

[Audit Firm Header]

[Date]

To the Audit Committee

[Company Name]

[Address]

Subject: Communication Regarding Going Concern Assessment

Dear Members of the Audit Committee,

In accordance with professional auditing standards, we are writing to communicate our evaluation of [Company Name]'s ability to continue as a going concern for a reasonable period of time.

1. Auditor's Responsibility

Our responsibility is to conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

2. Events or Conditions Identified

During our audit, we identified the following conditions that may cast doubt on the entity's ability to continue as a going concern:

- [Insert Condition 1, e.g., Recurring operating losses]
- [Insert Condition 2, e.g., Net liability position]
- [Insert Condition 3, e.g., Breach of loan covenants]

3. Evaluation of Management's Plans

We have reviewed management's assessment and proposed mitigation plans, which include:

- [Insert Management Action, e.g., Restructuring of debt]
- [Insert Management Action, e.g., Planned sale of assets]

4. Audit Conclusion

Based on our procedures, we have reached the following conclusion:

[Option A: We believe the use of the going concern basis is appropriate and no material uncertainty exists.]

[Option B: We believe a material uncertainty exists, and it is adequately disclosed in the financial statements.]

[Option C: We believe a material uncertainty exists, and it is NOT adequately disclosed.]

5. Impact on the Auditor's Report

[Describe if an "Emphasis of Matter" or "Material Uncertainty Related to Going Concern" paragraph will be added to the audit report.]

This communication is intended solely for the use of the Audit Committee and management and is not intended to be used by any other parties.

Sincerely,

[Engagement Partner Name]

[Audit Firm Name]