

**AR Section 300****Compilation Reports on Financial Statements  
Included in Certain Prescribed Forms**

Issue date, unless  
otherwise indicated:  
December 1981

See section 9300 for interpretations of this section.

Source: SSARS No. 3; SSARS No. 5;  
SSARS No. 7; SSARS No. 15; SSARS No. 17

**.01** The requirements of section 80, *Compilation of Financial Statements*, and section 200, *Reporting on Comparative Financial Statements*, are applicable when the unaudited financial statements of a nonissuer are included in a prescribed form. This section provides reporting guidance when the accountant is engaged to compile financial statements included in a prescribed form and the prescribed form or related instructions call for departure from the applicable financial reporting framework by specifying a measurement principle not in conformity with the applicable financial reporting framework or by failing to request the disclosures or presentation required by applicable financial reporting framework.<sup>1</sup> This section also provides additional guidance applicable to reports on financial statements included in a prescribed form.<sup>[2]</sup> [As amended, effective for compilations and reviews of financial statements for periods ending after December 15, 2008, by Statement on Standards for Accounting and Review Services (SSARS) No. 17. Revised, December 2010, to reflect conforming changes necessary due to the issuance of SSARS No. 19.]

**.02** For purposes of this section, a *prescribed form* is any standard preprinted form designed or adopted by the body to which it is to be submitted, for example, forms used by industry trade associations, credit agencies, banks, and governmental and regulatory bodies other than those concerned with the sale or trading of securities. A form designed or adopted by the entity whose financial statements are to be compiled is not considered to be a prescribed form. The terms *applicable financial reporting framework*, *financial statements*, and *nonissuer* are defined in paragraph .04 of section 60, *Framework for Performing and Reporting on Compilation and Review Engagements*. [As amended, effective for compilations and reviews of financial statements for periods ending after December 15, 2008, by SSARS No. 17. Revised, December 2010, to reflect conforming changes necessary due to the issuance of SSARS No. 19.]

**.03** There is a presumption that the information required by a prescribed form is sufficient to meet the needs of the body that designed or adopted the

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<sup>1</sup> See paragraphs .04 and .37–.39 of section 60, *Framework for Performing and Reporting on Compilation and Review Engagements*, for guidance with respect to applicable financial reporting frameworks. [Footnote amended, effective for compilations and reviews of financial statements for periods ending on or after December 15, 2007, by the issuance of Statements on Standards for Accounting and Review Services (SSARS) No. 15. Footnote revised, December 2010, to reflect conforming changes necessary due to the issuance of SSARS No. 19.]

<sup>[2]</sup> [Footnote deleted to reflect the incorporation of material into relevant sections of the Statements on Standards for Accounting and Review Services.]

form and that there is no need for that body to be advised of departures from the applicable financial reporting framework required by the prescribed form or related instructions. See the exhibit, "Illustrative Compilation Reports When the Financial Statements Are Included in a Prescribed Form That Calls for a Departure From Accounting Principles Generally Accepted in the United States of America," for an illustrative example of a standard compilation report that may be used when the compiled financial statements are included in a prescribed form that calls for a departure from accounting principles generally accepted in the United States of America. [As amended, effective for periods ending after December 15, 1993, by SSARS No. 7. As amended, effective for compilations and reviews of financial statements for periods ending after December 15, 2008, by SSARS No. 17. Revised, December 2010, to reflect presentation style and conforming changes necessary due to the issuance of SSARS No. 19.]

**.04** If the accountant becomes aware of a departure from an applicable financial reporting framework other than departures that may be called for by the prescribed form or related instructions (see paragraph .01), he or she should follow the guidance in paragraphs .27–.29 of section 80 regarding such departures. If the accountant becomes aware of a departure from the requirements of the prescribed form or related instructions, he or she should consider that departure as the equivalent of a departure from an applicable financial reporting framework in determining its effect on his or her report. See the exhibit for an illustration of a report containing a departure from the prescribed form or related instructions. [Revised, November 2002, to reflect conforming changes necessary due to the issuance of SSARS No. 9. Revised, May 2004, to reflect conforming changes necessary due to the issuance of SSARS No. 10. Revised, July 2005, to reflect conforming changes necessary due to the issuance of SSARS No. 12. Revised, December 2010, to reflect presentation style and conforming changes necessary due to the issuance of SSARS No. 19.]

**.05** The accountant should not sign a preprinted report form that does not conform to the guidance in this section or section 80, whichever is applicable. In such circumstances, the accountant should append an appropriate report to the prescribed form. [Revised, December 2010, to reflect conforming changes necessary due to the issuance of SSARS No. 19.]

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## Exhibit

### Illustrative Compilation Reports on Financial Statements Included in Certain Prescribed Forms

#### Standard Compilation Report When the Compiled Financial Statements Are Included in a Prescribed Form That Calls for a Presentation Departure From Accounting Principles Generally Accepted in the United States of America

##### Accountant's Compilation Report

*[Appropriate Salutation]*

I (we) have compiled the (identification of financial statements, including period covered and the name of entity) included in the accompanying prescribed form. I (we) have not audited or reviewed the financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management (owners) is (are) responsible for the preparation and fair presentation of the financial statements included in the form prescribed by (name of body) in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My (our) responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of *[name of body]*, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of *[the specified parties]* and is not intended to be and should not be used by anyone other than these specified parties.

*[Signature of accounting firm or accountant, as appropriate]*

*[Date]*

**Compilation Report When the Compiled Financial Statements Are Prepared in Accordance With a Special Purpose Framework Prescribed by Contract or Regulation and That Framework Prescribes a Format for the Financial Information<sup>3</sup>**

Accountant's Compilation Report

[*Appropriate Salutation*]

I (we) have compiled the [*identification of financial statements, including period covered and the name of entity*] included in the accompanying prescribed form. I (we) have not audited or reviewed the financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the basis of accounting prescribed by [*describe contract or regulation*].

Management (owners) is (are) responsible for the preparation and fair presentation of the financial statements included in the form in accordance with the basis of accounting prescribed by [*describe contract or regulation*] and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My (our) responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of [*describe contract or regulation*], and are not intended to be a complete presentation of [*name of entity's*] assets and liabilities.

This report is intended solely for the information and use of [*the specified parties*] and is not intended to be and should not be used by anyone other than these specified parties.

[*Signature of accounting firm or accountant, as appropriate*]

[*Date*]

[Paragraph added, December 2010, to reflect presentation style and conforming changes necessary due to the issuance of SSARS No. 19.]

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<sup>3</sup> See Interpretation No. 11, "Special-Purpose Financial Statements to Comply With Contractual Agreements or Regulatory Provisions," of section 80, *Compilation of Financial Statements* (sec. 9080 par. .32-.40).