
American Institute of Certified Public Accountants. Technical Information Division

Richard Rikert

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Disclosure Checklists for Savings and Loan Associations
A FINANCIAL REPORTING PRACTICE AID

Edited by:
Richard Rikert
Coordinator-Editor
Technical Information Division

These checklists for savings and loan associations have not been approved, disapproved, or otherwise acted upon by any senior technical committees of the American Institute of Certified Public Accountants or the Financial Accounting Standards Board and have no official or authoritative status.

American Institute of Certified Public Accountants
DISCLOSURE CHECKLISTS FOR SAVINGS AND LOAN ASSOCIATIONS

The checklists included in this booklet have been developed by the staff of the Technical Information Division of the AICPA as non authoritative technical practice aids. Readers should be aware of the following:

- The checklists are "tools" and in no way represent official positions or pronouncements of the AICPA.

- The checklists have been updated through SAS No. 51, SSARS No. 5, FASB Statement of Financial Accounting Standards No. 91, FASB Interpretation No. 38, and FASB Technical Bulletin No. 86-2. A supplemental checklist outlines disclosure requirements of FHLBB Regulations, part 563C as of December 31, 1986. PA Bulletins issued through December 31, 1986, have been reviewed, and consequently, disclosure requirements in PA Bulletins 7a and 7a-1 have been incorporated. R & T memos issued through December 31, 1986, did not contain financial statement disclosure requirements, and are consequently not incorporated. The checklists should be modified, as appropriate, for subsequent pronouncements. In determining the applicability of a pronouncement, its effective date should also be considered.

- The checklists should be used by or under the supervision of persons having adequate technical training and proficiency in the application of generally accepted accounting principles, generally accepted auditing standards, and statements on standards for accounting and review services.

- The checklists do not represent minimum requirements and do not purport to be all-inclusive. The referenced standard should be reviewed if clarification is desired as to whether the disclosure indicated is required or suggested, and to what extent the disclosure is relevant to the statements being examined.

Users of these checklists are urged to refer directly to applicable authoritative pronouncements when appropriate. If you have further questions, call the AICPA Technical Hotline (see back cover).

John Graves
Director
Technical Information Division
DISCLOSURE CHECKLISTS FOR SAVINGS AND LOAN ASSOCIATIONS

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Disclosure Checklists—General

Many auditors and accountants find it helpful to use checklists as practice aids in the preparation of financial statements and reports. Some firms have developed their own checklists for internal use, and may also have specialized checklists to meet the needs of their practices, such as checklists for clients in particular industries or clients that report to the SEC. Some state CPA societies have developed checklists as practice aids which may be available to other practitioners as well as to their own members. Some commercial publishers also include checklists in certain of their publications. However, authoritative literature does not require the use of such checklists, nor does it prescribe their format or content, which may vary.

Checklists typically consist of a number of brief questions or statements that are accompanied by references to Statements on Auditing Standards, Statements on Standards for Accounting and Review Services, Statements of Financial Accounting Standards, Accounting Principles Board Opinions and Accounting Research Bulletins. Some checklists also include references to FASB Interpretations, and Industry Audit Guides. The extent of detail included in checklists varies with the judgment of the preparers on how extensively to refer to and highlight authoritative literature without developing a checklist that is too long and unwieldy. Accordingly, checklists may serve as convenient memory aids but cannot be used as a substitute for direct references to the authoritative literature.

Checklists usually provide for checking off or initialling each question or point to show that it has been considered. The format used in this booklet is a typical one; it provides for "yes," "no," and "not applicable" answers and presumes that remarks would be prepared on separate cross-referenced memorandums. Some preparers, however, prefer to include space for remarks in the body of the checklist while others prefer alternative checklist formats. For example, a checklist format may provide for the following set of answers: "not applicable," "not material," "in statements," and "in notes" (with provisions for indicating a cross reference to the specific statement caption or note). Another format may provide for only two answers, "disclosed" and "not applicable." Firms and practitioners who develop their own checklists should adopt formats that suit their needs and preferences.

Disclosure checklists are generally accompanied by caveats that include all of the following points:

- Use of the checklists requires the exercise of individual professional judgment and may likely require some modification based on the circumstances of individual engagements.

- The checklists are not all-inclusive and are not intended to present minimum requirements.
0 Users need to modify the checklists for any pronouncements issued subsequent to those mentioned in the checklist.

If widespread circulation is expected, the preparers also generally stress the nonauthoritative or unofficial status of the checklists and disclaim responsibility for the way they may be used.
Auditors' Reports Checklist

This checklist has been developed by the staff of the Technical Information Division of the AICPA as a nonauthoritative practice aid. Accordingly, the notice on page 1 is incorporated herein by reference.

Explanation of references:

SAS = Statement on Auditing Standards

(AU) = Reference to section number in
AICPA Professional Standards
(vol. 1) of SAS cited

SSARS = Statement on Standards for
Accounting and Review Services

(AR) = Reference to section number in
AICPA Professional Standards
(vol. 2) of SSARS cited

Checklist Questionnaire

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<th>YES</th>
<th>NO</th>
<th>N/A</th>
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1. Does the auditor's report include the appropriate:

   a. Addresssee?  
      [SAS 2, par. 8 (AU 509.08)]  
      [SAS 2, par. 8 (AU 509.08)]  
      [SAS 2, par. 8 (AU 509.08)]  

   b. Date (or dual dates) of the report?  
      [SAS 1, sec. 530 (AU 530); SAS 15, par. 2  
      (AU 505.02); SAS 26, pars. 15-17  
      (AU 504.15-.17)]  

2. If the auditor is not independent, has the appropriate disclaimer been expressed regardless of the extent of services provided?  
[SAS 1, sec. 220 (AU 220)]  

   a. For a public entity?  
      [SAS 26, pars. 8-10 (AU 504.08-.10)]  

   b. For a nonpublic entity?  
      [SSARS No. 1, pars. 22 & 38 (AR 100.22 and .38)]  

3. Does the reporting language conform with the auditor's standard report on:

   a. Financial statements of a single year or period?  
      [SAS 2, par. 7 (AU 509.07)]  
      [SAS 2, par. 7 (AU 509.07)]  
      [SAS 2, par. 7 (AU 509.07)]  

4. Does the report include appropriate language with respect to the following:

a. Report on only one basic financial statement in engagements not involving scope limitations?
   [SAS 2, par. 13 (AU 509.13)]

b. Report on comparative statements of income, retained earnings and changes in financial position without presentation of the comparative balance sheets for the prior years ended?
   [SAS 15, par. 3 (AU 505.03)]

c. Part of the examination was made by other independent auditors?
   [SAS 1, sec. 543 (AU 543); SAS 2, par. 14 (AU 509.14)]

d. Departure from a promulgated accounting principle when conformity would result in a misleading presentation?
   [SAS 2, pars. 18-19 (AU 509.18-.19)]

e. Report of a predecessor auditor?
   [SAS 7 (AU 315); SAS 15, pars. 8-12 (AU 505.08-.12)]

f. Updating of a previously issued opinion?
   [SAS 15, pars. 2 & 6-7 (AU 505.02 and .06-.07)]

g. Comparative financial statements with differing opinions?
   [SAS 15, par. 5 (AU 505.05)]

h. Audited and unaudited financial statements in comparative form?
   [SAS 26, pars. 14-17 (AU 504.14-.17)]

i. Decision to emphasize a matter?
   [SAS 2, pars. 9 and 27 (AU 509.09 and .27)]

5. Has a qualified opinion or a disclaimer of opinion been expressed if:

a. Scope limitations precluded the application of one or more auditing procedures considered necessary in the circumstances?
   [SAS 2, pars. 10-13 (AU 509.10-.13); SAS 31, par. 22 (AU 326.23)]
b. The financial statements are affected by material uncertainties concerning future events, the outcome of which is not susceptible to reasonable estimation at the report date? [SAS 2, pars. 21-26 (AU 509.21-.26); SAS 34, pars. 11-13 (AU 340); SAS 2, par. 39 as amended by SAS 43, par. 6 (AU 509.39)] __ __ __

6. Has a qualified opinion or an adverse opinion been expressed if the following circumstances are present:

a. Lack of conformity with generally accepted accounting principles (including inadequate disclosure)? [SAS 2, pars. 15-19 (AU 509.15-.19); SAS 17, par. 15 (AU 328.15); SAS 32, par. 3 (AU 431.03); SAS 34, par. 11 (AU 340.11)] __ __ __

b. Departure from consistent application of accounting principles? [SAS 1, sec. 546 (AU 546)] __ __ __

7. If a qualified opinion, adverse opinion, or disclaimer of opinion is expressed:

a. Are all the substantive reasons for the opinion or disclaimer of opinion disclosed? [SAS 2, pars. 32, 42 & 45 (AU 509.32, .42 and .45)] __ __ __

b. Is the reporting language clear and appropriate for the—

(1) Qualified opinion? [SAS 2, pars. 29-40 as amended by SAS 43, par. 6 (AU 509.29-.40)] __ __ __

(2) Adverse opinion? [SAS 2, pars. 41-44 (AU 509.41-.44)] __ __ __

(3) Disclaimer of opinion? [SAS 2, pars. 45-47 (AU 509.45-.47)] __ __ __

8. Does the report include modification, if applicable, for the following:

a. Conditions that precluded application of the necessary auditing procedures to opening inventories and/or long-term investments? [SAS 1, sec. 542.05-.06 (AU 542.05-.06)] __ __ __

b. Regulated companies? [SAS 1, sec. 544.02-.04 (AU 544.02-.04); SAS 14, pars. 2-8 (AU 621.02-.08)] __ __ __
c. Inadequate disclosure?
   [SAS 1, sec. 545 (AU 545)]
   YES  NO  N/A

d. First examination—inadequate financial records or client-imposed limitations?
   [SAS 1, sec. 546.15-.16 (AU 546.15-.16)]
   YES  NO  N/A

e. Client representations about related party transactions?
   [SAS 45, par. 2 (AU 334.12)]
   YES  NO  N/A

f. Client's refusal to provide written representations?
   [SAS 19, par. 11 (AU 333.11)]
   YES  NO  N/A

g. Limitations on the scope of the lawyer's response?
   [SAS 12, pars. 12-14 (AU 337.12-.14)]
   YES  NO  N/A

h. Unresolved matters involving specialists?
   [SAS 11, par. 9 (AU 336.09)]
   YES  NO  N/A

i. Scope limitation concerning errors or irregularities?
   [SAS 16, par. 14 (AU 327.14)]
   YES  NO  N/A

j. Illegal acts by clients?
   [SAS 17 (AU 328)]
   YES  NO  N/A

k. Segment information?
   [SAS 21 (AU 435)]
   YES  NO  N/A

l. Entity's continued existence?
   [SAS 34, pars. 11-13 (AU 340.11-.13)]
   YES  NO  N/A

m. Material misstatement of the financial statements?
   [SAS 47, par. 31 (AU 312.31)]
   YES  NO  N/A

n. Financial statements issued before the effective date of a Statement of Financial Accounting Standards when disclosure is not made of the effect of a restatement which will be required in the future as a result of the FASB Statement?
   [Interpretation 3 of SAS 1, section 410 (AU 9410.13-.15)]
   YES  NO  N/A

9. Has a piecemeal opinion been avoided?
   [SAS 2, par. 48 (AU 509.48); SAS 14, par. 12 (AU 621.12)]
   YES  NO  N/A

10. For special reports, have the provisions of SAS 14 and SAS 35 been complied with for the following:
a. Statements prepared in accordance with a comprehensive basis of accounting other than generally accepted accounting principles?  
[SAS 14, pars. 2-8 (AU 621.02-.08)]

b. Specified elements, accounts or items of a financial statement?  
[SAS 14, pars. 9-14 (AU 621.09-.14); SAS 35 (AU 622)]

c. Compliance with aspects of agreements or regulatory requirements relating to audited financial statements?  
[SAS 14, pars. 18-19 (AU 621.18-.19)]

d. Financial information that requires a prescribed form of auditor's report?  
[SAS 14, pars. 20-21 (AU 621.20-.21)]

11. If information is to accompany the basic financial statements and auditor's report in an auditor-submitted document (long-form report):

a. Is there a clear distinction between the client's representations and auditor's representations?  
[SAS 29, par. 20 (AU 551.20)]

b. Does the auditor's report on the accompanying information:

   (1) State that the examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole?  

   (2) Specifically identify the accompanying information?  

   (3) State that the accompanying information is presented for purposes of analysis and is not part of the basic financial statements?  

   (4) State whether the additional information has been subjected to the auditing procedures applied in examining the basic financial statements and whether the appropriate expression or disclaimer of opinion is included?  
[SAS 29, pars. 6-11 (AU 551.06-.11)]

12. If an auditor-submitted document with accompanying information (long-form report) is co-existing with
a document that includes just the basic financial statements and the auditor's report:

a. Do the basic financial statements in all co-existing documents consistently include all the information necessary for a fair presentation in conformity with generally accepted accounting principles? [SAS 29, par. 21 (AU 551.21)]

b. Are any additional comments or explanations by the auditor consistent with the description of the scope of the examination in the auditor's standard (or modified) report? [SAS 29, par. 20 (AU 551.20)]

13. If the document contains interim financial information, has the auditor's report been expanded, if required? [SAS 36, pars. 24-30 (AU 722.24-.30)]

14. If supplementary information required by the FASB is presented outside the basic financial statements in an auditor-submitted document, has an opinion been disclaimed on such information unless it has been audited? [SAS 29, par. 7 (AU 551.07); SAS 27, pars. 8 & 11 (AU 553.08 and .11)]

15. If the client is subject to FASB requirements to include certain supplementary information in documents containing audited financial statements, has the auditor's report been appropriately modified if:

a. Required supplementary information is omitted?

b. Measurement or presentation of the supplementary information departs materially from guidelines prescribed by the FASB?

c. The auditor is unable to complete the procedures prescribed by SAS 27? [SAS 27, pars. 8-11 (AU 553.08-.11)]

16. If a report on internal accounting control is to be issued is the appropriate form used for:

1Material weaknesses in internal accounting control that have not been corrected before they come to the auditor's attention must be communicated, preferably in writing, to senior management and the board of directors or its audit committee. [SAS 20, par. 4 (AU 323.04)]
a. A report for the restricted use of management, specified regulatory agencies, or other specified third parties, based solely on a study and evaluation made as part of an audit of financial statements but not sufficient for expressing an opinion on the system? 
[SAS 30, pars. 47-53 (AU 642.47-.53)]

b. An expression of opinion on the entity's system of internal accounting control in effect as of a specified date or during a specific period of time? 
[SAS 30, pars. 37-46 (AU 642.37-.46)]

c. A report on all or part of an entity's system for restricted use of management or specified regulatory agencies, based on the regulatory agencies' pre-established criteria? 
[SAS 30, pars. 54-59 (AU 642.54-.59)]

d. Other special purpose reports on all or part of the entity's system for restricted use of management, specified regulatory agencies, or other specified third parties? 
[SAS 30, pars. 60-61 (AU 642.60-.61); SAS 44, pars. 35, 41 & 46 (AU 324.35, .41 and .46)]

17. If reporting in a client-prepared document on condensed financial statements (either for an annual or an interim period) that are derived from audited financial statements of a public entity that is required to file, at least annually, complete audited financial statements with a regulatory agency, does the auditor's report indicate:

a. That he has examined and expressed an opinion on the complete financial statements? 

b. The date of his report on the complete financial statements? 

c. The type of opinion expressed? 

d. Whether, in his opinion, the information set forth in the condensed financial statements is fairly stated in all material respects in relation to the complete financial statements from which it has been derived? 
[SAS 42, par. 5 (AU 552.05)]

18. If a statement that names the auditor and also states that condensed financial statements have been derived from audited financial statements is made in a client-prepared document that does not
include audited financial statements and the
client is not a public entity that is required to
file complete audited financial statements with a
regulatory agency, at least annually, does the
auditor's report express an adverse opinion on
the condensed financial statements because of
inadequate disclosure?
[SAS 2, par. 17 (AU 509.17); SAS 42, par. 7,
footnote 6 (AU 552.07, footnote 6)]

19. If reporting on selected financial data that is
included in a client-prepared document that con-
tains audited financial statements (or, with
respect to a public entity, that incorporates such
statements by reference to information filed with
a regulatory agency) and that are derived from
audited financial statements, does the auditor's
report indicate the following:

a. That he has examined and expressed an opinion
on the complete financial statements?

b. The type of opinion expressed?

c. The specific data on which he is reporting?

d. Whether, in his opinion, the information set
forth in the selected financial data is fairly
stated in all material respects in relation
to the complete financial statements from
which it has been derived?
[SAS 42, par. 9 (AU 552.09)]

20. If the selected financial data for any of the
years presented are derived from financial state-
ments that were examined by another independent
auditor, does the auditor's report on the selected
financial data state that fact and express a dis-
claimer of opinion on that data?
[SAS 42, par. 9 (AU 552.09)]
Financial Statements and Notes Checklist

This checklist has been developed by the staff of the Technical Information Division of the AICPA as a nonauthoritative practice aid. Accordingly, the notice on page 1 is incorporated herein by reference.

Explanation of references:

ARB = Accounting Research Bulletin
APB = Accounting Principles Board Opinion
SFAS = Statement of Financial Accounting Standards
SAS = Statement on Auditing Standards
FASBI = Financial Accounting Standards Board Interpretation
TB = Technical Bulletin issued by the staff of the FASB
(AC) = Reference to section number in FASB Accounting Standards Current Text
(AU) = Reference to section number in AICPA Professional Standards (vol. 1) of SAS cited
A&AG = Audit and Accounting Guide, Savings and Loan Associations
SOP = AICPA Statement of Position
NTP = Notice to Practitioners—"ADC Arrangements"

Checklist Questionnaire

YES NO N/A

General

A. Titles and References

1. Are the financial statements suitably titled?
 [SAS 14, par. 7 (AU 621.07)]

2. Does each statement include a general reference to the notes that are an integral part of the financial statement presentation?
 [APB Statement 4, Ch. 2, par. 10]

B. Disclosure of Accounting Policies

1. Is a description of all significant accounting policies of the reporting entity presented as an integral part of the financial statements?
 [APB 22, par. 8 (AC A10.102)]

1The FASB staff issues FASB Technical Bulletins to provide guidance concerning the application of FASB statements or Interpretations, APB Opinions, or Accounting Research Bulletins. FASB Technical Bulletins do not establish new financial accounting and reporting standards or amend existing standards.
2. Does disclosure of significant accounting policies encompass important judgments as to the appropriateness of principles concerning recognition of revenue, and allocation of asset costs to current and future periods?  
[APB 22, par. 12 (AC A10.105); TB 82-1, par. 7 (AC I28.513)]  

3. Does the disclosure of significant accounting policies include appropriate reference to details presented elsewhere (in the statements and notes thereto) so duplication of details is avoided?  
[APB 22, par. 14 (AC A10.107)]

C. Accounting Changes

1. For an accounting change does disclosure in the period of the change include:  
   a. Nature of the change?  
   [APB 20, par. 17 (AC A06.113)]  
   
   b. Justification for the change including clear explanation of why the newly adopted principle is preferable?  
   [APB 20, par. 17 (AC A06.113)]  
   
   c. Effect on income?  
   [APB 20, par. 17 (AC A06.113)]

2. Have the applicable AICPA Statements of Position and Guides listed in Appendix A to SFAS 83 (AC section A06 Exhibit 112A) been considered in justification of a change in accounting principle?  
[SFAS 32, pars. 10-11 (AC A06.112); APB 20, par. 16 (AC A06.112); SFAS 83, pars. 5-6 (AC A06.112)]

3. If appropriate, is the cumulative effect of an accounting change shown separately between the captions "extraordinary items" and "net income"?  
[APB 20, pars. 18-26 (AC A06.114-.122 and E09.104)]

4. Is the correction of an error shown as a prior period adjustment with disclosure of the following in the period of its discovery and correction:  
   a. Nature of the error in previously issued financial statements?
b. Effect of its correction on income before extraordinary items, net income (and related per share amounts)?

[APB 20, pars. 36-37 (AC A35.105); SFAS 16, par. 11 (AC A35.103)]

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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D. Comparative Financial Statements

1. Have comparative statements been considered?

[ARB 43, Ch. 2A, pars. 1-2 (AC F43.101-.102)]

<table>
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<tr>
<th>YES</th>
<th>NO</th>
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2. Are the notes and other disclosures included in the financial statements of the preceding year(s) presented, repeated or at least referred to, to the extent that they continue to be of significance?

[ARB 43, Ch. 2A, par. 2 (AC F43.102)]

<table>
<thead>
<tr>
<th>YES</th>
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3. If changes have occurred in the manner of or basis for presenting corresponding items for two or more periods, are appropriate explanations of the changes disclosed?

[ARB 43, Ch. 2A, par. 2 (AC F43.102)]

<table>
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<tr>
<th>YES</th>
<th>NO</th>
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E. Business Combinations

1. If a business combination occurred during the period and met the specified conditions for a pooling of interests

[APB 16, pars. 45-48 (AC B50.104-.107)]:

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<thead>
<tr>
<th>YES</th>
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   a. Has the required accounting method been applied?

[APB 16, pars. 50-62 (AC B50.109-.121)]

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<tr>
<th>YES</th>
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   b. Do the statements and notes include the required disclosures?

[APB 16, pars. 63-65 (AC B50.122-.124)]

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</table>

2. If a business combination does not meet the specified conditions for a pooling of interests:

<table>
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<tr>
<th>YES</th>
<th>NO</th>
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   a. Has the combination been accounted for by the purchase method?

[APB 16, pars. 66-94 (AC B50.125-.147 and .159-.163); SFAS 38 (AC B50.148-.150 and .166); TB 81-2, par. 4 (AC B50.650); FASB 9, pars. 4-7 (AC B50.155-.157)]

<table>
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<tr>
<th>YES</th>
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</table>
b. Do the statements and notes include the required disclosures? [APB 16, pars. 95-96 (AC B50.164-.165)]

   YES NO N/A

   ___ ___ ___

c. In connection with the acquisition of a banking or thrift institution, are the nature and amounts of any regulatory financial assistance disclosed? [SFAS 72, par. 11 (AC B50.158F)]

   YES NO N/A

   ___ ___ ___

F. Consolidations

1. If consolidated statements are presented:

   a. Is the consolidation policy disclosed? [ARB 51, par. 5 (AC C51.108); APB 22, par. 13 (AC A10.106)]

      YES NO N/A

      ___ ___ ___

   b. Are intercompany balances and transactions eliminated? [ARB 51, par. 6 (AC C51.109 and Re6 .110)]

      YES NO N/A

      ___ ___ ___

   c. Are summarized financial statements of consolidated subsidiaries included in notes to financial statements or in a schedule? [A&AG, pages 93-96]

      YES NO N/A

      ___ ___ ___

   d. In instances when the financial reporting periods of subsidiaries differ from that of the parent, is recognition given to the effect of intervening events that materially affect financial position or the results of operations? [ARB 51, par. 4 (AC C51.107); SFAS 12, pars. 18-20 (AC I89.112-.114); FASBI 13 (AC I89.120-.122)]

      YES NO N/A

      ___ ___ ___

2. Are the accounts of subsidiaries whose principal business activity is leasing property or facilities to the parent or other affiliated companies consolidated? [SFAS 13, par. 31 (AC L10.127)]

      YES NO N/A

      ___ ___ ___

3. If the consolidated financial statements include more than one accepted practice of accounting for marketable securities, are the required disclosures for the various methods disclosed? [SFAS 12, par. 20 (AC I89.114)]

      YES NO N/A

      ___ ___ ___

18
G. Related Party Transactions and Economic Dependency

1. For related party transactions do disclosures include:
   a. The nature of the relationship(s) involved (e.g., parent, subsidiary and affiliate companies, officers, stockholders, etc.)?
   b. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements?
   c. The dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period?
   d. Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement?
      [SFAS 57, pars. 2-4 (AC R36.102-.104)]

2. Is information about economic dependency disclosed when necessary for a fair presentation?
   [SFAS 21, par. 9 (AC S20.103)]

3. Is the nature of a controlled relationship disclosed, even though there are no transactions between the enterprises, if the reporting enterprise and one or more other enterprises are under common ownership or management control and the existence of the control could result in operating results or financial position of the reporting enterprise significantly different from those that would have been obtained if the enterprise were autonomous?
   [SFAS 57, pars. 2 & 4 (AC R36.102 and .104)]
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<th></th>
<th>YES</th>
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<tbody>
<tr>
<td>1. Is the aggregate transaction gain or loss included in net income for the period disclosed? [SFAS 52, par. 30 (AC F60.140)]</td>
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<td>2. Does analysis of changes during the period in the separate component of equity for cumulative translation adjustments disclose:</td>
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<tr>
<td>a. Beginning and ending amount of cumulative translation adjustments?</td>
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<tr>
<td>b. The aggregate adjustment for the period resulting from translation adjustments and gains and losses from certain hedges and intercompany balances?</td>
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<td>c. The amount of income taxes for the period allocated to translation adjustments?</td>
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<tr>
<td>d. The amounts transferred from cumulative translation adjustments and included in the determination of net income for the period as a result of the sale or complete or substantially complete liquidation of an investment in a foreign entity? [SFAS 52, par. 31 (AC F60.141)]</td>
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<tr>
<td>3. Are rate changes occurring after the date of the financial statements and the effects on unsettled balances related to foreign currency translations disclosed, if significant? [SFAS 52, par. 32 (AC F60.142)]</td>
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<tr>
<td>4. Are any foreign earnings reported in addition to amounts received in the United States disclosed, if significant? [ARB 43, Ch. 12, par. 5 (AC F60.144)]</td>
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<td>5. Are foreign operations adequately disclosed? [ARB 43, Ch. 12 pars. 8-9 (AC C51.105-106)]</td>
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<tr>
<td>6. Has disclosure of principal amounts of spot and forward exchange contracts been considered? [SFAS 80, (AC F80)]</td>
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</table>
I. Contingencies and Commitments

1. Are the nature and amount of accrued loss contingencies disclosed as necessary to keep the financial statements from being misleading?
   [SFAS 5, par. 9 (AC C59.108)]
   YES NO N/A

2. For loss contingencies not accrued do disclosures indicate:
   a. Nature of the contingency?
   YES NO N/A
   b. Estimate of possible loss or range of loss, or a statement that such estimate cannot be made?
   [SFAS 4, par. 10 (AC C59.109 and .111)]
   YES NO N/A

3. Are the nature and amount of guarantees disclosed (for example, obligations under standby letters of credit, guarantees to repurchase loans that have been sold)?
   [SFAS 5, par. 12 (AC C59.113); FASBI 34, pars. 1-3 (AC C59.114)]
   YES NO N/A

4. Are gain contingencies adequately disclosed with care to avoid any misleading implications about the likelihood of realization?
   [SFAS 5, par. 17 (AC C59.118)]
   YES NO N/A

5. Is there adequate disclosure of commitments, such as those for capital expenditures, for purchase or sale of securities under financial futures contracts, and for funding of loans?
   [SFAS 5, pars. 18-19 (AC C59.120); FASB 80 (AC F80); A&AG, page 36]
   YES NO N/A

J. Subsequent Events

1. Are the financial statements adjusted for any changes in estimates resulting from subsequent events that provided additional evidence with respect to conditions that existed at the date of the balance sheet?
   [SFAS 5, par. 8 (AC C59.105); SAS 1, secs. 560.03-.04, 560.07 and 561.01-.09 (AU 560.03-.04, 560.07 and 561.01-.09)]
   YES NO N/A

2. Are subsequent events that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose subsequent to that date adequately
disclosed to keep the financial statements from being misleading?  
[SFAS 5, par. 11 (AC C59.112); APB 16, par. 61 (AC B50.120) and SAS 1, secs. 560.05-.07, .09 and 561.01-.09 (AU 560.05-.07, .09 and 561.01-.09)]

K. Pension Plans

1. 'If there is a defined benefit plan, do disclosures include:

   a. A description of the plan including employee groups covered, type of benefit formula, funding policy, types of assets held and significant nonbenefit liabilities, if any, and the nature and effect of significant matters affecting comparability of information for all periods presented?  
   [YES NO N/A]

   b. The amount of net periodic pension cost for the period showing separately the service cost component, the interest cost component, the actual return on assets for the period, and the net total of other components?  
   [YES NO N/A]

   c. A schedule reconciling the funded status of the plan with amounts reported in the employer's statement of financial position, showing separately:

      (1) The fair value of plan assets?  
      [YES NO N/A]

      (2) The projected benefit obligation identifying the accumulated benefit obligation and the vested benefit obligation?  
      [YES NO N/A]

---

2For defined benefit pension plans, accounting and reporting by the plans themselves should be in conformity with SFAS 35 [AC Pe5].

3The net total of other components is the net effect during the period of certain delayed recognition provisions of SFAS 87 [AC Pl6]. That net total includes:

   a. The net asset gain or loss during the period deferred for later recognition (in effect, and offset or a supplement to the actual return on assets)

   b. Amortization of the net gain or loss from earlier periods

   c. Amortization of unrecognized prior service cost

   d. Amortization of the unrecognized net obligation or net asset existing at the date of initial application of SFAS 87 [AC Pl6].
(3) The amount of unrecognized prior service cost? __ __ __

(4) The amount of unrecognized net gain or loss (including asset gains and losses not yet reflected in market-related value)? __ __ __

(5) The amount of any remaining unrecognized net obligation or net asset existing at the date of initial application of SFAS 87 [AC P16]? __ __ __

(6) The amount of any additional liability recognized pursuant to SFAS 87, paragraph 36 [AC P16.130]? __ __ __

(7) The amount of net pension asset or liability recognized in the statement of financial position pursuant to SFAS 87, paragraphs 35-36 [AC P16.129-.130] (which is the net result of combining the preceding six items)? __ __ __

d. The weighted-average assumed discount rate and rate of compensation increase (if applicable) used to measure the projected benefit obligation and the weighted-average expected long-term rate of return on plan assets? __ __ __

e. If applicable, the amounts and types of securities of the employer and related parties included in plan assets, and the approximate amount of annual benefits of employees and retirees covered by annuity contracts issued by the employer and related parties? __ __ __

Also, if applicable, the alternative amortization methods used pursuant to SFAS 87, paragraphs 26 and 33 [AC P16.120 & .127], and the existence and nature of the commitment discussed in paragraph 41 [AC P16.135]?

[SFAS 87, par. 54 (AC P16.150)] __ __ __

f. If more than one defined benefit plan exists:

(1) Have the disclosures required by 1 above been aggregated for all of
the employee's single-employer defined benefit plans or disaggregated in groups so as to provide the most useful information? ___ ___ ___

(2) Are plans with assets in excess of accumulated benefit obligations not aggregated with plans that have accumulated benefit obligations that exceed plan assets? ___ ___ ___

(3) Are disclosures for plans outside the U.S. not combined with those for U.S. plans unless those plans use similar economic assumptions? ___ ___ ___

[SFAS 87, par. 56 (AC P16.153)]

2. If there is a defined contribution plan, do disclosures include:

a. A description of the plan(s) including employee groups covered, the basis for determining contributions, and the nature and effect of significant matters affecting comparability of information for all periods presented? ___ ___ ___

b. The amount of cost recognized during the period? ___ ___ ___

[SFAS 87, par. 65 (AC P16.162)]

c. If the pension plan has characteristics of both a defined benefit plan and a defined contribution plan:

(1) Is the substance of the plan to provide a defined benefit? ___ ___ ___

(2) If yes, are accounting and disclosure requirements in accordance with the provisions of Kl above, applicable to a defined benefit plan? ___ ___ ___

[SFAS 87, par. 66 (AC P16.163)]

3. If there is a multiemployer plan, do disclosures include:

a. A description of the multiemployer plan(s) including the employee groups covered, the type of benefits provided (defined benefit or defined contribution), and the nature and effect of significant matters affecting compara-
b. The amount of cost recognized during the period? [SFAS 87, par. 69 (AC P16.166)]

4. If there is a settlement and/or curtailment of a defined benefit pension plan and/or termination benefits under such a plan, do disclosures include:

a. A description of the nature of the event(s)?

b. The amount of gain or loss recognized? [SFAS 88, par. 17 (AC P16.187)]

L. Postretirement Health Care and Life Insurance Benefits

1. Do disclosures include:

a. A description of benefits and employee groups covered? [SFAS 81, par. 6 (AC P50.102)]

b. A description of accounting and funding policies?

c. The cost of benefits recognized during the period?

d. The effect of significant matters affecting the comparability of the costs recognized for all periods presented?

M. Futures Contracts

1. If a futures contract is designated a hedge:

a. Does the item to be hedged expose the enterprise to price (or interest rate) risk?
b. Does the futures contract reduce the exposure to risk and is it designated as a hedge?  
[SFAS 80, par. 4 (AC F80.104 and .404)]

2. If the futures contract hedges an anticipated transaction:
   a. Are the significant characteristics and expected terms of the anticipated transaction identified? 

b. Is it probable that the anticipated transaction will occur?  
[SFAS 80, par. 9 (AC F80.109)]

3. If a futures contract is accounted for as a hedge, does the disclosure include:
   a. The nature of the assets, liabilities, firm commitments, or anticipated transactions that are hedged with futures contracts?  

b. The method of accounting for the futures contract including a description of the events or transactions that result in recognition in income of changes in value of the futures contracts?  
[SFAS 80, par. 12 (AC F80.112)]

N. Other Matters

   o If required [SFAS 21 (AC S20)], does the financial statement presentation include segment information?  
[SFAS 14 (AC S20); SFAS 24 (AC S20.109-.110); SFAS 30 (AC S20.145); and TBs 79-4, 79-5 and 79-8 (AC S20.501-.507)]

Statement of Financial Condition

A. Cash

   o If material, is the amount of certificates of deposit included in cash disclosed?  
[A&AG, page 98]

B. Securities Purchased Under Agreements to Resell

   1. Is the following end of period information disclosed:
YES  NO  N/A

a. A description of the securities underlying the agreements?
   ___  ___  ___

b. The cost of the agreements, including accrued interest?
   ___  ___  ___

c. The market value of the securities underlying any agreement if less than the cost of that agreement?
   ___  ___  ___

d. The maturity of the agreements?
   ___  ___  ___

e. The dollar amount of agreements to resell the same securities?
   ___  ___  ___

f. The dollar amount of agreements to resell substantially identical securities?
   ___  ___  ___

g. The dollar amount of assets at risk under agreements outstanding?
   ***  ___  ___

[SOP 86-1, par. 31]

2. Is the following additional information disclosed:

   a. The maximum amount of outstanding agreements at any month-end during the period?
      ___  ___  ___

   b. The average amount of outstanding agreements for the period?
      ___  ___  ___

   c. A statement of whether the securities underlying the agreements were under the association's control?
      ___  ___  ___

[SOP 86-1, par. 31]

C. Investment Securities

1. For securities not covered by SFAS 12 [AC I89]:

   a. Does the statement of financial condition show separate amounts for U.S. Treasury and other U.S. Government agencies; states and political subdivisions; and other securities?
      ___  ___  ___

      [A&AG, page 98]

   b. Are securities recorded at cost?
      ___  ___  ___
c. Are market values disclosed on the face of the statement of financial condition?  
   [A&AG, pages 20 and 98]

  YES  NO  N/A

  2. Are appropriate disclosures made for marketable equity securities?  
     [SFAS 12, par. 12 (AC I89.106)]

  3. Is Federal Home Loan Mortgage Corporation Participating Preferred Stock reported at lower of cost or market, with declines reflected as a component in equity absent on intent to dispose of the stock, in conformance with SFAS 12 [AC I89]?  
     [TB 85-1, par. 3 (BT7.503)]

D. Mortgage Loans and Mortgage-Backed Securities Held for Investment

  1. Are mortgage loans and mortgage-backed securities held for investment reported separately in the statement of financial condition?  
     [SOP 86-1, par. 31]

  2. Is market value disclosed?  
     [SOP 86-1, par. 31]

E. Mortgage Loans and Mortgage-Backed Securities Held for Sale

  1. Are mortgage loans and mortgage-backed securities held for sale reported separately in the statement of financial condition?  
     [SFAS 65, par. 28 (AC Mo4.129)]

  2. Are mortgage loans and mortgage-backed securities reported at the lower of cost or market value?  
     [SFAS 65, par. 4 (AC Mo4.105)]
3. Is the method used in determining lower of cost or market value disclosed?
   [SFAS 65, par. 29 (AC Mo4.130)]
   YES | NO | N/A

4. If the right to service mortgage loans sold was acquired, is the following information disclosed:
   a. The amount capitalized during the period in acquiring the right to service?
      YES | NO | N/A
   b. The method of amortizing the capitalized amount?
      YES | NO | N/A
   c. The amount of amortization for the period?
      YES | NO | N/A
      [SFAS 65, par. 30 (AC Mo4.131)]

F. Loans Receivable

1. Are components of the loan portfolio disclosed?
   [A&AG, pages 105-106]
   YES | NO | N/A

2. Are loans to related parties disclosed?
   [SFAS 57, par. 2 (AC R36.102)]
   YES | NO | N/A

3. For troubled debt restructurings are the following disclosed by major category of loans as of the date of each balance sheet presented:
   a. The aggregate recorded investment?
      YES | NO | N/A
   b. The gross interest income that would have been recorded if loans had been current per their original terms?
      YES | NO | N/A
   c. The amount of interest income included in net income?
      YES | NO | N/A
   d. The amount of any commitments to lend additional funds to debtors owing restructured troubled loans?
      YES | NO | N/A
      [SFAS 15, pars. 40-41 (AC D22.135-.137); TBs 79-6 and 79-7 (AC D22.501-.505)]

4. For loans sold with recourse are the following disclosures made:
   a. For each period for which an income statement is presented, the amount of proceeds?
      YES | NO | N/A
b. At the date of each balance sheet presented, the balance of sold receivables that remain uncollected?  
[SFAS 77, par. 9 (AC R20.109)]

5. For real estate loans other than troubled debt restructurings:
   a. Are policies affecting evaluation of real estate loans disclosed?  
      [A&AG, pages 39-40]
   b. If appropriate, is analysis of activity in the loss allowance account disclosed?  
      [A&AG, page 41]

6. If material, are total loan commitments disclosed?  
   [A&AG, page 36]

7. Are amounts for the following accounts shown separately and deducted from loans receivable:
   a. Undisbursed portion of mortgage loans?  
      [A&AG, pages 36 and 106]
   b. Unamortized balance of unearned discounts on purchased loans?  
      [SFAS 91, par. 21 (FASB current text reference is not available at this time); A&AG, pages 63-64, and 106]
   c. Allowance for losses?  
      [A&AG, pages 34 and 106]
   d. Unamortized balance of loan commitment and loan origination fees?  
      [SFAS 91, pars. 21 and 65 (FASB current text reference is not available at this time); A&AG, pages 74-75]

8. Is the unamortized balance of premiums on purchased loans shown as part of the related loan balance?  
   [SFAS 91, par. 21 (FASB current text reference is not available at this time)]

G. Real Estate Acquired in Settlement of Loans

1. Is real estate acquired in settlement of loans shown separately on the statement
YES NO N/A

2. Is such real estate stated at lower of fair value at acquisition date or net realizable value? [A&AG, page 105]

3. Is allowance for losses (significant and permanent declines in value) shown separately and deducted from related real estate? [A&AG, pages 98 and 105]

4. If appropriate, is activity in the loss allowance account disclosed? [A&AG, page 41]

H. Real Estate Acquired for Sale or Development

1. Is such real estate recorded at lower of cost or estimated net realizable value? [A&AG, page 41]

2. Is the amount of capitalized interest cost disclosed? [SFAS 34, par. 21 (AC I67.116)]

3. Have ADC arrangements which do not have the characteristics of loans been appropriately classified as investments in joint ventures or investments in real estate? [NTP]

I. Premises and Equipment

1. Are fixed assets shown on the balance sheet net of accumulated depreciation? [A&AG, page 98]

2. Is the carrying basis disclosed? [A&AG, page 98]

3. Are the balances of major classes of depreciable assets disclosed? [APB 12, par. 5b (AC D40.105b)]

4. Is accumulated depreciation, either by major classes of assets or in total, disclosed? [APB 12, par. 5c (AC D40.105c)]

5. Are material commitments for property expenditures disclosed? [A&AG, page 46]
6. Is the amount of capitalized interest cost disclosed?  
   [SFAS 34, par. 21 (AC I67.116)]  
   YES NO N/A

J. Federal Savings and Loan Insurance Corporation  
   Secondary Reserve Prepayment  
   o Is the amount shown separately on the statement of financial condition?  
     [A&AG, page 98]  
     YES NO N/A

K. Federal Home Loan Bank Stock  
   1. Is stock shown separately on the statement of financial condition at cost?  
      [A&AG, page 98]  
      YES NO N/A

   2. If used as collateral for advances from the Federal Home Loan Bank, is this fact disclosed?  
      [A&AG, page 107]  
      YES NO N/A

L. Accrued Interest Receivable  
   o Consider showing separately on the statement of financial condition?  
      [A&AG, page 98]  
      YES NO N/A

M. Other Assets  
   1. For investments in common stock accounted for by the equity method, are appropriate disclosures made?  
      [APB 18, par. 20 (AC I82.110)]  
      YES NO N/A

   2. Are investments in life insurance reported at amounts which can be realized as of the balance sheet date?  
      [TB 85-4, par. 2 (I50.508)]  
      YES NO N/A

   3. For an unidentified intangible asset arising as a result of the fair value of liabilities assumed in a purchase method business combination exceeding fair value of tangible and identified intangible assets acquired from a combination initiated after September 30, 1982:  
      a. Is the amortization period no greater than the estimated remaining life of long-term interest-bearing assets acquired?  
         YES NO N/A
b. Is the interest method used as the amortization method?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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<tbody>
<tr>
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</table>

c. Is the interest method applied to outstanding balances of interest-bearing assets?  

[SFAS 72, par. 5 (I60.133-.134)]

N. Savings Accounts

o Is the composition of savings accounts by interest rates disclosed?  

[A&AG, pages 49 and 106]

O. Advances From Federal Home Loan Bank

o Do the notes to the financial statements disclose:

a. Composition of advances by interest rates?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
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</table>

b. Amounts due within one year and amounts due after one year?  

[A&AG, page 107]

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</table>

c. Assets pledged as collateral?  

[SFAS 5, par. 18 (C59.120); A&AG, page 107]

P. Securities Sold Under Agreements to Repurchase

1. Is the following end of period information disclosed:

a. A description of the securities underlying the agreements?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

b. The book value, including accrued interest of the securities underlying the agreements?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</thead>
<tbody>
<tr>
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</table>

c. The market value of the securities underlying the agreements?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</table>

d. The maturity of the agreements?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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<tbody>
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</table>

e. The weighted-average interest rate of the agreements?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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<tbody>
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</table>

f. The dollar amount of agreements to repurchase the same securities?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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<tbody>
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</table>

g. The dollar amount of agreements to repurchase substantially identical securities?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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<tbody>
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</table>
h. The dollar amount of assets at risk under agreements outstanding?  
[SOP 86-1, par. 31]  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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2. Is the following additional information disclosed:  

a. The maximum amount of outstanding agreements at any month-end during the period?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</table>

b. The average amount of outstanding agreements for the period?  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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c. A statement of whether the securities underlying the agreements were under the association's control?  
[SOP 86-1, par. 31]  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</table>

Q. Other Borrowed Money  

1. Is the subordinated debt classified as debt?  
[A&AG, page 62]  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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2. If material, is the amount of mortgage-backed bonds shown separately on the statement of financial condition and are all significant terms disclosed in notes to financial statements?  
[A&AG, page 61]  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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3. Is the combined aggregate amount of maturities and sinking fund requirements for all long-term borrowings disclosed for each of the five years following the date of the latest balance sheet presented?  
[SFAS 47, par. 10 (AC C32.105)]  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</table>

4. Are conversion features appropriately accounted for and disclosed?  
[APB 14, pars. 12 & 16-18 (AC D10.103 and D10.105-.107); APB 15, par. 19 (AC E09.110)]  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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</table>

5. Are assets pledged as collateral disclosed?  
[SFAS 5, par. 18 (C59.120); A&AG, page 107]  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
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6. For troubled debt restructuring occurring during the current period do disclosures include:
a. Description of the principal changes in terms, the major features of settlement, or both?

b. Aggregate gain on restructuring of payables and the related income tax effect?

c. Aggregate net gain or loss on transfers of assets recognized during the period?

d. Per share amount of the aggregate gain on restructuring of payables, net of related income tax effect?

[SFAS 15, par. 25 (AC D22.121)]

7. For periods after a troubled debt restructuring, do disclosures include:

a. The extent to which amounts contingently payable are included in the carrying amount of restructured payables?

b. Total amounts that are contingently payable, if applicable, and conditions under which those amounts would become payable or forgiven?

[SFAS 15, par. 26 (AC D22.122)]

8. Has debt, as required, been considered extinguished for financial reporting purposes because:

a. The debtor is legally released from being the primary obligor and it is probable that the debtor will not be required to make future payments with respect to that debt under any guarantee?

b. The debtor irrevocably places cash or other assets in a trust to be used solely for satisfying scheduled payments of both interest and principal of a specific obligation and the possibility that the debtor will be required to make future payments with respect to that debt is remote?

[SFAS 76, par. 3 (AC D14.102A); TB 85-2 (AC C30)]

9. If there is an extinguishment of debt (including prepayment of FHLB advances)
is the difference between reacquisition price and carrying amount:

a. Recognized currently in income?
   [APB 26, pars. 20-21 (AC D14.103-.104);
   TB 80-1, pars. 3-4 (AC D14.503-.504);
   SFAS 84, par. 5 (AC D14.101)]

b. Identified as a separate or extra-
   ordinary item?
   [SFAS 4, par. 8 as amended by SFAS 64,
   par. 4 (AC D14.105)]

10. If debt is considered to be extinguished in conformity with SFAS 76, paragraph 3c, does the disclosure include:

   a. A general description of the trans-
      action?

   b. The amount of debt that is considered
      extinguished as long as the debt re-
      mains outstanding?
      [SFAS 76, par. 3c (AC D14.102Ac)]

R. Lessee Leases

1. For capital leases do disclosures include:

   a. Gross amounts of assets recorded by
      major classes as of the date of each
      balance sheet presented?
      [SFAS 13, par. 16a (AC L10.112a(1)-(4))]  

   b. Future minimum lease payments as of
      the latest balance sheet presented in
      the aggregate and for each of the
      five succeeding fiscal years with
      appropriate separate deductions
      therefrom for executory costs and im-
      puted interest to reduce net minimum
      lease payments to present value?
      [SFAS 13, pars. 10 & 16a (AC L10.106
      and .112a(1)-(4))]  

   c. The total of future minimum sublease
      rentals under noncancelable subleases
      as of the date of the latest balance
      sheet presented?
      [SFAS 13, par. 16a (AC L10.112a
      (1)-(4))]
d. Total contingent rentals actually incurred for each period for which an income statement is presented?  
[SFAS 13, par. 16a (AC L10.112a(1)-(4)) amended 10/1/79 by SFAS 29, par.12]

2. For operating leases that have initial or remaining noncancelable lease terms in excess of one year do disclosures include:

a. Future minimum rental payments required as of the latest balance sheet presented in the aggregate and for each of the five succeeding fiscal years?  

b. The total of future minimum rentals under noncancelable subleases as of the date of the latest balance sheet presented?  
[SFAS 13, par. 16b (AC L10.112b)]

3. For all operating leases do disclosures include: rental expense for each period for which an income statement is presented with separate amounts for minimum rentals, contingent rentals, and sublease rentals?  
[SFAS 13, par. 16c (AC L10.112c)]

4. Do disclosures include a general description of the lessee's leasing arrangements, including but not limited to:

a. Bases for determination of contingent rentals?  

b. Terms of any renewal or purchase options or escalation clauses?  

c. Restrictive covenants?  
[SFAS 13, par. 16d (AC L10.112d); For amendments of SFAS 13 see SFASs 17, 22, 23, 26, 27, 28 and 29; for interpretations see FASBIs 19, 21, 23, 24, 26 and 27; for technical bulletins see TBs 79-10, 79-11, 79-12, 79-13, 17-14, 79-15, 79-16, 79-17 and 79-18]

S. Advances From Borrowers for Taxes and Insurance

1. Is the amount shown separately on the statement of financial condition?  
[A&AG, page 99]
2. If required to establish special funds, are the special funds and related liability separately disclosed?
[A&AG, pages 53-54]  

T. Federal Income Taxes

o Is the amount shown separately on the statement of financial condition?
[A&AG, page 99]  

U. Other Liabilities

1. Are short sale proceeds reported as a liability?
[A&AG, page 22]  

2. For loans transferred with recourse which are not reported as sales, is the amount of proceeds from the transfer reported as a liability?
[SFAS 77, par. 8 (AC R20.109)]  

3. Are liabilities appropriately accrued and reported for employees' compensation for future absences?
[SFAS 43, par. 6 (C44.104)]  

4. Are liabilities for special termination benefits to employees appropriately accrued and reported when the employees accept the offer and the amount can be reasonably determined?
[SFAS 88, par. 15 (P16.185)]  

V. Capital Stock

1. For each class of stock do disclosures include the number of shares authorized, issued and outstanding, and par or stated value per share?
[APB Statement 4, par. 199, R-9A]  

2. Do the financial statements include a description, in summary form, sufficient to explain the pertinent rights and privileges of the various securities outstanding, for example: dividend and liquidation preferences, participation rights, call prices and dates, conversion or exercise prices or rates and pertinent dates, sinking fund requirements, unusual voting rights?
[APB 15, par. 19 (AC E09.110)]
3. Are the amounts of redemption requirements for all issues of capital stock that are redeemable at fixed or determinable prices on fixed or determinable dates disclosed for each of the five years following the date of the latest balance sheet presented?  
   [SFAS 47, par. 10 (AC C32.105)]

4. Are liquidation preferences of preferred stock issues disclosed in the equity section of the balance sheet in the aggregate?  
   [APB 10, par. 10 (AC C16.101)]

5. For preferred stock do disclosures include:
   a. The aggregate or per share amounts at which shares may be called or are subject to redemption?  
   [APB 10, par. 11 (AC C16.102)]

6. For stock option and stock purchase plans, do disclosures include:
   a. The number of shares under option?  
   b. The option price?  
   c. The number of shares as to which options are exercisable?  
   d. For shares exercised, the number of shares exercised and option price?  
   [ARB 43, Ch. 13B, par. 15 (AC C47.123); APB 25, par. 19; FASBI 28 (AC C47.119-.122 and .138-.146); TB 82-2, pars. 10-12 (AC C47.513-.515); FASBI 38 (AC C47.135A-.135E)]

W. Additional Paid-in Capital
   o Is the amount shown separately on the statement of financial condition?  
   [A&AG, page 99]

X. Retained Earnings
   1. Is retained earnings shown separately on the statement of financial condition?  
   [A&AG, pages 64 and 99]
2. Are significant restrictions on the use of retained earnings for payment of dividends and interest disclosed? [SFAS 5, par. 18 (AC C59.120); A&AG, page 65]  ---  ---  ---

3. If significant restrictions exist, does the caption for retained earnings indicate that retained earnings are "substantially restricted"? [A&AG, pages 65 and 99]  ---  ---  ---


5. Is the following information disclosed for bad debt reserves:  
   a. Purposes for which reserves are provided?  ---  ---  ---
   b. The fact that income taxes may be payable if reserves are used for other than designated purposes?  ---  ---  ---
   c. Accumulated amount of reserves for which income taxes have not been accrued?  ---  ---  ---
      [APB 23, par. 24 (AC I42.124)]

6. After completion of a quasi-reorganization, is a new retained earnings account established and dated with the date being disclosed in subsequent financial statements until it is no longer deemed significant? [ARB 43, Ch. 7A, par 10 (AC Q15.111); ARB 46 (AC Q15.111)]  ---  ---  ---

Y. Other Stockholders' Equity Accounts

1. Are cumulative translation adjustments separately disclosed? [SFAS 52, par. 31 (AC F60.141)]  ---  ---  ---

2. For treasury shares purchased at a stated price significantly in excess of current market price, is the allocation of amounts paid and the accounting treatment for such amounts disclosed? [TB 85-6, par. 3 (C23.501-.503)]  ---  ---  ---
3. Is the valuation allowance for marketable equity securities separately disclosed?  
   [A&AG, page 99]

Statement of Operations

A. Interest on Loans

1. Is interest on loans shown separately on the statement of operations?  
   [A&AG, page 100]

2. Has interest income been reported on a consistent basis?  
   [A&AG, page 33]

3. If it is probable that interest on delinquent loans will not be received, has accrual of such interest been discontinued?  
   [A&AG, page 33]

4. Is amortization of deferred loan origination, commitment, and other fees and costs recognized as an adjustment of yield, reported as interest income?  
   [SFAS 91, par. 22 (FASB current text reference is not available at this time)]

5. Except as specified in paragraph 20, is the interest method used as the method of amortization?  
   [SFAS 91, par. 18 (FASB current text reference is not available at this time)]

B. Loan Fees

- Is amortization of loan fees being amortized on the straight-line basis over the commitment period or included in income when the commitment expires, reported as service fee income?  
  [SFAS 91, par. 22 (FASB current text reference is not available at this time)]

C. Interest/Dividends on Investments

- Is the amount for investment income shown separately on the statement of operations?  
  [A&AG, page 100]
D. Gain/Loss on Sales of Investments

1. Is the amount shown separately on the statement of operations?  
   [A&AG, page 100]  
   ___ ___ ___  

2. If the market value of securities required to complete a short sale is greater than the short sale proceeds, has a loss been recorded?  
   [A&AG, page 22]  
   ___ ___ ___  

E. Gain/Loss on Sales of Loans

○ Are material gains/losses on loans sold with recourse separately disclosed?  
   [SFAS 77, pars. 9 and 39b (AC R20.109b)]  
   ___ ___ ___  

F. Interest on Savings Accounts

1. Is the amount shown separately on the statement of operations?  
   [A&AG, page 100]  
   ___ ___ ___  

2. Is the interest penalty for early withdrawals reported as a reduction of interest expense in the period that the penalty is assessed?  
   [A&AG, page 51]  
   ___ ___ ___  

G. Interest on Advances and Other Borrowings

○ Is the amount shown separately on the statement of operations?  
   [A&AG, page 100]  
   ___ ___ ___  

H. Interest Capitalized

○ Is the amount shown separately on the statement of operations as a reduction of interest expense?  
   [SFAS 34, par. 21 (AC I67.116); A&AG, page 100]  
   ___ ___ ___  

I. General and Administrative Expenses

1. Salaries:
   a. If there is a compensatory stock issuance plan:
      (1) Is compensation expense accrued in the proper periods?  
         [APB 25, pars. 12-15 (AC C47.112-}
.115); FASBI 38, pars. 2-6 (AC C47.135A-.135E)]

(2) Are deferred income taxes recorded to recognize timing differences between accrual of compensation expense and deduction for income tax purposes? [APB 25, par. 16-18 (AC C47.116-.118); TB 82-2, pars. 8 & 13 (AC C47.511 and .516)]

(3) Are disclosures adequate? [ARB 43, Ch. 13B, par. 15 (AC C47.123)]

b. For deferred compensation agreements, are estimated amounts to be paid properly accrued? [APB 12, par. 6-8 (AC C38.101-.102)]

2. Employee Benefits:

a. Is the cost of the pension plan(s) accounted for in conformity with applicable pronouncements? [SFAS 87 and 88 (AC P16)]

b. Is the cost of postretirement health care and life insurance benefits disclosed? [SFAS 81, par. 6d (AC P50.102d)]

3. Operating Leases:

o Is the following information disclosed: Rental expense for each period for which an income statement is presented with separate amounts for minimum rentals, contingent rentals, and sublease rentals? [SFAS 13, par. 16c (AC L10.112c)]

J. Loss Provisions and Expenses of Loans and Real Estate Owned

1. Is the amount shown separately on the statement of operations? [A&AG, page 100]

2. Is the policy for providing valuation allowances for estimated losses on loans and real estate disclosed? [A&AG, page 105]
K. Other Expenses

   o Is depreciation expense for the period(s) disclosed accompanied by a general description of the method(s) used to compute depreciation for the major classes of depreciable assets?
     [APB 12, par. 5 (AC D40.105)]

L. Income Taxes

1. Are the components of income tax expense disclosed (tax expense estimated to be currently payable, tax effects of timing differences, and tax effects of operating losses) and allocated to:
   a. Income before extraordinary items?
   b. Extraordinary items?
     [APB 11, par. 60 (AC I28.106)]

2. Are tax benefits realized from operating loss carryforwards (other than preacquisition losses of acquired subsidiaries) reported as an extraordinary item in the period realized?
     [APB 11, par. 61 (AC I17.116)]

3. Do disclosures regarding income taxes include:
   a. Amounts of any unused operating loss carryforwards together with expiration dates (including separate identification of amounts that upon recognition would be credited to deferred taxes)?
   b. Significant amounts of any other unused deductions and/or credits together with expiration dates?
   c. Reasons for variations in the customary relationships between income tax expense and pretax accounting income?
     [APB 11, par. 63 (AC I28.109); SFAS 31, par. 7 (AC I42.133); TB 82-1, par. 5 (AC I28.511)]
   d. Domestic and foreign components of income taxes?

4. For undistributed earnings of a subsidiary and/or corporate joint venture, for which
income taxes have not been accrued, do disclosures include:

a. Declaration of either intention to re-invest such earnings to support the conclusion that their remittance has been indefinitely postponed, or that the undistributed earnings will be remitted in the form of a tax-free liquidation?

b. Cumulative amount of undistributed earnings on which the parent company has not recognized income taxes?

[APB 23, pars. 14 & 18 (AC I42.109 and .112)]

5. Is the accumulated amount of bad debt reserves for which income taxes have not been accrued disclosed?

[APB 23, par. 24 (AC I42.124)]

M. Discontinued Operations

1. Are operations of a segment that has been discontinued or are the subject of a formal plan for disposition:

a. Report separately from income from continuing operations and as a component (including applicable income taxes) of income before extraordinary items?

[APB 30, pars. 8 & 13-18 (AC I13.101-.103, .105-.106 and .108-.109)]

b. Accompanied by disclosure in the notes of revenue applicable to the discontinued operations?

[APB 30, par. 8 (AC I13.105)]

2. Is the gain or loss from disposal of a discontinued segment reported separately (including applicable income taxes) in conjunction with results of discontinued operations as a component of income taxes before extraordinary items?

[APB 30, pars. 8 & 13-18 (AC I13.101-103, .105-.106 and .108-.109)]

3. If the entity sells part of its ownership interest in a foreign entity, is a pro rata portion of the accumulated translation adjustment component of equity
attributable to that investment recognized in measuring the gain or loss on the sale?

[FASBI 37, par. 2 (AC ¶60.120)]

4. For the period encompassing the measurement date, do the notes to financial statements disclose:
   a. The identity of the segment that has been or will be discontinued? [YES NO N/A]
   b. The expected disposal date, if known? [YES NO N/A]
   c. The expected manner of disposal? [YES NO N/A]
   d. The description of the remaining assets and liabilities of the discontinued segment at the balance sheet date? [YES NO N/A]
   e. The income or loss from operations and any proceeds from disposal of the discontinued segment during the period from the measurement date to the balance sheet date? [APB 30, par. 18 (AC ¶I3.108-.109)] [YES NO N/A]

5. For periods after the measurement date and including the period of disposal, do notes to the financial statements disclose the information required for the period encompassing the measurement date, actual date and results of disposal compared with the prior estimates? [APB 30, par. 18 (AC ¶I3.108-.109)] [YES NO N/A]

N. Extraordinary Items

1. Do extraordinary items meet both criteria of (1) an unusual nature, and (2) infrequency of occurrence? [APB 30, pars. 19-24 (AC ¶I7.106-.111 and .118)] [YES NO N/A]

2. Are extraordinary items segregated and shown (including applicable income taxes) following income before extraordinary items and before net income? [APB 30, pars. 10-12 (AC ¶I7.102-.103)] [YES NO N/A]

3. Are descriptive captions and amounts (including applicable income taxes) presented for individual extraordinary events or transactions, preferably on
the face of the income statement if practicable?  
[APB 30, par. 11 (AC I17.102)]

4. Do disclosures include descriptions of an extraordinary event(s) or transaction(s) and the principal items entering into determination of extraordinary gain(s) or loss(es)?  
[APB 30, par. 11 (AC I16.102)]

5. Are material events or transactions that are either unusual in nature, or of infrequent occurrence but not both (and therefore not meeting criteria for extraordinary items):
   a. Reported as a separate component of income from continuing operations?  
   [APB 30, par. 26 (AC I22.101); TB 82-1, par. 6 (AC I28.512)]
   b. Accompanied by disclosure of the nature and financial effects of each event?  

6. For gains or losses from extinguishment of debt classified as extraordinary items, do disclosures include:
   a. A description of the extinguishment transactions, including the sources of any funds used to extinguish the debt if it is practicable to identify the sources?  
   b. The income tax effect in the period of extinguishment?  
   c. The per share amount of the aggregate gain or loss net of related income tax effect?  
   [SFAS 4, par. 9 (AC I17.104)]

O. Other

1. Are the following excluded from determination of net income or results of operations under all circumstances:
   a. Adjustments or charges or credits resulting from transactions in the company's own capital stock?
b. Transfers to and from accounts properly designated as appropriated retained earnings?  

[APB 9, par. 28 (AC C08.101)]

---

2. Is earnings per share information presented on the face of the income statement accompanied by appropriate disclosure that includes the basis of the calculation?  

[APB 15, (AC E09); APB 20, pars. 19c, 33, 35 & 37 (AC A06.115c, and .132, A35.105 and .113); APB 30, pars. 9 & 12 (AC E09.104, I13.107 and I17.103); FASBI 31 (AC E09.128-.131 and .169-.176); FASBI 38, par. 7 (AC E09.130A); SFAS 85, par. 3 (AC E09.123A)]

Statement of Changes in Stockholders' Equity

A. Are changes in the separate component accounts of stockholders' equity disclosed?  
[APB 12, par. 10 (AC C08.102)]

B. Are changes in the number of shares of equity securities disclosed?  
[APB 12, par. 10 (AC C08.102)]

C. Are prior period adjustments limited to:

1. Correction of an error(s) in financial statements of prior periods?  

2. Adjustments resulting from realization of income tax benefits of pre-acquisition operating loss carryforwards of purchased subsidiaries?  
[SFAS 16, par. 11 (AC A35.103)]

D. Are prior period adjustments and their resulting effects (both gross and net of applicable income taxes) appropriately disclosed?  
[APB 9, par. 26 (AC A35.107)]

E. For a correction of an error are the following disclosed in the period in which the error was discovered and corrected:

1. Nature of the error in previously issued financial statements?  

2. Effect of its correction on income before extraordinary items, net income, and re-
lated per share amounts (if applicable)?
[APB 20, par. 37 (AC A35.105)]

F. If appropriate or required, is a regulatory reserve account analysis presented in the statement of retained earnings or stockholders' equity?
[A&AG, pages 64-65]

Statement of Changes in Financial Position

A. Format

1. Is a statement of changes in financial position presented as a basic financial statement for each period for which an income statement is presented?
[APB 19, par. 7 (AC F40.101)]

2. Does the format provide the most useful portrayal of the reporting entity's financing and investing activities and changes in financial position?
[APB 19, par. 11 (AC F40.105)]

B. Content

1. Does the statement of changes in financial position disclose all important aspects of financing and investing activities regardless of whether cash or other elements of working capital are directly affected?
[APB 19, par. 8 (AC F40.101-.102)]

2. Does the statement of changes in financial position:

   a. Begin with income or loss before extraordinary items?
   [APB 19, par. 10 (AC F40.104)]

   b. Present additions or deductions of items recognized in determining income or loss that did not provide or use working capital or cash?
   [APB 19, par. 10 (AC F40.104)]

   c. Present working capital or cash provided from or used in operations exclusive of any extraordinary items?
   [APB 19, par. 10 (AC F40.104)]

   d. Present working capital or cash provided from or used by income or loss
from extraordinary items?
[APB 19, par. 10 (AC F40.104) as amended by APB 30 (AC E09, I13, I17 and I22)]

e. Individually disclose the effects of other financing and investing activities including:

(1) Outlays for purchase of long-term assets?

(2) Proceeds from sale of long-term assets?

(3) Conversion of long-term debt or preferred stock to common stock?

(4) Issuance, assumption, redemption and repayment of long-term debt?

(5) Issuance, redemption or purchase of capital stock for cash or assets other than cash?

(6) Dividends in cash or in kind or other distributions to shareholders (except for stock dividends and stock split-ups as defined in ARB 43, Ch. 7B [AC C20])?
[APB 19, pars. 13-14 (AC F40.107-.108)]

f. Are net changes in each element of working capital disclosed?
[APB 19, par. 12 (AC F40.106)]
Supplemental Disclosure Checklist for Savings and Loan Associations That Are SEC Registrants.

This Supplemental Disclosure Checklist for Savings and Loan Associations contains additional disclosures required in financial statements of publicly owned Associations filed with the Federal Home Loan Bank Board (FHLBB) under the Securities Exchange Act of 1934. Many of the disclosures are routinely made by associations not covered by this act. References in this supplement, unless otherwise stated, are from Section 563c.102 of Rules and Regulations issued by the FHLBB.

A. Business Combinations

1. For significant acquisitions (acquired assets exceed 10 percent of consolidated assets), are aggregate interest-bearing assets and liabilities recorded at fair market value?

   Yes  No  N/A

2. Are related discounts or premiums described and the following information disclosed in the period in which the acquisition occurs:

   a. Amounts of discounts or premiums?

   b. Method of amortization or accretion?

   c. Estimated remaining lives?

   d. Effect on income before taxes of amortization and accretion of discounts, premiums, and intangible assets?

B. Cash and Amounts Due From Depository Institutions

1. Are noninterest-bearing deposits with depository institutions included?

   Yes  No  N/A

2. Have any withdrawal and usage restrictions or compensating balance requirements been disclosed?

   Yes  No  N/A

3. If an association is not in compliance with compensating balance requirements:

   a. Is this fact disclosed?

   Yes  No  N/A

   b. Are possible or pending material sanctions for noncompliance disclosed?

   [SEC-FRR 203.02b]

   Yes  No  N/A

4. Are outstanding checks in excess of demand deposit account balances excluded and shown as a liability?

   Yes  No  N/A
5. Are interest-bearing deposits in other banks shown separately on the statement of financial condition?  

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C. Trading Account Assets

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D. Loans Receivable

1. Are separate amounts disclosed for the following categories:
   a. Real estate mortgage?  
   b. Real estate construction?  
   c. Installment?  
   d. Commercial, financial, and agricultural?  
   e. Any other loan category indicative of unusual risk concentration?  

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2. If more appropriate, have other categories been used?  

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3. Is unearned income on installment loans shown separately and deducted from total loans?  

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4. Are total dollar amounts of loans being serviced for the benefit of others disclosed for each period for which a statement of operations is presented?  

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5. If loans to related parties exceed 5 percent of stockholders' equity, is an analysis of activity presented for the latest fiscal year?  

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6. For each period for which a statement of operations is presented, do notes to financial statements include a schedule of changes in allowance for loan losses showing beginning and ending balances, provision charged to income, recoveries of amounts previously charged off, and losses charged to the allowance?  

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E. Real Estate Owned

1. Are amounts disclosed for:
   a. Real estate acquired by foreclosure? __ __ __
   b. Real estate in judgement and subject to redemption? __ __ __
   c. Real estate acquired for development or resale? __ __ __

2. Are accumulated depreciation or valuation allowances for each category of real estate shown separately? __ __ __

3. Are policies regarding and amounts of capitalized costs disclosed? __ __ __

4. For each period for which a statement of operations is presented, do notes to financial statements include a schedule of changes to the allowance for losses on real estate owned? __ __ __

F. Investments in Joint Ventures

1. Are summarized aggregate financial statements presented in the notes for those joint ventures which individually:
   a. Are 20 percent or more owned? __ __ __
       or
   b. Have liabilities, including contingent liabilities, to the parent company exceeding 10 percent of the parent's net worth? __ __ __

2. If an allowance for real estate losses, subsequent to acquisition, is maintained, is the amount disclosed and deducted from other real estate owned? __ __ __

   Are appropriate details disclosed? __ __ __

G. Other Assets

1. For accrued interest receivable, are amounts relating to loans and to investments stated separately? __ __ __

2. For equity method investments, is indebtedness of investees disclosed? __ __ __
3. For investments, other than equity method investments, are the amount and basis for determining carrying amount disclosed? YES NO N/A

4. Are other assets which individually exceed 30 percent of stockholders' equity stated separately? YES NO N/A

H. Savings Accounts

   i. Are amounts disclosed separately for the following categories:
      a. NOW accounts and MMDA deposits? YES NO N/A
      b. Savings deposits? YES NO N/A
      c. Time deposits? YES NO N/A

I. Borrowed Funds

1. Are the amount and terms of unused lines of credit for short-term financing disclosed? YES NO N/A
   Is the amount of lines of credit supporting commercial paper shown separately? YES NO N/A

2. For bonds, mortgages, and similar debt is the following disclosed:
   a. Interest rate? YES NO N/A
   b. Maturity date? YES NO N/A
   c. Existence of contingency as to payment of principal and interest? YES NO N/A
   d. Priority? YES NO N/A
   e. Conversion basis? YES NO N/A
   f. Amount and terms of unused commitments for long-term financing arrangements? YES NO N/A

3. Is the amount of each issue of debt of consolidated subsidiaries which has not been assumed or guaranteed by the parent disclosed? YES NO N/A

J. Deferred Credits

   i. Are deferred credits which exceed 30 percent of stockholders' equity shown separately on the statement of financial condition? YES NO N/A
K. Other Liabilities

o Are other liabilities which individually exceed 30 percent of stockholder's equity disclosed?

L. Stockholders' Equity

1. For preferred stock subject to mandatory redemption requirements:
   a. Are carrying amount and redemption amount shown on the statement of financial condition?
   b. If carrying and redemption amounts differ, is the accounting treatment for the difference disclosed?

2. If common stock is convertible, is this fact disclosed on the face of the statement of financial condition?

3. Does the statement of financial condition show separate captions for:
   a. Additional paid-in capital?
   b. Other additional capital?
   c. Restricted retained earnings?
   d. Unrestricted retained earnings?

4. Is the following information disclosed for regulatory net-worth requirements:
   a. The Association is or is not in compliance?
   b. Amount?
   c. The amount by which the Association exceeds or fails to meet requirements?

M. Interest Income

1. Does the statement of operations show separately:
   a. Interest and fees on loans?
   b. Interest and dividends on investment securities?
c. Trading account interest?  

  YES  NO  N/A

  ___  ___  ___

d. Other interest income?  

  YES  NO  N/A

  ___  ___  ___

2. Is net interest income disclosed separately in the statement of operations?  

  YES  NO  N/A

  ___  ___  ___

N. Gain/Loss on Sales of Investments

1. Is the method of determining cost disclosed?  

  YES  NO  N/A

  ___  ___  ___

2. Are related income taxes disclosed?  

  YES  NO  N/A

  ___  ___  ___

O. Other Income

  o If the amount exceeds 1 percent of the aggregate of total interest income and other income, does the statement of operations show separately:

a. Fiduciary fees?  

  YES  NO  N/A

  ___  ___  ___

b. Other customer fees?  

  YES  NO  N/A

  ___  ___  ___

c. Insurance commissions?  

  YES  NO  N/A

  ___  ___  ___

d. Profit or loss on transactions in investment securities?  

  YES  NO  N/A

  ___  ___  ___

e. Equity in earnings of investees?  

  YES  NO  N/A

  ___  ___  ___

f. Gains or losses on disposition of investments in subsidiaries and 50-percent or less-owned persons?  

  YES  NO  N/A

  ___  ___  ___

g. Profit or loss from real estate operations?  

  YES  NO  N/A

  ___  ___  ___

P. Interest Expense

1. Does the statement of operations show separately:

a. Interest on deposits?  

  YES  NO  N/A

  ___  ___  ___

b. Interest on short-term borrowings?  

  YES  NO  N/A

  ___  ___  ___

c. Interest on long-term borrowings?  

  YES  NO  N/A

  ___  ___  ___

2. For interest on deposits:

a. Are separate amounts disclosed for NOW accounts and MMDA deposits; savings deposits; time deposits?  

  YES  NO  N/A

  ___  ___  ___
b. If material, are early withdrawal penalties shown separately on the statement of operations? __ __ __

Q. Other Expenses

o If the amount exceeds 1 percent of the aggregate of total interest income and other income, does the statement of operations show separately:

a. Salaries and employee benefits? __ __ __
b. Net occupancy expense of premises? __ __ __
c. Net cost of operations of other real estate? __ __ __
d. Minority interest in income of consolidated subsidiaries? __ __ __
e. Goodwill amortization? __ __ __

R. Unusual or Infrequently Occurring Items

o Does the statement of operations show separately:

a. Gain or loss from sale of premises and equipment? __ __ __
b. Provision for loss and real estate owned? __ __ __
c. Provision for gain or loss on sale of loans? __ __ __

S. Income Taxes

o Do disclosures regarding income taxes include:

a. The nature and tax effect of selected timing differences? __ __ __
b. A reconciliation of the reported income tax expense with the "computed expected" tax amount? (The "computed expected" tax amount is defined as the amount determined by multiplying the financial statement income before income tax by the applicable statutory federal income tax rate. The reconciliation may be presented in
percentages, in dollar amounts, or both.)

\[ \text{c. Domestic and foreign components of income taxes?} \]

**T. Statement of Changes in Financial Position**

1. Are purchases and/or sales of loans shown separately from loan originations and collections?

2. Are significant additions to REO shown separately from sales of REO?

3. Is loan fee amortization shown separately from loan fees collected?

4. Is interest credited to savings accounts stated separately?

**U. For associations receiving capital assistance under the Net Worth Certificate Act:**

1. Do notes to financial statements include a note entitled Required Regulatory Financial Information?

2. Do notes disclose amounts for the following nonoperating income and expense categories:

   a. Profit (loss) on sales of real estate owned?

   b. Profit (loss) on sale of investment securities?

   c. Profit (loss) on sale of loans?

   d. Profit (loss) on sale of other assets?

   e. Miscellaneous nonoperating income?

   f. Other nonoperating expenses?

   g. Federal, state, local, and other income taxes?

   h. Other state and local taxes based upon the amount of deposits held by the institution or the interest paid on such deposits?

3. Do notes contain reconciliation for:
a. Total assets per the audited financial statements to total assets per the latest "Semiannual Financial Report"?

b. Net worth per the audited financial statements to net worth per the latest "Semiannual Financial Report"?

c. Net income per the audited financial statements with combined net income per the "Semiannual Financial Reports" for the year?

d. Net income per the audited financial statements adjusted by nonoperating income or expense categories mentioned above with combined net operating income per the "Semiannual Financial Reports" for the year?

V. Reconciliation of Net Worth

o If net worth per GAAP differs from the amount shown in the "Monthly Report" to the FHLBB, is reconciliation included in the notes?

W. Internal Control Report

1. Does the report explain material exceptions to confirmations of loans and savings accounts which were not satisfactorily reconciled?

2. Does the report explain material exceptions noted in loan documents examined or missing from files which were not satisfactorily resolved?

3. Does the audit report refer to the internal control report?
TECHNICAL HOTLINE

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