

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders and Board of Directors of [Company Name]

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the financial statements of [Company Name], which comprise the balance sheet as of December 31, 20XX, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of [Company Name] as of December 31, 20XX, and the results of its operations and its cash flows for the year then ended in accordance with [Accounting Framework, e.g., U.S. GAAP].

#### **Basis for Qualified Opinion**

The Company has not applied the revenue recognition principles required by [Specific Standard, e.g., ASC 606]. Specifically, the Company recognizes revenue upon billing rather than when performance obligations are satisfied through the transfer of control of goods or services to the customer. Had the Company followed [Specific Standard], the reported revenue for the year ended December 31, 20XX, would have decreased by \$[Amount], net income would have decreased by \$[Amount], and deferred revenue would have increased by \$[Amount] as of that date.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of [Company Name] and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

[Signature of the Auditor's Firm]

[City and State where the Auditor's Report is Issued]

[Date of the Auditor's Report]