



**REAGAN**

**Accounting & Consulting Group, P.C.**

*...The missing piece to the puzzle*

### **F/S Compilations**

Professional standards promulgated by the American Institute of CPAs require REAGAN Accounting & Consulting Group, P.C. to perform the following when issuing a *compilation* report on financial statements:

- ⊖ Have an understanding with the client about the services to be performed;
- ⊖ Have or obtain knowledge of accounting principles and practices of the client entity's industry;
- ⊖ Have or obtain knowledge of the client company business, including:
  - nature of the entity's business transactions, particularly sources of revenues and major expenses,
  - form of accounting records – computer software type and manner in which general ledger transactions arise,
  - stated qualifications of personnel involved in the record keeping function – education, training and experience,
  - basis of accounting used in record keeping and in the preparation of financial statements, and
  - form and content of the financial statements – application of knowledge about the client and its industry so that financial statements comply with generally accepted accounting principles or, if applicable, an other comprehensive basis of accounting, applicable to the client company;
- ⊖ Consider the need to perform other accounting services such as adjusting the accounts or consulting with the client on accounting matters;
- ⊖ Take appropriate action when information supplied by the client is incorrect, incomplete or otherwise unsatisfactory;
- ⊖ Read the financial statements to identify any material departures from generally accepted accounting principles or, if applicable, an other comprehensive basis of accounting, and identify any mathematical or clerical errors; and
- ⊖ Based on the form, content and presentation of the financial statements relative to conformity with generally accepted accounting principles or, if applicable, an other comprehensive basis of accounting, issue the appropriate *compilation* report.

These professional standards do not require REAGAN Accounting & Consulting Group, P.C. to do the following when issuing a *compilation* report on financial statements:

- ⊖ Make inquiries or perform other procedures to verify, corroborate, or review
- ⊖ Information supplied by the client; and
- ⊖ Obtain an understanding of or communicate deficiencies in internal control, or assess control risk.