[Auditor Letterhead]

[Date]

To the Board of Directors and Management
[Client Name]
[Client Address]

Subject: Report on Internal Control Deficiencies Identified During the Audit

Dear Board of Directors and Management,

In planning and performing our audit of the financial statements of [Client Name] as of and for the year ended [Fiscal Year End Date], in accordance with auditing standards generally accepted in the United States of America, we considered [Client Name]'s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies that we consider to be material weaknesses:

- [Insert Description of Material Weakness]
- [Insert Management Response]

Significant Deficiencies

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified the following deficiencies that we consider to be significant deficiencies:

- [Insert Description of Significant Deficiency]
- [Insert Management Response]

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

[Auditor Signature]
[Auditor Name/Firm Name]