obtain limited assurance, as a basis for reporting whether we are aware of any material modifications that should be made for the statements to be in accordance with [framework].

What a review involves

Our procedures will consist mainly of inquiries of company personnel and analytical procedures applied to financial data. We will cover, among other areas, revenue and cutoff, related parties, significant estimates, debt and covenants, litigation, events after the period end and going concern. Please make [names] available during [dates].

Limitations

A review is substantially less in scope than an audit, and we will not express an opinion on the financial statements. We will not test internal control, confirm balances, observe inventory or perform other audit procedures. A review is not designed to detect errors, fraud or illegal acts, but we will tell you of any that come to our attention.

Independence

We are independent of [Company legal name] and will remain so throughout the engagement. If our independence becomes impaired, we will tell you at once and withdraw from the review engagement.

Responsibilities of management

Management is responsible for preparing and fairly presenting the financial statements in accordance with [framework], including all informative disclosures appropriate for that framework; for selecting the framework; for internal control relevant to statements free from material misstatement, whether due to fraud or error; for preventing and detecting fraud; for compliance with applicable laws and regulations; for the accuracy and completeness of the records, documents and explanations it provides, including significant judgments; and for giving us access to all information relevant to the statements, any additional information we request, and unrestricted access to the people from whom we need to make inquiries.

Records to provide

By [date], you will send: the trial balance; prior-period statements; monthly trial balances and the budget; bank reconciliations; receivable and payable agings; the inventory listing; the fixed asset rollforward; loan agreements and covenant calculations. Late or incomplete items will move our report date and may increase

our fee.

Management representations

At the end of our review, [CEO name] and [CFO name] will sign a letter confirming the representations made to us during the review. We will not release our report without it.

Statement preparation and bookkeeping (optional)

We will also [prepare the financial statements and notes / record adjusting entries]. You designate [name, title], who has suitable skill, knowledge and experience, to oversee these services, evaluate their results and accept responsibility for them.

Supplementary information (optional)

The [supplementary schedules] will be [reviewed and covered by our report / compiled and labelled as such]. We will not express any assurance beyond what our report states.

Our review report

We expect to issue a written review report on the statements. Circumstances may arise in which the report differs from its expected form, and we may withdraw if we are unable to complete the review.

Lenders and sureties

You may provide the reviewed statements to [lender or surety name]. Any document that contains the statements and says we reviewed them will include our review report.

Working papers and disputes

Our working papers are the property of [Firm name] and will be kept for [retention period]. Peer reviewers and regulators may access them under professional standards. Any dispute about our services will first go to non-binding mediation in [city, state]. This letter is governed by the laws of [state].

Fees

Our fee for the review is [amount], invoiced [schedule] and payable within [number] days. Time spent on late, incomplete or corrected records is billed at [rates].

Agreement to these terms

Please sign and return this letter. Its terms will apply to reviews of later periods unless either of us proposes a change in writing.

Yours truly,

[Firm name]

[Accountant name], CPA

Signature: _____ Date: _____

Agreed for [Company legal name]:

[CEO name], [Title] Signature: _____ Date: _____