

# 2014 NOT-FOR-PROFIT ENTITIES OVERVIEW FOR KNOWLEDGE COACH USERS

## PURPOSE

This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. This document is not, and should not be used as an audit program to update the audit documentation of an engagement started in a previous version of this product

## WORKPAPER UPDATES AND ROLL FORWARD NOTES

### General Roll Forward Note:

You must be the current editor of all Knowledge Coach workpapers to update to the latest content, and you must be the current editor upon opening the updated workpaper for the first time to ensure you see the updated workpaper.

The **2014 Knowledge-Based Audits of Not-for-Profit Entities** has been updated to help auditors conduct audit engagements in accordance with the new clarified and redrafted auditing standards resulting from the ASB's Clarity Project and related guidance, including the requirements of SAS-127, Omnibus Statement on Auditing Standards—2013. Many new tips and examples have been incorporated. The 2014 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Also included is a revised financial statement disclosures checklist that provides a centralized resource of the current required and recommended GAAP disclosures and key presentation items, using the style referencing under the FASB Accounting Standards Codification™.

The 2014 edition of *Knowledge-Based Audits of Not-for-Profit Entities* includes the following updates:

### Knowledge-Based Audit Documents (KBAs)

- Instructions have been modified to:
  - Reflect the requirements of the clarified auditing standards;
  - Provide additional guidance on the KBA methodology to enhance usability; and
  - Better describe the use of each document.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBA-101 Overall Audit Strategy</b>					
Modify	Section I, Reporting Requirements table				Responses to questions will now flow in from KBA-200, data previously entered in this workpaper will be captured and retained on rollforward in KBA-200
New	Section I, Audit Coverage, Subsidiary Table				Responses to questions will now flow in from KBA-200, data previously entered in this workpaper will be captured and retained on rollforward in KBA-200. This table will be combined with the table that was in KBA-201, please review for potential duplicates.
Delete	Section I, Reliance on Others, Key Engagement Contacts Table				Responses to questions will now flow in from KBA-200, data previously entered in this workpaper will be captured and

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					retained on rollforward in KBA-200. This table will be combined with the table that was in KBA-302 and KBA-302N, please review for potential duplicates. You can also add additional contacts if necessary.
<b>KBA-200 Entity Information and Background</b>					
New	New workpaper developed to capture relevant entity information and background details in one workpaper.	Table other than procedures	N		This is a new foundation workpaper that will capture, combine, and retain data entered into KBA-101, KBA-201, KBA-302 and KBA-302N. Due to the combination of data from multiple sources please review for duplicates and accuracy.
<b>KBA-201 Client/Engagement Acceptance and Continuance Form: Complex Entities</b>					
Delete	Removed Part 1, Section I - Background and Basic Information, moved to KBA-200.	Table other than procedures	N		Data previously entered in this workpaper will be captured and retained on rollforward in KBA-200
<b>KBA-201N Client/Engagement Acceptance and Continuance Form: Noncomplex Entities</b>					
New	New workpaper developed to allow the auditor the option of documenting his or her client/engagement acceptance decisions in a memorandum format, based on the circumstances of the engagement.	Table other than procedures	N		
<b>KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts</b>					
New	This workpaper has been moved to a word document to better facilitate flow and rollforward retention in Knowledge Coach.	Table - other than procedures	N		
Modify	Changed percentages for rule of thumb calculation for total expenses	Table other than procedures	N		
<b>KBA-302 Understanding the Entity and Its Environment: Complex Entities</b>					
Modify	Section I: Entity Information	Table other than procedures	N		Responses to questions will now flow in from KBA-200, data previously entered in this workpaper will be captured and retained on rollforward in KBA-200. This table will be combined with tables that are in KBA-101, KBA-201 and KBA-302N, please review for potential duplicates.
Delete	Removed "No" from the Considered column.	Table other than	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
		procedures			
New	Added new consideration regarding management's process that identifies those transactions, events, and conditions that may give rise to the need for accounting estimates to be recognized, revised, or disclosed in the financial statements.	Table other than procedures	Y	AU-C 540	
New	Added new consideration regarding management's process for making accounting estimates and any changes in that process including the underlying assumptions and any models or specialists used.	Table other than procedures	Y	AU-C 540 and AU-C 620	
New	Added new consideration regarding management's belief that their level of authority justifies certain level of compensation and personal privileges.	Table other than procedures	Y	AU-C 240	
<b>KBA-302N Understanding the Entity and Its Environment: Noncomplex Entities</b>					
Modify	Section I: Entity Information	Table other than procedures	N		Responses to questions will now flow in from KBA-200, data previously entered in this workpaper will be captured and retained on rollforward in KBA-200. This table will be combined with tables that are in KBA-101, KBA-201 and KBA-302N, please review for potential duplicates.
<b>KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures</b>					
Delete	Deleted column on "Did Management's Disclosures Meet the Auditor's Expectations." This question was moved to KBA-104. Modified instructions accordingly.	Table other than procedures	N		
<b>KBA-403 Understanding Activity-Level Controls: Program Service and Other Revenue, Contributions, Pledges, Receivables, Cash Receipts, and Agency Transactions</b>					
Modify	Changed title and contents to include program service revenues.	Table other than procedures	N		
Modify /New	Changed section on order processing to service requests and added control objectives for requests for services, grants, and contracts.	Table other than procedures	N		
Modify /New	Changed section on distribution and delivery to services and goods delivery and modified control objectives to address service deliveries.	Table other than procedures	N		

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New	New control objective: Contributions and pledges are recorded in the proper period	Table other than procedures	N		
<b>KBA-404 Understanding Activity-Level Controls: Purchases and Inventory</b>					
New	Added new control objectives for Returns	Table other than procedures	N		
<b>KBA-407 Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements</b>					
New	Added new control objectives for Returns (Non-Inventory)	Table other than procedures	N		
<b>KBA-408 Understanding Activity-Level Controls: Payroll</b>					
New	Added new control objective: Contemporaneous time records for both hourly and salaried employees are maintained where required by grant, contract or federal regulation	Table other than procedures	N		
<b>KBA-501 Team Discussion of the Risks of Material Misstatement</b>					
New	Added to instructions examples of pressures that are unique to entities that seek revenues in the form of contributions and grants and that may increase the risk of material misstatement.	Table other than procedures	N		
<b>KBA-904 Audit Documentation Checklist</b>					
Modify	Reorganized the items in the checklist	Table other than procedures	N		
New	Added new audit documentation item for audits conducted in accordance with GAGAS: (3) Our understanding with the entity when we perform a nonaudit service.	Table other than procedures	Y	GAGAS 3.59	
Modify	Modified consideration of compliance with provisions of contracts or grant agreements as follows: Consideration of compliance with provisions of laws, regulations, contracts, and grant agreements, and abuse	Table other than procedures	Y	GAGAS 4.08	

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	including: application of audit procedures to follow up on any identified instances of abuse or potential abuse that could be quantitatively or qualitatively material to the financial statement amounts or audit objectives. .				
New	Evaluating the impact on the current audit of investigations or legal proceedings initiated or in process.	Table other than procedures	Y	GAGAS 4.09	
Modify	Modified items for reporting standards dealing with compliance with GAGAS including reporting on internal control including the following: (a) Either in the same or in separate report(s) a description of the scope of the auditors' testing of internal control over financial reporting and of compliance with provisions of laws, regulations, contracts, or grant agreements; and (b) Whether the tests they performed provided sufficient, appropriate evidence to support opinions on the effectiveness of internal control and on compliance with provisions of laws, regulations, contracts, or grant agreements.	Table other than procedures	Y	GAGAS 4.20	
Modify	Modified items for reporting standards dealing with compliance with GAGAS for communications in writing to entity officials regarding deficiencies in internal control, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse including: (a) Significant deficiencies and material weaknesses in internal control; (b) Instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the audit and any other instances that warrant the attention of those charged with governance; (c) Noncompliance with provisions of contracts or grant agreements that has a material effect on the audit; and (d) Abuse that has a material effect on the audit.	Table other than procedures	Y	GAGAS 4.23	
<b>KBA-905 Review and Approval Checklist: Interim Review of Financial Information</b>					
New	New workpaper	Table other than			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
		procedures			

### Audit Programs (AUDs)

- Where applicable, relevant assertions and audit objectives have been updated.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-100 Tailoring Question Workpaper</b>					
New	New tailoring questions have been added.	Tailoring	N	N/A	Review and answer. All of these new tailoring questions will impact other workpapers. Be sure to add additional audit areas (AUD 819-821) when applicable.
<b>AUD-101 Overall Audit Program</b>					
New	For audit engagements conducted in accordance with GAGAS, document that engagement team members have complied with applicable GAGAS requirements for continuing professional education hours.	Procedures Steps	N		
<b>AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement</b>					
New	Added new substeps to considerations of steps performed by predecessor to include the following: a. Tested grant revenues including the reconciliation of advances received and claims submitted to the grantor. b. Tested the functional allocation of expenses.	Procedures Steps	N		
<b>AUD-601 Audit Program: Testing and Evaluating Internal Auditors' Work</b>					
Modify	Updated for SAS-128, <i>Using the Work of Internal Auditors</i>	Procedure Steps Table Other than procedures	Yes	SAS-128	
<b>AUD-800 Audit Program: Custom</b>					
New	Added steps to review financial statement disclosures	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-801 Audit Program: Cash</b>					Tailoring added and modified to reflect changes noted below.
New	We inquired of management and reviewed documents relating to restrictions on cash arising from donors or legal agreements, or both.	Procedures Steps	N		
<b>AUD-802 Audit Program: Investments Including Programmatic Investments</b>					Tailoring added and modified to reflect changes noted below.
Modify	Changed title to Audit Program: Investments Including Programmatic Investments	Procedures Steps	N		
Modify	Modified the order of the procedures so that the valuation steps follow all the other procedures sections.	Procedures Steps	N		
New	Added audit procedures for investment pools that the entity operates on behalf of itself or others	Procedures Steps	N		
New	Added audit procedures for investment pools managed by a third party	Procedures Steps	N		
New	Added audit procedures for reclassification of restricted net assets.	Procedures Steps	N		
New	Added audit procedures for testing donor-restricted endowments.	Procedures Steps	N		
New	Added audit procedures for “other investments.”	Procedures Steps	N		
New	Added audit procedures for programmatic investments.	Procedures Steps	N		
<b>AUD-803 Audit Program: Accounts Receivable and Revenue</b>					Tailoring added and modified to reflect changes noted below.
New	New primary audit objectives: D. Consideration is given to determine if the transaction is properly classified as a contribution or as an exchange transaction. E. In the statement of activities, revenue from exchange transactions is reported in the unrestricted net asset class.	Table other than procedures	N		
New	We tested discounts and other adjustments to determine that they are accounted for in accordance with the entity’s policies.	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	We obtained agreements for major sources of revenue and determined if management has properly classified each source as an exchange transaction or contribution.	Procedures Steps	N		
New	We determined that management has properly classified transactions that have elements of both exchange transactions and contributions (for example, grants and special events).	Procedures Steps	N		
New	We evaluated management's policies and procedures surrounding classification of revenue versus gain.	Procedures Steps	N		
New	New substep for cutoff procedures: For exchange transactions with contracts that cross the fiscal year end, we determined that management recorded the transactions in the appropriate reporting period	Procedures Steps	N		
Delete	We confirmed directly with customers the following: account activity (not just the balance); sales returns; credit memos; merchandise receipt date; and amounts written off that appear unusual, such as write-offs of balances due from continuing customers.	Procedures Steps	N		
Delete	We identified and tested large, complex, or unusual transactions, particularly those occurring around the end of the period.	Procedures Steps	N		
Delete	We investigated material cash payments to customers and inquiring about the nature of such payments.	Procedures Steps	N		
<b>AUD-804 Audit Program: Split-Interest Agreements and Beneficial Interests in Trusts</b>					Tailoring added and modified to reflect changes noted below.
Modify	Changed title to Audit Program: Split-Interest Agreements and Beneficial Interests in Trusts				
New	New primary audit objective: Changes in fair value of beneficial interests in trusts held by others, embedded derivatives, and assets and liabilities for which an election pursuant to the applicable financial reporting framework was made are remeasured at fair value and changes recognized during the term of split-interest agreements..	Table other than procedures	N		
New	We performed the following substantive analytical procedures for split-interest agreements and beneficial	Procedures Steps	N		



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>interests in trusts and investigated any significant fluctuations or deviations from the expected balances:</p> <ol style="list-style-type: none"> <li>We compared monthly and quarterly activity for split-interest agreements and beneficial interests in trusts for the current period with monthly or quarterly activity from the prior period and the first few months subsequent to period-end.</li> <li>We compared the current period's account balances with the prior period's account balances for split-interest agreements and beneficial interests in trusts and related receivables and associated doubtful accounts.</li> </ol>				
New	Added new audit procedures for irrevocable rights under split-interest agreements	Procedures Steps	N		
New	Added new audit procedures for revocable rights under split-interest agreements	Procedures Steps	N		
<b>AUD-805 Audit Program: Contributions and Program Service Fees Receivable and Related Support and Program Service Fees Revenues and Agency Transactions</b>					Tailoring added and modified to reflect changes noted below.
Modify	Changed title to Audit Program: Contributions and Program Service Fees Receivable and Related Support and Program Services Fees Revenues and Agency Transactions				
New	<p>New primary audit objectives:</p> <p>F. Contribution revenues are appropriately valued.</p> <p>N. Agency transactions are not included in reported amounts of contributions.</p>	Table other than procedures	N		
New	We inquired of management (including development office) and members of governance regarding the existence of oral promises to give.	Procedures Steps	N		
New	We reviewed and tested the methods and assumptions used to measure contribution revenue at the time of initial recognition.	Procedures Steps	N		
New	We reviewed the documentation underlying contributions and promises to give (including donor correspondence and governing board minutes) for propriety of classification.	Procedures Steps	N		
New	We inquired of management, read the governing board	Procedures	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	minutes or other minutes, searching for contributions or contributions receivable, paying particular attention to related party contributions, including those from board members and management.	Steps			
New	We determined whether classification of contributions is consistent with the entity's policy if restrictions are met in the same period as contributions are received	Procedures Steps	N		
New	Through inquiry, we determined if the entity received contributed services, facilities, or utilities, and performed the following procedures: a. We examined supporting documentation for the recognition of contributed services and determined that the services meet the recognition criteria in the applicable financial reporting framework (FASB ASC 958-605-25-16). b. We reviewed and tested the assumptions used to measure and value contributed services. c. We determined that the costs incurred to induce donors to contribute services (regardless of whether those services meet the recognition criteria) are classified as fund-raising expenses by the entity.	Procedures Steps	N		
	Added the following substeps to procedures to determine if the entity received gifts in kind (GIK): a. We evaluated the entity's process for assessing the fair value of the donated goods. b. If the entity utilizes a pricing service or pricing guide, we obtained evidence that the values provided by the service or guide are supportable and verifiable values. c. We reviewed the historical patterns of the distribution of gifts in kind and determined the extent of the entity's discretion over those distributions. Practice point: The extent of discretion that the entity has over the assets received determines whether the incoming gifts in kind are classified as contributions or as agency transactions. d. If the entity has any material undistributed or in-transit gifts in kind in inventory at the end of the fiscal	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	year, we performed tests of the inventory.				
New	Added new audit procedures for program service fees revenues and related receivables	Procedures Steps	N		
New	Added new audit procedures for agency transactions	Procedures Steps	N		
<b>AUD-807 Audit Program: Prepaid Expenses, Deferred Charges, Collection Items, and Other Assets</b>					Tailoring added and modified to reflect changes noted below.
Modify	Changed title to Audit Program: Prepaid Expenses, Deferred Charges, Collection Items, and Other Assets				
New	Added new primary audit objectives: G Noncapitalized works of art, historical treasures, and similar assets meet the definition of collections in the applicable financial reporting framework. H. Appropriate disclosures are referenced in a line item on the face of the statement of financial position. I. Purchases, sales, involuntary conversions, and other deaccessions of noncapitalized collection items are appropriately displayed in the statement of activities and the statement of cash flows.	Table other than procedures	N		
New	We obtained an understanding of the entity's policies over collection items and determined whether the requirements for a collection are included in the policy.	Procedures Steps	N		
New	Added new procedure to test the collection inventory: We tested the inventory of collection items by going from items to the inventory list as well as from the list to inventory items.	Procedures Steps	N		
New	We determined that works of art, historical treasures, and similar assets that are not added to the collection are capitalized and disclosed separately on the face of the statement of financial position or in the notes.	Procedures Steps	N		
New	We compared the list of collections to lists provided to third parties (such as insurance companies), including the values.	Procedures Steps	N		
New	Add new audit procedures for capitalized collection items.	Procedures Steps	N		
New	Added new audit procedures for noncapitalized collection	Procedures	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	items.	Steps			
<b>AUD-808 Audit Program: Intangible Assets</b>					Tailoring added and modified to reflect changes noted below.
New	Added new audit procedures for goodwill recognized from a new acquisition.	Procedures Steps	N		
New	Added new audit procedures that apply for an acquisition where the operations of the acquiree as part of the combined entity are predominantly supported by contributions and returns on investments, or when an inherent contribution is received.	Procedures Steps	N		
<b>AUD-809 Audit Program: Property and Equipment, and Depreciation Including Contributed Property and Equipment</b>					Tailoring added and modified to reflect changes noted below.
Modify	Changed title to Audit Program: Property and Equipment, and Depreciation Including Contributed Property and Equipment				
New	<p>Added the following procedures for contributed property and equipment:</p> <ul style="list-style-type: none"> <li>a. We reviewed management's process for identifying contributed property and equipment.</li> <li>c. We verified that contributions of property and equipment are properly recognized at fair value at the date of contribution.</li> <li>g. If specific contributed property or equipment is subject to a donor restriction requiring that it be sold and that the proceeds from its sale be used for a restricted purpose, we determined that the entity has internal controls to identify the equipment and to ensure that the proceeds are restricted for the required purpose upon sale.</li> <li>h. If the entity has a policy that implies a time restriction that expires over the useful life of contributed property and equipment, we determined whether reclassifications are made on the statement of activities over the asset's useful life unless the donor specified a different term of use.</li> <li>k. We verified that assets are properly classified based upon any restrictions on contributed property and</li> </ul>	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>equipment.</p> <p>1. If the donor retains legal title to contributed facilities, we:</p> <p>(1) Verified that the entity is recording contribution revenue and expense in the period received and used.</p> <p>Practice Point: The receipt of multiyear commitments to provide contributed facilities is recorded similar to a multiyear contribution receivable or a capital lease.</p> <p>(2) Verified the amount recognized as contributions revenue at the date the contributed facilities are recognized does not exceed the fair value of the underlying long-lived asset at that date.</p>				
New	<p>We performed the following procedures if the entity uses property and equipment owned by others:</p> <p>a. We inquired into the nature of any relationship between the entity and the owners of the property or equipment.</p> <p>b. We reviewed disclosure of the nature of any relationship between the entity and the owners of the property or equipment.</p> <p>c. We determined compliance with donor, grantor, or other resource provider's requirements</p> <p>d. If an asset has been recorded because the entity asserts that it is probable that it will be permitted to keep the asset when the arrangement terminates, we tested that assertion against the entity's historical experience, correspondence related to the agreement, and other relevant evidence.</p>	Procedures Steps	N		
New	If the entity plans to sell or abandon property or the property is impaired, we considered whether a reclassification should be reported for any remaining temporarily restricted net assets	Procedures Steps	N		
<b>AUD-811 Audit Program: Payroll and Other Liabilities</b>					Tailoring added and modified to reflect changes noted below.
New	We reviewed the entity's methodology for allocating payroll and related costs to the functional classifications.	Procedures Steps	N		

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<b>AUD-812 Audit Program: Unrelated Business Income and Other Tax Issues</b>					Tailoring added and modified to reflect changes noted below.
New	New primary audit objective: E. The entity has obtained qualifying tax exemptions from the appropriate government authorities.	Table other than procedures	N		
New	New procedures related to tax-exempt status: d. We considered the possibility that the IRS or individual state regulatory bodies could successfully challenge the entity's tax-exempt status. i. We reviewed any Schedule K-1s received by the entity to determine if activities reported thereon generate unrelated business income. k. We inquired about how the entity identifies whether it conducts activities in jurisdictions requiring registration. l. We reviewed private foundation excise tax returns to determine the reasonableness of the computation of any excise tax,	Procedures Steps	N		
<b>AUD-813 Audit Program: Debt Obligations and Debt Service</b>					Tailoring added and modified to reflect changes noted below.
New	New primary audit objectives: D. Amounts related to conduit debt obligations are recognized in the financial statements. E. Amounts recognized as contributions payable represent valid unconditional promises to give. F. All unconditional promises to give are recognized in the proper period. G. Contributions payable beyond one year are measured using the method elected by the entity.	Table other than procedures	N		
Modify	Reorganized the order of the audit procedures.	Procedures Steps	N		
Modify	Elevated a step (9) from substep level (7f).	Procedures Steps	N		
New	We reviewed and tested the method used for valuing contributions made, including promises to give.	Procedures Steps	N		
New	We examined documentation supporting recognition of	Procedures	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	contributions payable, including information such as the absence of conditions and the periods over which the promises to give become due.	Steps			
New	We reviewed the minutes of the governing board and related committee meetings for information about promises to give.	Procedures Steps	N		
New	We inquired about the existence of any conduit debt obligations that may need to be recognized in the statement of financial position and disclosed in the notes to the financial statements.	Procedures Steps	N		
<b>AUD-814 Audit Program: Net Assets</b>					Tailoring added and modified to reflect changes noted below.
New	We obtained or documented an understanding of the entity's policies and procedures for classifying net assets into permanently restricted, temporarily restricted, and unrestricted categories.	Procedures Steps	N		
New	We obtained an understanding of any changes in legislation related to the net assets classification (for example, an enacted version of the Uniform Prudent Management of Institutional Funds Act) and reviewed management's policies for consistency and interpretation with the provisions of the law.	Procedures Steps	N		
New	<p>We obtained a detailed roll-forward of net assets, segregated into the appropriate net asset classes, reflecting the following columnar headings: net asset balances at the beginning of the period; net asset additions during the period; net asset reclassifications during the period; net asset reductions during the period; and net asset balances at the end of the period; or a comparative summary of year-end net asset balances by net asset class and performed the following procedures:</p> <ol style="list-style-type: none"> <li>We agreed beginning balances by net asset class to prior-year audited financial statements and investigated any differences or unusual changes.</li> <li>We traced ending balances to the general ledger.</li> <li>We tested the mathematical accuracy of the analysis.</li> <li>We reviewed the composition of each net asset category for reasonableness</li> </ol>	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	e. We reviewed changes from prior year to determine that activity within net asset classification is reasonable and consistent with the requirements of each asset category, including comparing the information to other audit areas, such as contributions and split-interest agreements.				
New	We verified that the entity releases temporarily restricted net assets before spending unrestricted net assets unless the expenditure is for a purpose that is directly attributable to another specific external source of revenue.	Procedures Steps	N		
New	<p>With regard to releases from restrictions:</p> <p>a. We documented the understanding of how releases from restriction occur at the entity</p> <p>b. We obtained a detailed schedule of net assets released during the year (or the reclassifications column of the roll-forward of net assets obtained above and performed the following procedures:</p> <p>(1) We verified that the schedule ties to the statement of activities and tested its mathematical accuracy.</p> <p>(2) We selected items for testing and traced the release from restrictions to the underlying support (for example, an invoice and expense) and determined that the release is appropriate, based on donor restrictions (purpose, time, or both).</p> <p>c. We determined that appropriate reclassifications are made on the statement of activities when donor-imposed restrictions have been fulfilled and that the releases of restriction from temporarily restricted net assets to unrestricted net assets net to zero.</p> <p>d. For releases of restriction on net assets of endowment funds, we performed the applicable audit procedures in AUD-802 Audit Program: Investments Including Programmatic Investments.</p>	Procedures Steps	N		
Modify	<p>Modified the step to review financial statement disclosures:</p> <p>We reviewed disclosures of the composition of net assets, verifying that information regarding the types of permanent restrictions and temporary restrictions is accurate and in adequate detail to provide the disclosures required by the</p>	Procedures Steps	N		



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	applicable financial reporting framework (FASB ASC 958-225-50-9)				
<b>AUD-815 Audit Program: Other Income and Expenditures/Expenses</b>					Tailoring added and modified to reflect changes noted below.
New	New primary audit objective: Transactions and events recognized as expenses have occurred and pertain to the entity.	Table other than procedures	N		
Modify	Modified the disclosure primary audit objective: Other income and expenditures/expenses are properly classified and displayed by functional category in the statement of activities and adequate disclosures are made in accordance with the applicable financial reporting framework. Expenses are properly classified as gross or netted with revenues. Disclosures are clearly expressed and at appropriate amounts.	Table other than procedures	N		
Modify	We compared current period expenses in total and by account/functional classification to those of the prior period and to budget.	Procedures Steps	N		
New	We determined that fund-raising costs have been expensed as incurred and that there are no fund-raising costs inappropriately reported as an asset, such as prepaid expenses, on the statement of financial position except when different treatment is permitted or required under the applicable financial reporting framework.	Procedures Steps	N		
New	We obtained and read fund-raising agreements with professional fund-raisers or federated fund-raising entities, or both, to determine if fund-raising expenses associated with contributions received from those entities have been properly reported.	Procedures Steps	N		
New	In conjunction with our tests of contributions made, we compared expenses recognized for contributions made.	Procedures Steps	N		
New	If applicable, we reviewed the entity's contribution of the use of its facilities to another NFP to verify the contributions made are accounted for in accordance with the applicable financial reporting framework (FASB ASC 958-605-55).	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	Added new auditing procedures for gains and losses.	Procedures Steps	N		
New	Added new auditing procedures for functional reporting of expenses.	Procedures Steps	N		
<b>AUD-816 Audit Program: Journal Entries and Financial Statement Review</b>					Tailoring added and modified to reflect changes noted below.
Modify	Moved consideration for selecting journal entries to test into main step eliminating 5 sign offs.	Procedures Steps	N		
New	<p>If the entity is reporting an intermediate measure of operations, we determined:</p> <ol style="list-style-type: none"> <li>That the disclosure of the measure of operations is complete and accurate.</li> <li>Whether the presentation of revenue and expense transactions is appropriately classified as operating or nonoperating within the entity's definition of its operating measure.</li> <li>That items that are required to be reported within the operating measure or outside of the operating measure are properly reported.</li> <li>That certain expenses outside of an operating measure that the entity reports in its statement of activities are included in the functional expense allocations, either in the notes or in a statement of functional expenses.</li> <li>That if the entity presents prior-year comparative information in total, rather than by net asset class, such that the financial statements will not be in conformity with U.S. GAAP, the nature of the prior year information is described by the use of appropriate titles on the face of the financial statements and in a note to the financial statements.</li> </ol>	Procedures Steps	N		
	<p>Added new substeps for procedures performed for the consolidated or combined financial statements:</p> <ol style="list-style-type: none"> <li>We reviewed the schedule to ensure that all special-purpose entities (SPEs) which the entity controls were included on the schedule.</li> <li>We considered whether the classification of net assets is appropriate in consolidated financial statements.</li> </ol>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	<p>In situations where the entity is the sole general partner of a limited partnership, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>We reviewed partnership agreements, board minutes, and correspondence to determine if consolidation is required and considered the absence or presence of substantive kick-out rights or participating rights.</li> <li>We conducted interviews and considered whether to make site visits.</li> <li>We documented the results of the reviews and discussions</li> </ol>	Procedures Steps	N		
New	We reviewed restrictions, designations, and other limitations to determine if their effect on liquidity is properly presented in the financial statements.	Procedures Steps	N		
New	<p>If the entity is a reporting entity that combined with one or more NFPs, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>We identified transactions and reviewed the documentation, paying close attention to the change of control.</li> <li>We obtained an understanding and documented the significant aspects of the merger or acquisition to determine that the reporting on the financial statements is appropriate whether treated as a merger or acquisition.</li> <li>For transactions that are mergers, we evaluated whether the carryover method was properly applied.</li> <li>For transactions that are acquisitions, we reviewed management's determination of identifiable assets acquired, liabilities assumed, and whether there are noncontrolling interests.</li> <li>We tested the valuation of assets acquired and liabilities assumed and the fair value of the noncontrolling interest (if any).</li> </ol>	Procedures Steps	N		
New	If a classified statement of financial position is presented, we reviewed the composition of current assets and current liabilities to determine that the classification is accurate and complete.	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-817 Audit Program: Related-Party Transactions</b>					Tailoring added and modified to reflect changes noted below.
Modify	A separate program was created: Audit Program: Related-Party Transactions	Procedures Steps	N		
<b>AUD-819 Audit Program: Commitments and Contingencies</b>					AUD-817 was broken apart into four separate areas. This is one of the new audit areas add to the tailoring questions in AUD-100. Review the questions in AUD-100. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.
New	New audit program on Commitments and Contingencies.	Procedures Steps	N		
New	New substeps for inquiries of management and counsel: c. Noncompliance with donor-imposed restrictions on contributed assets. j. Any problems with the entity's tax-exempt status, or if a determination letter regarding that status has not been received	Procedures Steps	N		
Modify	Reorganized the order of the audit procedures.	Procedures Steps	N		
<b>AUD-820 Audit Program: Accounting Estimates</b>					AUD-817 was broken apart into four separate areas. This is one of the new audit areas add to the tailoring questions in AUD-100. Review the questions in AUD-100. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.
New	New audit program on Accounting Estimates.				
<b>AUD-821 Audit Program: Concentrations</b>					AUD-817 was broken apart into four separate areas. This is one of the new audit areas add to the tailoring questions in AUD-100. Review the questions in AUD-100. New tailoring question related to these steps. All answers and customizations will retain per your roll forward selections.
New	New audit program on Concentrations.				
<b>AUD-901 Audit Program: Subsequent Events</b>					
New	Added the following inquiries of management and those charged with governance whether:	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>r. There have been any failed auctions.</li> <li>s. There is the potential for or actual cancellation of a liquidity facility.</li> <li>t. There have been any defaults or mandatory tender of bonds.</li> <li>u. There has been any noncompliance with donor-imposed restrictions on contributed assets.</li> </ul>				
New	Added step on the auditor's responsibilities when he or she has identified subsequent events that require adjustment or disclosure.	Procedures Steps	Y	AU-C 560	
<b>AUD-902 Audit Program: Going Concern</b>					
New	We considered whether the results of procedures performed during the course of the audit identified conditions or events that, when considered in aggregate, indicated there could be substantial doubt about the entity's ability to continue as a going concern.	Procedures Steps	Y	AU-C 560	
New	<p>Added new considerations of the existence or occurrence of factors such as the following:</p> <ul style="list-style-type: none"> <li>(10) Insufficient unrestricted revenues to provide supporting services to activities funded by restricted contributions.</li> <li>(11) Insufficient resources to meet donor's restrictions (this may result from the use of restricted net assets for purposes that do not satisfy the donor's restrictions, sometimes referred to as interfund borrowing).</li> </ul>	Procedures Steps	N		
New	<p>Added new indicators of possible financial difficulties:</p> <ul style="list-style-type: none"> <li>(9) A high ratio of fund-raising expenses to contributions received or a low ratio of program expenses to total expenses.</li> <li>(10) Decreases in revenues contributed by repeat donors.</li> </ul>	Procedures Steps	N		
New	<p>Added new internal matters:</p> <ul style="list-style-type: none"> <li>(3) Loss of key governing board members or volunteers.</li> <li>(9) Noncompliance with donor-imposed restrictions.</li> <li>(10) Activities that could jeopardize the entity's tax-</li> </ul>	Procedures Steps	N		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>exempt status and thus endanger current contribution levels.</p> <p>(11) Concerns expressed by governmental authorities regarding alleged violations of state laws governing the entity's maintenance or preservation of certain assets, such as collection items.</p>				
New	<p>Added new external matters:</p> <p>(9) External events that could affect donors' motivations to continue to contribute.</p>	Procedures Steps	N		
New	<p>Added new substeps for procedures to be performed to when conditions or events were indicative of substantial doubt regarding the entity's ability to continue as a going concern.</p> <p>f. We assessed whether it is likely that the adverse effects would be mitigated by management's plans for a reasonable period of time;</p> <p>g. We identified those elements of management's plans that are particularly significant to overcoming the adverse effects of the conditions or events and plan and performed procedures to obtain audit evidence about them, including, when applicable, considering the adequacy of support regarding the ability to obtain additional financing or the planned disposal of assets; and</p> <p>h. We assessed whether it is likely that such plans can be effectively implemented.</p>	Procedures Steps	Y	AU-C 560	
New	<p>If substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time existed at the date of prior period financial statements that are presented on a comparative basis, and that doubt has been removed in the current period, we have removed the going-concern emphasis-of-matter paragraph included in the prior-period auditor's report</p>	Procedures Steps	Y	AU-C 560	
New	<p>If we have been asked to reissue an auditor's report and eliminate a going-concern emphasis-of-matter paragraph contained therein and we determined it was appropriate to do so, we reassessed the going-concern status of the entity.</p>	Procedures Steps	Y	AU-C 560	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Reorganized the order of the audit procedures.	Procedures Steps	N		
Delete	Deleted the yes/no conclusion as it was duplicative of the audit program.	Procedure Steps	N		
<b>AUD-903 Audit Program: Consideration of Fraud</b>					
Delete	Deleted the duplicative substeps regarding revenue transactions and added reference to AUD-803 and AUD-805 where the work is completed.	Procedures Steps	N		
Delete	Deleted the duplicative substep regarding accounting estimates.	Procedures Steps	N		
Delete	Deleted the duplicative substeps regarding obtaining written representation and added reference to AUD-101 where this step is performed, eliminating 5 sign offs.	Procedures Steps	N		
<b>AUD-904 Audit Program: Compliance with Laws and Regulations, Violations of Contract Provisions and Grant Agreements, and Abuse</b>					
New	We considered, prior to commencement of the audit, reaching an understanding with those charged with governance, as to their expectations regarding communications to be made during the engagement regarding noncompliance with laws and regulations.	Procedures Steps	N		
<b>AUD-907 Interim Review Program: Review of Interim Financial Information</b>					
New	New Interim Review Program for the Review of Interim Financial Information				

### Auditor's Reports (RPTs)

- **NEW RPT-900** a new tailoring questionnaire that assists the auditor in determining the proper auditor's report to use based on the conditions identified during the audit engagement.
- **New RPT-0925** Unmodified Opinion: Financial Statements Prepared on the Entity's Income Tax Basis
- **New RPT-1052 through 1059** applicable to reports on interim financial information.

Renumbered all audit reports following RPT-0921. The 2014 and 2013 report numbers and titles are as follows:

2014	2013	Title
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RPT-0901	RPT-0901	Unmodified Opinion: Single-Year Financial Statements
RPT-0902	RPT-0902	Unmodified Opinion: Comparative Consolidated Financial Statements
RPT-0903	RPT-0903	Unmodified Opinion: Emphasis-of-Matter Paragraph Related to Going-Concern Uncertainty
RPT-0904	RPT-0904	Unmodified Opinion: Emphasis-of-Matter Paragraph Related to a Change in Accounting Principle
RPT-0905	RPT-0905	Unmodified Opinion: Emphasis-of-Matter Paragraph Related to Correction of a Misstatement
RPT-0906	RPT-0906	Unmodified Opinion: Emphasis-of-Matter Paragraph Related to a Subsequent Event
RPT-0907	RPT-0907	Unmodified Opinion: Emphasis-of-Matter Paragraph Related to Related-Party Transactions
RPT-0908	RPT-0908	Unmodified Opinion: Emphasis-of-Matter Paragraph because There Is Uncertainty Relating to a Pending Unusually Important Litigation Matter
RPT-0909	RPT-0909	Unmodified Opinion: Emphasis-of-Matter Paragraph Related to a Change in Reporting Entity
RPT-0910	RPT-0910	Unmodified Opinion: Dual Dated Report Due to Subsequent Discovery of Facts before the Report Release Date
RPT-0911	RPT-0911	Unmodified Opinion: Revised Opinion Due to Subsequent Discovery of Facts after the Report Release Date
RPT-0912	RPT-0912	Unmodified Opinion on the Statement of Financial Position and Disclaimer of Opinion on the Statements of Activities and Cash Flows Due to a Scope Limitation
RPT-0913	RPT-0913	Unmodified Opinion: Successor Auditor's Unmodified Opinion When Predecessor Auditor's Report Is Unmodified and Is <i>Not</i> Presented
RPT-0914	RPT-0914	Unmodified Opinion: Successor Auditor's Unmodified Opinion When Predecessor Auditor's Report Included an Emphasis-of-Matter Paragraph and Is <i>Not</i> Presented
RPT-0915	RPT-0915	Unmodified Opinion: Successor Auditor's Unmodified Opinion When Prior-Year Financial Statements Have Been Restated Following Issuance of the Predecessor's Report and the Successor Auditor Has <i>Not</i> Applied Sufficient Procedures to Satisfy Himself or Herself as to the Appropriateness of the Restatement Adjustments
RPT-0916	RPT-0916	Unmodified Opinion: Successor Auditor's Unmodified Opinion When Prior-Year Financial Statements Have Been Restated Following Issuance of the Predecessor's Report and the Successor Auditor Has Applied Sufficient Procedures to Satisfy Himself or Herself as to the Appropriateness of the Restatement Adjustments
RPT-0917	RPT-0917	Unmodified Opinion: Opinion Based in Part on the Report of Component Auditor
RPT-0918	RPT-0918	Unmodified Opinion: Single Financial Statement Prepared in Accordance with U.S. GAAP
RPT-0919	RPT-0919	Unmodified Opinion: Specific Element, Account, or Item of a Financial Statement Prepared in Accordance with U.S. GAAP
RPT-0920	RPT-0920	Unmodified Opinion: Summary Financial Statements (When Unmodified Opinion Is Expressed on the Audited Financial Statements)
RPT-0921	RPT-0921	Unmodified Opinion: Summary Financial Statements (When Qualified Opinion Is Expressed on the Audited Financial Statements)
RPT-0922	RPT-0956	Unmodified Opinion: Single-Year Financial Statements in Year of Adoption of Liquidation Basis
RPT-0923	RPT-0957	Unmodified Opinion: Comparative Financial Statements in Year of Adoption of Liquidation Basis
RPT-0924	RPT-0922	Unmodified Opinion: Financial Statements Prepared on the Cash Basis
RPT-0925	New	Unmodified Opinion: Financial Statements Prepared on the Entity's Income Tax Basis



RPT-0926	RPT-0924	Unmodified Opinion: Special-Purpose Financial Statements Prepared Pursuant to Reporting Provisions Established by a Regulatory Agency—Adverse Opinion: U.S. GAAP (Intended for General Use)
RPT-0927	RPT-0923	Unmodified Opinion: Special-Purpose Financial Statements Prepared Pursuant to Reporting Provisions Established by a Regulatory Agency ( <i>Not</i> Intended for General Use)
RPT-0928	RPT-0925	Unmodified Opinion: Special-Purpose Financial Statements Prepared in Accordance with a Contractual Basis of Accounting
RPT-0929	RPT-0927	Unmodified Opinion: Single Financial Statement Prepared in Accordance with a Special- Purpose Framework
RPT-0930	RPT-0928	Unmodified Opinion: Schedule of Revenue and Operating Expenses to Meet a Regulatory Requirement (Incomplete Presentation Otherwise in Accordance with U.S. GAAP)
RPT-0931	RPT-0929	Unmodified Opinion: Schedule of Assets Sold and Liabilities Transferred to Comply with a Contractual Agreement (Incomplete Presentation Otherwise in Accordance with U.S. GAAP)
RPT-0932	RPT-0930	Unmodified Opinion: Specific Element, Account, or Item of a Financial Statement Prepared in Accordance with a Special-Purpose Framework
RPT-0933	RPT-0931	Unmodified Opinion on Current Year’s Financial Statements; Qualified Opinion on Prior Year’s Statement of Activities
RPT-0934	RPT-0932	Unmodified Opinion on Current Year’s Financial Statements with a Disclaimer of Opinion on Prior Year’s Statements of Activities and Cash Flows
RPT-0935	RPT-0933	Unmodified Opinion on Current Year’s Audited Financial Statements; Prior Year’s Financial Statements Compiled
RPT-0936	RPT-0934	Unmodified Opinion on Current Year’s Audited Financial Statements; Prior Year’s Financial Statements Reviewed
RPT-0937	RPT-0935	Unmodified Opinion on Current Year’s Audited Financial Statements; Prior Year’s Financial Statements <i>Not</i> Audited, Reviewed or Compiled
RPT-0938	RPT-0936	Unmodified Opinion on Comparative Financial Statements with Other-Matter Paragraph: Opinion on the Financial Statements of a Prior Period Is Revised to Reflect Restatement of Prior-Period Financial Statements to Conform with U.S. GAAP
RPT-0939	RPT-0937	Unmodified Opinion on Financial Statements with Unmodified Opinion on Accompanying Supplementary Information
RPT-0940	RPT-0938	Unmodified Opinion (Consolidated Statements) with Unmodified Opinion on Supplementary Consolidating Information
RPT-0941	RPT-0939	Unmodified Opinion on Single-Year Financial Statements with Disclaimer of Opinion on Unaudited Other Information Included in Documents Containing the Audited Financial Statements
RPT-0942	RPT-0940	Unmodified Opinion on Comparative Financial Statements with Disclaimer of Opinion on Unaudited Other Information Included in Documents Containing the Audited Financial Statements
RPT-0943	RPT-0941	Unmodified Opinion on Comparative Financial Statements with Unmodified Opinion on Part of the Supplementary Information and Disclaimer of Opinion on the Part of the Supplementary Information <i>Not</i> Subjected to Audit Procedures
RPT-0944	RPT-0942	Unmodified Opinion: Separate Report on Supplementary Information in Relation to the Financial Statements as a Whole
RPT-0945	RPT-0943	Unmodified Opinion with Report on Required Supplementary Information: Specified Procedures Completed Regarding Required Supplementary Information and There Are <i>No</i> Material Departures from Prescribed Guidelines
RPT-0946	RPT-0944	Unmodified Opinion with Report on Required Supplementary Information: Specified Procedures <i>Not</i> Completed Regarding Required Supplementary Information
RPT-0947	RPT-0945	Unmodified Opinion with Report on Required Supplementary Information: Required Supplementary Information Contains Material Departures from

		Prescribed Guidelines
RPT-0948	RPT-0946	Unmodified Opinion with Report on Required Supplementary Information: All Required Supplementary Information Is Omitted
RPT-0949	RPT-0947	Unmodified Opinion with Report on Required Supplementary Information: Some Required Supplementary Information Is Omitted and Some Is Presented in Accordance with Prescribed Guidelines
RPT-0950	RPT-0948	Unmodified Opinion with Report on Required Supplementary Information: Unresolved Doubts about Adherence to Prescribed Guidelines
RPT-0951	RPT-0949	Unmodified Opinion: Report on Compliance with Aspects of Contractual Agreements Is Included in the Report on the Entity's Audited Financial Statements
RPT-0952	RPT-0950	Unmodified Opinion: Report on Compliance with Aspects of Regulatory Requirements Is Included in the Report on the Entity's Audited Financial Statements
RPT-0953	RPT-0951	Unmodified Opinion: Single-Year Prepared in Accordance with U.S. GAAP When Comparative Summarized Financial Information Derived from Audited Financial Statements for the Prior Year Is Presented
RPT-0954	RPT-0952	Unmodified Opinion: Single-Year Prepared in Accordance with U.S. GAAP When Comparative Summarized Financial Information Derived from Unaudited Financial Statements for the Prior Year Is Presented
RPT-0955	RPT-0953	Unmodified Opinion: Financial Statements of a Voluntary Health and Welfare Organization That Includes a Statement of Functional Expenses
RPT-0956	RPT-0954	Unmodified Opinion: Financial Statements of a Not-for-Profit Organization That Voluntarily Includes Information on Functional Expenses as Supplemental Information
RPT-0957	RPT-0955	Unmodified Opinion on the Financial Statement of a Federal Program in Accordance with the Program-Specific Audit Option under OMB Circular A-133
RPT-0958	RPT-0956	Unmodified Opinion: Since Inception Report
RPT-0959	RPT-0926	Unmodified Opinion: Financial Statements Included in Internal Revenue Service Form 990, "Return of Organizations Exempt from Income Tax"
RPT-0960	RPT-0959	Separate Report on Compliance with Aspects of Contractual Agreements When <i>No</i> Instances of Noncompliance Are Identified
RPT-0961	RPT-0960	Separate Report on Compliance with Aspects of Contractual Agreements When Instances of Noncompliance Are Identified
RPT-0962	RPT-0961	Separate Report on Compliance with Aspects of Contractual Agreements When Instances of Noncompliance Are Identified and a Waiver Has Been Obtained
RPT-0963	RPT-0962	Separate Report on Compliance with Aspects of Contractual Agreements When Instances of Noncompliance are Identified and the Auditor Has Disclaimed an Opinion on the Financial Statements
RPT-0964	RPT-0963	Separate Report on Compliance with Aspects of Regulatory Requirements When <i>No</i> Instances of Noncompliance Are Identified and the Auditor's Report on the Financial Statements Included an Emphasis-of-Matter Paragraph because of an Uncertainty
RPT-0978	RPT-0965	Qualified Opinion: Material Misstatement
RPT-0979	RPT-0966	Qualified Opinion: Material Misstatement with Emphasis-of-Matter Paragraph
RPT-0980	RPT-0967	Qualified Opinion: Change to an Accounting Principle <i>Not</i> in Conformity with U.S. GAAP (the Auditor Has Concluded That an Adverse Opinion Is <i>Not</i> Appropriate)
RPT-0981	RPT-0968	Qualified Opinion in Current Year, Unmodified Opinion in Prior Year: Departure from U.S. GAAP—Leases <i>Not</i> Capitalized in Accordance with

		ASC-840 (The Auditor Has Concluded That a Disclaimer of Opinion Is <i>Not</i> Appropriate)
RPT-0982	RPT-0969	Qualified Opinion in Current Year and Prior Year: Departure from U.S. GAAP—Leases <i>Not</i> Capitalized in Accordance with ASC-840 (The Auditor Has Concluded That an Adverse Opinion Is <i>Not</i> Appropriate)
RPT-0983	RPT-0970	Qualified Opinion: Departure from U.S. GAAP—Inadequate Disclosure (The Auditor Has Concluded That an Adverse Opinion Is <i>Not</i> Appropriate)
RPT-0984	RPT-0971	Qualified Opinion: Departure from U.S. GAAP—Omission of Statement of Cash Flows
RPT-0985	RPT-0972	Qualified Opinion: Basic Financial Statements with Qualified Opinion on Accompanying Supplementary Information Due to a Departure from U.S. GAAP
RPT-0986	RPT-0973	Qualified Opinion: Due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence (The Auditor Has Concluded That a Disclaimer of Opinion Is <i>Not</i> Appropriate)
RPT-0987	RPT-0974	Qualified Opinion: Client's External Counsel <i>Not</i> Responding to Audit Inquiry Letter
RPT-0988	RPT-0975	Qualified Opinion on Comparative Financial Statements: Prior Year Qualified for One Reason and Current Year Qualified for the Same Reason and an Additional Reason
RPT-0989	RPT-0976	Qualified Opinion: Group Auditor's Report When the Group Engagement Team Is <i>Not</i> Able to Obtain Sufficient Appropriate Audit Evidence on Which to Base the Group Audit Opinion
RPT-0990	RPT-0977	Qualified Opinion: Separate Report on Supplementary Information in Relation to the Financial Statements as a Whole—Qualified Opinion on the Financial Statements and Supplementary Information
RPT-1001	RPT-0987	Adverse Opinion: Material Misstatement
RPT-1002	RPT-0988	Adverse Opinion on Financial Statements with Disclaimer of Opinion on Supplementary Information in Relation to the Financial Statements as a Whole: Material Departures from U.S. GAAP
RPT-1003	RPT-0989	Adverse Opinion: Summary Financial Statements—Unmodified Opinion on Full Financial Statements
RPT-1015	RPT-1000	Disclaimer of Opinion: Due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence about a Single Element of the Financial Statements
RPT-1016	RPT-1001	Disclaimer of Opinion: Scope Limitation—Due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence about Multiple Elements of the Financial Statements
RPT-1017	RPT-1002	Disclaimer of Opinion: Scope Limitation—Entity Did <i>Not</i> Make a Count of its Physical Inventory
RPT-1018	RPT-1003	Disclaimer of Opinion on Financial Statements with Disclaimer of Opinion on Supplementary Information in Relation to the Financial Statements as a Whole
RPT-1019	RPT-1004	Disclaimer of Opinion: Summary Financial Statements—Adverse Opinion on Full Financial Statements
RPT-1028	RPT-1013	Disclaimer of Opinion: Separate Report on Supplementary Information in Relation to the Financial Statements as a Whole—Adverse Opinion on the Financial Statements
RPT-1029	RPT-1014	Disclaimer of Opinion: Separate Report on Supplementary Information in Relation to the Financial Statements as a Whole—Disclaimer of Opinion on the Financial Statements
RPT-1030	RPT-1024	Unmodified Opinion: U.S.-Form Report on an Audit Conducted in Accordance with both U.S. GAAS and the International Standards on Auditing of

		Financial Statements Prepared in Accordance with U.S. GAAP
RPT-1031	RPT-1025	Unmodified Opinion: U.S.-Form Report on Financial Statements Prepared in Accordance with a Financial Reporting Framework Generally Accepted in Another Country That Are Intended for Use <i>In</i> the United States
RPT-1032	RPT-1026	Unmodified Opinion: U.S.-Form Report on Financial Statements Prepared in Accordance with a Financial Reporting Framework Generally Accepted in Another Country That Are Intended for Use Only <i>Outside</i> the United States
RPT-1036	RPT-1036	Report to Requesting Party on Application of Requirements of U.S. GAAP to a Specific Transaction
RPT-1037	RPT-1037	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (No Material Weaknesses Identified, No Significant Deficiencies Identified, No Reportable Instances of Noncompliance or Other Matters Identified)
RPT-1038	RPT-1038	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (Not-for-Profit Entity with Reference to Audits by Other Auditors Using the Reference Option) (No Material Weaknesses Identified, No Significant Deficiencies Identified, No Reportable Instances of Noncompliance or Other Matters Identified)
RPT-1039	RPT-1039	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (No Material Weaknesses Identified; Significant Deficiencies Identified; and Reportable Instances of Noncompliance and Other Matters Identified)
RPT-1040	RPT-1040	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (Not-for-Profit Entity with Reference to Audits by Other Auditors Using the Inclusion Option) (No Material Weaknesses Identified; Significant Deficiencies Identified; and Reportable Instances of Noncompliance and Other Matters Identified)
RPT-1041	RPT-1041	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> (Material Weaknesses and Significant Deficiencies Identified; and Reportable Instances of Noncompliance and Other Matters Identified)
RPT-1042	RPT-1042	Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 (Unmodified Opinion on Compliance for Each Major Program; No Material Weaknesses or Significant Deficiencies in Internal Control over Compliance Identified)
RPT-1043	RPT-1043	Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 (Unmodified Opinion on Compliance for Each Major Federal Program; Significant Deficiencies in Internal Control over Compliance Identified)
RPT-1044	RPT-1044	Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 (Qualified Opinion on Compliance for One Major Federal Program; Unmodified Opinion on Compliance on Each of the Other Major Federal Programs; Material Weaknesses and Significant Deficiencies in Internal Control over Compliance Identified)
RPT-1052	New	Unmodified Report on a Review of Interim Financial Information
RPT-1053	New	Unmodified Report on a Review of Condensed Consolidated Comparative Interim Financial Information
RPT-1054	New	Unmodified Report on a Review That Refers to a Component Auditor's Review Report on the Interim Financial Information of a Significant Component of a Reporting Entity
RPT-1055	New	Unmodified Report on a Review of Comparative Interim Financial Information When the Prior Period Was Reviewed by Another Auditor

RPT-1056	New	Unmodified Report on a Review of Interim Financial Information: Emphasis-of-Matter Paragraph When a Going Concern Emphasis-of-Matter Paragraph Was Included in the Prior Year's Audit Report, and Conditions Giving Rise to the Emphasis-of-Matter Paragraph Continue to Exist
RPT-1057	New	Unmodified Report on a Review of Interim Financial Information: Emphasis-of-Matter Paragraph When a Going Concern Emphasis-of-Matter Paragraph Was <i>Not</i> Included in the Prior Year's Audit Report, and Conditions or Events Exist as of the Interim Reporting Date Covered by the Review That Might Be Indicative of the Entity's Possible Inability to Continue as a Going Concern
RPT-1058	New	Modified Report on a Review of Interim Financial Information: Modification Due to a Departure from the Applicable Financial Reporting Framework
RPT-1059	New	Modified Report on a Review of Interim Financial Information: Modification Due to Inadequate Disclosure

### Correspondence Documents (CORs)

- **COR-201 Audit Engagement Letter** – Completely revised to conform to the clarity format and to add language on the auditor's responsibility regarding compliance with laws, regulations, contracts and grants.
- **NEW COR-202 Audit Engagement Letter When Also Performing Reviews of Interim Financial Information** provides a sample illustrative engagement letter to be used when the auditor is performing reviews of interim financial information, in accordance with AU-C 900, *Interim Financial Information*, in addition to the audit engagement.
- **Modified COR-805 and COR-806** to apply to confirmation of receivables.
- **New COR-805A** Request for Confirmation of Contributions or Unconditional Pledges Received and Receivable: Positive Request.
- **New COR-805B** Request for Confirmation of Contract and Grant Receivables and Revenue: Positive Request.
- **New COR-806A** Request for Confirmation of Contributions or Unconditional Pledges Received and Receivable: Negative Request.
- **New COR-821** Confirmation of Sales Terms.
- **COR-901** – Updated to add contracts and grant agreements to representation regarding noncompliance and to add representations related to sales contracts.
- **New COR-908** Management Representation Letter: Interim Review of Financial Information—Short Form.
- **New COR-909** Management Representation Letter: Interim Review of Financial Information—Long Form.

Renumbered all 200 series correspondence documents except COR-201. The 2014 and 2013 numbers and titles are as follows:

2014	2013	Title
COR 201	COR-201	Audit Engagement Letter
COR 202	New	Audit Engagement Letter When Also Performing Reviews of Interim Financial Information
COR 203	COR-202	Entity Consent and Acknowledgment Letter
COR 204	COR 203	Communication with Predecessor Auditor Prior to Client/Engagement Acceptance
COR 205	COR 204	Request from Client to Predecessor Auditor to Release Information to Successor Auditor
COR 206	COR 205	Successor Auditor Acknowledgment Letter
COR 207	COR 206	Representation Letter from Successor Auditor to Predecessor Auditor
COR 208	COR 207	Inquiry Letter from the Component Auditor to the Group Engagement Team
COR 209	COR 208	Group Engagement Team's Response Letter to Inquiries from the Component Auditor
COR 210	COR 209	Group Engagement Team's Request for Representations from Component Auditor Who Audits the Financial Statements of a Component
COR 211	COR 210	Group Engagement Team's Request for Component Auditor's Confirmations When the Component Auditor Performs Certain Audit Procedures

COR 212	COR 211	Component Auditor's Confirmation Response to Group Engagement Team
COR 213	COR 212	Group Engagement Team's Letter of Instruction to the Component Auditor Who Performs Certain Audit Procedures or Audits the Financial Statements of a Component
COR 214	COR 213	Group Engagement Team's Request for Documentation from Component Auditor
COR 215	COR 214	Letter to Component Auditors Regarding Related Parties
COR 216	COR 215	Communication with Those Charged with Governance during Planning
COR 217	COR 216	Communication to Client When the Auditor Is <i>Not</i> Required by Law, Regulation, or Audit Contract to Provide Access to the Audit Documentation
COR 218	COR 217	Letter to Regulator Prior to Allowing a Regulator Access to the Audit Documentation
COR 219	COR 218	Auditor's Agreement with and Request for Representations from the Auditor's Specialist Who Performs Certain Audit Procedures

### Practice Aids (AIDs)

- All relevant AIDs have been updated with formulas that perform automatic calculations, wherever applicable.
- **AID-601** updated for SAS-128
- **New AID-602 Understanding and Preliminary Assessment of the Entity's Internal Audit Function** New AID to help the auditor obtain an understanding of the entity's internal audit function, make a preliminary assessment of the internal audit function, and document the procedures for understanding the internal audit function's organizational status, determining the nature and extent of the work of the internal audit function that can be used, the technical competence of the internal auditors, and the systematic and disciplined approach used by the internal audit function.
- **AID-801 Audit Sampling Worksheet for Substantive Tests of Details** has been moved to a word document to better facilitate flow and rollforward retention in Knowledge Coach.
- **New AID-841A Analysis of Accrued-Refundable Grants**

### Resource Documents (RESs)

- **RES-002** modified as appropriate to incorporate new workpapers and realignment of workpaper numbering schemes.
- **NEW RES-021** New resource document providing examples of factors to be considered when documenting client/engagement acceptance and continuance.
- **RES-009** Changed title and added program service revenues, changed section on distribution and delivery to services and goods delivery and modified control objectives and activities to address service deliveries, added new control objective and activities for contributions and pledges are recorded in the proper period.
- **RES-010** Added new control objectives and activities for returns.
- **RES-013** Added new control objectives and activities for returns (non-inventory).
- **RES-019** Added new example of factors for attitudes and rationalizations.
- **RES-GOV** Updated practice point for the issuance of *OMB Uniform Guidance Cost Principles, Audit, and Administrative Requirements for Federal Rewards* in December 2013.
- **KCO-001 2013 Commercial Entities Title Overview for Knowledge Coach Users** formally **RES-KCO** has been added as a reference document for the workpaper update information, along with list of related workpapers for the title.
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**In addition, forms and practice aids throughout have been updated to include new examples and tips and, where applicable, to take into account:**

New literature, standards, and developments, reflected in the following current audit and accounting guidance:

Statements on Auditing Standards (SASs):

SAS-128, *Using the Work of Internal Auditors*.

FASB Accounting Standards Codification as of March 10, 2014, and through Accounting Standards Update No. 2014-05—*Service Concession Arrangements (Topic 853)*.

## RELATED, FOUNDATIONS AND ASSOCIATION WORKPAPERS FOR THIS TITLE

Related workpapers are Knowledge Coach Word workpapers where information flows in or out of tables within the workpaper. Some of these related workpapers are Foundation workpapers or associated workpapers.

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles. Associated workpapers require you to associate them with custom values, such as audit areas, specialists, service organizations, and other items. Workpapers require an association when you need to have more than one instance of a particular Knowledge Coach workpaper in your binder for each type of item to which the workpaper is related. Making this association allows Knowledge Coach information to flow properly between workpapers.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
<b>KBA</b> s	<b>KNOWLEDGE-BASED AUDIT DOCUMENTS</b>		
KBA-101	Overall Audit Strategy	X	
KBA-102	Engagement Completion Document	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies and Noncompliance	X	
KBA-105	Review of Significant Accounting Estimates	X	
KBA-200	Entity Information and Background	X	
KBA-201	Client/Engagement Acceptance and Continuance Form: Complex Entities		
KBA-201N	Client/Engagement Acceptance and Continuance Form: Noncomplex Entities		
KBA-301	Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts		
KBA-302	Understanding the Entity and Its Environment: Complex Entities		
KBA-302N	Understanding the Entity and Its Environment: Noncomplex Entities		



<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-303	Inquiries of Management and Others within the Entity about the Risks of Fraud		
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X	
KBA-401	Understanding Entity-Level Controls: Complex Entities		
KBA-401N	Understanding Entity-Level Controls: Noncomplex Entities		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Program Service and Other Revenue, Contributions, Pledges, Receivables, Cash Receipts, and Agency Transactions		
KBA-404	Understanding Activity-Level Controls: Purchases and Inventory		
KBA-405	Understanding Activity-Level Controls: Property, Plant, and Equipment and Contributed Property and Equipment		
KBA-406	Understanding Activity-Level Controls: Other Assets and Collection Items		
KBA-407	Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements		
KBA-408	Understanding Activity-Level Controls: Payroll		
KBA-409	Understanding Activity-Level Controls: Treasury		
KBA-410	Understanding Activity-Level Controls: Income Taxes		
KBA-411	Understanding Activity-Level Controls: Financial Reporting and Closing Process		
KBA-412	Understanding Controls Maintained by a Service Organization		X

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-502	Summary of Risk Assessments	X	
KBA-503	Basis for Inherent Risk Assessment		
KBA-901	Financial Statement Disclosures Checklist		
KBA-902	Audit Review and Approval Checklist		
KBA-904	Audit Documentation Checklist		
KBA-905	Review and Approval Checklist: Interim Review of Financial Information		
<b>AUDs</b>	<b>AUDIT PROGRAMS</b>		
AUD-100	Overall Tailoring Questions	X	
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement		
AUD-602	Audit Program: Involvement of a Component Auditor		X
AUD-603	Audit Program: Using the Work of an Auditor's Specialist		X
AUD-604	Audit Program: Using the Work of a Management's Specialist		X
AUD-701	Audit Program: Designing Tests of Controls		
AUD-800	Audit Program: Custom		X

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-801	Audit Program: Cash		
AUD-802	Audit Program: Investments Including Programmatic Investments		
AUD-803	Audit Program: Accounts Receivable and Revenue		
AUD-804	Audit Program: Split-Interest Agreements and Beneficial Interests in Trusts		
AUD-805	Audit Program: Contributions and Program Service Fees Receivable and Related Support and Program Service Fees Revenues and Agency Transactions		
AUD-806	Audit Program: Inventories and Cost of Sales		
AUD-807	Audit Program: Prepaid Expenses, Deferred Charges, Collection Items, and Other Assets		
AUD-808	Audit Program: Intangible Assets		
AUD-809	Audit Program: Property and Equipment, and Depreciation Including Contributed Property and Equipment		
AUD-810	Audit Program: Accounts Payable and Purchases		
AUD-811	Audit Program: Payroll and Other Liabilities		
AUD-812	Audit Program: Unrelated Business Income and Other Tax Issues		
AUD-813	Audit Program: Debt Obligations and Debt Service		
AUD-814	Audit Program: Net Assets		
AUD-815	Audit Program: Other Income and Expenditures/Expenses		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-816	Audit Program: Journal Entries and Financial Statement Review		
AUD-817	Audit Program: Related-Party Transactions		
AUD-818	Audit Program: Fair Value Measurements and Disclosures		
AUD-819	Audit Program: Commitments and Contingencies		
AUD-820	Audit Program: Accounting Estimates		
AUD-821	Audit Program: Concentrations		
AUD-901	Audit Program: Subsequent Events		
AUD-902	Audit Program: Going Concern		
AUD-903	Audit Program: Consideration of Fraud		
AUD-904	Audit Program: Compliance with Laws and Regulations, Violations of Contract Provisions and Grant Agreements, and Abuse		
AUD-907	Interim Review Program: Review of Interim Financial Information		
<b>AIDs</b>	<b>PRACTICE AIDs</b>		
AID-302	Understanding the Entity's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering the Use of the Work of Internal Auditors		
AID-702	Results of Tests of Controls		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AID-801	Audit Sampling Worksheet for Substantive Tests of Details		
AID-901	Differences of Professional Opinion		
AID-903	Audit Report Preparation Checklist		

### Additional Information for Associated Workpapers

The following tables list the workpapers that require association in this title, along with the information that must be completed before you can insert each workpaper.

Workpaper Requiring Association	What is it associated with?		
	Workpaper	Table/Question	Association Item (Custom Value)
KBA-412 Understanding Ctrls: Service Org (Custom)	AUD-100 Tailoring Question Workpaper	Does the client use service organizations? Shows the "Document the service organizations used by the entity." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the entity.	Service Organization
AUD-602 Audit Program: Component Auditor Involvement (Custom)	AUD-100 Tailoring Question Workpaper	Do we intend to rely on audit evidence provided by a component auditor? is "Yes" Shows the "Document the audit evidence provided by the component auditor(s) that we will rely on in our engagement." table in KBA- 101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the audit evidence provided by the component auditor(s) that we will rely on in our engagement.	Audit Firm Name
AUD-603 Audit Program: Auditor's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Auditor's Specialist from the Type of Specialist Column	Specialist Firm Name
AUD-604 Audit Program: Management's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Management's Specialist from the Type of Specialist Column.	Specialist Firm Name
AUD-800 Audit Program: (Custom)	AUD-100 Tailoring Question Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area