

**Reviewing and restating the financials.** If the board of directors approves the proposal to go public, the company's financial statements for the preceding five years should be carefully reviewed and, if necessary, restated to comply with Generally Accepted Accounting Principles (GAAP). Certain transactions that are ethical and legally permissible for private companies, such as certain sale-leaseback arrangements, must be eliminated and the financial statements appropriately adjusted. The accounting firm normally assists with the review of the financial statements and the making of appropriate adjustments.