Preparation Engagement Letter under SSARS No. 21

To: Appropriate Representative  
ABC Company

You have requested that we prepare the financial statements of ABC Company, which comprise the balance sheet as of December 31, 20XX, and the related statements of income, changes in stockholder’s equity, and cash flows for the year then ended and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this engagement to prepare the financial statements of ABC Company by means of this letter.  
  
**Our Responsibilities**  
  
The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA’s Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.  
  
We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.  
  
Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.  
  
**Management Responsibilities**  
  
The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation of the financial statements in accordance with the accounting principles generally accepted in the United States of America. Management has the following overall responsibilities that are fundamental to our undertaking this engagement, in accordance with SSARS, to prepare your financial statements:

a. The prevention and detection of fraud.

b. To ensure that the entity complies with the laws and regulations applicable to its  
activities.

c. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.

d. To provide us with:

(1) Documentation, and other related information that is relevant to the preparation and  
 presentation of the financial statement;

(2) Additional information that may be requested for the purpose of the preparation of  
 the financial statements; and,

(3) Unrestricted access to persons within ABC Company to whom we determine   
 necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.  
  
**Other Relevant Information**  
  
Our fees for these services....  
  
Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement to prepare the financial statements described herein, and our respective responsibilities.  
  
Sincerely yours,   
  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Signature of accountant or accountant’s firm  
  
Acknowledged and agreed on behalf of ABC Company by:  
  
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Name, Title, and Date