

**COMPILATION FINANCIAL STATEMENT CHECKLIST
FOR STATEMENTS OMITTING DISCLOSURES**

Company: _____ Balance Sheet Date: _____
Prepared by: _____ Date: _____

This checklist is designed to be used by accountants who prepare compiled financial statements that have substantially all of the disclosures omitted. It should be emphasized that this checklist is not a substitute for an accountant's exercise of professional judgment and knowledge of all authoritative pronouncements.

<u>GENERAL</u>	<u>Item Present?</u>	
	<u>Yes</u>	<u>N/A</u>
1. Is the report addressed as appropriate in the circumstances of engagement?		
2. Does the accountants' report include an additional paragraph explaining that substantially all of the disclosures have been omitted?		
3. Does each page of the financial statements include the phrase "See accountant's report?"		
4. Does each page of any supplementary information include the phrase "See accountant's report?"		
5. Is the report in accordance with the wording recommendation in SSARS for a compilation?		
6. Are all the financial statements covered by the report?		
7. Are all supplementary schedules covered by the report?		
8. Are the dates of the periods being reported on properly stated in the report?		
9. Is the type of entity (corporation, partnership, etc.) apparent from the entity's name or disclosed parenthetically after the name or in a note?		

GENERAL (CONTINUED)	Item Present?	
	Yes	N/A
10. If the basis of accounting is not GAAP, does the report or the financial statements indicate the basis?		
11. Are measurement departures from GAAP (or an OCBOA) described? omit disclosures		
12. If GAAP basis financial statements omit the statement of cash flows, is the omission properly described in the report?		
13. If comparative financial statements are presented, does the report comply with guidance as discussed in section 617 of the <i>Guide</i> ?		
14. If financial statements are presented in a prescribed form and the prescribed form or related instructions call for a departure from GAAP (be either specifying a measurement principle not in conformity with GAAP or failing to request disclosures required by GAAP), does the report comply with guidance as discussed in section 1304 of this <i>Guide</i> ?		
15. Is the report dated as of the completion of the compilation procedures, and does it contain a signature of the accounting firm?		
16. If the firm is not independent:		
a. is the lack of independence noted in the last paragraph of the report? (The only type of report that may be issued by a CPA who is not independent is a compilation report.		
b. and optional disclosure of the reason(s) for the lack of independence is made, are all reasons for lack of independence disclosed?		

BALANCE SHEET	Item Present?	
	Yes	N/A
1. <i>Cash</i>		
a. Is restricted cash identified and reclassified as noncurrent, if applicable?		
b. Are material bank overdrafts presented as a separate caption among current liabilities?		
2. <i>Notes and accounts receivable</i>		
a. Are significant categories of receivables, including officer and employee receivables, shown separately from normal trade receivables?		
b. Are amounts due from affiliates or subsidiaries properly classified as current or noncurrent?		
c. Is the allowance for doubtful accounts disclosed?		
3. <i>Marketable debt and equity securities</i>		
a. Are they properly valued and classified?		
4. <i>Inventories</i>		
a. Is the basis of valuation and method of determining cost disclosed?		
5. <i>Property and equipment</i>		
a. Are balances of major classes of depreciable assets disclosed?		
b. Is accumulated depreciation disclosed?		
6. <i>Lease Right of Use Asset (GAAP F/S)</i>		
a. Are lease right of use assets presented on the balance sheet as current and non-current assets?		
b. Are operating leases and finance lease - right of use assets presented separately from each other and other assets on the balance sheet?		
c. Is accumulated amortization of right of use assets disclosed?		
7. <i>Current liabilities</i>		
a. If a classified balance sheet is used, is a total of current liabilities presented?		
b. Are significant categories segregated, e.g., accounts payable, accrued expenses, customer deposits, dividends payable, interest payable, amounts due to officers or employees?		

BALANCE SHEET (CONTINUED)	Item Present?	
	Yes	N/A
7. <i>Notes payable, long-term debt, and other obligations</i>		
a. Are significant categories of debt identified in the balance sheet or related notes, e.g., notes to banks, mortgage notes, or related party notes?		
b. Are current portions of debt obligations properly determined and presented as current liabilities?		
8. <i>Lease liabilities</i>		
a. Are lease liabilities properly reported as current and non-current?		
b. Are operating and financing lease liabilities shown separately from each other and other liabilities?		
9. <i>Income taxes</i>		
a. Are current and deferred income taxes properly accounted for and classified?		
b. Is the amount of income tax expense allocated to continuing operations, discontinued operations, extraordinary items, stockholders' equity, or prior-period adjustments disclosed?		
c. Are components of income tax expense attributable to continuing operations disclosed for each period presented?		
10. <i>Stockholders' (members') equity</i>		
a. Are classes of capital stock presented in order of priority in liquidation?		
b. Are the legal title of securities; par or stated values; and number of shares authorized, issued, and outstanding disclosed?		
c. Is each classification of accumulated other comprehensive income properly disclosed?		

<u>STATEMENT OF INCOME</u>	<u>Item Present?</u>	
	<u>Yes</u>	<u>N/A</u>
1. Are the major categories of revenue and expense items, such as sales, cost of goods sold, and selling and administrative expenses, shown separately on the face of the income statement?		
2. Are sales or operating revenues shown net of discounts, allowance, etc.?		
3. Are sales revenues and cost of goods sold shown net of estimated returns?		
4. Are cost of goods sold and expenses shown net of purchase discounts?		
5. Are the components of comprehensive income and total comprehensive income for the period properly presented?		
6. Has interest expense on the lease liability and amortization of the right of use asset been presented consistent with the presentation of other interest expense and amortization and depreciation?		

STATEMENT OF CASH FLOWS

1. If GAAP basis financial statements omit the statement of cash flows, is the omission properly described in the report?
2. Are noncash investing and financing transactions excluded from the cash flow statement but disclosed in a separate schedule?
3. If the indirect method of reporting cash flows from operating activities is used, are interest and income taxes paid disclosed?
4. Have repayments of the principal portion of the lease liability arising from finance leases been classified within financing activities?
5. Has interest on the lease liability arising from finance leases been classified according to the relating to interest paid in FASB ASC 230, *Statements of Cash Flows*?
6. Have payments arising from operating leases been classified within operating activities?
7. Have variable lease payments and short-term lease payments not included in the lease liability been classified within operating activities?