[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

Dear [Client Name],

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

1. Scope of Work

We will perform a compilation of the annual financial statements of [Company Name], which comprise the balance sheet as of [Year End Date], and the related statements of income, retained earnings, and cash flows for the year then ended. We will not perform an audit or a review of these financial statements.

2. Our Responsibilities

The objective of a compilation is to assist management in presenting financial information in the form 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.

3. Management Responsibilities

The engagement is conducted on the basis that management acknowledges and understands its responsibility for:

- The preparation and fair presentation of financial statements.
- The design, implementation, and maintenance of internal controls relevant to the preparation of financial statements.
- The accuracy and completeness of the records, documents, explanations, and other information provided to us.

4. Reporting

As part of our engagement, we will issue a compilation report. If, for any reason, we are unable to complete the compilation, we will not issue a report.

5. Fees

Our fees for these services will be [Amount/Hourly Rate]. This fee is based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses.

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.

Sincerely,

[Your Name/Firm Name]

Acknowledged and agreed on behalf of [Company Name] by:

Signature: ____________________________

Title: ____________________________

Date: ____________________________