

ENGAGEMENT AGREEMENT

Financial Statement Compilation Services

Date: _____

To:

Dear _____,

This letter confirms the terms of our engagement and outlines the nature and limitations of the services we will provide. We are pleased to confirm our acceptance and our understanding of this engagement to compile the financial statements of _____.

Scope of Services

We will perform a compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) issued by the American Institute of Certified Public Accountants (AICPA). Our objective in this compilation engagement is to apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with _____.

We will compile the following financial statements for the period ending _____:

1. Balance Sheet
2. Statement of Income
3. Statement of Cash Flows (if applicable)
4. Related notes to the financial statements (if applicable)

Our Responsibilities

A compilation engagement differs significantly from a review or an audit of financial statements. A compilation engagement does not contemplate obtaining evidence, performing analytical procedures, or performing inquiries of management. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by error or fraud, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors, fraud, or illegal acts that come to our attention, unless they are clearly inconsequential.

Management's Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to assist management in the presentation of the financial statements. Management has the following overall responsibilities that are fundamental to our undertaking the compilation engagement:

1. The selection of 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 the applicable financial reporting framework.

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. Compliance 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, provided by you for the compilation.
7. To provide us with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements.

Reporting

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that we do not express an opinion, a conclusion, nor provide any assurance on them. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Fees and Billing

Our fees for these services will be based on _____. Invoices are due and payable upon _____.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our compilation of your financial statements, including our respective responsibilities.

Acknowledged and agreed to on behalf of the parties:

For the Service Provider:

Authorized Signature

Printed Name

Title

For the Client:

Authorized Signature

Printed Name

Title