



Thomas Tang

**Licensed Public Accountant
Chartered Professional Accountant**

DATE:

YOUR BUSINESS NAME & PERSONAL NAME:

ADDRESS:

PHONE:

EMAIL ADDRESS:

Dear

This letter outlines the terms of my appointment as your accountant, and the terms, nature, and extent of the services I will be providing.

I will compile financial statements as arranged from time to time from information provided by you. I will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of _____ as at _____ and the statement of income and retained earnings for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Thomas Tang, Professional Corporation

Chartered Professional Accountant, Licensed Public Accountant

Authorized to Practice Public Accounting by

The Institute of Chartered Professional Accountants of Ontario

Toronto, Ontario

[Date of report]

My engagement should not be referred to as an audit, since it will not fulfill any statutory, contractual or other audit requirement, nor will it fulfill any requirement for financial statements that are prepared in accordance with Canadian generally accepted accounting principles. In view of the limited nature of my engagement, you may wish to obtain legal advice regarding any statutory or contractual requirements. The Ontario Business Corporations Act requires that the company appoint an auditor unless all shareholders agree to waive such appointment. Please ensure that a resolution waiving appointment of auditors is approved annually by all voting and non-voting shareholders.

You understand and agree that:

- a) the financial statements are the representations of management, and management is responsible for their accuracy and completeness;
- b) you will supply the accurate and complete information necessary to compile the statements;
- c) if, during the minimal study required in my compilation, I learn of any matter that, in my opinion, would cause the financial statements to be misleading if not disclosed, it will be disclosed in the financial statements, or I will be required to withdraw from the engagement;

- d) each page of the financial statements will be conspicuously marked "Unaudited - see Notice to Reader" and will either include my Notice to Reader or refer the reader to it, and the financial statements are not to be circulated without my Notice to Reader;
- e) because the financial statements may lack disclosure required by, or otherwise not be in accordance with, Canadian generally accepted accounting principles, they may not be appropriate for general purpose use;
- f) uninformed readers could be misled unless they are aware of the possible limitations of the financial statements and my very limited involvement;
- g) financial statement compilation procedures do not include procedures designed to detect fraud or error; and
- h) management is solely responsible for the control over and responsibility for the prevention and detection of fraud and error.

I will prepare the company's income tax returns and supporting schedules, perform any bookkeeping that is necessary to complete the compilation, and perform any related services as agreed from time to time.

Confidentiality

I confirm my duty of confidentiality with respect to client affairs. Accordingly, except for information that is in the public domain, I will not provide any third party with confidential information concerning the affairs of the company without prior consent, unless required to do so by legal authority, or by the Code of Ethical Principles and Rules of Conduct of the Institute of Chartered Professional Accountants of Ontario.

In accordance with professional requirements, my client files are subject to periodic review by the Institute of Chartered Professional Accountants of Ontario, a self-regulating professional organization responsible for regulating its members and protecting the public. The reviewers are required to maintain strict confidentiality of any client information they encounter during this process.

Federal legislation (*Proceeds of Crime (Money Laundering) and Terrorist Financing Act*) requires my firm to report certain transactions and information: (1) transactions that may be suspicious of being related to a money laundering or terrorist financing offence; (2) cash transactions that exceed \$10,000 and cross-border transactions of currency or monetary instruments that exceed \$10,000; and (3) whether I am in possession or control of property that is considered terrorist property. Further, the Act requires my firm to ascertain the identity and existence of clients and other entities. To meet these legal obligations, my firm may have to report information about the company that might otherwise be confidential. However, only information that is required by the legislation will be disclosed. Should the reporting of this information place the company and my firm in a conflict of interest, my firm may be required to withdraw from this engagement. You hereby authorize my firm to release and disclose information related to the company if and when required by statute to do so.

In order to complete my engagement, I will require access to certain personal information. You hereby represent to me that you have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to me of personal information. I will manage all personal information in accordance with my firm's Privacy Code.

In order to compile the financial statements, I will prepare various working papers. These working papers will remain the property of my firm.

My fee is +HST. Any disbursements will be added to my invoice. Invoices for services completed or in progress will be rendered monthly and are due within thirty days from the date issued. Interest will be charged on overdue accounts at 2% per month (26.8% per annum).

The above terms will remain in effect from year to year unless amended in writing by both parties or terminated by written notice from either party. Upon termination of this engagement, I will invoice you for any unbilled fees and expenses. You agree to pay your account to the date of termination upon receipt of my invoice.

This engagement will be subject to and governed by the laws of Ontario. Any disputes arising from this engagement shall be subject to the exclusive jurisdiction of the courts of Ontario.

I would be pleased to discuss with you at any time the terms of this engagement and to explain the reasons for the items in this letter. If the above terms are acceptable to you, and the services outlined are in accordance with the company's requirements, please sign a copy of this letter in the space provided and return it to me. I appreciate the opportunity to be of service to you.

Sincerely,
THOMAS TANG, PROFESSIONAL CORPORATION

per: Thomas Tang, LPA, CPA, CGA

Client's Authorization:

The services set out in this letter are in accordance with my requirements. The terms described in the letter are acceptable to me and are hereby agreed to.

Further, to allow you to provide the level of professional services I require, you are hereby authorized to:

1. Answer queries from my lawyer and provide copies of my financial statements to the Records or Registered Office of the company;
2. Answer queries from my banker(s), and provide copies of my financial statements to my bank(s);
3. Answer queries from my insurance agent, to the extent necessary to ensure that I have adequate insurance coverage; and
4. Answer queries from government auditors who have authority to review the books and records of the company under either federal or provincial regulations or statutes, and transmit tax filings, reports, and financial statements that are required by law.

I understand that any release of information by you will be restricted to the above unless otherwise agreed from time to time.

Date

President

10 Four Seasons Place Suite 1000
Toronto, Ontario M9P 6H7

416-987-6005 tel
888-616-1623 fax

www.tang.ca
info@tang.ca