

(Client Letterhead and stamp date)

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Auditing Firm or Sole Proprietor Name
Address

Dear _____:

(Company Name Here) is providing this letter in connection with your audit of (Company Name Here) balance sheets, and the related statement of income, statement of cash flows, and statement of retained earnings (hereinafter referred to as the financial statements) as of _____ 30, 200X and 200X, and for the years then ended. (Company Name Here) understands that the audit was conducted for the purposes of expressing an opinion as to whether these financial statements present fairly, in all material respects, the financial position of the Company as of _____ 30, 200X and 200X, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

(Company Name Here) confirms that we are responsible for the fair presentation of the Department's financial statements described above for the years then ended, in conformity with accounting principles generally accepted in the United States of America. (Company Name Here) also confirms that (Company Name Here) is responsible for establishing and maintaining internal control and for implementing financial management systems that substantially comply with applicable Federal accounting standards.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

In connection with (Auditing Firm Name Here) audit of (Company Name Here)'s financial statements as of _____ 30, 200X and 200X, and for the years then ended, as described in the first paragraph, (Company Name Here) confirms, to the best of our knowledge and belief, the following representations made to you:

1. (Company Name Here)'s financial statements are fairly presented in accordance with and in conformity with accounting principles generally accepted in the United States of America.
2. We have made available to (Auditing Firm Name Here), if applicable:
 - a. All financial records and related data.
 - b. All (Company Name Here) performance measurement records.
3. (Company Name Here) is responsible for the identification of and compliance with all aspects of applicable laws, regulations, contracts, or grants that could have a direct and material effect on the financial statements and/or supplemental data submissions in the event of noncompliance and has disclosed those aspects of laws, regulations, contracts, or grants to you.
4. (Company Name Here) has complied, in all material respects, with applicable laws, regulations, and contracts that could have a material effect on the financial statements and/or supplemental data submissions, in the event of noncompliance.
5. (Company Name Here) acknowledges our responsibility for the design and implementation of programs and

controls to prevent and detect fraud. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements or performance results to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.

6. Except as disclosed to you in writing, there have been no:
 - a. Instances of fraud, whether or not material, involving management or other employees who have a significant role in internal controls over financial reporting.
 - b. Instances of fraud involving others that could have a material effect on the (Company Name Here) financial statements/supplemental data submissions.
 - c. Allegations of fraudulent financial reporting on the part of the (Company Name Here) received in communications from employees, former employees, or others.
 - d. Communications from governmental entities or agencies (e.g., the U.S. Department of Treasury) concerning noncompliance with, or deficiencies in, financial accounting practices.
 - e. Allegations, either written or oral, of misstatements or other misapplications of accounting principles in the (Company Name Here) financial statements/supplemental data submissions.
 - f. Allegations, either written or oral, of deficiencies in internal control that could have a material effect on the (Company Name Here) financial statements/supplemental data submissions.
 - g. Communications from (Company Name Here) legal counsel reporting evidence of a material violation of law or breach of fiduciary duty or similar violation by the (Company Name Here) or any agent thereof.
 - h. False statements affecting the (Company Name Here) financial statements/supplemental data submissions made to you or other auditors who have audited entities under our control upon whose work you may be relying in connection with your audits.

7. There are no:
 - a. Unasserted claims or assessments that (Company Name Here) General Counsel has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
 - b. Other liabilities or gain or loss contingencies that have not been accrued that are required to be accrued or disclosed in accordance with accounting principles generally accepted in the United States of America.
 - c. Material transactions (e.g., obligations or commitments) or events that have not been properly recorded in the accounting records underlying financial statements.
 - d. Events that have occurred subsequent to _____ 30, 200X, and through the date of this letter, that would require adjustments to or disclosure in the financial statements.