

## Annotated Example Auditor's Report for the Audit of a Broker or Dealer

The following is an example of an unqualified auditor's report under AS 3101\* on the financial statements of a broker or dealer reporting under Rule 17a-5 of the Securities Exchange Act of 1934. The example includes an unqualified auditor's report on the supplemental information and assumes no explanatory or emphasis paragraphs. New language in the report is underlined.

### Report of Independent Registered Public Accounting Firm

To the Directors and Equity Owners of W Broker

Addressee

#### Opinion on the Financial Statements

Opinion Section

We have audited the accompanying statement of financial condition of W Broker as of December 31, 20X8, the related statements of [titles of the financial statements, e.g., income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows], for the year ended December 31, 20X8, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of W Broker as of December 31, 20X8, and the results of its operations and its cash flows for the year ended December 31, 20X8, in conformity with accounting principles generally accepted in the United States of America.

Auditor Independence

#### Basis for Opinion

Basis for Opinion Section

These financial statements are the responsibility of W Broker's management. Our responsibility is to express an opinion on W Broker's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to W Broker in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### Supplemental Information

Supplemental Information

The [identify supplemental information] has been subjected to audit procedures performed in conjunction with the audit of W Broker financial statements. The [supplemental information] is the responsibility of W Broker's management. Our audit procedures included determining whether the [supplemental information] reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the [supplemental information]. In forming our opinion on the [supplemental information], we evaluated whether the [supplemental information], including its form and content, is presented in conformity with [specify the relevant regulatory requirement, such as 17 C.F.R. § 240.17a-5, or other criteria, if any]. In our opinion, the [identify supplemental information] is fairly stated, in all material respects, in relation to the financial statements as a whole.

[Signature]

We have served as W Broker's auditor since [year].

Auditor Tenure

[City and State or Country]

[Date]

\* The requirements of AS 3101 went into effect on December 15, 2017. Guidance on the changes to the auditor's report under AS 3101 is available on the PCAOB website—in the PCAOB adopting release and in *Staff Guidance, Changes to the Auditor's Report Effective for Audits of Fiscal Years Ending on or after December 15, 2017*.