

YEAR-END REVIEW OF FINANCIAL STATEMENTS
Sole Proprietorships, LLC Disregarded Entities

COMPANY _____ ENTITY TYPE _____

BOOKKEEPER _____ DATE _____

QUICKBOOKS VERSION: _____ USERNAME: _____ PASSWORD: _____

AUTO EXPENSES:

Yes No

___ ___ Is there a log showing the total number of miles driven and the miles driven for business purposes?
IF NO, THE IRS WILL NOT ALLOW AN AUTO EXPENSE DEDUCTION.
IRS Reg. §1.274-5T(2)(ii) Use additional sheets for more than one vehicle.

Description of Vehicle _____

Date Placed in Service _____

Beginning Odometer Reading _____

Ending Odometer Reading _____

Business Miles _____

___ ___ Are all auto expenses recorded on the P&L?
Or are some of the expenses paid from personal bank accounts or cash? Provide the expenses paid from personal bank accounts.

OTHER EXPENSES:

Bad Debts: NOT APPLICABLE FOR CASH BASIS BUSINESS

Charitable Contributions: Print the QuickBooks account detail report.

Credit Card Expenses: This is NOT a legitimate expense account. All expenses paid by credit card must be allocated to the appropriate expense account.

Outside Services:

___ ___ Have 1099's been issued to everyone that has been paid more than \$600 for the year?
Form 1099-MISC is required to be filed for anyone who provides a service to the company, who is paid \$600 or more during the year and is not a corporation (excluding attorneys)

Owners Draw: This account is an equity account shown on the Balance Sheet, NOT the Profit & Loss.

Salaries & Wages:

___ ___ Does the amount in this account agree with the payroll tax returns and/or W-2's? Provide all the year-end reports (Federal Form 940, Form W-2's, Form W-3 and CA Form DE-7).

Sales Taxes:

___ ___ Do the sales equal the total sales reported to State Board of Equalization. Provide all quarterly/annual sales tax returns.

Taxes: Print detail account report.

BALANCE SHEET: If using QuickBooks, print this statement with the additional columns – last year, \$ change

Bank Accounts:

___ ___ Are all bank accounts reconciled? Provide a copy of the year end bank reconciliation – in QuickBooks, the detailed and summary bank reconciliation reports.

Accounts Receivable (Cash Basis): If there is a negative (credit) balance, there are incorrect entries to the account and it will require a further review of the QuickBooks file.

Inventory: Please provide the following:

Beginning Inventory (valued at cost) \$_____

Ending Inventory (valued at cost) \$_____

Fixed Assets: Print detail account report for all items purchased in 2007.

___ ___ Do the Fixed Assets agree with the depreciation schedule on the tax return?

Accumulated Depreciation:

___ ___ Does the Depreciation account agree with the depreciation schedule on the tax return?

Accounts Payable (Cash Basis): If there is a negative (debit) balance, there are incorrect entries to the account and it will require a further review of the QuickBooks file.

Credit Cards:

___ ___ Are all credit card accounts reconciled?

___ ___ Do the balances reported on the balance sheet accurately reflect the actual balance on the credit card statements?

___ ___ Are personal credit cards being used for business expenses?

If yes, provide us with ALL credit card statements with business expenses highlighted.

Loans:

___ ___ Are all the loan accounts balanced to the year end statements? Provide copy of year end statement for all loans on the balance sheet.

Payroll Tax Liabilities:

___ ___ Do the balances in these accounts accurately reflect the amounts due to the applicable government agencies?

Sales Tax Liability:

___ ___ Does the balance in this account accurately reflect the amount due to State Board of Equalization?

BOOKKEEPER NOTES: