

2017 Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities
December 2017**Welcome to 2017 Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities**

This Release Notes document provides important information about the 2017 release of Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities. Please review this information carefully. If you have any questions, additional information is available on CCH [Support Online](#).

New in this Release

Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities

NEW! 2017 Knowledge-Based Preparations, Compilations, and Reviews of Real Estate Entities can be installed on CCH® ProSystem fx® Engagement v7.5 by first installing the [Engagement v7.5 and Knowledge Coach v2.5 August Update](#). This update will allow users to work on the 2017 Preparations, Compilations, and Reviews of Real Estate Entities title without installing Engagement v2017.1.3 until your firm plans to update.

This title is designed to help the accountant efficiently and effectively perform financial statement preparation engagements, compilations, and reviews of nonpublic real estate entities in accordance with Statements on Standards for Accounting and Review Services (SSARS) issued by the Accounting and Review Services Committee (ARSC) of the American Institute of Certified Public Accountants (AICPA).

The Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities methodology emphasizes using knowledge of the entity to perform preparation, compilation, and review engagements by facilitating the flow of information so that the understanding obtained in each process affects the decisions made in the next. Although the accountant will likely perform most steps in this methodology sequentially, conducting an engagement is not necessarily a linear process. Knowledge gained from preliminary engagement activities helps the accountant design and customize engagement procedures; evidence gained from procedures performed is evaluated and the appropriate accountant's report, if any, is issued. This edition includes specific up-to-date guidance for conducting preparation, compilation, and review engagements in accordance with the SSARS.

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

If you are updating from a previous version of the this title, refer to the Knowledge Coach User Guide Chapter 12. The guide is found on the Engagement File Room Help menu.

The 2017 documents include CCH® Accounting Research® material links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers.

2017 Edition of Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities

This edition features enhancements, including:

- New and modified procedure steps and practice points for current accounting guidance noted below.
- Adding many new AIDs, CORs, RPTs, and RESs as follows:
 - AID-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts
 - COR-201A Engagement Letter: Compilation of Financial Statements Prepared by Client in Accordance with U.S. GAAP

- COR-201C Engagement Letter: Compilation of Financial Statements Prepared in Accordance with the Tax-Basis of Accounting
- COR-201D Engagement Letter: Compilation of Prospective Financial Statements (Forecast)
- COR-201E Engagement Letter: Compilation of Prospective Financial Statements (Projection)
- COR-209A Engagement Letter: Review of U.S. GAAP Financial Statements Prepared by Client
- RES-004 Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts
- RPT-0914 Compilation Report: Prospective Financial Statements—Forecast
- RPT-0915 Compilation Report: Prospective Financial Statements—Projection

[Click here](#) for the 2017 Preparations, Compilations and Reviews of Real Estate Entities Title Overview for Knowledge Coach Users.

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 accounting guidance:

- SSARS No. 23, Omnibus Statement on Standards for Accounting and Review Services - 2016.
- AICPA Guide Preparation, Compilation and Review Engagements;
- AICPA Statement on Quality Control Standards No. 8 (QC Section 10), A Firm's System of Quality Control (Redrafted);
- Revised AICPA Code of Professional Conduct (Code), including ET Section 1.295, Nonattest Services; and
- 2016/2017 Audit Risk Alert Developments in Review, Compilation, and Financial Statement Preparation Engagements – 2016/17.
- FASB Accounting Standards Codification as of September 30, 2017, and through Accounting Standards Update (ASU) No. 2017-13, including:
 - ASU ASU No. 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception.
 - ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities; and
 - ASU No. 2017-13, Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments.

Important Notes:

- Make sure to save changes to workpapers before closing the workpaper or the binder to ensure data is correctly updated.
- If your Current Editor Knowledge Coach Microsoft® Word workpapers become read-only or crash, please do the following:
 - Keep the binder with the affected workpapers open.
 - Highlight the workpaper in the binder window and go to **Tools > Save Knowledge Coach Answers**.

System Requirements

- This title requires the 2017 Financial Statement Base Title. The 2017 Financial Statement Base title MUST be installed with one of the following versions of CCH® ProSystem fx® Engagement and Knowledge Coach.
 - Engagement v7.5.100.1223 and Knowledge Coach v2.5.100.1224 available through the ProSystem fx Engagement v7.5 and Knowledge Coach v2.5 August Update. To identify what version you are running, please go to the **Help > About** window within the application.
 - Engagement and Knowledge Coach v2017.1.3 or later.
- A minimum of 4GB of RAM is required for optimal performance when opening and navigating through Knowledge Coach workpapers.

License Requirements

This title requires the Knowledge-Based Preparation, Compilation, and Reviews of Real Estate Entities license.

Any user that does not have a license for this title will not be able to use Knowledge Coach functionality in workpapers.

For more information on how to update your licensing, view [How do I add or update CCH ProSystem fx Engagement Licenses?](#) on our website.

For more information on how to assign licenses, view [How do I assign Engagement Licenses?](#) on our website.

Download Instructions

If you are planning to use this title on Engagement v7.5 and Knowledge Coach v2.5, ensure you apply ProSystem fx Engagement v7.5 and Knowledge Coach v2.5 July Update to all machines including Admin servers and terminal servers before installing the title. Review the July Update [release notes](#) for more information on deployment.

To download this title:

1. Navigate to the [Knowledge Coach Updates](#) section of the Engagement Support Website.
2. Select the Knowledge Coach Series. The series are arranged by title type, then industry.
3. Click on the Download File link next to the title you wish to download.

Note: On some occasions the content package file (.KCP) will download with the extension changed to .ZIP. If this occurs, please change the extension of the downloaded file to KCP using all capital letters.

You must install the 2017 Financial Statement Base title before installing the 2017 Knowledge-Based Preparation, Compilations and Reviews of Real Estate Entities.

The Financial Statement Base title is also available on the [Knowledge Coach Update Website](#).

The Knowledge Coach Content Package (KCP) download is a proprietary file that must be installed from within Engagement. Save this KCP file to a location on your local drive, and follow the Installation Instructions below.

Installation Instructions

Once you have downloaded your Knowledge Coach title, you will need to add it to the list of titles within CCH ProSystem fx Engagement. The only additional system requirement is approximately 75MB of disk space to store your Knowledge Coach Program content files. Please refer to the Engagement with Knowledge Coach Release Notes for any other system requirements.

After downloading the 2017 Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities, do the following:

1. Launch the Engagement Workpaper Management application so that the Local File Room is displayed. Select **Tools > Knowledge Coach Titles**.
2. The Knowledge Coach Titles window will be displayed.
3. Choose **Add Title**.
4. Browse to the title package file (*.KCP) that you previously downloaded from the Knowledge Coach Support Web site.
5. Choose **Open**.
6. The system will display a progress indicator while the title package is added. You will receive a message that the title has been successfully installed once the process is complete.

To release a title:

1. Select one of the Knowledge Coach titles in the list that has been added but is not yet released.
2. Choose **Release Title**. The current date and time will be displayed in the Date released column, and the status will change to "Released."

Note: In the Engagement Admin module, add and assign a Knowledge Coach module and the applicable Knowledge Coach title license to staff before using the workpapers.

Important: Once the 2017 Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities title has been added and released, they will be automatically deployed to other staff members when they login to the "Office" location, or when they synchronize a binder that contains Knowledge Coach workpapers from this title.

Online Permission Key

Permission key files may be downloaded from our [website](#) or when adding or updating the new licenses within CCH ProSystem fx Engagement with Knowledge Coach v7.5 and higher. After updating the license file in the Engagement Admin module, licenses need to be assigned to the staff who will use 2017 Knowledge-Based Preparation, Compilation and Reviews of Real Estate Entities.

If you have not already established a Single Sign-on (SSO) account with Customer Service, we urge you to do so at this time.

CCH® Accounting Research Manager®

CCH's Accounting Research Manager ("ARM") is the most comprehensive, up-to-date and objective online database of financial reporting literature. It includes all authoritative and proposed accounting, and SEC literature, plus independent, expert-written interpretive guidance.

Available on ARM, the Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities Guide helps you comply with the most recent professional standards and guidance for the conduct of preparations, compilations and reviews and to integrate the use of practice aids, tools, and other resources with its guidance. This publication supplements and complements the Knowledge-Based documents that are available in Knowledge Coach.

If you subscribe to an ARM library that includes Preparations, Compilations and Reviews of Real Estate Entities content, you can link directly to source material from Resources within Knowledge Coach documents. These links have been updated to refer to the accounting standards under the FASB Accounting Standards Codifications. Also, if you subscribe to the Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities Guide on ARM, you can take advantage of references to the guide material from within the Knowledge Coach documents.

With Accounting Research Manager, you maximize the efficiency of your research time, while enhancing your results. Learn more about our content, our experts, and how you can request your free trial by visiting the [Accounting Research Manager website](#). You can also access the Accounting Research Manager Web site by selecting **Engagement > Binder Window > Shortcuts Bar > Guidance tab**.

Using Your Knowledge Coach Content

To use your Knowledge Coach Workpaper Templates, do the following:

1. Open a binder in Engagement.
2. Select the workpaper tab into which you would like to insert the workpaper.
3. Select **New Knowledge Coach Workpaper** from the toolbar or File menu.
4. The *New Knowledge Coach Workpaper* dialog appears (Figure 1).
5. Select the **New Knowledge Coach Title** with the content you would like to use. You can only select titles you have installed. The information displayed changes to reflect the workpaper organization available for the selected title.
6. Select the **Knowledge Coach Workpapers** to insert into your binder and click **OK**.
7. In the *Selected Workpaper Properties* dialog, each workpaper name is automatically loaded into the Name field. Add a **workpaper index** in the Index field and make any Name modifications you desire. You can also modify the tab location or the roll forward settings for each workpaper.
8. Click **OK**. The integrated Knowledge Coach workpaper is now inserted into your engagement binder.

Note: For more information on how to use Knowledge Coach workpapers in your binder, see the Knowledge Coach User Guide.

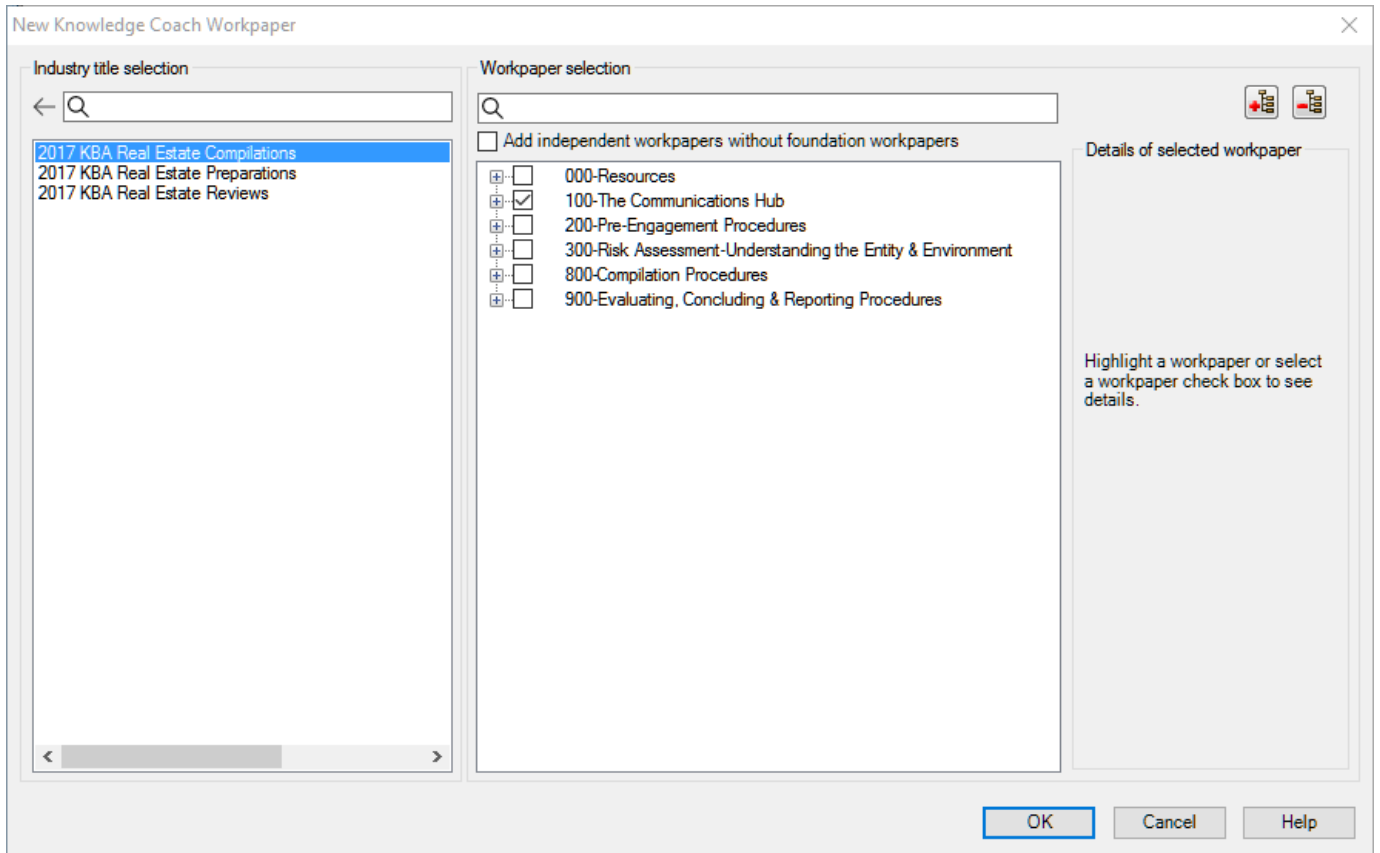


Figure 1 - New Knowledge Coach Workpaper

Additional Information on Knowledge Coach and the KBA Methodology

Knowledge-Based Methodology

Allows the results of one set of procedures to become the input for the next. The key components of the KBA methodology include:

- An Overview that guides accountants through the methodology;
- Knowledge-Based Preparation, Compilation and Review of Real Estate Entities documents, integral to the risk assessment and overall accounting processes, which contain steps and procedures required by SSARS;
- Customizable Programs that take accountants through related steps and procedures;
- Practice Aids to help accountants complete steps or processes outlined in the Knowledge-Based Preparation, Compilation and Review of Real Estate Entities documents and Programs;
- Accountant's Reports that provide a variety of sample accountant's opinions on financial statements; and
- Correspondence documents that provide sample letters to be used to comply with SSARS requirements and in many other common situations.
- The AICPA's Accounting and Review Services Committee (ARSC) SSARS - The practice aids and tools in the 2017 Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities are designed around the AICPA's SSARS standards to assist accountants by:
 - Facilitating compliance with SSARS;
 - Encouraging more effective engagements through tailored engagement programs and comprehensive practice aids; and
 - Enhancing engagement documentation.

CCH® ProSystem fx® Knowledge Coach

Knowledge Coach functionality allows accountants to use the Knowledge-Based methodology more efficiently by eliminating the need for duplicate entry of the same information, tailoring documentation to each particular engagement, and documenting the link between risks identified and procedures performed. PRP-100 Engagement-Level Tailoring Questions, CMP-100 Engagement-Level Tailoring Questions or REV-100 Engagement-Level Tailoring Questions are documents in Knowledge Coach that presents engagement-level questions designed to aid in tailoring the engagement documentation to fit each client. Completing the questions helps the accountant avoid duplication and unnecessary workpapers.

Note: Before you begin your engagement, please review the guidance in PRP-101 Overall Preparation Program, CMP-101 Overall Compilation Program or REV-101 Overall Review Program. This workpaper is intended to be your road map through a Knowledge-Based methodology. You should start your engagement with PRP-100 Tailoring Question Workpaper, CMP-100 Tailoring Question Workpaper or REV-100 Tailoring Question Workpaper and PRP-101 Overall Preparation Program, CMP-101 Overall Compilation Program or REV-101 Overall Review.

- **Risks**

The Risk Assessment features have been disabled since the 2012 Knowledge-Based Compilations and Review Title for Knowledge Coach. Refer to KBP-101 Preparation: Significant Matters, KBC-101 Compilation: Significant Matters and KBR-102 Review: Significant Matters to accumulate and review significant issues and findings. PRP-801 Preparation Program, CMP-801 Compilation Program: Significant Risks and Uncertainties and REV-802 Review Program: Significant Risks and Uncertainties provides a guide for implementing the guidance related to the disclosure of certain significant risks and uncertainties.
- **Information Flow**

Helps cut down on the time spent duplicating information across forms. In addition, the flow of consistent information ensures that information and updates to information are not missed between workpapers. Drill-down functionality helps the user navigate quickly to the source of the information, aiding in the review of the engagement file.

- **Diagnostics**

Help keep track of unresolved issues like unanswered questions, incomplete risks, program steps not linked to risks or relevant assertions, missing workpaper, and more.

- **Links to Accounting Research Manager (ARM)**

If you subscribe to an ARM library that includes accounting content, you can link directly to source material from Resources within Knowledge Coach workpapers. These links have been updated to reference to the accounting standards under the SSARS and accounting standards issued by the AICPA. Also, if you subscribe to the Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities Guide on ARM, you can take advantage of links to the guide material from within the Knowledge Coach documents.

- **Interpretive Guidance**

It is integrated into each Knowledge Coach template through the Tips view of each new task pane. Informational features include Practice Points, Examples, Optional Workpapers, and Resources to help accountants work more effectively and efficiently. You can also navigate from Resources within a document or the tip pane directly to CCH’s Accounting Research Manager and industry guides by simply clicking on the Reference.

Download Description:	2017 Knowledge-Based Preparations, Compilations and Reviews of Real Estate Entities
Version:	Engagement v7.5 and Knowledge Coach v2.5 with Engagement v7.5 and Knowledge Coach v2.5 August Update OR Engagement and Knowledge Coach v2017.1 or later 2017 Financial Statement Base
Release Date:	December 2017
File size:	18MB
Approx. Download Time:	42 minutes at 56 kbps
License:	Full Version
Platforms:	Windows® 7, 8, 8.1, 10
Office:	Microsoft® Office 2013 or higher required