

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Tax Basis Financial Statement Preparation Engagement

Dear [Client Name],

This letter confirms the terms of our engagement to prepare the financial statements of [Company Name] for the period ended [Date].

### **Our Responsibilities**

We will prepare the financial statements of [Company Name], which comprise the statement of assets, liabilities, and equity-tax basis, and the related statement of revenues and expenses-tax basis. Our objective is to prepare financial statements in accordance with the income tax basis of accounting based on information provided by you.

We will not audit or review these financial statements. Our engagement cannot be relied upon to identify or disclose any financial misstatements, errors, or illegal acts within the company.

### **Your Responsibilities**

The engagement is based on the understanding that management acknowledges and understands their responsibility for:

- The preparation and fair presentation of financial statements in accordance with the income tax basis of accounting.
- The design, implementation, and maintenance of internal controls relevant to the preparation of financial statements.
- Providing us with access to all information, documentation, and personnel necessary to complete this engagement.
- The accuracy and completeness of the records provided to us.

### **Reporting**

As part of our engagement, we will issue a disclaimer that states we have not performed an audit or review and, accordingly, do not express an opinion or any assurance on the financial statements.

### **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 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 preparation of your financial statements.

Sincerely,

[Your Name/Firm Name]  
[Your Title]

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

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Signature

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Name and Title

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Date