

June 30, 2021

### PREPAID EXPENSES

| PROCEDURE  | OBJ. | DONE BY | W/P REF | N/A | REMARKS |
|--|------|---------|---------|-----|---------|
| <b>Audit Objectives and Related Assertions:</b>  |      |         |         |     |         |
| <b>A. Prepaid expenses are properly recorded, represent a complete listing of material costs allocable to future periods and are properly amortized on a basis consistent with the method used in prior periods. (1,2,3,4)</b> |      |         |         |     |         |
| <b>B. Prepaid expenses are properly described and classified and related disclosures are adequate. (10,11,12,13)</b>   |      |         |         |     |         |
| <b>Audit Procedures:</b>   |      |         |         |     |         |
| A. Obtain or prepare a schedule of material prepaid expenses.  | A    |         |         |     |         |
| B. Examine supporting documentation and verify the reasonableness of computed prepaid amounts.   | A    |         |         |     |         |
| C. Determine if there are any significant unrecorded prepaid expenses.   | A    |         |         |     |         |
| D. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.  |      |         |         |     |         |
| E. Determine whether prepaid expenses are properly classified and disclosures are adequate.  | B    |         |         |     |         |
| <u>ALTERNATE/ADDITIONAL PROCEDURES:</u>  |      |         |         |     |         |
| <br><br><br><br><br>   |      |         |         |     |         |
| <u>CONCLUSION:</u>   |      |         |         |     |         |
| We have performed procedures sufficient to achieve the audit objectives for prepaid expenses and the results of these procedures are adequately documented in the accompanying workpapers.                                     |      |         |         |     |         |