

# 2019 PUBLIC 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 **2019 Knowledge-Based Audits of Public Entities** reflects current authoritative literature, including PCAOB auditing standards, and is current through standards and rules issued through June 2019. The 2019-2020 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Many new tips and examples have been incorporated. Also included are revised financial statement disclosures checklists that provide a centralized resource of the required and recommended U.S. GAAP and SEC disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification™. The audit program specific to broker/dealers has been removed and the procedures related to the audit of broker/dealers have been integrated into the appropriate related financial statement line item area for better workflow.

The 2019 edition of *Knowledge-Based Audits of Public Entities* includes the following updates:

**Roll Forward Note:** All Noncomplex forms (KBA-201N, KBA-302N, and KBA-401N) have been removed and combined with the prior Complex documents. If you have used a Noncomplex document in your prior engagement, before rolling that file forward, you must add the Complex document to your engagement binder to retain the data from the Noncomplex document, then remove these workpapers from the prior year binder after you have rolled the binder forward.

If your binder has already been finalized and you don't want to unfinalize the binder to insert the Complex document before you roll forward from the 2018 version, you are able to make a copy of your finalized binder, insert the applicable Complex documents, then roll forward the copied binder to the 2019 title version. After roll forward remember to delete the copied prior year binder from your file room. Doing this will retain the data into the 2019 combined versions.

Alternatively copy and paste the data from the prior year Noncomplex document, from the prior year binder, after you roll forward into the current combined versions. The Noncomplex document will roll forward as an obsolete workpaper with no data and will need to be removed after you have rolled forward your binder. You will need to refer to your prior year binder for data in the Noncomplex document.

For "update knowledge coach content", you should insert the Complex version of the workpaper prior to updating to retain information from the now, obsolete noncomplex version. We recommend that the user publish the Noncomplex versions prior to "update knowledge coach content" so that the user has access to the data, since after updating, the noncomplex version will be obsolete.

## Knowledge-Based Audit Documents (KBAs)

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	Added practice point regarding AS 1210 as, <i>Using the Work of an Auditor-Engaged</i>	Instructions	Enhancement		
Modify	Added practice point regarding SEC Rule 17a-5	Table under Key Management Contacts	Enhancement		
Modify	Under “Document the other services our firm performs for this entity?” modified column header from “Firm Personnel Responsible” to “Firm Personnel Overseeing the Service” to match <i>AID-201</i> .  New flow of column, “Nature of Other Services” to <i>AID-201</i> column, “Description of Service” and column “Firm Personnel Overseeing the Service” will flow to <i>AID-201</i> .	Table	Improved Workflow		Step will retain on roll forward with default settings.  In <i>AID-201</i> the new flows will be new rows in <i>AID-201</i> and the prior user entered rows in <i>AID-201</i> will be retained on roll forward if user selects to keep all responses on roll forward. The user will need to combine these or modify as applicable.
Modify	Under “Section II: Reporting Objectives, Timing of the audit, and Nature of Communications with Management and those Charged with Governance” added “Physical inspection of assets” to the items listed in the table in step 5.	Table	Enhancement		
<b>KBA-101A Overall Examination or Review Attestation Engagement Strategy</b>					
Modify	Added practice point regarding AS 1210 as, <i>Using the Work of an Auditor-Engaged</i>	Instructions	Enhancement		
<b>KBA-102 Engagement Completion Document</b>					
Add	Added table “Prior Year Substantive Matters and Significant Findings”. This table is only user entry if the user would like to document prior year matters or findings.	Table	Enhancement		
<b>KBA-105 Review of Significant Accounting Estimates</b>					
Modify	Added practice point regarding AS 2501.	Purpose	Enhancement		
<b>KBA-200 Entity Information and Background</b>					
Modify	Added new flow of question, “Describe the users or expected users of the financial statements (e.g., owners, stakeholders, lenders):” to <i>KBA-301</i>	Table	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBA-201 Client/Engagement Acceptance and Continuance Form</b>					
Modify	<p>Combined <i>KBA-201</i> and <i>KBA-201N</i> giving the auditor the option to memo or complete the detailed table for each section.</p> <p>User will need to answer Tailoring Question under each section if the user will document the consideration in memo format or complete the detailed table.</p>	Program	Improved Workflow		<p>Information from KBA-201 will retain on roll forward except the findings table if the user uses the default roll forward settings. To retain all, the user would need to select to keep all responses on roll forward.</p> <p>If the user used KBA-201N in the prior year then all information except for the acceptance/continuance decision will retain from KBA-201N if one of the first two options in the Roll Forward Note above is performed. Please see Roll Forward Note at the top of this file for further information.</p>
<b>KBA-201N Client/Engagement Acceptance and Continuance Form: Non-Complex Entities</b>					
Obsolete	Obsolete workpaper, see KBA-201 for roll forward considerations.				This workpaper will become obsolete after roll forward, please see roll forward considerations above.
<b>KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts</b>					
Modify	New table, "Describe the users or expected users of the financial statements (E.g., owners, stakeholders, lenders):" that will flow from <i>KBA-200</i> .	Table	Enhancement		
Modify	New column in Step 4: Determination of the Threshold for "Trivial" Amounts for user to document the "Trivial Amount". User will need to key in the number they would like to use based on the calculations in the table.	Table	Enhancement		User will need to manually key in the "Trivial Amount" column and this column will then flow out to the Materiality Table in many other workpapers.
<b>KBA-302 Understanding the Entity and Its Environment</b>					
Modify	Combined <i>KBA-302</i> and <i>KBA-302N</i> giving the auditor the option to memo or complete the detailed table for each section.	Program	Improved Workflow		Information from KBA-302 will retain on roll forward except the significant change tables, relevant column in factor tables and findings table if the user uses the default roll forward settings. To

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	User will need to answer Tailoring Question under each section if the user will document the consideration in memo format or complete the detailed table.				<p>retain all the user would need to select to keep all responses on roll forward.</p> <p>If the user used KBA-302N in the prior year then only Section: Significant Matters or Issues Identified from KBA-302N will be retained on roll forward by using one of the first two roll forward options in the Roll Forward Note above. The other tables in this workpaper will not retain into the new combined version due to how the tables are structured. Please see Roll Forward Note at the top of this file for further information.</p>
Modify	Removed “Section I: Entity Information” to simplify the form as information is captured in <b>KBA-200</b>	Procedures	Improved Workflow		
Modify	Removed Columns “Change from Previous Year”, “Procedures We Performed to Gain Our Understanding”, and “Workpaper Reference/Comments” and replaced with text boxes at the end of each section.	Procedures	Improved Workflow		These new tables will retain on roll forward by default.
Modify	<p>Modified factors under “Regulatory Environment”</p> <p>f. Inquiries into the entity’s operations or financial results by regulatory or government bodies, including communications regarding noncompliance or possible noncompliance.</p> <p>Removed the following factor:</p> <p>Communication from regulatory agencies regarding noncompliance or possible noncompliance.</p>	Procedures	Clarification		Steps will reset on roll forward due to content changes
Modify	<p>Modified factors under “Business Operations”</p> <p>a. Entity’s management personnel and organizational structure, including individuals responsible for significant areas of the entity’s operations (e.g., financial reporting; marketing and sales; and finance.)</p> <p>i. Alliances, joint ventures, affiliate, reselling, and outsourcing activities.</p> <p>j. Involvement in e-commerce, including Internet sales and marketing activities, with potential cybersecurity risks.</p> <p>Removed following factors:</p>	Procedures	Clarification		Steps will reset on roll forward due to content changes

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>Going-concern and liquidity issues, including consideration of management’s evaluation of whether conditions or events exist that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.</p> <p>Locations of production facilities, warehouses, and offices.</p> <p>Important suppliers of goods and services (e.g., long-term contracts; stability of supply; terms of payment; imports; and methods of delivery, such as “just in time”)</p> <p>Purchase commitments</p> <p>Anticipated losses on long-term contracts.</p>				
Modify	<p>Modified factors under “Financing”</p> <p>d. Leasing of property, plant, or equipment for use in the business.</p> <p>e. Long-term leases with required fixed payments for multiple years.</p> <p>New factor:</p> <p>Going-concern and liquidity issues, including consideration of management’s evaluation of whether conditions or events exist that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.</p>	Procedures	Clarification		Steps will reset on roll forward due to content changes
Modify	<p>Removed factors under “Selection and Application of Accounting Principles, Including Related Disclosures (i.e. Financial Reporting)”:</p> <p>Competencies of personnel involved in selecting and applying significant new or complex accounting principles.</p> <p>Accounts or disclosures for which judgment is used in the application of significant accounting principles, especially in determining management’s estimates and assumptions.</p> <p>Financial reporting standards and laws and regulations that are new to the entity, including when and how the entity will adopt such requirements.</p> <p>Management’s process for making accounting estimates and any changes in that process including the underlying assumptions and any models or specialists used.</p> <p>The outcome of accounting estimates included in the previous period financial statements, or, where applicable, their subsequent reestimation for the purpose of the current period, including their nature and relevance to assessing the risk of material misstatement.</p> <p>Pending litigation and contingent liabilities (e.g., sales warranties, financial guarantees, and environmental remediation).</p>	Procedures	Clarification		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>Procedures for identifying, authorizing, accounting for, and disclosing related-party transactions.</p> <p>Lack of personnel with appropriate accounting and financial reporting skills.</p> <p>Methods used by management in determining segment information (sales, transfers and charges between segments and eliminations of intersegment amounts; comparisons with budgets and other expected results; allocation of assets and costs among segments; consistency with previous periods; and the adequacy of the disclosures for inconsistencies).</p> <p>Other factors considered that affect the nature of the entity.</p>				
Modify	<p>New factors under “Group-wide Controls”</p> <p>Group structure—major subsidiaries and associated entities, including consolidated and unconsolidated structures.</p>	Procedures	Clarification		
Modify	<p>Modified factors under “Consolidation Process”</p> <p>c. The process for identifying reportable segments and for determining segment information (sales, transfers and charges between segments and eliminations of intersegment amounts; comparisons with budgets and other expected results; allocation of assets and costs among segments; consistency with previous periods; and the adequacy of the disclosures for inconsistencies) for segment reporting, in accordance with the applicable financial reporting framework.</p>	Procedures	Clarification		Step will reset on roll forward due to content changes
Modify	<p>Removed factors under “Entity’s Objectives and Strategies, and Related Business Risks”:</p> <p>Marginally achieving explicitly stated strategic objectives.</p> <p>Any other factors considered that affect the objectives and strategies and related business risks.</p>	Procedures	Clarification		
Modify	<p>Removed the following factors:</p> <p>Other factors considered that affect the measurement and review of the entity’s financial performance.</p>	Procedures	Clarification		
Modify	<p>Modified factors under “Subsection 3: Noncompliance with Laws and Regulations”</p> <p>b. Investigation by a governmental agency, an enforcement proceeding, or payment of unusual fines or penalties</p> <p>h. Unusual payments in cash, purchases in the form of cashiers’ checks payable to bearer, or transfers to numbered bank accounts.</p>	Procedures	Clarification		Steps will reset on roll forward due to content changes

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>k. Payments for unspecified services or loans to consultants, related parties, employees, or government officials or government employees.</p> <p>Removed the following factors:</p> <p>Investigations by a government agency.</p> <p>Large and unusual cash transactions</p> <p>Enforcement proceedings.</p> <p>Large and unusual payments to a consultant, affiliate, or employee, including unusually large sales commissions.</p> <p>Purchases of bank cashier’s checks in large amounts that are payable to bearer.</p>				
<b>KBA-302N Understanding the Entity and Its Environment: Noncomplex</b>					
Obsolete	Obsolete workpaper, see KBA-302 for roll forward considerations.				This workpaper will become obsolete after roll forward, please see roll forward considerations above.
<b>KBA-303 Inquiries of Management and Others Within the Entity About the Risks of Fraud and Noncompliance with Laws and Regulations</b>					
Added	<p>Added the following inquiry to all sections:</p> <p>Are you aware of any cybersecurity incidents, either from unintentional events or deliberate actions by insiders or third parties, affecting the entity?</p>	Procedures	Enhancement		
<b>KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures</b>					
Added	<p>Added new table for findings. All items identified will now flow into this table just like they did in 2018 Public Entities title into <b>KBA-103</b>. The user will select in this table whether they will flow the item identified to <b>KBA-103</b> or not.</p> <p>This will cut down on duplicate flow to <b>KBA-103</b> and the user can group the flow to <b>KBA-103</b>.</p>				<p>On roll forward any items identified in the prior binder will flow into this new table and the 2<sup>nd</sup> column, “Flow to <b>KBA-103</b>” will be auto populated as “Yes”. This will be done so the user will not lose any flow to <b>KBA-103</b>. The user will need to then decide which items will flow or not flow to <b>KBA-103</b> by changing the response in column 2.</p>
Modify	Under “Table 1: Scoping and Mapping” new audit area “Business Combinations” will be mapped to <b>KBA-411</b> .	Procedures	Improved Workflow		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	New Potential Error Diagnostic that will appear if the user has identified a specific risk in the Risk Pane for a specific audit area but hasn't identified that audit area in Table 1 has having a "Significant or Fraud Risk"	Diagnostic	Enhancement		
<b>KBA-401 Understanding Entity-Level Controls</b>					
Modify	<p>Combined <b>KBA-401</b> and <b>KBA-401N</b> giving the auditor the option to memo or complete the detailed table for each section.</p> <p>User will need to answer Tailoring Question under each section if the user will document the consideration in memo format or complete the detailed table.</p>	Program	Improved Workflow		<p>Information from KBA-401 will retain on roll forward if the user uses the default roll forward settings except column 7, "Do Compensating Controls Adequately Reduce the Risk of Material Misstatement Created by the Ineffective Design and Implementation of Identified Controls" due to the content changes in this column. To retain all the user would need to select to keep all responses on roll forward.</p> <p>If the user used KBA-401N in the prior year then each relevant principle table and the conclusion section will retain on roll forward from KBA-401N if one of the first two options in the Roll Forward Note at the top of this file is performed. The "Overall Assessment of the Entity's System of Internal Control" table will not retain on roll forward. Please see Roll Forward Note at the top of this file for further information.</p>
Modify	<p>Modified headers and related instructions regarding compensating controls.</p> <p><i>Column 4 renamed to "Describe the Established Controls Supporting the Relevant Principles or Point of Focus"</i></p> <p><i>Column 6 renamed to "If Column 5 Is "No," Describe Compensating Controls, If Any"</i></p>	Table	Clarification		Column 7 will reset on roll forward due to content changes. All other columns will retain on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p><i>Column 7 renamed to “Do Compensating Controls Adequately Reduce the Risk of Material Misstatement Created by the Ineffective Design and Implementation of Identified Controls?”</i></p> <p><i>Column 8 renamed to “If Column 5 and Column 7 Are, “No” Describe the Risks of Material Misstatement”</i></p> <p><i>Column 10 renamed to “If Column 2, 3, 5, 7, or 9 is “No,” Describe the Deficiency”</i></p>				
Modify	Removed Columns “Change from Previous Year”, “Procedures We Performed to Gain Our Understanding”, and “Workpaper Reference/Comments” and replaced with text boxes at the end of each section.	Procedures	Improved Workflow		These new tables will retain on roll forward by default.
<b>KBA-401N Understanding Entity-Level Controls: Noncomplex Entities</b>					
Obsolete	Obsolete workpaper, see KBA-401 for roll forward considerations.				This workpaper will become obsolete after roll forward, please see roll forward considerations above.
<b>KBA-402 Understanding General Controls for Information Technology</b>					
Modify	Minor wording changes throughout	Workpaper	Clarification		
Modify	<p>Under “Section II: Understanding of IT General Controls for Entities with a Less Complex IT Structure”, added column “If Controls are Not Effectively Designed and Implemented or Are Not Operating Effectively, Describe the Risks of Material Misstatement” and Renamed column, “Are Controls Functioning” to “Are Controls Operating Effectively”</p> <p>This new column will contain a list of risks noted in the engagement and a not applicable option. This is same setup as in <i>KBA-400</i> and KBA-40X series workpapers.</p>	Table	Enhancement		One column is new, but the renamed column will retain on roll forward.
Modify	<p>Under “Program Development and Program Change” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” added steps 5a and 5f, and modified steps 5b and 5c as follows:</p> <ol style="list-style-type: none"> <li>a. Significant system changes are authorized by management.</li> <li>b. Requests for program changes, system changes, and maintenance (including changes to system software) are standardized, documented, and subject to formal change management procedures, including authorization by the appropriate individuals.</li> </ol>	Procedures	Enhancement		Modified steps will retain on roll forward with default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>c. All changes, including emergency change, requests are documented and subject to formal change management procedures.</p> <p>d. Before changes are migrated into the production environment, management ensures they have been adequately tested by the entity's IT department.</p>				
Modify	Under "Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure" renamed table "Computer Operations and Logical Access to Programs and Data" to "Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data"	Table	Enhancement		
Modify	<p>Under "Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data" Table of "Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure" added steps 6d and 6e as follows:</p> <p>Management has adopted written policies and procedures that address administrative, technical, and physical safeguards for the protection of customer records and information. This includes a formal process for notifying the appropriate individuals in the event of a breach of customer or firm data.</p> <p>Management has implemented regular risk assessment processes, including vulnerability and penetration testing, with detailed, time-bound follow-up action plans to resolve higher-risk concerns.</p>	Procedures	Enhancement		
Modify	<p>Under "Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data" Table of "Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure" modified step 7e which now reads as follows:</p> <p>Third-party service contracts address the risks, security controls, and procedures for information systems and networks in the contract between the parties. This includes addressing the vendor's responsibilities regarding notification to the entity in the event of a breach of customer or firm data.</p>	Procedures	Enhancement		Modified step will retain on roll forward with default settings.
Modify	Under "Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data" Table of "Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure" modified steps 8d, 8f, 8g, 8k, 8m and added steps 8h, 8i, 8n and 8o as follows:	Procedures	Enhancement		Modified steps will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>a. Procedures exist and are followed to maintain the effectiveness of authentication and access mechanisms (e.g., regular password changes), including password policies that include:</p> <ul style="list-style-type: none"> <li>• A mix of alphabetic, numeric, and special characters</li> <li>• Minimum length</li> <li>• Requirements to change periodically</li> </ul> <p>b. <i>Management has developed and maintains an IT security training and awareness program, including cybersecurity training and testing, for all associates to reduce the risk of social engineering and malware infection.</i></p> <p>c. <i>Procedures exist and are followed to ensure timely action relating to requesting, establishing, issuing, suspending, and closing user accounts, based on the employee’s job function.</i></p> <p>d. <i>The entity periodically reviews and confirms access rights to applications and data to help ensure segregation of duties and determine if their access rights are appropriate and/or still required.</i></p> <p>e. <i>Administrative rights to the network and software programs are reviewed and restricted to authorized individuals.</i></p> <p>f. <i>Access rights to the network and financial reporting applications are removed or disabled in a timely manner (e.g., at or just before termination) for all terminated employees.</i></p> <p>k. <i>IT security administration monitors, logs, and reviews regularly security activity, and any identified security violations are reported to senior management.</i></p> <p>m. <i>The entity has restricted physical access and an appropriate physical environment for key hardware components, such as firewalls, servers, and routers.</i></p> <p>n. <i>The entity has controls in place to reduce cybersecurity risks and mitigate the associated costs.</i></p> <p>o. <i>The entity has control procedures in place to properly report any cybersecurity incidents, whether unintentional or from deliberate actions of insiders or third parties.</i></p>				
Modify	<p>Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” modified steps 9d which now reads as follows: Management has established procedures across the organization to protect information systems <i>from malware threats, and cyber-related frauds,</i></p>	Procedures	Enhancement		Modified step will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<i>including spoofed or manipulated electronic communications (e.g. phishing emails).</i>				
Modify	Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” modified step 10a which now reads as follows: Management has developed a process (e.g., monitoring software, help desk, user hot line) to ensure that incidents, problems, system failures and errors are identified, recorded, analyzed, and resolved in a timely manner.	Procedures	Enhancement		
Modify	Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” added step 11f as follows: Management has developed and documented a disaster recovery plan, which is periodically reviewed and tested.	Procedures	Enhancement		
<b>KBA-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts through KBA-411 Understanding Activity-Level Controls: Financial Reporting and Closing Process</b>					
Modified	Minor wording changes throughout in instructions	Instructions			
<b>KBA-404 Understanding Activity-level Controls: Inventory</b>					
Modified	Modified Activity-Level Control Objective as follows: Inventory measured using the LIFO or retail method is recorded at the lower of cost or market	Procedures	Enhancement		Step will reset on roll forward due to content changes
<b>KBA-413 Understanding Activity-Level Controls: Broker-Dealer Transactions</b>					
New	New Activity-Level Control workpaper related to Broker-Dealer Transactions				Note that this new workpaper isn’t linked to an audit area or transaction class like other KBA-40x series workpapers. If the entity is a broker or dealer the auditor should use this form to document the activity level controls pertaining to the broker or dealer.
<b>KBA-501 Team Discussion and Consideration of the Risks of Material Misstatement</b>					
Modified	Modified instructions to note that engagement team may wish to review <b><i>KBA 302 Understanding the Entity and Its Environment, KBA-303 Inquiries of Management and Others within the Entity about the Risks</i></b>	Instructions	Clarification		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<i>of Fraud and Noncompliance with Laws and Regulations</i> , and <i>KBA 401 Understanding Entity-Level Controls</i> before having the engagement team discussion				
<b>KBA-502 Summary of Risk Assessments</b>					
New	New Potential Error Diagnostic: If a user adds a specific risk and notes both the Inherent Risk and Control Risk as Low the following diagnostic will appear: You have noted a specific risk related to <Audit Area> with Inherent Risk and Control Risk noted as Low. Are you sure this should be considered a Significant or Fraud Risk.	Diagnostic			
New	New Potential Error Diagnostic: If “Has the auditor been engaged to perform an integrated audit (i.e., an audit of internal control over financial reporting that is integrated with the audit of financial statements)?” is “No”, AND If “Does the auditor intend to test the operating effectiveness of internal controls over financial reporting?” is “No”, OR The audit area hasn’t been selected in TQ, “What audit areas, applicable to the engagement, will you be performing tests of the operating effectiveness of controls? AND User selects Combined for any audit area or risk here. The following diagnostic will appear: You have selected a combined audit approach but you have noted you’re not testing internal controls in <i>AUD-100</i> .	Diagnostic			
<b>KBA-901 Financial Statements Disclosures Checklist</b>					
NEW	New Industry Specific section regarding <i>Brokers and Dealers in Securities Disclosures Checklist</i>				
<b>KBA-905 Engagement Documentation Checklist</b>					
New	New TQ, “Is the entity a broker/dealer?” which will flow from <i>AUD-100</i> .  <i>See KCO-003 Answer Effects for the Overall Tailoring Questions Workpaper</i> for further guidance on the effects of this TQ.	TQ Table	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modified	The broker or dealer has properly preserved all the required records and documentation in accordance with CFR § 240.17a-3 and CFR § 240.17a-4.	Procedures	Enhancement		

### KBA-901 Financial Statement Disclosures Checklist

Type of Change	Description of Change	Roll Forward and Update Content Considerations
<b>Table of Contents</b>		
Modified	Added “Before the Effective Date of ASU No. 2018-17” to sub “Disclosure and Presentation Requirements for Private Companies that Elect to Apply the Accounting Alternative for VIEs for Common Control Leasing Arrangements” under 810 Consolidation, Variable Interest Entities.	
Added	Added “Disclosure and Presentation Requirements for Private Companies that Elect to Apply the Accounting Alternative for VIEs for All Common Control Arrangements ( <i>After the Effective Date of ASU No. 2018-17</i> )” under 810 Consolidation, Variable Interest Entities as new section.	
Removed	Removed section “Control of Partnerships and Similar Entities” from ASC 810 Consolidation.	
<b>Statement of Cash Flows (ASC 230)</b>		
<b>Overall</b>		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in item 9b(6) below have been superseded by the amendments in ASU No. 2016-09, <i>Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting</i>, which is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in item 9b(7) below should be followed. Early adoption is permitted for any fiscal year or interim period for which the entity’s financial statements have not yet been issued (public business entities) or have not yet been made available for issuance (all other entities). An entity that elects earlier application of ASU No. 2016-09 in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Also, an entity should apply ASU No. 2016-09 in its entirety when adopted. (ASC 718-10-65-5)</p> <p>(6) Income taxes paid and, separately, the cash that would have been paid for income taxes if increases in the value of equity instruments issued under share-based payment arrangements that are not included as a cost of goods or services recognizable for accounting purposes also had not been deductible in determining taxable income?</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p><i>Note:</i> The presentation and disclosure requirements in item 9b(6) above have been superseded by the amendments in <u>ASU No. 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting</u>, which is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in item 9b(7) below should be followed. Early adoption is permitted for any fiscal year or interim period for which the entity’s financial statements have not yet been issued (public business entities) or have not yet been made available for issuance (all other entities). An entity that elects earlier application of <u>ASU No. 2016-09</u> in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Also, an entity should apply <u>ASU No. 2016-09</u> in its entirety when adopted. (<u>ASC 718-10-65-5</u>)</p> <p>(7) Income taxes paid?</p>	
<p><b>Receivables (ASC 310)</b> <b>Overall</b></p>		
Modified	<p>1. Are major categories of nonmortgage loans or trade receivables presented separately in the balance sheet or disclosed in the notes to financial statements? (<u>ASC 310-10-45-2</u> and <u>50-3</u>)</p>	Step will retain on roll forward.
Modified	<p>2. Are nonmortgage loans or trade receivables held for sale presented as a separate balance sheet category? (<u>ASC 310-10-45-2</u>) (<i>Note:</i> Nonmortgage loans or trade receivables other than those held for sale may be presented on the balance sheet as aggregate amounts.)</p> <p><i>Note:</i> An entity should present the amounts reversed or established for the valuation allowance and the allowance for credit losses, as applicable, related to the transfer of nonmortgage loans on a gross basis in the income statement. An entity may present those amounts on the income statement or in the notes to financial statements.</p>	Step will retain on roll forward.
Modified	<p><i>Note:</i> The presentation and disclosure requirements in item 5 below have been superseded by <u>ASU No. 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</u>, which is effective for public business entities that are SEC filers for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities that are not SEC filers, the requirements are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including nonpublic entities, not-for-profit entities within the scope of ASC Topic 958, and employee benefit plans within the scope of ASC Topics 960 through 965 on plan accounting, the requirements are effective for fiscal years beginning after December 15, 2021, including interim</p>	Step will retain on roll forward.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	periods within those fiscal years. Thereafter, the presentation and disclosure requirements in <u>ASC Topic 326</u> should be followed. ( <u>ASC 326-10-65-1</u> )	
<b>Investments – Debt and Equity Securities (ASC 320)</b>		
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 6 below is prescribed by <u>ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments</u>. For entities that have not yet adopted ASU No. 2016-13, the effective dates and transition requirements for ASU No. 2019-04 are the same as the effective dates and transition requirements in ASU No. 2016-13. For an entity that has already adopted ASU No. 2016-13, <u>ASU No. 2019-04</u> is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. (<u>ASC 326-10-65-2</u>)</p> <p>Early adoption, including adoption in an interim period, is permitted as long as an entity has adopted <u>ASU No. 2016-13</u>.</p> <p><i>Note:</i> For entities that have adopted ASU No. 2016-13, ASU No. 2019-04 should be applied by means of a cumulative-effect adjustment to the opening retained earnings as of the beginning of the first reporting period in which ASU No. 2016-13 is effective.</p> <p>An entity that develops or amends its accounting policy to comply with the requirements of the accounting policy election in ASC paragraph <u>326-20-30-5A</u> should apply the guidance in ASC paragraphs <u>326-20-30-5A</u> and <u>326-30-30-1B</u> in accordance with the previous paragraph.</p>	
Added	6. Has an entity presented the amounts reversed or established for the allowance for credit losses related to the transfer of debt securities between categories on a gross basis in the income statement or in the notes to financial statements? ( <u>ASC 320-10-45-8B</u> )	
Modified	a. The aggregate fair value? ( <i>Note:</i> This is applicable only for public business entities.)	Step will retain on roll forward.
Modified	b. Gross unrecognized holding gains? ( <i>Note:</i> This is applicable only for public business entities.)	Step will retain on roll forward.
Modified	c. Gross unrecognized holding losses? ( <i>Note:</i> This is applicable only for public business entities.)	Step will retain on roll forward.
<b>Financial Instruments – Credit Losses (ASC 326)</b>		
<b>Overall</b>		
Modified	<i>Note:</i> The presentation and disclosure requirements in <u>ASC Topic 326, Financial Instruments – Credit Losses</u> , are prescribed by <u>ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</u> , which is effective for public	Step will retain on roll forward.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>business entities that are SEC filers for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities that are not SEC filers, the requirements are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including nonpublic entities, not-for-profit entities within the scope of <u>ASC Topic 958</u>, and employee benefit plans within the scope of ASC Topics 960 through 965 on plan accounting, the requirements are effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. (<u>ASC 326-10-65-1</u>)</p>	
New	<p><i>Note:</i> ASU No. 2016-13 has been amended by <u>ASU No. 2019-05, Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief</u>. For entities that have not yet adopted ASU No. 2016-13, the effective dates and transition methodology for ASU No. 2019-05 are the same as the effective dates and transition methodology in ASU No. 2016-13. For entities that have already adopted ASU No. 2016-13, ASU No. 2019-05 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. (<u>ASC 326-10-65-3</u>)</p> <p>Early adoption of ASU No. 2019-05, including adoption in an interim period, is permitted as long as an entity has adopted <u>ASU No. 2016-13</u>.</p> <p>For items measured at fair value in accordance with ASC paragraph <u>326-10-65-1(i)</u>, the difference between the carrying amount and the fair value should be recorded by means of a cumulative-effect adjustment to the opening retained earnings balance as of the beginning of the first reporting period that an entity has adopted ASU No. 2016-13. Those differences may include, but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Unamortized deferred costs, fees, premiums, and discounts.</li> <li>2. Valuation allowances (for example, allowance for loan losses).</li> <li>3. Accrued interest.</li> </ol> <p>An entity may irrevocably elect the fair value option in accordance with <u>ASC Subtopic 825-10</u> for financial instruments within the scope of <u>ASC Subtopic 326-20</u>, except for those financial assets in <u>ASC paragraph 326-20-15-2(a)(2)</u>, that also are eligible items in ASC Subtopic 825-10. (<u>ASC 326-10-65-1</u>)</p>	
New	<p><i>Note:</i> ASU No. 2016-13 has been amended by <u>ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments</u>. For entities that have not yet adopted ASU No. 2016-13, the effective dates and transition requirements for ASU No. 2019-04 are the same as the effective dates and transition requirements in ASU No. 2016-13. For an entity that has already adopted ASU No. 2016-13, <u>ASU No. 2019-04</u> is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. (<u>ASC 326-10-65-2</u>)</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	Early adoption, including adoption in an interim period, is permitted as long as an entity has adopted <u>ASU No. 2016-13</u> .	
New	<p>For entities that have adopted ASU No. 2016-13, ASU No. 2019-04 should be applied by means of a cumulative-effect adjustment to the opening retained earnings as of the beginning of the first reporting period in which ASU No. 2016-13 is effective.</p> <p>An entity that develops or amends its accounting policy to comply with the requirements of the accounting policy election in ASC paragraph <u>326-20-30-5A</u> should apply the guidance in ASC paragraphs <u>326-20-30-5A</u> and <u>326-30-30-1B</u> in accordance with the previous paragraph.</p>	
Modified	1. Has the entity provided the following disclosures in the period of adoption of ASU No. 2016-13 (ASC 326-10-65-1):	Step will retain on roll forward.
New	2. Have the following transitional disclosures been made in each interim financial statement of the fiscal year of change and the annual financial statement of the fiscal year of change in the period of adoption of <u>ASU No. 2019-04</u> when adoption is made after the adoption of <u>ASU No. 2016-13</u> (ASC 326-10-65-2):	
New	a. The nature of the change in accounting principle, including an explanation of the newly adopted accounting principle?	
New	b. The method of applying the change?	
New	<p>c. The effect of the adoption on any line item in the balance sheet, if material, as of the beginning of the first period for which ASU No. 2019-04 is applied?</p> <p><i>Note:</i> Presentation of the effect on financial statement subtotals is not required.</p>	
New	d. The cumulative effect of the change on retained earnings or other components of equity in the balance sheet as of the beginning of the first period for which ASU No. 2019-04 is applied?	
<b>Financial Instruments – Credit Losses (ASC 326)</b> <b>Measured at Amortized Cost</b>		
Added	<p><i>Note:</i> The presentation and disclosure requirements in items 4 through 6 below are prescribed by <u>ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments.</u> For entities that have not yet adopted ASU No. 2016-13, the effective dates and transition requirements for ASU No. 2019-04 are the same as the effective dates and transition requirements in ASU No. 2016-13. For an entity that has already adopted ASU No. 2016-13, <u>ASU No. 2019-04</u> is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. (ASC 326-10-65-2)</p> <p>Early adoption, including adoption in an interim period, is permitted as long as an entity has adopted <u>ASU No. 2016-13</u>.</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Added	<p>For entities that have adopted ASU No. 2016-13, ASU No. 2019-04 should be applied by means of a cumulative-effect adjustment to the opening retained earnings as of the beginning of the first reporting period in which ASU No. 2016-13 is effective.</p> <p>An entity that develops or amends its accounting policy to comply with the requirements of the accounting policy election in ASC paragraph <u>326-20-30-5A</u> should apply the guidance in ASC paragraphs <u>326-20-30-5A</u> and <u>326-30-30-1B</u> in accordance with the previous paragraph.</p>	
Added	<p>4. Have the following disclosures been made for an entity that makes an accounting policy election, at the class of financing receivable or major security-type level, to present separately on the balance sheet or within another balance sheet line item the accrued interest receivable balance, net of the allowance for credit losses (if any): (<u>ASC 326-20-45-5</u> and <u>ASC 326-20-50-3A</u>)</p>	
Added	<p>a. The amount of accrued interest, net of the allowance for credit losses (if any)?</p>	
Added	<p>b. In which line item on the balance sheet that amount is presented?</p>	
Added	<p><i>Note:</i> As a practical expedient, an entity may exclude the accrued interest receivable balance that is included in the amortized cost basis of financing receivables and held-to-maturity securities for the purposes of the disclosure requirements in items 7 through 18 below. If an entity applies this practical expedient, it should disclose the total amount of accrued interest excluded from the disclosed amortized cost basis. (<u>ASC 326-20-50-3B</u>)</p>	
Added	<p>5. If an entity makes an accounting policy election, at the class of financing receivable or the major security-type level, not to measure an allowance for credit losses for accrued interest receivables if it writes off the uncollectible accrued interest receivable balance in a timely manner, has disclosure been made of (<u>ASC 326-20-50-3C</u>):</p>	
Added	<p>a. Its accounting policy not to measure an allowance for credit losses for accrued interest receivables?</p>	
Added	<p>b. Information about what time period or periods, at the class of financing receivable or major security-type level, are considered timely?</p>	
Added	<p>6. If an entity makes an accounting policy election, at the class of financing receivable or the major security-type level, to write off accrued interest receivables by reversing interest income or recognizing credit loss expense or a combination of both, has disclosure been made of (<u>ASC 326-20-50-3D</u>):</p>	
Added	<p>a. Its accounting policy to write off accrued interest receivables by reversing interest income or recognizing credit loss expense or a combination of both?</p>	
Added	<p>b. The amount of accrued interest receivables written off by reversing interest income by portfolio segment or major security type?</p>	
Modified	Recoveries collected?	Step will reset on roll forward due to content changes.
<p><b>Financial Instruments – Credit Losses (ASC 326)</b>  <b>Available-for-Sale Debt Securities</b></p>		

Type of Change	Description of Change	Roll Forward and Update Content Considerations
New	<i>Note:</i> If for the purposes of identifying and measuring an impairment, the applicable accrued interest is excluded from both the fair value and the amortized cost basis of the available-for-sale debt security, an entity may present separately on the balance sheet or within another balance sheet line item the accrued interest receivable balance, net of the allowance for credit losses (if any).	
New	<p><b>Note:</b> The presentation and disclosure requirements in items 3 through 6 below are prescribed by <u>ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments.</u> For entities that have not yet adopted ASU No. 2016-13, the effective dates and transition requirements for ASU No. 2019-04 are the same as the effective dates and transition requirements in ASU No. 2016-13. For an entity that has already adopted ASU No. 2016-13, <u>ASU No. 2019-04</u> is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. (<u>ASC 326-10-65-2</u>)</p> <p>Early adoption, including adoption in an interim period, is permitted as long as an entity has adopted <u>ASU No. 2016-13.</u></p>	
New	3. Has an entity that makes the accounting policy election to present separately the accrued interest receivable balance within another balance sheet line item disclosed the following ( <u>ASC 326-30-50-3A</u> ):	
New	a. The amount of applicable accrued interest, net of the allowance for credit losses (if any)?	
New	b. In which line item on the balance sheet that amount is presented?	
New	4. If for the purposes of identifying and measuring an impairment, the applicable accrued interest is excluded from both the fair value and the amortized cost basis of the available-for-sale debt security, and as a practical expedient, an entity excludes the applicable accrued interest that is included in the amortized cost basis for the purposes of the disclosure requirements in items 7 through 11 below, has disclosure been made of the total amount of accrued interest, net of the allowance for credit losses (if any), excluded from the disclosed amortized cost basis? ( <u>ASC 326-30-50-3B</u> )	
New	5. If an entity excludes applicable accrued interest from both the fair value and the amortized cost basis of the available-for-sale debt security, and makes an accounting policy election, at the major security-type level, not to measure an allowance for credit losses for accrued interest receivables if it writes off the uncollectible accrued interest receivable balance in a timely manner, has disclosure been made of ( <u>ASC 326-30-50-3C</u> ) :	
New	a. Its accounting policy not to measure an allowance for credit losses for accrued interest receivables?	
New	b. Information about what time period or periods, at the major security-type level, are considered timely?	
New	6. If for the purposes of identifying and measuring an impairment, the applicable accrued interest is excluded from both the fair value and the amortized cost basis of the available-for-sale debt security, an entity makes an accounting policy election, at the major security-type level, to	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	write off accrued interest receivables by reversing interest income or recognizing credit loss expense, or a combination of both, has disclosure been made of (ASC 326-30-50-3D):	
New	a. Its accounting policy to write off accrued interest receivables by reversing interest income or recognizing credit loss expense or a combination of both?	
New	b. The amount of accrued interest receivables written off by reversing interest income by major security type?	
<b>Inventory (ASC 330)</b>		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in item 3 below have been superseded by the amendments in <u>ASU No. 2015-11, <i>Inventory (Topic 330): Simplifying the Measurement of Inventory</i></u>, which is effective on a prospective basis for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For all other entities, the requirements are effective on a prospective basis for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Thereafter, the presentation and disclosure requirements in items 4 and 5 below should be followed. Early adoption is permitted as of the beginning of an interim or annual reporting period. (ASC 330-10-65-1)</p> <p><i>Note:</i> If an entity has written down inventory measured using any method other than last-in, first-out (LIFO) or the retail inventory method below its cost before the adoption of <u>ASU No. 2015-11</u>, that reduced amount is considered the cost upon adoption. (ASC 330-10-65-1)</p>	
Removed	3. Are substantial and unusual losses resulting from the application of lower of cost or market accounting been disclosed? (ASC 330-10-50-2) ( <i>Note:</i> ASC paragraph 330-10-50-2 indicates that it will frequently be desirable to disclose the amount of such losses in the income statement as a charge separately identified from cost of goods sold.)	
Removed	<p><i>Note:</i> The presentation and disclosure requirements in item 3 above have been superseded by the amendments in <u>ASU No. 2015-11, <i>Inventory (Topic 330): Simplifying the Measurement of Inventory</i></u>, which is effective on a prospective basis for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For all other entities, the requirements are effective on a prospective basis for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Thereafter, the presentation and disclosure requirements in items 4 and 5 below should be followed. Early adoption is permitted as of the beginning of an interim or annual reporting period. (ASC 330-10-65-1)</p> <p><i>Note:</i> If an entity has written down inventory measured using any method other than last-in, first-out (LIFO) or the retail inventory method below its cost before the adoption of <u>ASU No. 2015-11</u>, that reduced amount is considered the cost upon adoption. (ASC 330-10-65-1)</p>	
Removed	4. Have the following transitional disclosures related to the adoption of ASU No. 2015-11 been made in the first interim and annual period of adoption (ASC 330-10-65-1):	
Removed	a. The nature of the change in accounting principle?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	b. The reason for the change in accounting principle?	
<b>Intangibles – Goodwill and Other (ASC 350)</b> <b>Disclosure and Presentation Requirements for Private Companies and Not-for-Profit Entities that Elect to Apply the Accounting Alternative for Goodwill</b>		
Modified	Modified subsection name to include “and Not-for-Profit Entities”	
Modified	2. Has the amortization and aggregate amount of impairment of goodwill been presented in income statement or statement of activities line items within continuing operations (or similar caption) unless the amortization or a goodwill impairment loss is associated with a discontinued operation? (ASC 350-20-45-6)	Step will retain on roll forward.
Modified	a. The amount assigned to goodwill in total and by major business combination, by major acquisition by a not-for-profit entity, or by reorganization event resulting in fresh-start reporting?	Step will retain on roll forward.
Modified	b. The weighted-average amortization period in total and the amortization period by major business combination, by major acquisition by a not-for-profit entity, or by reorganization event resulting in fresh-start reporting?	Step will retain on roll forward.
Modified	b. The amount of the impairment loss and the method of determining the fair value of the entity or the reporting unit (whether based on prices of comparable businesses or nonprofit activities, a present value or other valuation technique, or a combination of those methods)?	Step will retain on roll forward.
Modified	c. The caption in the income statement or statement of activities in which the impairment loss is included?	Step will retain on roll forward.
<b>Intangibles – Goodwill and Other (ASC 350)</b> <b>Internal-Use Software</b>		
Added	<p>Adding back entire section as follows:</p> <p><b>Note:</b> The presentation and disclosure requirements in items 1 through 5 below are prescribed by <u>ASU No. 2018-15, <i>Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract</i></u>. ASU No. 2018-15 is effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2019. For all other entities, the requirements are effective for annual periods beginning after December 15, 2020, and interim periods in annual periods beginning after December 15, 2021. (ASC 350-40-65-3).</p> <p>Early adoption is permitted, including adoption in any interim period for:</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<ol style="list-style-type: none"> <li>1. Public business entities for periods for which financial statements have not yet been issued.</li> <li>2. All other entities for periods for which financial statements have not yet been made available for issuance.</li> </ol> <p>An entity should apply <u>ASU No. 2018-15</u> using one of the following two methods:</p> <ol style="list-style-type: none"> <li>1. Prospectively to costs for activities performed on or after the date that the entity first applies <u>ASU No. 2018-15</u>.</li> </ol> <p>Retrospectively in accordance with the guidance on accounting changes in ASC paragraphs 250-10-45-5 through 45-10.</p> <ol style="list-style-type: none"> <li>1. Has the amortization of implementation costs been presented in the same line item in the income statement as the expense for fees for the associated hosting arrangement? (<u>ASC 350-40-45-1</u>)</li> <li>2. Has the capitalized implementation costs been presented in the same line item in the balance sheet that a prepayment of the fees for the associated hosting arrangement would be presented? (<u>ASC 350-40-45-2</u>)</li> <li>3. Has the cash flows from capitalized implementation costs been classified in the same manner as the cash flows for the fees for the associated hosting arrangement? (<u>ASC 350-40-45-3</u>)</li> <li>4. Have the following disclosures been made for implementation costs of a hosting arrangement that is a service contract (<u>ASC 350-40-50-1</u> through <u>50-3</u>): <ol style="list-style-type: none"> <li>a. The nature of the hosting arrangements that are service contracts?</li> <li>b. The disclosures in <u>ASC Subtopic 360-10</u> as if the capitalized implementation costs were a separate major class of depreciable asset?</li> </ol> </li> </ol> <p><i>Note:</i> The disclosure requirements above are applicable to the capitalized implementation costs of hosting arrangements that are service contracts.</p> <ol style="list-style-type: none"> <li>5. Have the following transitional disclosures related to the adoption of <u>ASU No. 2018-15</u> been made in the first interim and annual periods of adoption (<u>ASC 350-40-65-3</u>): <ol style="list-style-type: none"> <li>a. For an entity that elects prospective transition: <ol style="list-style-type: none"> <li>(1) The nature of and reason for the change in accounting principle?</li> </ol> </li> </ol> </li> </ol>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>(2) The transition method?  (3) A qualitative description of the financial statement line items affected by the change?  b. For an entity that elects retrospective transition:  (1) The nature of and reason for the change in accounting principle?  (2) The transition method?  (3) A qualitative description of the financial statement line items affected by the change?  (4) Quantitative information about the effects of the change?</p> <p><i>Note:</i> An entity other than a public business entity should disclose the information in item 5 above in the annual period of adoption, unless the entity elects to early adopt <u>ASU No. 2018-15</u> in an interim period, in which case the entity should also disclose that information in the interim period of adoption.</p>	
<b>Compensation – Retirement Benefits (ASC 715)</b>		
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 1k below have been superseded by the amendments in <u>ASU No. 2018-14, Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans</u>, which is effective for public business entities for fiscal years ending after December 15, 2020. For all other entities, the requirements are effective for fiscal years ending after December 15, 2021. Thereafter, the presentation and disclosure requirements in item 1l below should be followed. Early adoption is permitted. An entity should apply <u>ASU No. 2018-14</u> retrospectively to all periods presented. (<u>ASC 715-20-65-4</u>)</p>	
Added	On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:	
Added	Discount rates?	
Added	Rates of compensation increase (for pay-related plans)?	
Added	Expected long-term rates of return on plan assets?	
Added	Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)?	
Added	If applicable, the amounts and types of securities of the employer and related parties included in plan assets?	
Added	An explanation of the following information:	
Added	The reasons for significant gains and losses related to changes in the defined benefit obligation for the period?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Added	Any other significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures required by <u>ASC Subtopic 715-20</u> ?	
Added	If aggregate disclosures are presented, have the following additional disclosures been made as of the date of each balance sheet presented ( <u>ASC 715-20-50-3</u> ):	
Added	For pension plans, the projected benefit obligation and fair value of plan assets for plans with projected benefit obligations in excess of plan assets, and the accumulated benefit obligation and fair value of plan assets for plans with accumulated benefit obligations in excess of plan assets?	
Added	For other postretirement benefit plans, the accumulated postretirement benefit obligation and fair value of plan assets for plans with accumulated postretirement benefit obligations in excess of plan assets?	
Removed	Have the following transitional disclosures related to the adoption of <u>ASU No. 2015-04</u> been made in the period of adoption ( <u>ASC 715-10-65-1</u> ):	
Removed	The nature of and reason for the change in accounting principle?	
Removed	An explanation of why the newly adopted accounting principle is preferable?	
Added	The amounts of any transfers into or out of Level 3, for example, transfers due to changes in the observability of significant inputs?	
Modified	For fair value measurements of plan assets using significant unobservable inputs (Level 3), the amounts of purchases and any transfers into or out of Level 3 (e.g., transfers due to changes in the observability of significant inputs), disclosed separately?	Step will reset on roll forward due to content changes.
Added	If aggregate disclosures are presented, have the following additional disclosures been made as of the date of each balance sheet presented ( <u>ASC 715-20-50-3</u> ):	
Added	For pension plans, the projected benefit obligation and fair value of plan assets for plans with projected benefit obligations in excess of plan assets, and the accumulated benefit obligation and fair value of plan assets for plans with accumulated benefit obligations in excess of plan assets?	
Added	For other postretirement benefit plans, the accumulated postretirement benefit obligation and fair value of plan assets for plans with accumulated postretirement benefit obligations in excess of plan assets?	
Added	If a reporting entity determines the measurement date of plan assets in accordance with <u>ASC paragraph 715-30-35-63A</u> or <u>715-60-35-123A</u> , and assets are contributed to the plan between the measurement date and the reporting entity's fiscal year-end, have no adjustments been made to the fair value of any class of plan assets for the effects of the contribution, and has disclosure been made of ( <u>ASC 715-20-50-5</u> ):	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Added	The amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets?	
Added	The amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets?	
Added	The accounting policy election to measure plan assets and benefit obligations using the month-end that is closest to the employer’s fiscal year-end in accordance with <u>ASC paragraph 715-30-35-63A</u> or <u>715-60-35-123A</u> and the month-end measurement date?	
<b>Compensation – Stock Compensation (ASC 718)</b> <b>Overall</b>		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in item 1e below have been superseded by the amendments in <u>ASU No. 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting</u>, which is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in item 1f below should be followed. Early adoption is permitted for any fiscal year or interim period for which the entity’s financial statements have not yet been issued (public business entities) or have not yet been made available for issuance (all other entities). An entity that elects earlier application of <u>ASU No. 2016-09</u> in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Also, an entity should apply <u>ASU No. 2016-09</u> in its entirety when adopted. (<u>ASC 718-10-65-4 through 65-10</u>)</p>	
Removed	<p><i>Note:</i> For purposes of the transition requirements related to, an entity should apply the guidance using one of the following transition methods based on the applicable amendment and transition paragraph:</p> <p><b>Amendments related to accounting for income taxes for share-based payment transactions — Transition based on:</b></p> <ol style="list-style-type: none"> <li>On a prospective basis for the tax effects of differences recognized on or after the effective date between the deduction for an award for tax purposes and the cumulative compensation costs of that award recognized for financial reporting purposes. For purposes of computing diluted earnings per share, an entity also should apply to the assumed proceeds of the treasury stock method on a prospective basis.</li> <li>On a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the period in which is effective for all tax benefits that were not previously recognized because the related tax deduction had not reduced taxes payable. Deferred tax assets recognized as a result of this transition guidance should be assessed for realizability in</li> </ol>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>accordance with. A valuation allowance recognized for deferred tax assets recognized as a result of this transition guidance should be recognized through a cumulative-effect adjustment to retained earnings.</p> <p>3. An entity should disclose in the first interim and annual period of adoption: (a) the nature of and reason for the change in accounting principle, and (b) the cumulative effect of the change on retained earnings or other components of equity or net assets in the balance sheet as of the beginning of the period of adoption.</p>	
Added	<p>For fully vested share options (or share units) and share options expected to vest (or unvested share options for which the employee’s requisite service period or the nonemployee’s vesting period has not been rendered but that are expected to vest based on the achievement of a performance condition, if an entity accounts for forfeitures when they occur in accordance with <u>ASC paragraph 718-10-35-1D</u> or <u>718-10-35-3</u></p>	
Removed	<p><b>Amendments related to classification of excess tax benefits on the statement of cash flows — Transition based on <u>ASC paragraph 718-10-65-5</u>:</b></p> <p>Either:</p> <ol style="list-style-type: none"> <li>1. Prospectively, or</li> <li>2. Retrospectively to all periods presented.</li> </ol> <p>3. An entity should disclose in the first interim and annual period of adoption the nature of and reason for the change in accounting principle. An entity that elects prospective adoption should also disclose that prior periods have not been adjusted. An entity that elects retrospective adoption should also disclose the effect of the change on prior periods retrospectively adjusted.</p>	
Removed	<p><b>Amendments related to forfeitures — Transition based on <u>ASC paragraph 718-10-65-5</u>:</b></p> <ol style="list-style-type: none"> <li>1. On a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the period in which <u>ASU No. 2016-09</u> is effective.</li> <li>2. An entity should disclose in the first interim and annual period of adoption: (a) the nature of and reason for the change in accounting principle, and (b) the cumulative effect of the change on retained earnings or other components of equity or net assets in the balance sheet as of the beginning of the period of adoption.</li> </ol>	
Removed	<p><b>Amendments related to minimum statutory tax withholding requirements — Transition based on <u>ASC paragraph 718-10-65-7</u>:</b></p> <ol style="list-style-type: none"> <li>1. On a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the period in which <u>ASU No. 2016-09</u> is effective. (Note: When</li> </ol>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>determining the cumulative-effect adjustment, an entity should assess only liability classified awards that have not been settled by the effective date.)</p> <p>2. An entity should disclose in the first interim and annual period of adoption: (a) the nature of and reason for the change in accounting principle, and (b) the cumulative effect of the change on retained earnings or other components of equity or net assets in the balance sheet as of the beginning of the period of adoption.</p>	
Removed	<p><b>Amendments related to classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes — Transition based on <u>ASC paragraph 718-10-65-8</u>:</b></p> <p>1. Retrospectively to all periods presented.</p> <p>2. An entity should disclose in the first interim and annual period of adoption: (a) the nature of and reason for the change in accounting principle, and (b) the effect of the change on prior periods retrospectively adjusted.</p>	
Removed	<p><b>Amendments related to the practical expedient for estimating expected term (nonpublic entities only) — Transition based on <u>ASC paragraph 718-10-65-9</u>:</b></p> <p>1. Prospectively (i.e., apply the practical expedient to all awards that are measured at fair value after the effective date).</p> <p>2. An entity should disclose in the first interim and annual period of adoption the nature of and reason for the change in accounting principle.</p>	
Removed	<p><b>Amendments related to intrinsic value (nonpublic entities only) — Transition based on <u>ASC paragraph 718-10-65-10</u>:</b></p> <p>1. On a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the period in which <u>ASU No. 2016-09</u> is effective, by adjusting the carrying amount of liability-classified awards that have not been settled as of the effective date from fair value to intrinsic value.</p> <p>2. An entity should disclose in the period of adoption: (a) the nature of and reason for the change in accounting principle, and (b) the cumulative effect of the change on retained earnings or other components of equity or net assets in the balance sheet as of the beginning of the period of adoption.</p>	
<p><b>Compensation – Stock Compensation (ASC 718)</b>  <b>Income Taxes Related Matters</b></p>		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in items 1 through 3 below have been superseded by the amendments in <u>ASU No. 2016-09, Compensation — Stock Compensation (Topic</u></p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p><u>718): Improvements to Employee Share-Based Payment Accounting</u>, which is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in items 4 through 5 below should be followed. Early adoption is permitted for any fiscal year or interim period for which the entity’s financial statements have not yet been issued (public business entities) or have not yet been made available for issuance (all other entities). An entity that elects earlier application of <u>ASU No. 2016-09</u> in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Also, an entity should apply <u>ASU No. 2016-09</u> in its entirety when adopted. (<u>ASC 718-10-65-4</u>)</p>	
Removed	When actual tax deductions for compensation expense taken by an entity on its tax return for share-based payment arrangements differ in amounts and timing from those recorded in the financial statements ( <u>ASC 718-740-45-1 through 45-4</u> ):	
Removed	If a deduction reported on a tax return for an award of equity instruments exceeds the cumulative compensation cost for those instruments recognized for financial reporting, has any resulting realized tax benefit that exceeds the previously recognized deferred tax asset for those instruments (i.e., the excess tax benefit) been recognized as additional paid-in capital? ( <i>Note:</i> However, an excess of a realized tax benefit for an award over the deferred tax asset for that award should be recognized in the income statement to the extent that the excess stems from a reason other than changes in the fair value of an entity’s shares between the measurement date for accounting purposes and a later measurement date for tax purposes.)	
Removed	Has the remaining balance, if any, of the write-off of a deferred tax asset related to a tax deficiency not offset against additional paid-in capital been recognized in the income statement?	
Removed	For employee stock ownership plans (ESOP):	
Removed	If the cost of shares committed to be released in an ESOP is greater than their fair value, has the tax effect of the amount by which the deductible expense exceeds the book expense been credited to stockholders' equity? ( <u>ASC 718-740-45-5</u> )	
Removed	If the cost of shares committed to be released in an ESOP is less than their fair value, has the tax effect of the amount by which the book expense exceeds the deductible expense been charged to stockholders’ equity (to the extent of previous credits to stockholders’ equity related to cost exceeding fair value of the ESOP shares committed to be released in previous periods)? ( <u>ASC 718-740-45-6</u> )	
Removed	Have the tax benefit of tax-deductible dividends on allocated ESOP shares been recorded as a reduction of income tax expense allocated to continuing operations and the tax benefit of tax-deductible dividends on unallocated ESOP shares that are charged to retained earnings been credited to stockholders’ equity? ( <u>ASC 718-740-45-7</u> )	
Removed	For tax benefits of dividends on share-based payment awards to employees:	
Removed	For any nonvested equity shares, nonvested equity share units, or outstanding equity share options:	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	Have realized income tax benefits from dividends (or dividend equivalents) that are charged to retained earnings and are paid to grantees been recognized as an increase to additional paid-in capital? ( <a href="#">ASC 718-740-45-8</a> )	
Removed	Has the amount recognized in additional paid-in capital been included in the pool of excess tax benefits available to absorb tax deficiencies on share-based payment awards? ( <a href="#">ASC 718-740-45-9</a> )	
Removed	If dividends (or dividend equivalents) paid to employees result in a tax deduction prior to the actual realization of the related tax benefit (e.g., the employer has a net operating loss carryforward), have the income tax benefits of those dividends <i>not</i> been recognized until the deduction reduces income taxes payable? ( <a href="#">ASC 718-740-45-10</a> ) ( <i>Note: The unrealized income tax benefits should be excluded from the pool of excess tax benefits available to absorb potential future tax deficiencies on share-based payment awards.</i> )	
Removed	Have dividends (or dividend equivalents) paid to employees on the portion of an award of equity shares or other equity instruments that vests been charged to retained earnings and, if the related award is not expected to vest, have such dividends been recognized as compensation costs? ( <a href="#">ASC 718-740-45-11</a> ) ( <i>Note: Such dividends should be reclassified between retained earnings and compensation costs in a subsequent period if the entity changes its forfeiture estimates or actual forfeitures differ from previous estimates.</i> )	
Removed	If an entity's estimate of forfeitures increases (or actual forfeitures exceed the entity's estimates), have the tax benefits from dividends that are reclassified from additional paid-in capital to the income statement been limited to the entity's pool of excess tax benefits available to absorb tax deficiencies on the date of the reclassification? ( <a href="#">ASC 718-740-45-12</a> )	
Removed	<i>Note: The presentation and disclosure requirements in items 1 through 3 above have been superseded by the amendments in <a href="#">ASU No. 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting</a>, which is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in items 4 through 5 below should be followed. Early adoption is permitted for any fiscal year or interim period for which the entity's financial statements have not yet been issued (public business entities) or have not yet been made available for issuance (all other entities). An entity that elects earlier application of <a href="#">ASU No. 2016-09</a> in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Also, an entity should apply <a href="#">ASU No. 2016-09</a> in its entirety when adopted. (<a href="#">ASC 718-10-65-4</a>)</i>	
<b>Income Taxes (ASC 740)</b> <b>Overall</b>		
Removed	<i>Note: The presentation and disclosure requirements in items 1(a) through 1(d) below have been superseded by <a href="#">ASU No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes</a>. <a href="#">ASU No. 2015-17</a> is effective for public business entities for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those</i>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	annual periods. For all other entities, the requirements are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in items 1(e) through 1(h) below should be followed. Early adoption is permitted for all entities as of the beginning of any interim or annual reporting period. <u>ASU No. 2015-17</u> can be applied prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. ( <u>ASC 740-10-65-4</u> )	
Removed	Have deferred tax liabilities and assets been classified separately into current and noncurrent amounts based on the classification of the related asset or liability for financial reporting? ( <u>ASC 740-10-45-4 and 45-7</u> )	
Removed	Has the valuation allowance for a particular tax jurisdiction been allocated between current and noncurrent deferred tax assets for that tax jurisdiction on a pro rata basis? ( <u>ASC 740-10-45-5</u> )	
Removed	For a particular tax-paying component of an entity and within a particular tax jurisdiction (e.g., federal, state, or local) ( <u>ASC 740-10-45-6</u> ):	
Removed	Have all current deferred tax liabilities and assets been offset and presented as a single amount?	
Removed	Have all noncurrent deferred tax liabilities and assets been offset and presented as a single amount?	
Removed	Have deferred tax liabilities and assets attributable to different tax-paying components of the entity, or to different tax jurisdictions, <i>not</i> been offset?	
Removed	Has a deferred tax liability or asset that is not related to an asset or liability for financial reporting (e.g., contracts accounted for by the percentage-of-completion method for financial reporting and by the completed-contract method for tax purposes), including deferred tax assets related to carryforwards, been classified according to the expected reversal date of the temporary difference? ( <u>ASC 740-10-45-9</u> )	
Removed	<i>Note:</i> The presentation and disclosure requirements in items 1(a) through 1(d) above have been superseded by <u>ASU No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes</u> . <u>ASU No. 2015-17</u> is effective for public business entities for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the requirements are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in items 1(e) through 1(h) below should be followed. Early adoption is permitted for all entities as of the beginning of any interim or annual reporting period. <u>ASU No. 2015-17</u> can be applied prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. ( <u>ASC 740-10-65-4</u> )	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	Have the following transitional disclosures related to the adoption of ASU No. 2015-17 been made in the first interim and annual period of adoption, when prospective adoption has been elected (ASC 740-10-65-4):	
Removed	The nature of and reason for the change in accounting principle?	
Removed	A statement that prior periods were not retrospectively adjusted?	
Removed	Have the following transitional disclosures related to the adoption of ASU No. 2015-17 been made in the first interim and annual period of adoption, when retrospective adoption has been elected (ASC 740-10-65-4):	
Removed	The nature of and reason for the change in accounting principle?	
Removed	Quantitative information about the effects of the accounting change on prior periods?	
<b>Business Combinations (ASC 805)</b>		
<b>Income Taxes Related Matters</b>		
Removed	<i>Note:</i> The presentation and disclosure requirements in item 3 below have been superseded by the amendments in <u>ASU No. 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting</u> , which is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in item 4 below should be followed. Early adoption is permitted for any fiscal year or interim period for which the entity's financial statements have not yet been issued (public business entities) or have not yet been made available for issuance (all other entities). An entity that elects earlier application of <u>ASU No. 2016-09</u> in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Also, an entity should apply <u>ASU No. 2016-09</u> in its entirety when adopted. (ASC 718-10-65-4)	
Removed	For tax deductions related to replacement awards (ASC 805-740-45-5 and 45-6):	
Removed	If, after the acquisition date, the deduction reported on a tax return for a replacement award classified as equity exceeds the fair-value-based measure of the award, has the acquirer recognized any resulting realized tax benefit that exceeds the previously recognized deferred tax asset for that award related to pre- and postcombination service (i.e., the excess tax benefit) as additional paid-in capital?	
Removed	If, after the acquisition date, the amount deductible on the acquirer's tax return is less than the fair-value-based measure of the award, has the write-off of a deferred tax asset related to that deficiency, net of any related valuation allowance, been (a) offset to the extent of any remaining	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	additional paid-in capital from excess tax benefits from previous share-based payment awards, and (b) any remaining balance, recognized in earnings?	
Removed	<p><i>Note:</i> The presentation and disclosure requirements in item 3 above have been superseded by the amendments in <u>ASU No. 2016-09, Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting</u>, which is effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Thereafter, the presentation and disclosure requirements in item 4 below should be followed. Early adoption is permitted for any fiscal year or interim period for which the entity’s financial statements have not yet been issued (public business entities) or have not yet been made available for issuance (all other entities). An entity that elects earlier application of <u>ASU No. 2016-09</u> in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Also, an entity should apply <u>ASU No. 2016-09</u> in its entirety when adopted. (<u>ASC 718-10-65-4</u>)</p>	
<b>Collaborative Arrangements (ASC 808)</b>		
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 2 below are prescribed by <u>ASU No. 2018-18, Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606</u>. <u>ASU No. 2018-18</u> is effective for public business entities for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. (<u>ASC 808-10-65-2</u>).</p> <p>Early adoption is permitted if an entity also has adopted ASC Topic 606, <i>Revenue from Contracts with Customers</i>, including adoption in any interim period for:</p> <ol style="list-style-type: none"> <li>1. Public business entities for periods for which financial statements have not yet been issued.</li> <li>2. All other entities for periods for which financial statements have not yet been made available for issuance.</li> </ol>	
Added	<p>An entity should apply <u>ASU No. 2018-18</u> retrospectively to the date of its initial application of <u>ASC Topic 606</u>. An entity should recognize the cumulative effect of initially applying <u>ASU No. 2018-18</u> as an adjustment to the opening balance of retained earnings of the later of the earliest annual period presented and the annual period that includes the date of the entity’s initial application of <u>ASC Topic 606</u>.</p> <p>An entity may elect to apply <u>ASU No. 2018-18</u> retrospectively either to all contracts or only to contracts that are not completed contracts at the date of initial application of <u>ASC Topic 606</u>. A completed contract refers to a contract for which all (or substantially all) of the revenue or expenses were recognized in accordance with guidance that was in effect before the date of initial</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>application. An entity should disclose whether it has applied this guidance to all contracts or only to contracts that are not completed.</p> <p>An entity may elect to apply the practical expedient for contract modifications in <u>ASC paragraph 606-10-65-1(f)(4)</u>, in accordance with the requirements in <u>ASC paragraph 606-10-65-1(g)</u>.</p>	
Added	<p>Have the disclosures required in <u>ASC paragraphs 250-10-50-1 through 50-2</u> (with the exception of the disclosure in <u>paragraph 250-10-50-1(b)(2)</u>) been made in the period of adoption of <u>ASU No. 2018-18?</u> (<u>ASC 808-10-65-2</u>) (See <u>ASC Topic 250, Accounting Changes and Error Corrections</u>)</p>	
<b>Consolidation (ASC 810)</b>		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in item 9 below are prescribed by. The amendments in related to the consolidation guidance (), which should be applied retrospectively, are effective for annual reporting periods beginning after December 15, 2015 (and interim periods therein) for public business entities. For all other entities, the amendments to the consolidation guidance are effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods within annual periods beginning after December 15, 2017.</p> <p>Early adoption is permitted for public business entities for any annual reporting period or interim period for which the entity’s financial statements have not yet been issued. For all other entities, early adoption is permitted for financial statements that have not yet been made available for issuance.</p> <p>Where applicable, comparative disclosures in items 2 through 6 above are required only for periods after the effective date of</p>	
Added	<p>Has a reporting entity that does not consolidate a legal entity because it is required to comply with or operate in accordance with requirements that are similar to those included in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds disclosed the following (<u>810-10-15-12</u>)</p>	
Removed	<p>For a reporting entity that is required to consolidate a variable interest entity as a result of the initial application of, has the reporting entity made the following disclosures</p>	
Added	<p>Any explicit arrangements to provide financial support to legal entities that are required to comply with or operate in accordance with requirements that are similar to those included in Rule 2a-7?</p>	
Removed	<p>A description of the transition method(s) applied and the amount and classification in the balance sheet of the consolidated assets or liabilities by the transition method(s) applied?</p>	
Added	<p>Any instances of such support provided for the periods presented in the performance statement?</p>	
Removed	<p>If the fair value option provided in has been elected for all financial assets and financial liabilities of that variable interest entity:</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Added	Note: For purposes of applying this disclosure requirement, the types of support that should be considered include, but are not limited to: (1) capital contributions (except pari passu investments), (2) standby letters of credit, (3) guarantees of principal and interest on debt investments held by the legal entity, (4) agreements to purchase financial assets for amounts greater than fair value (for instance, at amortized cost or par value when the financial assets experience significant credit deterioration), and (5) waivers of fees, including management fees.	
Removed	(1) The disclosures related to “Fair Value Option for Financial Assets and Financial Liabilities”? (See “ <a href="#">Fair Value Measurement</a> ”)	
Removed	(2) Management’s reasons for electing the fair value option for a particular variable interest entity or group of variable interest entities?	
Modified	Modified section “ <i>Disclosure and Presentation Requirements for Private Companies that Elect to Apply the Accounting Alternative for VIEs for Common Control Leasing Arrangements (Before the Effective Date of ASU No. 2018-17)</i> ”  Many new steps, removed steps and modified steps	
Added	Added section “ <i>Disclosure and Presentation Requirements for Private Companies that Elect to Apply the Accounting Alternative for VIEs for All Common Control Arrangements (After the Effective Date of ASU No. 2018-17)</i> ”	
<b>Consolidation (ASC 810)</b> <b>Collateralized Financing Entities</b>		
Removed	<i>Note:</i> The disclosure requirements in item 1 below are prescribed by <a href="#">ASU No. 2014-13, Consolidation (Topic 810): Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity</a> . <a href="#">ASU No. 2014-13</a> is effective for public business entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the requirements are effective for annual periods ending after December 15, 2016, and interim periods beginning after December 15, 2016. Early adoption is permitted as of the beginning of an annual period. ( <a href="#">ASC 810-10-65-6</a> )	
Removed	<i>Note:</i> Upon the adoption of <a href="#">ASU No. 2014-13</a> , a reporting entity may apply the measurement alternative in <a href="#">ASC paragraphs 810-10-30-10 through 30-15</a> and <a href="#">810-10-35-6 through 35-8</a> to any existing consolidated collateralized financing entity that meets the scope requirements of <a href="#">ASC paragraph 810-10-15-17D</a> using a modified retrospective approach by remeasuring the financial assets or the financial liabilities of the existing consolidated collateralized financing entity as of the beginning of the annual period of adoption and recording a cumulative-effect adjustment for the remeasurement to equity. Any reporting entity that does not elect to apply the measurement alternative shall reclassify any accumulated differences in the fair value of the financial assets and the fair value of the financial liabilities of its collateralized financing entity to retained earnings if	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	those differences were previously presented in another caption within equity (e.g., appropriated retained earnings). ( <u>ASC 810-10-65-6</u> )	
Removed	<i>Note:</i> A reporting entity also may elect to apply the amendments in <u>ASU No. 2014-13</u> retrospectively to all relevant prior periods beginning with the annual period in which the amendments in <u>ASU No. 2009-17, Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities</u> , were initially adopted. ( <u>ASC 810-10-65-6</u> )	
Removed	<i>Note:</i> A reporting entity that consolidates a collateralized financing entity that does not meet the scope requirements in <u>ASC paragraph 810-10-15-17D</u> because the fair value option in <u>ASC Topic 825</u> was not elected to measure the eligible financial assets, financial liabilities, or both of the collateralized financing entity when it was initially consolidated, may elect at the date of adoption of <u>ASU No. 2014-13</u> to apply the measurement alternative in <u>ASC paragraphs 810-10-30-10 through 30-15</u> and <u>810-10-35-6 through 35-8</u> to those financial assets and financial liabilities or to continue using the guidance in other ASC Topics to measure the financial assets and the financial liabilities of the consolidated collateralized financing entity. A reporting entity that does not elect to use the measurement alternative may not elect at the date of adoption to use the measurement requirements of <u>ASC Topic 820</u> on fair value measurement or to otherwise change its basis for measuring the financial assets or the financial liabilities of the collateralized financing entity. ( <u>ASC 810-10-65-6</u> )	
Removed	Removed section “ <b>Control of Partnerships and Similar Entities</b> ”	
<b>Derivatives and Hedging (ASC 815)</b>		
<b>Overall</b>		
Modified	For a fair value hedge of interest rate risk existing as of the date of adoption, an entity may modify the measurement methodology for a hedged item in accordance with either <u>ASC paragraph 815-20-25-6B</u> or <u>ASC paragraph 815-25-35-13</u> without dedesignation of the hedging relationship. The cumulative basis adjustment carried forward should be adjusted to an amount that reflects what the cumulative basis adjustment would have been at the initial application date had the modified measurement methodology been used in all past periods in which the hedging relationship was outstanding. When making this election, the benchmark rate component of the contractual coupon cash flows should be determined as of the hedging relationship’s original inception date. The cumulative effect of applying this election should be recognized as an adjustment to the basis adjustment of the hedged item recognized on the balance sheet with a corresponding adjustment to the opening balance of retained earnings as of the initial application date.	Step will retain on roll forward.
Modified	For the fair value hedges of interest rate risk for which an entity modifies the measurement methodology for the hedged item based on the benchmark rate component of the contractual coupon cash flows in accordance with item 1 above, an entity may elect to rebalance the hedging relationship through any of the following approaches, including any combination of those approaches:	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<ul style="list-style-type: none"> <li>i) Increasing the designated notional amount of the hedging instrument.</li> <li>ii) Decreasing the designated notional amount of the hedging instrument.</li> <li>iii) Increasing the designated proportion of the hedged item.</li> <li>iv) Decreasing the designated proportion of the hedged item.</li> </ul> <p>An entity may not add a new hedging instrument or hedged item to an existing hedging relationship. If an entity applies the guidance in items (iii) or (iv) above, the cumulative effect of changing the designated proportion of the hedged item should be recognized as an adjustment to the basis adjustment of the hedged item recognized on the balance sheet with a corresponding adjustment to the opening balance of retained earnings as of the initial application date.</p>	
Modified	<p>An entity may modify documentation without dedesignating an existing hedging relationship to specify the following:</p> <ul style="list-style-type: none"> <li>1) For hedging relationships that currently use a quantitative method to assess effectiveness, that subsequent prospective and retrospective effectiveness assessments should be performed qualitatively in accordance with <u>ASC paragraph 815-20-25-3(b)(2)(iv)(03)</u></li> <li>2) For hedging relationships that currently use the shortcut method to assess effectiveness, the quantitative method that would be used to perform assessments of effectiveness in accordance with <u>ASC paragraph 815-20-25-117A</u> if the entity determines at a later date that use of the shortcut method was not or no longer is appropriate.</li> <li>3) For cash flow hedging relationships in which an entity currently uses a quantitative method to assess effectiveness, that the critical terms of the hedging instrument and the hedged item match if the criteria in <u>ASC paragraphs 815-20-25-84 through 25-85</u> or <u>ASC paragraphs 815-20-25-129 through 25-129A</u> are met and that subsequent prospective and retrospective effectiveness assessments should be performed in accordance with <u>ASC paragraphs 815-20-35-9 through 35-12</u> or in accordance with <u>ASC paragraphs 815-20-25-126 through 25-129A</u> and <u>ASC paragraphs 815-30-35-33 through 35-34</u>.</li> </ul>	Step will reset on roll forward due to content changes.
Modified	<p>An entity may reclassify a debt security from held-to-maturity to available-for-sale if the debt security is eligible to be hedged under the last-of-layer method in accordance with <u>ASC paragraph 815-20-25-12A</u>. Any unrealized gain or loss at the date of the transfer should be recorded in accumulated other comprehensive income in accordance with <u>ASC paragraph 320-10-35-10(c)</u>. That reclassification, in and of itself, would not result in any of the following:</p>	Step will retain on roll forward.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Added	<p>1) Call into question the entity’s assertion at the most recent reporting date that it had the intent and ability to hold to maturity those debt securities that continue to be classified as held-to-maturity.</p> <p>2) Require the entity to designate the reclassified security in a hedging relationship under the last-of-layer method.</p> <p>Restrict the entity from selling the reclassified security.</p>	
Modified	<p>The carrying amount of hedged assets and liabilities recognized in the balance sheet?</p> <p><i>Note:</i> For an available-for-sale debt security, the amount disclosed is the amortized cost basis.</p>	Step will retain on roll forward.
Modified	<p>The cumulative amount of fair value hedging adjustments remaining for any hedged assets and liabilities for which hedge accounting has been discontinued?</p> <p><i>Note:</i> The disclosures required by items (2) through (4) above should exclude cumulative basis adjustments related to foreign exchange risk.</p>	Step will retain on roll forward.
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 16 below are prescribed by <u>ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments.</u> For entities that have not yet adopted <u>ASU No. 2017-12</u> before the issuance date of ASU No. 2019-04 (i.e., April 25, 2019), the effective dates and transition requirements for ASU No. 2019-04 are the same as the effective dates and transition requirements in ASU No. 2017-12, and ASU No. 2019-04 should be adopted at the same time that ASU No. 2017-12 is adopted. For entities that have already adopted ASU No. 2017-12 before the issuance date of ASU No. 2019-04 (i.e., April 25, 2019), <u>ASU No. 2019-04</u> is effective as of the beginning of the first annual reporting period beginning after April 25, 2019 (the “issuance date” of ASU No. 2019-04). Early adoption is permitted on or after April 25, 2019. (<u>ASC 815-20-65-5</u>)</p>	
Added	<p>Also, for an entity that has adopted <u>ASU No. 2017-12</u> before the issuance date of <u>ASU No. 2019-04</u>, that entity should elect to reflect ASU No. 2019-04 either on a prospective basis or on a retrospective basis as of the date of adoption of ASU No. 2017-12 in accordance with <u>ASC paragraph 815-20-65-3</u>, with the following exceptions:</p> <ol style="list-style-type: none"> <li>1. An entity that adopted ASU No. 2017-12 in an interim period and elected to modify the measurement methodology for a hedged item in accordance with either <u>ASC paragraph 815-20-25-6B</u> or <u>ASC paragraph 815-25-35-13</u> without redesignating the hedging relationship should reflect any adjustment made in accordance with <u>ASC paragraph 815-20-65-3(e)(1)</u> at the appropriate balance on the date of initial application of ASU No. 2017-12 if that adjustment was made as of the date of adoption of ASU No. 2017-12.</li> <li>2. An entity that elects fair value hedge rebalancing in accordance with <u>ASC paragraph 815-20-65-3(e)(2)</u> should reflect any adjustments for existing hedges as of the date of adoption of ASU No. 2017-12 on the date of initial application of ASU No. 2017-12 in accordance with <u>ASC paragraph 815-20-65-3</u>.</li> </ol>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>3. An entity may reclassify a debt security from held to maturity to available for sale if the debt security is eligible to be hedged under the last-of-layer guidance in accordance with ASC paragraph 815-20-25-12A upon adoption of ASU No. 2019-04 only if the entity did not reclassify one or more debt securities from held to maturity to available for sale upon adoption of ASU No. 2017-12. If the entity did not reclassify any debt securities from held to maturity to available for sale upon adoption of ASU No. 2017-12 and elects to reclassify securities in accordance with ASC paragraph 815-20-65-3(e)(7) upon adoption of ASU No. 2019-04, it should make that reclassification as of the date of adoption of ASU No. 2019-04 in accordance with the guidance above for entities that have adopted ASU No. 2017-02 before the issuance date of ASU No. 2019-04. Any unrealized gain or loss at the date of the reclassification should be recorded in accumulated other comprehensive income in accordance with ASC paragraph 320-10-35-10(c).</p> <p>In addition, for an entity that has adopted the amendments in <u>ASU No. 2017-12</u> before the issuance date of <u>ASU No. 2019-04</u> and reflects the amendments on a prospective basis in accordance with the guidance above, the adjustment resulting from the amendment in ASC <u>paragraph 815-25-35-9A</u> to a partial-term fair value hedge relationship's amortization should be accounted for as a change in estimate in accordance with ASC paragraph <u>250-10-45-17</u>.</p> <p>Furthermore, for an entity that has adopted <u>ASU No. 2017-12</u> before the issuance date of ASU No. 2019-04 and reflects the amendments on a retrospective basis in accordance with the guidance above, new hedging relationships may be retrospectively designated between the date of adoption of ASU No. 2017-12 and the effective date of <u>ASU No. 2019-04</u> in accordance with the guidance above for existing eligible hedging instruments and existing eligible recognized assets or liabilities or existing eligible forecasted transactions related to the amendments in ASC <u>paragraph 815-25-35-13B, 815-30-35-26, or 815-20-55-33G</u>.</p>	
Added	Have the following transitional disclosures related to the adoption of <u>ASU No. 2019-04</u> been made in each interim and annual period in the fiscal period of adoption ( <u>ASC 815-20-65-5</u> ):	
Added	The nature of and reason for the change in accounting principle?	
Added	<p>a. The method of applying the change?  <i>Note:</i> For an entity that adopted <u>ASU No. 2017-12</u> before the issuance of ASU No. 2019-04, the entity should disclose whether it adopted the eligible amendments in accordance with the above guidance either on a prospective or retrospective basis.</p>	
Added	<p>b. The effect of the adoption on any line item in the balance sheet, if material, as of the beginning of the first period for which ASU No. 2019-04 is applied?  <i>Note:</i> Presentation of the effect on financial statement subtotals is not required.</p>	
Added	The cumulative effect of the change on retained earnings or other components of equity in the balance sheet as of the beginning of the first period for which ASU No. 2019-04 is applied?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
<b>Fair Value Measurements and Disclosures (ASC 820)</b>		
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 1 below have been superseded by the amendments in <u>ASU No. 2018-13, Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</u>, which is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Thereafter, the presentation and disclosure requirements in item 2 below should be followed.</p> <p>Early adoption is permitted (an entity is permitted to early adopt the removed or modified disclosures in <u>ASC paragraph 820-10-50-2(bb), (c)(3), (f), and (g), ASC paragraph 820-10-50-2G, and ASC paragraph 820-10-50-6A(b) and (e)</u> and adopt the additional disclosures in <u>ASC paragraph 820-10-50-2(bbb)(2)(i) and (d)</u> upon their effective date), including adoption in any interim period for:</p> <ol style="list-style-type: none"> <li>1. Public business entities for periods in which financial statements have not yet been issued, and</li> <li>2. All other entities for periods in which financial statements have not yet been made available for issuance.</li> </ol> <p>An entity should apply <u>ASU No. 2018-13</u> retrospectively to all periods presented, except for the changes in unrealized gains and losses required by <u>ASC paragraph 820-10-50-2(d)</u>, the range and weighted-average disclosure required by <u>ASC paragraph 820-10-50-2(bbb)(2)(i)</u>, and the narrative description of measurement uncertainty in accordance with <u>ASC paragraph 820-10-50-2(g)</u> that are required to be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. (<u>ASC 820-10-65-12</u>)</p>	
Modified	<p><i>Note:</i> For purposes of the following disclosures in item 1 below, recurring fair value measurements of assets or liabilities are those that other Topics require or permit in the balance sheet at the end of each reporting period. Nonrecurring fair value measurements of assets or liabilities are those that other Topics require or permit in the balance sheet in particular circumstances (e.g., when a reporting entity measures a long-lived asset or disposal group classified as held for sale at fair value less costs to sell in accordance with <u>ASC Topic 360, Property, Plant, and Equipment</u>, because the asset’s fair value less costs to sell is lower than its carrying amount). (<u>ASC 820-10-50-2</u>)</p>	Step will retain on roll forward.
Modified	<p>For purposes of the following disclosures in item 1 below, the reporting entity should disclose information that helps users of its financial statements to assess: (a) the valuation techniques and inputs used to develop measurements for assets and liabilities that are measured at fair value on a recurring or nonrecurring basis in the balance sheet after initial recognition; and (b) the effect of the measurements on earnings or other comprehensive income for the period for recurring fair value measurements using significant unobservable inputs (Level 3). To meet these objectives, all of the following should be considered: (a) the level of detail necessary to satisfy the disclosure</p>	Step will retain on roll forward.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed. If disclosures in this Topic or other Topics are insufficient to meet these objectives, additional information should be disclosed as necessary to meet these objectives. (ASC 820-10-50-1 and 50-1A)</p> <p>The quantitative disclosures in items 1 and 3 through 6 below should be presented in a tabular format. (ASC 820-10-50-8)</p>	
Modified	<p>1. For each class of assets and liabilities measured at fair value in the balance sheet after initial recognition, have the following disclosures, at a minimum, been made (820-10-50-2):</p> <p><i>Note:</i> Classes of assets and liabilities should be determined based on: (a) the nature, characteristics, and risks of the asset or liability; and (b) the level of the fair value hierarchy within which the fair value measurement is categorized. In addition, sufficient information should be provided to permit reconciliation of the classes of assets and liabilities to the line items presented in the balance sheet. (820-10-50-2B and 2C)</p>	Step will retain on roll forward.
Modified	<p>Quantitative information about the significant unobservable inputs used in the fair value measurement for fair value measurements categorized within Level 3 of the fair value hierarchy?</p> <p><i>Note:</i> A reporting entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the reporting entity when measuring fair value (e.g., when a reporting entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure, a reporting entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the reporting entity. Employee benefit plans, other than those plans that are subject to the SEC’s filing requirements, are not required to provide this disclosure for investments held by an employee benefit plan in their plan sponsor’s own nonpublic equity securities, including equity securities of their plan sponsor’s nonpublic affiliated entities. (ASC 820-10-50-2(bbb))</p> <p><i>Note:</i> A reporting entity is not required to provide this disclosure for fair value measurements related to the financial accounting and reporting for goodwill after its initial recognition in a business combination or an acquisition by a not-for-profit entity. (ASC 350-20-50-3 and 50-7)</p> <p><i>Note:</i> A nonpublic entity is not required to disclose the quantitative information about significant unobservable inputs used in fair value measurements categorized within Level 3 of the fair value hierarchy required by ASC paragraph 820-10-50-2(bbb) that relate to the financial accounting and reporting for an indefinite-lived intangible asset after its initial recognition. (ASC 350-30-50-3A)</p>	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 1 above have been superseded by the amendments in <u>ASU No. 2018-13, Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</u>, which is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Thereafter, the presentation and disclosure requirements in item 2 below should be followed. (<u>ASC 820-10-65-12</u>)</p>	
Added	<p><i>Note:</i> For purposes of the following disclosures in item 2 below, recurring fair value measurements of assets or liabilities are those that other Topics require or permit in the balance sheet at the end of each reporting period. Nonrecurring fair value measurements of assets or liabilities are those that other Topics require or permit in the balance sheet in particular circumstances (e.g., when a reporting entity measures a long-lived asset or disposal group classified as held for sale at fair value less costs to sell in accordance with <u>ASC Topic 360, Property, Plant, and Equipment</u>, because the asset’s fair value less costs to sell is lower than its carrying amount). (<u>ASC 820-10-50-2</u>)</p>	
Added	<p>For purposes of the following disclosures in item 2 below, the reporting entity should disclose information that provides users of financial statements with information about assets and liabilities measured at fair value in the balance sheet or disclosed in the notes to financial statements, including: (a) the valuation techniques and inputs that a reporting entity uses to arrive at its measures of fair value, including judgments and assumptions that the entity makes; (b) the uncertainty in the fair value measurements as of the reporting date; and (c) how changes in fair value measurements affect an entity’s performance and cash flows. When complying with the disclosure requirements of <u>Subtopic 820-10</u>, a reporting entity should consider all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed. (<u>ASC 820-10-50-1C and 50-1D2</u>).</p>	
Added	<p>The quantitative disclosures in items 2 through 6 below should be presented in a tabular format. (<u>ASC 820-10-50-8</u>)</p>	
Added	<p>2. For each class of assets and liabilities measured at fair value in the balance sheet after initial recognition, have the following disclosures been made (<u>820-10-50-2</u>):</p> <p><i>Note:</i> Classes of assets and liabilities should be determined based on: (a) the nature, characteristics, and risks of the asset or liability; and (b) the level of the fair value hierarchy within which the fair value measurement is categorized. In addition, sufficient information should be provided to permit reconciliation of the classes of assets and liabilities to the line items presented in the balance sheet. (<u>820-10-50-2B and 2C</u>)</p>	
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 1 above have been superseded by the amendments in <u>ASU No. 2018-13, Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</u>, which is effective for</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Thereafter, the presentation and disclosure requirements in item 2 below should be followed. ( <u>ASC 820-10-65-12</u> )	
Added	<p>The fair value measurement at the end of the reporting period for recurring fair value measurements and at the relevant measurement date for nonrecurring fair value measurements?</p> <p><i>Note:</i> For nonrecurring measurements estimated at a date during the reporting period other than the end of the reporting period, a reporting entity should clearly indicate that the fair value information presented is not as of the period's end as well as the date or period that the measurement was taken.</p>	
Added	The reasons for the measurement for nonrecurring fair value measurements?	
Added	The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3) for recurring and nonrecurring fair value measurements?	
Added	A description of the valuation technique(s) and the inputs used in the fair value measurement for recurring and nonrecurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy?	
Added	The change in either or both a valuation approach and a valuation technique, or use of an additional valuation technique, and the reasons for such change or addition, for recurring and nonrecurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy?	
Added	<p>Quantitative information about the significant unobservable inputs used in the fair value measurement for recurring and nonrecurring fair value measurements categorized within Level 3 of the fair value hierarchy?</p> <p><i>Note:</i> A reporting entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the reporting entity when measuring fair value (e.g., when a reporting entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure, a reporting entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the reporting entity. Employee benefit plans, other than those plans that are subject to the SEC's filing requirements, are not required to provide this disclosure for investments held by an employee benefit plan in their plan sponsor's own nonpublic equity securities, including equity securities of their plan sponsor's nonpublic affiliated entities. (<u>ASC 820-10-50-2(bbb)</u>)</p> <p><i>Note:</i> A reporting entity should provide the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. A reporting entity should disclose how it calculated the weighted average (e.g., weighted by relative fair value). For certain unobservable inputs, a reporting entity may disclose other quantitative information, such as the median or arithmetic average, in lieu of the weighted average, if such information would be a more reasonable</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>and rational method to reflect the distribution of unobservable inputs used to develop the Level 3 fair value measurement. An entity does not need to disclose its reason for omitting the weighted average in these cases. A nonpublic entity is not required to provide the information required by this Note. (<u>ASC 820-10-50-2(bbb)</u> and <u>ASC 820-10-50-2F</u>)</p> <p><i>Note:</i> A reporting entity is not required to provide this disclosure for fair value measurements related to the financial accounting and reporting for goodwill after its initial recognition in a business combination or an acquisition by a not-for-profit entity. (<u>ASC 350-20-50-3</u> and <u>50-7</u>)</p>	
Added	<p><i>Note:</i> A nonpublic entity is not required to disclose the quantitative information about significant unobservable inputs used in fair value measurements categorized within Level 3 of the fair value hierarchy required by <u>ASC paragraph 820-10-50-2(bbb)</u> that relate to the financial accounting and reporting for an indefinite-lived intangible asset after its initial recognition. (<u>ASC 350-30-50-3A</u>)</p>	
Added	<p>For recurring fair value measurements categorized within Level 3 of the fair value hierarchy, a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:</p> <p><i>Note:</i> A nonpublic entity is not required to disclose this information. In lieu of the information in item g, a nonpublic entity is required to disclose the information in item h below. (<u>ASC 820-10-50-2G</u>)</p>	
Added	Total gains or losses for the period recognized in earnings, and the line item(s) in the income statement in which those gains or losses are recognized?	
Added	Total gains or losses for the period recognized in other comprehensive income, and the line item(s) in other comprehensive income in which those gains or losses are recognized?	
Added	Purchases, sales, issues, and settlements (each of those types of changes disclosed separately)?	
Added	The amounts of any transfers into or out of Level 3 of the fair value hierarchy?	
Added	<p>The reasons for those transfers?</p> <p><i>(Note:</i> Transfers into Level 3 should be disclosed and discussed separately from transfers out of Level 3).</p>	
Added	In lieu of the disclosures in item 2(g) above, has a nonpublic entity disclosed separately changes during the period attributable to the following ( <u>ASC 820-10-50-2G</u> ):	
	Purchases and issues (each of those types of changes disclosed separately)?	
Added	The amounts of any transfers into or out of Level 3 of the fair value hierarchy and the reasons for those transfers?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<i>Note:</i> Transfers into Level 3 should be disclosed and discussed separately from transfers out of Level 3.	
Added	<p>For recurring fair value measurements categorized within Level 3 of the fair value hierarchy, the amount of the total gains or losses for the period in 2 (g)(1) above included in earnings and in 2(g)(2) included in other comprehensive income that is attributable to the change in unrealized gains or losses relating to those assets and liabilities held at the end of the reporting period, and the line item(s) in the statement of comprehensive income in which those unrealized gains or losses are recognized?</p> <p><i>Note:</i> A nonpublic entity is not required to disclose this information. (<u>ASC 820-10-50-2F</u>)</p>	
Added	<p>For recurring fair value measurements categorized within Level 3 of the fair value hierarchy, a narrative description of the uncertainty of the fair value measurement from the use of significant unobservable inputs if those inputs reasonably could have been different at the reporting date. For example, how a change in those significant unobservable inputs to a different amount might result in a significantly higher or lower fair value measurement at the reporting date? (<i>Note:</i> A nonpublic entity is not required to disclose this information.)</p> <p><i>Note:</i> If there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, a reporting entity should also provide a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement. To comply with that disclosure requirement, the narrative description of the uncertainty of the fair value measurement that would result from using unobservable inputs should include the unobservable inputs disclosed when complying with items 2(d), (e), and (f) above.</p>	
Added	For recurring and nonrecurring fair value measurements, if the highest and best use of a nonfinancial asset differs from its current use:	
Added	A disclosure of that fact?	
Added	Why the nonfinancial asset is being used in a manner that differs from its highest and best use?	
Added	For a group of financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk for which the fair value measurement exception under <u>ASC 820-10-35-18D</u> is used, has the accounting policy decision to use this exception been disclosed? ( <u>820-10-50-2D</u> )	
Added	For each class of assets and liabilities not measured at fair value in the balance sheet but for which the fair value is disclosed, have the disclosure requirements in items 1(c), (e), (f), and (l) above [items 2(c), (d), (e) and (k) above upon adoption of <u>ASU No. 2018-13</u> ], been made? ( <i>Note:</i> This disclosure is required for public entities only.) ( <u>ASC 820-10-50-2E</u> )	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p><i>Note:</i> A reporting entity is not required to provide the quantitative disclosures about significant unobservable inputs used in fair value measurements categorized within Level 3 of the fair value hierarchy required by item 1(g) above [item 2(f) above upon adoption of <u>ASU No. 2018-13</u>]. For such assets and liabilities, a reporting entity does not need to provide the other disclosures required by this Topic.</p>	
Added	4. For derivative assets and liabilities, has the following been disclosed ( <u>820-10-50-3</u> ):	
Added	a. The fair value disclosures required by items 1(a), (b), (c)), and (d) above [items 2(a), (b), and (c) above upon adoption of <u>ASU No. 2018-13</u> ], on a gross basis?	
Modified	b. The reconciliation disclosure required by items 1(h) and (i) above [items 2(g) and (i) above upon adoption of <u>ASU No. 2018-13</u> ], on either a gross or a net basis?	Step will reset on roll forward due to content changes.
Modified	<p>For investments in certain entities that calculate net asset value per share (or its equivalent, such as member units) and that are measured using the practical expedient in ASC paragraph 820-10-35-59 on a recurring or nonrecurring basis during the period, have the following disclosures been made separately for each class of investment (ASC 820-10-50-6A):</p> <p><i>Note:</i> The reporting entity shall disclose information that helps users of its financial statements to understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from net asset value per share (or its equivalent).</p>	Step will retain on roll forward.
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 7(c) below have been superseded by the amendments in <u>ASU No. 2018-13, Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</u>, which is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Thereafter, the presentation and disclosure requirements in item 7(d) below should be followed. (<u>ASC 820-10-65-12</u>)</p>	
Added	The reporting entity’s estimate of the period of time over which the underlying assets are expected to be liquidated by the investees, for each class of investment that includes investments that can never be redeemed with the investees, but the reporting entity receives distributions through the liquidation of the underlying assets of the investees?	
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 7(c) above have been superseded by the amendments in <u>ASU No. 2018-13, Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</u>, which is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Thereafter, the presentation and disclosure requirements in item 7(d) below should be followed. (<u>ASC 820-10-65-12</u>)</p>	
Modified	The period of time over which the underlying assets are expected to be liquidated by the investees if the investee has communicated the timing to the reporting entity or announced the timing publicly, for each class of investment that includes investments that can never be redeemed with the investees, but the reporting entity receives distributions through the liquidation of the underlying assets of the investees?	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<i>Note: If the timing is unknown, the reporting entity should disclose that fact.</i>	
Added	For those otherwise redeemable investments that are restricted from redemption as of the reporting entity's measurement date:	
Added	The reporting entity's estimate of when the restriction from redemption might lapse?	
Added	If the reporting entity cannot estimate when the restriction from redemption might lapse:	
Added	The fact that the entity cannot estimate when the restriction from redemption might lapse?	
Added	How long the restriction has been in effect?	
Added	Any other significant restriction on the ability to sell investments in the class at the measurement date?	
Added	For an investment(s) that the reporting entity determines that it is probable (as defined in ASC paragraph 820-10-35-62) that it will sell for an amount different from net asset value per share (or its equivalent):	
Added	The total fair value of all such investments?	
Added	The remaining actions required to complete the sale, if any?	
Added	For a group of investments that would meet the criteria in item i. above, but the individual investments to be sold have not been identified (e.g., if a reporting entity decides to sell 20 percent of its investments in private equity funds but the individual investments to be sold have not been identified):	
Added	The entity's plans to sell the investments?	
Added	The remaining actions required to complete the sale, if any?	
Removed	<p>For investments in certain entities that calculate net asset value per share (or its equivalent, such as member units) and that are measured using the practical expedient in ASC paragraph 820-10-35-59 on a recurring or nonrecurring basis during the period, have the following disclosures, at a minimum, been made separately for each class of investment (ASC 820-10-50-6A):</p> <p><i>Note:</i> The reporting entity shall disclose information that helps users of its financial statements to understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from net asset value per share (or its equivalent).</p>	
Removed	The fair value measurement of the investments in the class at the reporting date?	
Removed	A description of the significant investment strategies of the investee(s) in the class?	
Removed	The reporting entity's estimate of the period of time over which the underlying assets are expected to be liquidated by the investees, for each class of investment that includes investments that can never be redeemed with the investees, but the reporting entity receives distributions through the liquidation of the underlying assets of the investees?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	The amount of the reporting entity's unfunded commitments related to investments in the class?	
Removed	A general description of the terms and conditions upon which the investor may redeem investments in the class (e.g., quarterly redemption with 60 days' notice)?	
Removed	The circumstances in which an otherwise redeemable investment in the class (or a portion thereof) might not be redeemable (e.g., investments subject to a lockup or gate)?	
Added	<i>Note:</i> The presentation and disclosure requirements in item 7(h) above have been superseded by the amendments in <u>ASU No. 2018-13, Fair Value Measurement (Topic 820)—Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</u> , which is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Thereafter, the presentation and disclosure requirements in item 7(i) below should be followed. ( <u>ASC 820-10-65-12</u> )	
Added	For those otherwise redeemable investments that are restricted from redemption as of the reporting entity's measurement date:	
Added	When the restriction from redemption might lapse if the investee has communicated that timing to the reporting entity or announced the timing publicly?	
Added	If the reporting entity does not know when the restriction from redemption might lapse:	
Added	The fact that the entity does not know when the restriction from redemption might lapse?	
Added	How long the restriction has been in effect?	
Removed	Have the following transitional disclosures related to the adoption of <u>ASU No. 2015-07</u> been made in the first interim and annual period after the entity's adoption date ( <u>ASC 820-10-65-10</u> ):	
Removed	a. The nature of and reason for the change in accounting principle?	
Removed	b. An explanation of why the newly adopted accounting principle is preferable?	
<b>Financial Instruments (ASC 825)</b>		
Added	Have the following transitional disclosures related to the adoption of <u>ASU No. 2019-04</u> been made in the period of adoption ( <u>ASC 825-10-65-5</u> ):	
Added	The nature of the change in accounting principle, including an explanation of the newly adopted accounting principle?	
Added	The method of applying the change?	
Added	The effect of the adoption on any line item in the balance sheet, if material, as of the beginning of the first period for which ASU No. 2019-04 is effective?  <i>Note:</i> Presentation of the effect on financial statement subtotals is not required.	
Added	The cumulative effect of the change on retained earnings or other components of equity in the balance sheet as of the beginning of the first period for which ASU No. 2019-04 is effective?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<i>Note:</i> An entity that issues interim financial statements should provide the disclosures in items (a) through (d) in each interim financial statement of the fiscal year of change and the annual financial statement of the fiscal year of change.	
<b>Leases (ASC 842)</b>		
<b>Overall</b>		
Modified	In the financial statements in which an entity first applies ASC Topic 842, the entity should recognize and measure leases within the scope of ASC Topic 842 that exist at the application date, as determined by the transition method that the entity elects. An entity should apply <u>ASC Topic 842</u> using one of the following two methods:	Step will reset on roll forward due to content changes.
Modified	Retrospectively to each prior reporting period presented in the financial statements with the cumulative effect of initially applying <u>ASC Topic 842</u> recognized at the beginning of the earliest comparative period presented, subject to the guidance in items 2 through 6 below. Under this transition method, the application date should be the later of the beginning of the earliest period presented in the financial statements and the commencement date of the lease.	Step will reset on roll forward due to content changes.
Added	Retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment, subject to the guidance in items 2 through 6 below. Under this transition method, the application date should be the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u> .	
Added	An entity should adjust equity and, if the entity elects the transition method in item 1(a) above, the other comparative amounts disclosed for each prior period presented in the financial statements, as if <u>ASC Topic 842</u> had always been applied, subject to the requirements in items 3 through 6 below.	
Modified	<i>Note:</i> <u>Examples 28 through 29 in ASC paragraphs 842-10-55-243 through 55-254</u> provide illustrations of the transition requirements for an entity that applies <u>ASC Topic 842</u> in accordance with item 1(a) above.	Step will reset on roll forward due to content changes.
Modified	Derecognize that asset and liability (except for those arising from leases that are classified as operating leases in accordance with <u>ASC Topic 842</u> for which the entity is a lessor).	Step will reset on roll forward due to content changes.
Modified	Make a corresponding adjustment to equity if assets or liabilities arise from leases that are classified as sales-type leases or direct financing leases in accordance with <u>ASC Topic 842</u> for which the entity is a lessor. Also see item 22 below.	Step will reset on roll forward due to content changes.
<b>Leases (ASC 842)</b>		
<b>Disclosure</b>		
Modified	An entity should provide the transition disclosures required by <u>ASC Topic 250</u> on accounting changes and error corrections, except for the requirements in <u>ASC paragraph 250-10-50-1(b)(2)</u> and <u>ASC paragraph 250-10-50-3</u> regarding the effect of the change on income from continuing operations, net income, any other affected financial statement line item, and any affected per-share	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	amounts for the current period and any prior periods retrospectively adjusted. An entity that elects the transition method in item 1(b) above should provide: (a) the transition disclosures in <u>ASC paragraph 250-10-50-1(b)(3)</u> as of the beginning of the period of adoption rather than at the beginning of the earliest period presented, and (b) the required disclosures in <u>ASC Topic 840</u> for all periods that continue to be in accordance with <u>ASC Topic 840</u> .	
<b>Leases (ASC 842)</b> <b>Lessees – Leases previously classified as operating leases under ASC Topic 840</b>		
Modified	A lessee should initially recognize a right-of-use asset and a lease liability at the application date as determined in item 1 above.	Step will reset on roll forward due to content changes.
Modified	Unless, on or after the effective date, the lease is modified (and that modification is not accounted for as a separate contract in accordance with ASC paragraph 842-10-25-8) or the lease liability is required to be remeasured in accordance with ASC paragraph 842-20-35-4, a lessee should measure the lease liability at the present value of the sum of the following, using a discount rate for the lease (which, for entities that are not public business entities, can be a risk-free rate determined in accordance with ASC paragraph 842-20-30-3) established at the application date as determined in item 1 above:	Step will reset on roll forward due to content changes.
Modified	For each lease classified as a finance lease in accordance with <u>ASC paragraph 842-10-25-2</u> , a lessee should measure the right-of-use asset as the applicable proportion of the lease liability at the commencement date, which can be imputed from the lease liability determined in accordance with item 11 above. The applicable proportion is the remaining lease term at the application date as determined in item 1 above relative to the total lease term. A lessee should adjust the right-of-use asset recognized by the carrying amount of any prepaid or accrued lease payments and the carrying amount of any liability recognized in accordance with <u>ASC Topic 420</u> for the lease.	Step will reset on roll forward due to content changes.
Modified	If a lessee does not elect the practical expedients described in item 4 above, any unamortized initial direct costs that do not meet the definition of initial direct costs in <u>ASC Topic 842</u> should be written off as an adjustment to equity unless the entity elects the transition method in item 1(a) above and the costs were incurred after the beginning of the earliest period presented, in which case those costs should be written off as an adjustment to earnings in the period the costs were incurred.	Step will reset on roll forward due to content changes.
<b>Leases (ASC 842)</b> <b>Lessees – Leases previously classified as capital leases under ASC Topic 840</b>		
Modified	Recognize a right-of-use asset and a lease liability at the carrying amount of the lease asset and the capital lease obligation in accordance with <u>ASC Topic 840</u> at the application date as determined in item 1 above.	Step will reset on roll forward due to content changes.
Modified	If a lessee does not elect the practical expedients described in item 4 above, write off any unamortized initial direct costs that do not meet the definition of initial direct costs in <u>ASC Topic 842</u> and that are not included in the measurement of the capital lease asset under <u>ASC Topic 840</u> as	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	an adjustment to equity unless the entity elects the transition method in item 1(a) above and the costs were incurred after the beginning of the earliest period presented, in which case those costs should be written off as an adjustment to earnings in the period the costs were incurred.	
Modified	If an entity elects the transition method in item 1(a) above, subsequently measure the right-of-use asset and the lease liability in accordance with <u>ASC Section 840-30-35</u> before the effective date.	Step will retain on roll forward.
Modified	Regardless of the transition method selected in item 1 above, apply the subsequent measurement guidance in <u>ASC paragraphs 842-20-35-4 through 35-5 and 842-20-35-8</u> after the effective date. However, when applying the guidance in <u>ASC paragraph 842-20-35-4</u> , a lessee should not remeasure the lease payments for amounts probable of being owed under residual value guarantees in accordance with <u>ASC paragraph 842-10-35-4(c)(3)</u> .	Step will retain on roll forward.
Modified	Derecognize the carrying amount of any capital lease asset and capital lease obligation in accordance with <u>ASC Topic 840</u> at the application date as determined in item 1 above. Any difference between the carrying amount of the capital lease asset and the capital lease obligation should be accounted for in the same manner as prepaid or accrued rent.	Step will reset on roll forward due to content changes.
Modified	If an entity elects the transition method in item 1(a) above and the lease commenced before the beginning of the earliest period presented in the financial statements or if the entity elects the transition method in item 1(b) above, recognize a right-of-use asset and a lease liability in accordance with <u>ASC paragraph 842-20-35-3</u> at the application date as determined in item 1 above.	Step will reset on roll forward due to content changes.
Modified	If an entity elects the transition method in item 1(a) above and the lease commenced after the beginning of the earliest period presented in the financial statements, recognize a right-of-use asset and a lease liability in accordance with <u>ASC paragraph 842-20-30-1</u> at the commencement date of the lease.	Step will reset on roll forward due to content changes.
Modified	Write off any unamortized initial direct costs that do not meet the definition of initial direct costs in <u>ASC Topic 842</u> as an adjustment to equity unless the entity elects the transition method in item 1(a) above and the costs were incurred after the beginning of the earliest period presented, in which case those costs should be written off as an adjustment to earnings in the period the costs were incurred.	Step will reset on roll forward due to content changes.
<b>Leases (ASC 842)</b>		
<b>Lessees – Build to suit lease arrangements</b>		
Modified	A lessee should apply a modified retrospective transition approach for leases accounted for as build-to-suit arrangements under <u>ASC Topic 840</u> that are existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements (if an entity elects the transition method in item 1(a) above) or that are existing at the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u> (if an entity elects the transition method in item 1(b) above) as follows:	Step will reset on roll forward due to content changes.
Modified	If an entity has recognized assets and liabilities solely as a result of a transaction’s build-to-suit designation in accordance with <u>ASC Topic 840</u> , the entity should do the following:	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>(1) If an entity elects the transition method in item 1(a) above, the entity should derecognize those assets and liabilities at the later of the beginning of the earliest comparative period presented in the financial statements and the date that the lessee is determined to be the accounting owner of the asset in accordance with <u>ASC Topic 840</u>.</p> <p>(2) If an entity elects the transition method in item 1(b) above, the entity should derecognize those assets and liabilities at the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u>.</p> <p>(3) Any difference in items (1) or (2) above should be recorded as an adjustment to equity at the date that those assets and liabilities were derecognized in accordance with items (1) or (2) above.</p> <p>(4) The lessee should apply the lessee transition requirements in items 10 through 19 above to the lease.</p>	
Modified	<p>b. If the construction period of the build-to-suit lease concluded before the beginning of the earliest comparative period presented in the financial statements (if the entity elects the transition method in item 1(a) above) or if it concluded before the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u> (if the entity elects the transition method in item 1(b) above), and the transaction qualified as a sale and leaseback transaction in accordance with <u>ASC Subtopic 840-40</u> before that date, the entity should follow the general lessee transition requirements for the lease.</p>	Step will reset on roll forward due to content changes.
<p><b>Leases (ASC 842)</b>  <b>Lessors – Leases previously classified as operating leases under ASC Topic 840</b></p>		
Modified	<p>Continue to recognize the carrying amount of the underlying asset and any lease assets or liabilities at the application date as determined in item 1 above as the same amounts recognized by the lessor immediately before that date in accordance with <u>ASC Topic 840</u>.</p>	Step will reset on roll forward due to content changes.
Modified	<p>If a lessor does not elect the practical expedients described in item 4 above, write off any unamortized initial direct costs that do not meet the definition of initial direct costs in <u>ASC Topic 842</u> as an adjustment to equity unless the entity elects the transition method in item 1(a) above and the costs were incurred after the beginning of the earliest period presented, in which case those costs should be written off as an adjustment to earnings in the period the costs were incurred.</p>	Step will reset on roll forward due to content changes.
Modified	<p>22. For each lease classified as a direct financing or a sales-type lease in accordance with <u>ASC Topic 842</u>, the objective is to account for the lease, beginning on the application date as determined in item 1 above, as if it had always been accounted for as a direct financing lease or a sales-type lease in accordance with <u>ASC Topic 842</u>. Consequently, a lessor should do all of the following:</p>	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Modified	a. Derecognize the carrying amount of the underlying asset at the application date as determined in item 1 above.	Step will reset on roll forward due to content changes.
Modified	b. Recognize a net investment in the lease at the application date as determined in item 1 above as if the lease had been accounted for as a direct financing lease or a sales-type lease in accordance with <u>ASC Subtopic 842-30</u> since lease commencement.	Step will reset on roll forward due to content changes.
Modified	Record any difference between the amounts in items 22(a) and 22(b) above as follows.	Step will retain on roll forward.
Added	If an entity elects the transition method in item 1(a) above, as an adjustment to equity (if the commencement date of the lease was before the beginning of the earliest period presented or if the lease was acquired as part of a business combination; see also item 7(c) above) or earnings (if the commencement date of the lease was on or after the beginning of the earliest period presented).	Step will reset on roll forward due to content changes.
Added	If an entity elects the transition method in item 1(b) above, as an adjustment to equity.	Step will reset on roll forward due to content changes.
Added	Account for the lease in accordance with ASC Topic 842 after the application date as determined in item 1 above.	Step will reset on roll forward due to content changes.
<b>Leases (ASC 842)</b>		
<b>Lessors – Leases previously classified as direct financing or sales-type lease under ASC Topic 840</b>		
Modified	Continue to recognize a net investment in the lease at the application date as determined in item 1 above at the carrying amount of the net investment at that date. This would include any unamortized initial direct costs capitalized as part of the lessor’s net investment in the lease in accordance with <u>ASC Topic 840</u> .	Step will reset on roll forward due to content changes.
Modified	If an entity elects the transition method in item 1(a) above before the effective date, a lessor should account for the lease in accordance with <u>ASC Topic 840</u> .	Step will reset on roll forward due to content changes.
Modified	Regardless of the transition method selected in item 1 above, beginning on the effective date, a lessor should account for the lease in accordance with the recognition, subsequent measurement, presentation, and disclosure guidance in <u>ASC Subtopic 842-30</u> .	Step will reset on roll forward due to content changes.
Modified	Beginning on the effective date, if a lessor modifies the lease (and the modification is not accounted for as a separate contract in accordance with <u>ASC paragraph 842-10-25-8</u> ), it should account for the modified lease in accordance with <u>ASC paragraph 842-10-25-16</u> if the lease is classified as a direct financing lease before the modification or <u>ASC paragraph 842-10-25-17</u> if the lease is classified as a sales-type lease before the modification. A lessor should not remeasure the net investment in the lease on or after the effective date unless the lease is modified (and the modification is not accounted for as a separate contract in accordance with <u>ASC paragraph 842-10-25-8</u> ).	Step will reset on roll forward due to content changes.
Modified	24. For each lease classified as an operating lease in accordance with <u>ASC Topic 842</u> , the objective is to account for the lease, beginning on the application date as determined in item 1	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	above, as if it had always been accounted for as an operating lease in accordance with <u>ASC Topic 842</u> . Consequently, a lessor should do all of the following:	
Added	Record any difference between the amounts in items 24(a) and 24(b) above as follows:	Step will retain on roll forward.
Added	If an entity elects the transition method in item 1(a) above, as an adjustment to equity (if the commencement date of the lease was before the beginning of the earliest period presented or if the lease was acquired as part of a business combination) or earnings (if the commencement date of the lease was on or after the beginning of the earliest period presented).	Step will reset on roll forward due to content changes.
Added	If an entity elects the transition method in item 1(b) above, as an adjustment to equity.	Step will reset on roll forward due to content changes.
<b>Leases (ASC 842)</b>		
<b>Lessors – Sale and leaseback transactions before the effective date</b>		
Modified	<p>If a previous sale and leaseback transaction was accounted for as a failed sale and leaseback transaction in accordance with <u>ASC Topic 840</u> and remains a failed sale at the effective date:</p> <ol style="list-style-type: none"> <li>a. If an entity elects the transition method in item 1(a) above, the entity should reassess whether a sale would have occurred at any point on or after the beginning of the earliest period presented in the financial statements in accordance with <u>ASC paragraphs 842-40-25-1 through 25-3</u>. The sale and leaseback transaction should be accounted for on a modified retrospective basis from the date a sale is determined to have occurred.</li> <li>b. If an entity elects the transition method in item 1(b) above, the entity should reassess whether a sale would have occurred at the beginning of the reporting period in which the entity first applies the guidance in accordance with <u>ASC paragraphs 842-40-25-1 through 25-3</u> and recognize the sale as an adjustment to equity. The entity should then account for the leaseback in accordance with the guidance in <u>ASC Subtopic 842-20</u> after the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u>.</li> </ol>	Step will reset on roll forward due to content changes.
Modified	If a previous sale and leaseback transaction was accounted for as a sale and capital leaseback in accordance with <u>ASC Topic 840</u> , the transferor should continue to recognize any deferred gain or loss that exists at the later of the beginning of the earliest comparative period presented in the financial statements and the date of the sale of the underlying asset (if an entity elects the transition method in item 1(a) above) or that exists at the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u> (if an entity elects the transition method in item 1(b) above), as follows:	Step will reset on roll forward due to content changes.
Modified	Recognize any deferred gain or loss not resulting from off-market terms (i.e., where the consideration for the sale of the asset is not at fair value or the lease payments are not at market rates) as a cumulative-effect adjustment to equity unless the entity elects the transition method in item 1(a) above and the date of sale is after the beginning of the earliest period presented, in which	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	case any deferred gain or loss not resulting from off-market terms should be recognized in earnings in the period the sale occurred.	
Modified	Recognize any deferred loss resulting from the consideration for the sale of the asset not being at fair value or the lease payments not being at market rates as an adjustment to the leaseback right-of-use asset at the later of the beginning of the earliest comparative period presented in the financial statements and the date of the sale of the underlying asset (if an entity elects the transition method in item 1(a) above) or at the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u> (if an entity elects the transition method in item 1(b) above).	Step will reset on roll forward due to content changes.
Modified	Recognize any deferred gain resulting from the consideration for the sale of the asset not being at fair value or the lease payments not being at market rates as a financial liability at the later of the beginning of the earliest comparative period presented in the financial statements and the date of the sale of the underlying asset (if an entity elects the transition method in item 1(a) above) or at the beginning of the reporting period in which the entity first applies <u>ASC Topic 842</u> (if an entity elects the transition method in item 1(b) above).	Step will reset on roll forward due to content changes.
<b>Leases (ASC 842)</b>		
<b>Lessors</b>		
Modified	<p>Have cash receipts from leases (i.e., sales-type, direct financing, and operating leases) been classified within operating activities in the statement of cash flows? (<u>ASC 842-30-45-5 and 45-7</u>)</p> <p><i>Note:</i> If the lessor is within the scope of <u>ASC Topic 942, Financial Services–Depository and Lending</u>, it should classify principal payments received under sales-type and direct financing leases within investing activities.</p>	Step will retain on roll forward.
Added	<p><i>Note:</i> The presentation and disclosure requirements in items 6b(2) and 6b(3) below have been superseded by the amendments in <u>ASU No. 2018-11, Leases (Topic 842): Targeted Improvements</u>, which is effective as follows: (<u>ASC 842-10-65-2</u>)</p> <ol style="list-style-type: none"> <li>1. An entity that has not yet adopted <u>ASC Topic 842</u> should apply <u>ASU No. 2018-11</u>, by class of underlying asset, to all new and existing leases when the entity first applies <u>ASC Topic 842</u> and should apply the same transition method elected for <u>ASC Topic 842</u>.</li> <li>2. An entity that has adopted <u>ASC Topic 842</u> should apply <u>ASU No. 2018-11</u>, by class of underlying asset, to all new and existing leases either: <ol style="list-style-type: none"> <li>a. In the first reporting period following the issuance of <u>ASU No. 2018-11</u>.</li> <li>b. At the original effective date of <u>ASC Topic 842</u> for that entity as determined in <u>ASC paragraph 842-10-65-1(a) and (b)</u>.</li> </ol> </li> </ol>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>3. An entity that has adopted <u>ASC Topic 842</u> should apply <u>ASU No. 2018-11</u>, by class of underlying asset, to all new and existing leases either:</p> <ul style="list-style-type: none"> <li>a. Retrospectively to all prior periods beginning with the fiscal years in which <u>ASC Topic 842</u> was initially applied</li> <li>b. Prospectively.</li> </ul> <p>Thereafter, the presentation and disclosure requirements in items 6b(4) through 6b(6) below should be followed.</p>	
Added	<p><i>Note:</i> The presentation and disclosure requirements in items 6b(2) and 6b(3) above have been superseded by the amendments in <u>ASU No. 2018-11, Leases (Topic 842): Targeted Improvements</u>. Thereafter, the presentation and disclosure requirements in items 6b(4) through 6b(6) below should be followed: (<u>ASC 842-10-65-2</u>)</p>	
Added	<p>The allocation of the consideration in a contract between lease and nonlease components (as described in <u>ASC paragraphs 842-10-15-28 through 15-32</u>), unless a lessor elects the practical expedient in <u>ASC paragraph 842-10-15-42A</u> and all nonlease components in the contract qualify for that practical expedient?</p>	
Added	<p>The determination of the amount the lessor expects to derive from the underlying asset following the end of the lease term?</p>	
Added	<p>Has an entity that elects the practical expedient in <u>ASC paragraph 842-10-15-42A</u> on not separating nonlease components from associated lease components (including an entity that accounts for the combined component entirely in <u>ASC Topic 606</u> on revenue from contracts with customers) disclosed the following, by class of underlying asset:</p>	
Added	<p>Its accounting policy election and the class or classes of underlying assets for which it has elected to apply the practical expedient?</p>	
Added	<p>The nature of:</p>	
Added	<p>The lease components and nonlease components combined as a result of applying the practical expedient?</p>	
Added	<p>The nonlease components, if any, that are accounted for separately from the combined component because they do not qualify for the practical expedient?</p>	
Added	<p>The ASC Topic the entity applies to the combined component (<u>ASC Topic 842</u> or <u>ASC Topic 606</u>)?</p>	
Added	<p><i>Note:</i> The presentation and disclosure requirements in item 13 below are prescribed by <u>ASU No. 2018-20, Leases (Topic 842): Narrow-Scope Improvements for Lessors</u>, which is effective as follows: (<u>ASC 842-10-65-3</u>)</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<ol style="list-style-type: none"> <li>1. An entity that has not yet adopted <u>ASC Topic 842</u> should apply ASU No. 2018-20 to all new and existing leases when the entity first applies ASC Topic 842 (e.g., January 1, 2019 for calendar year end public business entities) and should apply the same transition method elected for ASC Topic 842.</li> <li>2. An entity that has adopted ASC Topic 842 before the issuance of ASU No. 2018-20 should adopt ASU No. 2018-20 to all new and existing leases at the original effective date of ASC Topic 842 for that entity as determined in <u>ASC paragraph 842-10-65-1(a)</u> through (b). Alternatively, an entity that has adopted ASC Topic 842 may adopt ASU No. 2018-20 to all new and existing leases either: <ol style="list-style-type: none"> <li>a. In the first reporting period ending after the issuance of ASU No. 2018-20 (e.g., December 31, 2018), or</li> <li>b. In the first reporting period beginning after the issuance of ASU No. 2018-20 (e.g., January 1, 2019).</li> </ol> </li> <li>3. An entity that has adopted ASC Topic 842 before the issuance of ASU No. 2018-20 should apply ASU No. 2018-20 to all new and existing leases either: <ol style="list-style-type: none"> <li>(a) Retrospectively to all prior periods beginning with the fiscal years in which ASC Topic 842 was initially applied, or Prospectively.</li> </ol> </li> </ol>	
Added	Has a lessor that makes the accounting policy election in <u>ASC paragraph 842-10-15-39A</u> (i.e., to exclude from the consideration in the contract and from variable payments not included in the consideration in the contract all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific lease revenue-producing transaction and collected by the lessor from a lessee, such as sales, use, value added, and some excise taxes) disclosed its accounting policy election and complied with the applicable accounting policy disclosure requirements in <u>ASC paragraphs 235-10-50-1 through 50-6</u> ? (See <u>ASC Topic 235, Notes to Financial Statements.</u> ) ( <u>ASC 842-30-50-14</u> )	

**Audit Programs (AUDs)**

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-100 Engagement-Level Tailoring Questions</b>					
New	New Audit Area, Business Combinations. This was separated out from other Audit Programs and is <b>AUD-822</b> .	Table	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	Audit Area “Journal Entries and Financial Statement Review” has been modified to remove “Financial Statement Review”.  The “Financial Statement Review” has been moved to <i>AUD-911</i> .	Audit Areas	Clarification		The Audit Area “Journal Entries” will be retained on roll forward in your selections in <i>AUD-100</i> and then all flow from there.
New	New Missing Workpaper or Unnecessary Workpaper related to <i>AID-603</i> based on your response to TQ, “Does the entity have multiple components, multiple locations, or segments that are included in the scope of our engagement?”	Diagnostic	Enhancement		
New	New Missing Workpaper or Unnecessary Workpaper related to the NEW workpaper <i>KBA-413</i> based on your response to TQ, “Is the entity a broker/dealer?”	Diagnostic	Enhancement		
<b>AUD-101 Overall Audit Program</b>					
New	New TQ, “Is the entity a broker/dealer?” that will flow from <i>AUD-100</i> .  <b>See KCO-003 Answer Effects for the Overall Tailoring Questions Workpaper for further information on the effect of this TQ.</b>	TQ Table			
Modified	Step: 5 Determine that the auditor has established a process to ensure that the broker or dealer has made the required notifications regarding noncompliance with the financial responsibility rules or material weaknesses identified to the SEC and the designated examining authority (DEA) within the appropriate time frame. This process should include obtaining evidence of transmission of the notification and obtaining a copy of the notification made.	Procedures	Enhancement	Improved Workflow	
Added	Step 31 Obtain an understanding of the regulatory environment and compliance requirements of a broker or dealer by reading: a. Regulatory filings; b. Related correspondence; and Examination reports of the designated examining authority (DEA).	Procedures	Enhancement	Improved Workflow	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Added	Step 32 Obtain an understanding of whether the introducing broker's relationship with the carry broker and whether transactions are introduced on a fully-disclosed or omnibus basis. <i>AUD-802A, Investments in Securities</i>	Procedures	Enhancement	Improved Workflow	
Modified	Under "Risk Assessment Procedures: Evaluating the Design of Internal Controls" combined steps 3 and 3. Resulting step 2 now reads as follows:  Perform risk assessment procedures to identify and obtain an understanding of, and evaluate the design and implementation of, relevant entity-level controls and the financial reporting process, including controls related to the development of significant financial statement disclosures and the consideration of information technology.  Added Practice Point, "Cybersecurity is one of the principal operation risks facing companies. The need for firms to be vigilant in addressing cybersecurity risk is great. The auditor should evaluate the policies and procedures management has in place to guard against cyber-attacks and the unlawful access to the entity's customer records and information."	Procedures	Enhanced Workflow		Steps will retain on roll forward with default settings as a combined step.
Modified	Step 116 Communicate with the audit committee appropriate matters, including our responsibility under PCAOB rules and standards, any procedures performed and the results of those procedures, when other information is presented in documents containing audited financial statements. As part of this communication, provide the audit committee with a copy of the management representation letter.	Procedures	Enhancement		Step will retain on roll forward with default settings.
<b>AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial or Reaudit Engagement</b>					
Modified	Under "Opening Balance Procedures" modified 4d to refer to lower of cost and net realizable value as follows:  Observed inventory and made appropriate test counts; performed inventory price tests; identified any excess, slow-moving, or obsolete inventory; performed shipping and receiving cutoff procedures; and considered inventory valuations for lower of cost and net realizable value.	Procedures	New or Revised Guidance	ASU no. 2015-11, <i>Inventory (Topic 330), Simplifying the Measurement of Inventory</i>	Step will retain on roll forward if user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Added	Under “Opening Balance Procedures” added 4j:  Verified compliance with restrictive debt covenants and, if necessary, examined waivers of default.	Procedures	Enhancement		
<b>AUD-602 Audit Program: Involvement of a Component Auditor</b>					
Modified	Under “General Information” modified 5b to include compliance with ethical requirements as follows:  The ethical requirements relevant to the group audit and, in particular, the independence requirements and a request that the component auditor communicate to us whether the component auditor has complied with ethical requirements relevant to the group audit, including independence and professional competence.	Procedures	Clarification		Step will retain on roll forward if user selects to keep all responses on roll forward.
Added	Under “General Information” added step 8:  We reviewed all of the component auditor responses to the requested communications in our instruction letter and noted the following:	Procedures	Clarification		
<b>AUD-701 Audit Program: Designing Tests of Controls</b>					
Modified	Audit Areas Included row at top of form will now be limited to only audit areas noted in AUD-100 under TQ, “What audit areas, applicable to the engagement, will you be performing tests of the operating effectiveness of controls?”	Table	Enhancement		
Modified	Under “Nature of Tests of Controls” modified 8a which now reads as follows:  We determined the nature of the tests of controls based on our consideration of: <ul style="list-style-type: none"> <li>a. The control reliance strategy planned (e.g., the more the auditor is relying on the effectiveness of internal controls [the lower the control risk], the more extensive the audit evidence required regarding the effectiveness of internal controls);</li> <li>b. The nature and materiality of misstatements that the control is intended to prevent or detect;</li> </ul>	Procedures	Clarification		Step will retain on roll forward if user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>c. The inherent risk associated with the related account(s) and assertion(s);</li> <li>d. Whether there have been changes in the volume or nature of transactions that might adversely affect control design or operating effectiveness;</li> <li>e. Whether the account has a history of errors;</li> <li>f. The effectiveness of entity-level controls, especially controls that monitor other controls;</li> <li>g. The nature of the control (e.g., manual or automated) and the frequency with which it operates;</li> <li>h. The reliability of the data on which the controls testing will be performed;</li> <li>i. The degree to which the control relies on the effectiveness of other controls (e.g., the control environment or information technology general controls);</li> <li>j. The competence of the personnel who perform the control or monitor its performance and whether there have been changes in key personnel who perform the control or monitor its performance;</li> <li>k. Whether the control relies on performance by an individual or is automated (i.e., an automated control would generally be expected to be lower risk if relevant information technology general controls are effective);</li> <li>l. The complexity of the control and the significance of the judgments that must be made in connection with its operation; and</li> <li>m. The need to use inquiry in some combination with inspection, observation, or reperformance procedures</li> </ul>				
Modified	<p>Step 13b</p> <p>Updated controls tested at the interim date through the end of the period by extending the test of controls to transactions occurring in the remaining period or obtaining other evidence. In determining the extent of the additional tests needed we considered:</p>	Procedures	Clarification		Step will retain on roll forward if user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ol style="list-style-type: none"> <li>1) Significant changes to the controls since interim testing, including changes in the information system, processes, and personnel;</li> <li>2) The significance of the assessed risk of material misstatement related to the relevant assertions;</li> <li>3) The inherent risk associated with the related account(s) or assertion(s);</li> <li>4) The specific control tested prior to year-end, including the nature of the control and the risk that the control is no longer effective during the remaining period, and the results of the tests of the control;</li> <li>5) The degree to which audit evidence about the operating effectiveness of those controls was obtained;</li> <li>6) The length of time between when controls were tested and the entity's year-end;</li> <li>7) The extent of further planned reductions to substantive procedures based on the reliance on controls;</li> <li>8) The effectiveness of the entity's control environment; and</li> <li>9) For integrated audits, the evidence regarding the effectiveness of the controls obtained during the audit of internal control.</li> </ol>				
<b>AUD-800 Audit Program: Custom through AUD-822 Audit Program: Business Combinations</b>					
Added	Added practice point references to accounting guidance on ARM.	Results Instructions Section	Enhancement		
Modified	Minor wording changes throughout				
Modified	<p>Under "Section I: Consideration of Testing the Operating Effectiveness of Internal Controls" modified steps 3 and 4 to refer to the assessed level of control risk rather than control reliance as follows:</p> <p>Our tests of operating effectiveness at <i>AUD-701</i> support our planned assessed control risk.</p>	Procedures	Clarification		Steps will retain on roll forward is user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	We have considered the assessed level of control risk based on our testing at <b>AUD-701</b> in determining the nature, timing, and extent of substantive procedures to be performed. Such procedures are documented in section III, below.				
Modified	Removed practice points regarding new accounting standards and replaced with link to Summary Checklist of Recent Authoritative U.S. Accounting Standards on ARM. Link is located above the procedures table in Section III.				
<b>AUD-801 Audit Program: Cash</b>					
Modified	Added additional substeps under “Cash Confirmations – Prep” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-802A Audit Program: Investments in Securities</b>					
Added	Added TQ, “Is the entity a broker/dealer?” that flows in from AUD-100.  <b>See KCO-002 for Mark N/A implication of these TQ’s.</b>	TQ Table			
Added	The following steps related to Broker or Dealer Engagements <ul style="list-style-type: none"> <li>We examined the stock record for evidence it is complete and accurate, including classification of long and short positions.</li> <li>We examined the security positions in a broker's or dealer's stock record for evidence they are in balance.</li> <li>We confirmed positions with custodians, depositories, or customers (as applicable).</li> <li>We inspected account reconciliations of long and short positions within the stock record to various subsidiary ledgers by investment type.</li> <li>We reperformed account reconciliations, by comparing entity records to statements received directly through confirmation procedures.</li> <li>We evaluated the entity’s computation of reserve requirements, including testing of the completeness and accuracy of the reserve requirements.</li> <li>We examined evidence that the entity has properly classified the securities as customer versus proprietary</li> </ul>	Procedures	Improved Workflow		<p>Many of these steps were moved from the now obsolete AUD-910 Audit Program: Broker or Dealer Additional Procedures. These steps that are moved from the prior AUD-910 will be retained on roll forward if you select to keep all responses on roll forward.</p> <p>The findings and risk modification tables will retain into this workpaper as well. This will ensure that any findings from the prior AUD-910 workpaper are retained on roll forward and the flow to KBA-102 or 103 will retain.</p> <p>Please note that if you haven’t used AUD-802A in the prior year binder that as soon as you roll the binder forward you will need to insert this workpaper so that data could be retained. If this audit area is not relevant for the 2019 year then after you’ve inserted it please copy and paste any relevant data such as</p>

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>and has properly identified the security type and where the securities are held.</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the broker-dealer’s policies and procedures to ensure that customer trades and orders are properly executed, in accordance with instructions, not out of sequence (e.g. executing an order for one of its own proprietary accounts before executing a customer order), that preferential treatment is not given to certain customers.</li> <li>• We obtained an understanding of how the broker or dealer monitors and reconciles suspense account activities.</li> <li>• We tested the entity’s analysis of the suspense account activities for aging and classification.</li> <li>• We examined evidence that the entity has properly recorded suspense accounts in the computation of net capital and/or in the computation of the reserve requirements.</li> <li>• We inquired of individuals responsible for preparing suspense account reconciliations to evaluate how the entity monitors, reconciles, and resolves outstanding items for these accounts.</li> <li>• We confirmed orders at a specific date with third parties whose order was processed, when only one side of pending buy or sell transactions were processed.</li> <li>• We compared reconciling items with underlying records of the entity and reviewed evidence of subsequent clearing of reconciling items after year-end.</li> <li>• We evaluated whether the broker or dealer properly maintained customer cash and securities in special reserve bank accounts in accordance with Rule 15c3-3, including whether the broker-dealer received proper notification letter from the bank.</li> <li>• We confirmed with customers to determine whether the customers’ accounts are recorded at the proper amounts, whether the securities are properly valued, and whether accounts are held on an omnibus basis.</li> </ul>				<p>findings or risk modifications into another AUD-800 series workpaper that is relevant.</p>

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>• We determined whether securities in customers' accounts are properly classified (for example, margined versus not margined accounts and whether the securities are fully secured, partially secured, or unsecured accounts).</li> <li>• We examined evidence that customers' accounts are properly considered in determining compliance with the net capital rule or the reserve requirements rule.</li> <li>• We evaluated the collectability of customers' accounts.</li> <li>• We evaluated commitments to purchase or sell securities that may affect the reserve and possession-or-control requirements.</li> <li>• We evaluated whether the broker or dealer properly used cash or margin securities obtained from customers.</li> <li>• We evaluated whether fully-paid or excess margin securities were held at control locations and whether deficits existed at year-end that were required to be reported on the possession or control schedule.</li> <li>• We obtained an understanding of the relationship of the introducing broker and the extent to which the introducing broker's processes and controls rely on the processes and controls of a carrying broker and dealer.</li> <li>• We examined evidence regarding whether fee revenues and expenses related to customers' accounts held on a fully-disclosed and/or omnibus basis were properly recorded in the financial statements.</li> <li>• We examined evidence regarding whether security positions held on a fully-disclosed and/or omnibus basis are accurately reflected in determining compliance with the net capital rule and the reserve requirements rule.</li> <li>• For carrying brokers holding customers' accounts on an omnibus basis, we confirmed balances in omnibus accounts with the introducing or clearing broker and investigated differences between the carrying broker's books and the confirmation responses.</li> <li>• For introducing brokers forwarding orders on an omnibus basis, we confirmed the balance in the omnibus account with the carrying broker, examined supporting</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>documentation for reconciling items, and determined that the client satisfactorily investigated differences.</p> <ul style="list-style-type: none"> <li>• We selected a sample of executed trade's to evaluate whether the trade execution based on the customer's order were accurate.</li> <li>• We examined evidence regarding accounts held on an omnibus basis to determine whether trades are executed and completed properly, timely, and in compliance with contractual agreements and regulatory requirements, and whether fees have been properly recorded.</li> <li>• We selected a sample of trade cancellations and corrections to evaluate whether they were recorded in accordance with the trade instructions.</li> <li>• For introducing brokers forwarding orders on a fully-disclosed basis, we confirmed the account balance by individual customer with the carrying broker.</li> <li>• For introducing brokers forwarding orders on a fully-disclosed basis, we examined evidence over the account reconciliations, by comparing daily trading activity summaries received from the carrying broker obtained through the confirmation process with documentation maintained by the introducing broker.</li> <li>• For carrying brokers, we recalculated carrying and clearing fees (i.e., revenues) earned for carrying the other broker's accounts or clearing another broker's transaction based on the terms of the related agreements.</li> <li>• For introducing brokers, we recalculated clearing fees based on the terms of the related agreements and evaluated whether any potential contingencies arise out of the clearing agreement for guarantees of deficits, if any, of introduced customers.</li> <li>• For introducing brokers forwarding orders on a fully-disclosed basis, we obtained evidence regarding whether the introducing broker is credited with the agreed-on fee for trades generated by its customers, whether the trades were executed in accordance with the introducing broker's instructions, and whether the fees comply with the applicable agreement.</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>• We examined evidence regarding whether the securities have been recorded at the proper amount (including consideration of quantity and cost), properly accounted for, and recorded in the proper period.</li> <li>• We examined evidence regarding whether the fair value of securities is reasonable and in conformity with generally accepted accounting principles as of the reporting date.</li> <li>• We selected a sample of days' trade blotter and evaluated whether the activity in discretionary accounts and owner and employee accounts for the day was accurate and in accordance with regulatory and firm directives.</li> <li>• We also reviewed the trade blotter reconciliation for accuracy.</li> <li>• We examined evidence regarding whether the securities' balances have been properly reported in the computations of the net capital and the reserve requirements, including whether securities purchased qualified for exclusion from aggregate indebtedness, as applicable.</li> <li>• We performed a security count of the securities held in custody with branch offices of the broker or dealer. If the count was not performed at year-end, we performed additional procedures for the intervening period.</li> <li>• We examined evidence regarding the adjustments made to the stock record or account balances to determine whether the securities are properly reflected in the broker's or dealer's financial statements and supporting schedules.</li> <li>• We observed the security count performed by management quarterly and at year-end.</li> <li>• We confirmed with the transfer agents or corporate issuers, the transfer, exchange, or redemption of securities.</li> <li>• For security positions held in custody on behalf of the broker or dealer, we confirmed directly with depositories and clearing organizations the existence of</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>the types of securities and quantity of such positions as of the date of the statement of financial condition.</p> <ul style="list-style-type: none"> <li>• For securities failed to receive and failed to deliver, securities borrowed and loaned, securities held under repurchase and reverse repurchase agreements, and securities held as collateral for bank loans, we confirmed the existence of securities accounts with the appropriate counterparties (e.g., custodians, depositories, and lenders).</li> <li>• We reperformed account reconciliations performed by the entity for securities in physical possession and those in custody with branch offices.</li> <li>• We reperformed account reconciliations performed by the entity for securities used or received in collateralized transactions and those in custody with depositories or clearing organizations and compared the reconciliations to statements received through the confirmation process directly from custodians, depositories, lenders, or clearing organizations.</li> <li>• We reperformed the reconciliations of the trading department position records to the stock record.</li> <li>• We tested compliance with the net capital rule and reserve requirements rule to evaluate whether securities have been appropriately classified as allowable or non-allowable assets in the net capital computation.</li> <li>• We obtained evidence of commitments to purchase or sell securities.</li> <li>• We tested the determination of the haircut percentages and how they were applied in determining compliance with the net capital rule.</li> </ul>				
<b>AUD-803 Audit Program: Accounts Receivable and Revenue</b>					
Modified	<p>Removed TQ, “Has the entity adopted ASU 2014-09?</p> <p>Added TQ, “Has the entity adopted ASC Topic 606?</p> <p><b>See KCO-002 for Mark N/A implication of these TQ’s.</b></p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	<p>Added substep under “Receivables Confirmation Testing” as follows:</p> <p>We identified the appropriate individual, one with adequate knowledge of the information to be confirmed, to receive the confirmation.</p>	Procedures	Clarification		
Modified	<p>Modified step under “Revenue Recognition” as follows:</p> <p>We obtained an understanding of:</p> <ul style="list-style-type: none"> <li>• The revenue recognition standards applicable to the type of revenue generated by the entity and whether these standards have been properly applied;</li> <li>• Material sources of revenue and sources of revenue entries</li> <li>• How transactions and deals are economically structured;</li> <li>• How the transaction price is determined, including estimation of variable consideration; and</li> <li>• How the transaction price is allocated, including determination of stand-alone selling price.</li> </ul>	Procedures	New or Revised Guidance	ASU No. 2014-09, <i>Revenue from Contracts with Customers</i>	Step will reset on roll forward due to content changes.
Modify	<p>Modified step as follows:</p> <p><b>Adoption of ASC Topic 606– Accounting Policies – Understanding Revenue Streams</b></p> <p><b>Practice Point:</b> Auditors should consider performing tests of operating effectiveness over the entity’s internal controls for calculating and recording the impact of the adoption of ASC Topic 606 in order to reduce the nature and extent of substantive testing required. Substantive analytical procedures will generally not be effective for auditing the transition adjustment, however, predictive analytical procedures may be appropriate in certain circumstances for revenue streams.</p> <p>We obtained an understanding of:</p> <ul style="list-style-type: none"> <li>• The revenue recognition standards applicable to the type of revenue generated by the entity and whether these standards have been properly applied;</li> <li>• Material sources of revenue and sources of revenue entries;</li> </ul>	Procedures	New or Revised Guidance	ASC Topic 606	Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>• How performance obligations are identified by management, including whether the company is acting as a principal or an agent;</li> <li>• How transactions and deals are economically structured;</li> <li>• How the transaction price is determined, including estimation of variable consideration;</li> <li>• How the transaction price is allocated, including determination of stand-alone selling price;</li> <li>• How management determined the proper lease classification (operating or financing);</li> <li>• How management determines the contract term, including evaluating options to extend;</li> <li>• When a performance obligation is satisfied and, thus, the period in which revenue should be recognized; and</li> <li>• What assets should be recognized from the costs to obtain or fulfill a contract with a customer (if applicable).</li> </ul> <p><b><i>AID-302 Understanding the Entity’s Revenue Streams and Revenue Recognition Policies</i></b></p> <p><b>Practice Point:</b> The auditor may consider reviewing the entity’s website, marketing materials, and press releases or performing inquiries with sales representatives, marketing personnel, legal counsel, and others when evaluating revenue streams.</p> <p><b>Practice Point:</b> The extent of evidence needed may vary based on the assessed risk of material misstatement associated with the specific class of transactions or revenue stream.</p>				
<b>AUD-804 Audit Program: Inventories and Cost of Sales</b>					
Modified	<p>Added additional substeps under “Observation Planning” for confirmations received electronically as follows: For confirmations received electronically, we performed and documented the following procedures:</p> <p style="padding-left: 40px;">(1) We verified that the confirmation is received directly from a third-party, authorized respondent.</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	(2) We determined that the confirmation process is secure through the use of means such as the following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.				
<b>AUD-805 Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets</b>					
Modified	Under “Immaterial Balances” modified substep c to include investigating unusual variances as follows: We compared actual amounts to budgeted amounts and investigated any variances that appeared unusual.	Procedures	Enhancement		Step will retain on roll forward if user selects to keep all responses on roll forward.
Modified	Added additional substeps under “Prepaid Insurance” for confirmations received electronically as follows: For confirmations received electronically, we performed and documented the following procedures: (1) We verified that the confirmation is received directly from a third-party, authorized respondent. (2) We determined that the confirmation process is secure through the use of means such as the following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.	Procedures	Enhancement		
Modified	Moved step “Deferred Income and Deferred Credits” to <b>AUD-808</b>  Removed related TQ, “Does the entity have any deferred income or other deferred credits that were material to the overall financial statements under audit?”	Procedures	Improved Workflow		
<b>AUD-806 Audit Program: Intangible Assets</b>					
Modified	Modified multiple practice points in the Audit Program steps section based on impairment losses.	Practice Points	Clarification		
<b>AUD-807 Audit Program: Property and Equipment, and Depreciation</b>					
Added	Added two new Tailoring Questions as follows: Does the entity have any capital leases? Has the entity adopted ASC Topic 842?	Tailoring Questions			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<b>See KCO-002 for Mark N/A implication of these TQ's.</b>				
Modified	<p>Modified Program step header “Lease Capitalization Testing” to “Lease Classification Testing” and steps as follows:</p> <p>We obtained from the entity a summary of all leases in force and performed the following procedures to determine whether the leases are capital/finance leases or operating leases based on guidance provided in the applicable financial reporting framework:</p> <p>We examined new lease agreements and amendments to existing leases and evaluated whether they are properly accounted for in accordance with the applicable financial reporting framework (e.g., capital leases/finance leases and operating leases).</p> <p>We evaluated both the substance of the transaction and the form of the contract, and evaluated whether a lease that meets the required criteria is classified as a capital lease (finance lease under ASC Topic 842).</p> <p>We considered obtaining confirmations from the lessor of pertinent details of significant lease agreements, including compliance with restrictive covenants (see the sample confirmation request at <b><i>COR-816 Request for Confirmation of Lease Agreement</i></b>).</p> <p>For confirmations received electronically, we performed and documented the following procedures:</p> <p>We verified that the confirmation is received directly from a third-party, authorized respondent.</p> <p>We determined that the confirmation process is secure through the use of means such as the following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.</p> <p>We reviewed changes and modifications to lease provisions for indications of changes in classification and verified whether any such changes and modifications are a separate lease contract or a change in the accounting for the existing lease (i.e., not a separate contract).</p>	Procedures	New or Revised Guidance	ASU No. 2016-02, <i>Leases (Topic 842)</i>	This section will be reset on roll forward due to content changes.
Added	Added the following new sections:				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p><b>Lease Capitalization Testing</b></p> <p>For leases that meet the criteria for capitalization by the lessee (e.g. capital leases under ASC 840 or finance and operating leases that are not considered short-term under ASC 842):</p> <p>We reviewed the reasonableness of the interest rate used to discount the lease obligation.</p> <p>We evaluated whether the entity properly considered direct costs incurred in connection with specific leasing activities, such as negotiating and securing leasing agreements that are directly attributable to activities performed by the lessee in computing the amount of lease cost capitalized.</p> <p>We reviewed the reasonableness of the method and period for amortization.</p> <p>We tested lease payments and apportionment of the payments.</p> <p>We tested the computations of current maturities.</p> <p>We ensured that leases including both land and building elements were assessed separately as to each element, unless classified as an investment property.</p> <p>We ensured that the amount originally recorded was equal to the lower of the fair value of the leased property or the present value of the minimum lease payments valued at the inception of the lease.</p> <p>We considered obtaining confirmations from the lessor of pertinent details of significant lease agreements, including compliance with restrictive covenants (see the sample confirmation request at <i>COR-816 Request for Confirmation of Lease Agreement</i>).</p> <p>We reviewed changes to lease provisions for indications of changes in classification and verified that any such changes were regarded as new agreements over the lease term.</p> <p><b>“Right-of-Use Asset” and “Lease Liability” Under ASC Topic 842 as follows:</b></p> <p>For leases that are classified as finance leases or operating leases and do not meet the criteria for a short-term lease by the lessee:</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>We ensured that the entity recognized a lease liability and a right-of-use asset in the financial statements.</p> <p>We tested the entity’s calculation of the lease liability to determine that it is initially measured at the present value of the lease payments discounted using the rate implicit in the lease and, if that rate is not available, that the entity used its incremental borrowing rate.</p> <p>We tested the entity’s calculation of the lease liability to determine that it is subsequently measured by: (i) increasing the carrying amount to reflect interest on the lease liability, and (ii) reducing the carrying amount to reflect the lease payments made.</p> <p>We tested the entity’s calculation of the right-of-use asset to determine that it is initially measured at cost and includes the following: (i) the amount of the initial measurement of the lease liability, (ii) any lease payments made at or before the commencement date, less any lease incentives received, and (iii) any initial direct costs incurred by the lessee.</p> <p>We reviewed the entity’s assessment of whether the right-of-use asset is impaired and whether an impairment loss should be recognized in accordance with ASC Topic 360, Property, Plant, and Equipment.</p>				
<b>AUD-808 Audit Program: Accounts Payable and Purchases</b>					
Modified	<p>Added additional substeps under “Confirming Accounts Payable” for identifying the appropriate recipient and for confirmations received electronically as follows:</p> <p>We identified the appropriate individual, one with adequate knowledge of the information to be confirmed, to receive the confirmation.</p> <p>For confirmations received electronically, we performed and documented the following procedures:</p> <p>We verified that the confirmation is received directly from a third-party, authorized respondent.</p> <p>We determined that the confirmation process is secure through the use of means such as the following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Added	Added substep under “Other Accrued Liabilities Testing” for testing the information underlying the calculation of receivables.	Procedures	Clarification		
Modified	Moved step “Deferred Income and Credits” from <b>AUD-805</b>	Procedures	Improved Workflow		Step will retain from <b>AUD-805</b> on roll forward if user selects to keep all responses on roll forward.
Added	<p>Added practice point, under “Confirming Accounts Payable” as follows:</p> <p><b>Practice Point:</b> Properly controlled electronic confirmations may be considered reliable audit evidence. If using electronic confirmations, the auditor should ensure that a process or mechanism exists to minimize the possibility that the results will be compromised because of interception, alteration, or fraud. The auditor should consider the risk that:</p> <ul style="list-style-type: none"> <li>• The confirmation response might not be from the proper source;</li> <li>• A respondent might not be authorized to respond; and</li> <li>• The integrity of the transmission might have been compromised.</li> </ul> <p>When access codes or information necessary to access the confirming party’s data is provided to the auditor by management, evidence obtained by the auditor from access to such information does not meet the definition of an <i>external confirmation</i>.</p> <p><b>Practice Point:</b> Even though a schedule of confirmation results is prepared, the auditor should retain returned confirmations, as they often serve as significant evidence to the assertions being tested, and seasoned judgment is often needed in evaluating confirmations that identify the nature and extent of exceptions.</p>				
<b>AUD-809 Audit Program: Payroll and Related Liabilities</b>					
Modified	Added additional substeps under “Postemployment Benefits (Including Defined Contribution Plans and Defined Benefit Plans” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-810 Audit Program: Income Taxes</b>					
Added	<p>Added step “Accounting for the Effects of Changes in Tax Laws” that the auditor may choose to perform as follows:</p> <p>If the accounting for certain income tax effects of changes in tax laws have not been completed by the time the entity</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>issues its financial statements that include the reporting period in which the law was enacted, we determined that:</p> <ol style="list-style-type: none"> <li>a. The entity reported provisional amounts for those specific income tax effects of the law for which the accounting under Topic 740 was incomplete but a reasonable estimate can be determined.</li> <li>b. For any specific income tax effects of the law for which a reasonable estimate cannot be determined, the entity did not report provisional amounts and continued to apply Topic 740 based on the provisions of the tax laws that were in effect immediately prior to the law being enacted.</li> </ol> <p><b>Practice Point:</b> For those income tax effects for which an entity was not able to determine a reasonable estimate (such that no related provisional amount was reported for the reporting period in which the law was enacted), the entity should report provisional amounts in the first reporting period in which a reasonable estimate can be determined.</p> <ol style="list-style-type: none"> <li>c. The entity included appropriate financial statement disclosures that provide information about the material financial reporting impacts of the law for which the accounting under Topic 740 is incomplete.</li> </ol> <p><b>Practice Point:</b> An entity should include financial statement disclosures to provide information about the material financial reporting impacts of the law for which the accounting under Topic 740 is incomplete, including:</p> <ul style="list-style-type: none"> <li>• Qualitative disclosures of the income tax effects of the law for which the accounting is incomplete;</li> <li>• Disclosures of items reported as provisional amounts;</li> <li>• Disclosures of current or deferred tax amounts for which the income tax effects of the law have not been completed;</li> <li>• The reason why the initial accounting is incomplete;</li> <li>• The additional information that is needed to be obtained, prepared, or analyzed in order to complete the accounting requirements under Topic 740;</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>The nature and amount of any measurement period adjustments recognized during the reporting period;</li> <li>The effect of measurement period adjustments on the effective tax rate; and</li> <li>When the accounting for the income tax effects of the law has been completed.</li> </ul>				
<b>AUD-811 Audit Program: Debt Obligations</b>					
Added	<p>Added TQ, “Has the entity adopted ASC Topic 842?”</p> <p>Added TQ, “Is the entity a broker/dealer?” that flows from <i>AUD-100</i>.</p> <p><b>See KCO-002 for Mark N/A implication of these TQ’s.</b></p>	Tailoring Questions			
Added	<p>The following steps related to Broker or Dealer Engagements</p> <ul style="list-style-type: none"> <li>We confirmed with the appropriate counterparties the existence of subordinated borrowings and net capital, including expiration dates of agreements, the amount subordinated, collateral, other significant contractual provisions, and the nature of the liability to the counterparty.</li> <li>We inspected documentation of approval of the DEA for the subordinated borrowing transactions.</li> <li>We inspected the subordination agreement for evidence regarding whether the entity was in compliance with covenants in the agreements.</li> <li>We evaluated whether the broker or dealer should have reported an adjustment to net worth for subordinated loan obligations.</li> </ul>	Procedures	Improved Workflow		Many of these steps were moved from the now obsolete AUD-910 Audit Program: Broker or Dealer Additional Procedures. These steps that are moved from the prior AUD-910 will be retained on roll forward if you select to keep all responses on roll forward.
Modified	Added additional substeps under “Debt Summary and Analysis” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-812 Audit Program: Equity</b>					
Modified	Added additional substeps under “Independent Share Records” for confirmations received electronically.	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-813 Audit Program: Other Income and Expense</b>					
Added	Added TQ, "Is the entity a broker/dealer?" that flows from <i>AUD-100</i> .  <b>See KCO-002 for Mark N/A implication of these TQ's.</b>	Tailoring Questions			
Modified	Added step, "Costs Incurred to Fulfill a Contract" as follows: We evaluated whether any costs, including incremental costs, incurred to fulfill a contract were appropriately expensed or capitalized in accordance with the applicable financial reporting framework.	Procedures			
Added	The following steps related to Broker or Dealer Engagements <ul style="list-style-type: none"> <li>• We obtained an understanding of how revenue is generated, how the related transactions are initiated and recorded, how fair value measurements are determined, and what controls management has in place.</li> <li>• We examined evidence regarding whether trading gains and losses for proprietary trades, transactions fees, commissions, mutual fund fees, and other income have been properly accounted for in accordance with the applicable financial reporting framework and recorded in the proper period.</li> <li>• We examined evidence regarding whether revenue should be recognized on a gross or net basis.</li> <li>• We evaluated whether revenue has been recognized in accordance with contractual provisions and determined whether commission rates used to compute commission revenue are consistent with the underlying agreements.</li> <li>• We tested the entity's year-end accrual of fee income.</li> <li>• We tested the accuracy and completeness of inputs used in the calculation of revenue, such as: <ul style="list-style-type: none"> <li>– Rates, quantities, and prices of securities purchased and sold used to calculate commission revenue;</li> <li>– Assets under management, average net asset value, and purchase and sales values of customer investment transactions used to calculate fees; or</li> </ul> </li> </ul>	Procedures	Improved Workflow		Many of these steps were moved from the now obsolete AUD-910 Audit Program: Broker or Dealer Additional Procedures. These steps that are moved from the prior AUD-910 will be retained on roll forward if you select to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> <li>– Quantities and prices of securities purchased and sold used to calculate trading gains and losses on proprietary shares.</li> <li>• We evaluated the effect on the financial statements of recognizing commission revenue based on settlement date rather than trade date.</li> <li>• We tested commission revenue by: <ul style="list-style-type: none"> <li>– Tracing the commission amount for proper inclusion in the general ledger entry to recorded commissions on the trade date;</li> <li>– Comparing trade details and commission amount to the corresponding monthly clearing broker statement;</li> <li>– Vouching cash receipts to the entity’s bank statements;</li> <li>– Testing the mathematical accuracy of the entity’s system to determine that the commission calculations are accurate;</li> <li>– Agreeing the commission rates used by the system to the underlying source documents (e.g., commission schedules, rate cards, or customer agreements); and</li> <li>– Determining that commission rates are within the established NASD/SEC guidelines.</li> </ul> </li> <li>• We obtained the aging schedule for commissions receivable and: <ul style="list-style-type: none"> <li>– Recalculated the commissions receivable aged greater than 30 days per the aging schedule.</li> <li>– Traced the total receivables aged greater than 30 days to the amount reported as non-allowable on the fourth quarter FOCUS report.</li> <li>– Evaluated whether the entity properly offset commissions receivable, classified as allowable assets, against commissions payable.</li> </ul> </li> <li>• We tested the entity’s calculation of advisory fees earned and the disclosure of the entity’s policy for investment advisory fees.</li> </ul>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-814 Audit Program: Journal Entries</b>					
Removed	Removed all Tailoring Questions as none are applicable anymore. These have been moved to <i>AUD-909</i> .	Tailoring Questions			
Modified	<p>Modified workpaper name from “Audit Program: Journal Entries and Financial Statement Review” to “Audit Program: Journal Entries” and moved steps related to financial statement review to new <i>AUD-909</i>. Remaining steps were modified, as needed, to focus on journal entries.</p> <p>Removed the following steps and added them to <i>AUD-909</i>:</p> <ul style="list-style-type: none"> <li>Understanding of Financial Reporting Process</li> <li>Consent to Include Auditor Report in a Filing</li> <li>Information Relating to Previously Reported Financial Statements</li> <li>Summary Financial Statements</li> <li>Management’s Representation for Summary Financial Statements</li> <li>Supplementary Information in Relation to the Financial Statements in a Whole</li> <li>Supplementary Information Presented Outside the Basic Financial Statements</li> <li>Required Supplementary Information</li> <li>All Required Supplementary Information is Included</li> <li>Other Information in Documents Containing Audited Financial Statements</li> <li>Comparability and Consistency</li> <li>Financial Statement Review</li> <li>Implausible or Inconsistent Management’s Responses</li> <li>Previously Unrecognized Fraud Risk</li> <li>Consolidation or Combined Financial Statements</li> <li>Statement of Cash Flows</li> <li>Reading of Financial Statements</li> <li>Management Bias</li> <li>Other Information Published by the Client</li> </ul>	Throughout	Improved Workflow		Steps and tailoring questions moved to <i>AUD-909</i> will be retained from <i>AUD-814</i> on roll forward if user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	Change in Accounting Principle Recent Accounting Pronouncements Disclosure Testing Disclosures Checklist Analytical Procedures				
<b>AUD-815 Audit Program: Related-Party Transactions</b>					
Added	Added TQ, "Is the entity a broker/dealer?" that flows from <i>AUD-100</i> .  <b>See KCO-002 for Mark N/A implication of these TQ's.</b>	Tailoring Questions			
Added	The following steps related to Broker or Dealer Engagements <ul style="list-style-type: none"> <li>We obtained an understanding of the role played by related parties in the operations of the broker or dealer, including whether the participation is through direct participation in the activities of the broker or dealer or as affiliates under shared-service agreements or expense-sharing agreements.</li> <li>We tested material allocated amounts (e.g., revenues and expenses), including the basis for the allocations, and the computations of the allocated amounts to determine whether they were in accordance with the agreements between the parties.</li> </ul>	Procedures	Improved Workflow		These are NEW steps related to broker or dealer engagements and will not retain from AUD-910 Audit Program: Broker or Dealer Additional Procedures
Modified	Added additional substeps under "Related-Party Transactions, identified" for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-816 Audit Program: Fair Value Measurements and Disclosures</b>					
Added	Substep Under "Understanding of Valuation Technique"  The process used for determining fair value of securities based on inputs other than those from quoted prices in active markets.	Procedures	Enhancement		
Deleted	Deleted step "Assessed Risk and Planned Audit Procedures" as duplicative.	Procedures	Improved Workflow		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	Moved step “Business Combinations” to new program <b>AUD-822</b> .  Move TQ, “Did the entity enter into any business combinations during the audit period?” to <b>AUD-822</b> as well.	Procedures	Improved Workflow		
<b>AUD-817 Audit Program: Variable Interest Entities</b>					
Deleted	Deleted step “Control Procedures for Identifying VIEs” as duplicative	Procedures	Improved Workflow		
<b>AUD-818 Audit Program: Share-Based Payments</b>					
Modified	Modified step “Policies and Procedures for Determining Fair Value” to include non-employee share options.	Procedures	Enhancement		Step will retain on roll forward if users selects to keep all responses on roll forward.
Modified	Consolidated substeps under “Awards” into the main step.	Procedures	Improved Workflow		The prior year main step has been removed and can’t be retained into consolidated 2 <sup>nd</sup> step from prior year. Please note you will need to review your response for the main step from your prior year engagement.
<b>AUD-819 Audit Program: Commitments and Contingencies</b>					
Modified	Modified and added practice point and substeps under “Management and In-House or External Legal Counsel” for additional considerations, including cybersecurity incidents as follows:  <b>Practice Point:</b> If management alerts the auditor to the exist of guarantees or other contingent liabilities, the auditor may use <b>COR-817, Request for Confirmation of Contingent Liabilities, COR-818, Request for Confirmation of Compensating Balances,</b> and <b>COR-821, Related-Party Confirmation Letter</b> to confirm the material terms.  The occurrence of any cybersecurity incidents resulting in litigation, regulatory investigation, or remediation costs.	Procedures	Enhancement		
<b>AUD-820 Audit Program: Accounting Estimates</b>					
Modified	Modified first substep under “Estimates, Including Fair Value Estimates” to include changes in the process and assumptions as follows:  We obtained an understanding of management’s process for developing accounting estimates (including revenue-related	Procedures	Clarification		Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	estimates) and any changes in that process including underlying assumptions and/or estimation models used.				
<b>AUD-822 Audit Program: Business Combinations</b>					
NEW	Added Audit Program: Business Combinations.	Program	Improved Workflow		
<b>AUD-902 Audit Program: Going Concern</b>					
Modified	<p>Under “Section 1: Risk Assessment Procedures and Related Activities” step 1, added additional factors to consider:</p> <ul style="list-style-type: none"> <li>• Minimal excess net capital for brokers or dealers.</li> <li>• Limited operations or operates at near breakeven.</li> <li>• Denial of bonding on new contracts, or significant reduction to bonding capacity from the surety.</li> <li>• Loss contracts or severe reductions in gross profits on completed and uncompleted contracts.</li> <li>• Significant dependence on related parties.</li> <li>• Customer/revenue concentration</li> <li>• Regulatory findings or legal contingencies</li> </ul>	Procedures	Enhancement		
Modified	<p>Under “Section II: Additional Audit Procedures when Events or Conditions Are Identified that Raise Substantial Doubt” added substep to step 2a regarding parent organizations, related parties, or other stakeholders as follows:</p> <p>Reading the support agreement with the parent organization, related party, or other stakeholder (if applicable) to determine whether the entity has the capacity and intention to provide adequate support.</p>	Procedures	Enhancement		
<b>AUD-907 Interim Review Program: Review of Interim Financial Information</b>					
Modified	<p>Under “Procedures” modified step 12d to refer to new standards in general as follows:</p> <p>The entity’s implementation process for new standards and the anticipated effects of the standard on the entity’s financial statements.</p>	Purpose	Enhancement		Step will retain on roll forward if user selects to keep all responses on roll forward.
Modified	Step 17 If the applicable financial reporting framework does NOT require management to evaluate the entity’s ability to	Purpose	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>continue as a going concern as part of interim financial reporting, and if there was doubt about the entity's ability to continue as a going concern in the prior period financial statements (even if the doubt was alleviated by management's plans), or we have become aware of conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Inquired of management as to its plans for dealing with the adverse effects of the conditions and events.</li> <li>• Considered the adequacy of the disclosure about such matters in the interim financial information.</li> <li>• Inquired of management whether the going concern basis of accounting is appropriate.</li> </ul>				
Modified	Updated Results section to identify modifications to planned interim review procedures rather than modifications to the risk assessment and concluding on the nature and extent of review procedures rather than risk assessment.	Results	Enhancement		Steps will retain on roll forward if user selects to keep all responses on roll forward.
<b>AUD-908 Interim Review Program: Management Inquiries</b>					
Modified	Removed practice points regarding new accounting standards and replaced with link to Summary Checklist of Recent Authoritative U.S. Accounting Standards on ARM. Link is located above the procedures table.				
Modified	Minor wording changes throughout	Procedures	Clarification		
Deleted	Under "Equity – Corporate Entities" deleted step 8 regarding syndication fees as previous guidance has been removed.	Procedures			
<b>AUD-910 Audit Program: Broker or Dealer Additional Procedures</b>					
Deleted	This workpaper has been removed from the title and all steps were moved into AUD-802A, AUD-811 and AUD-813. Please note these steps will retain in these other audit programs as long as these programs are in the binder before the user rolls the file forward.	Program	Improved Workflow		Please note that steps from this workpaper will be retained into AUD-802A, AUD-811, and AUD-813. If these programs were not inserted into the prior binder before rollforward, please insert these documents right after rolling

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
					<p>forward so that the relevant steps could be retained.</p> <p>The findings and risk modification tables will retain into AUD-802A. This will ensure that any findings from the prior AUD-910 workpaper are retained on roll forward and the flow to KBA-102 or 103 will retain.</p> <p>Please note that if you haven't used AUD-802A in the prior year binder that as soon as you roll the binder forward you will need to insert this workpaper so that data could be retained. If this audit area is not relevant for the 2019 year then after you've inserted it please copy and paste any relevant data such as findings or risk modifications into another AUD-800 series workpaper that is relevant.</p> <p>Also note that this workpaper will become obsolete and will need to be removed by the user after roll forward.</p>
<b>AUD-911 Audit Program: Financial Statement Review</b>					
NEW	Added Audit Program: Financial Statement Review.	Program	Improved Workflow		All TQs will retain from <i>AUD-814</i> along with many sections from <i>AUD-814</i> .

**Attestation Programs (ATTs)**

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>ATT-830 Attestation Program: Examination Engagement for Broker or Dealer Engagements</b>					
Deleted	Duplicative Step 4, referenced <i>AID-201</i> in Step 3 Determine that our firm is independent of the responsible party, is unbiased about the subject matter, and can maintain independence in mental attitude and meet other ethics requirements and firm policies.	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	Step regarding “understanding customer complaints” to include: <i>...including thematic issues in the complaints that indicate the potential for misappropriation of customer assets, or specific allegations of fraud or misfeasance by the broker’s or dealer’s customers.</i>	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Added	Step regarding “nature, timing and extent of testing controls” to include: <i>...to obtain evidence that the controls over compliance are designed and operating effectively during the fiscal year and as of the fiscal year end, including whether any changes or modifications to the controls have been made by management are reasonable.</i>	Procedures	Enhancement		
Added	Step, regarding interim testing of controls  If tests of operating effectiveness of controls over compliance were performed during interim periods, cover the remaining period by performing further tests of operating effectiveness procedures (e.g., inquiry, observation, inspection, and reperformance) that provide a reasonable basis for extending the our conclusions from the interim date to year-end.	Procedures	Enhancement		
Modified	Step regarding “special reserve bank account” to include: <i>...and test controls over the special reserve bank accounting, including controls related to the timeliness of deposits made.</i>	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Added	Step, regarding effect of supplemental information on financial statements and procedures  Evaluate the effect on the audit of the financial statements and procedures performed on supplemental information of any noncompliance, material weaknesses, or instances in which the information used to assert compliance with the net capital rule or reserve requirements rule was not derived, in	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	all material respects, from the broker's or dealer's books and records.				
<b>ATT-831 Attestation Program: Review Engagement for Broker or Dealer Engagements</b>					
Deleted	Duplicative Step 4, referenced <i>AID-201</i> in Step 3 Determine that our firm is independent of the responsible party, is unbiased about the subject matter, and can maintain independence in mental attitude and meet other ethics requirements and firm policies.	Procedures	Enhancement		
Added	Step, regarding reliability of information  Evaluate the reliability (e.g., accuracy and completeness) of the information produced by management and others that has been provided for our use in performing examination procedures.	Procedures	Enhancement		
Added	Step, regarding exemption conditions Obtain an understanding of the exemption conditions and other rules and regulations that are relevant to the broker's or dealer's assertions.	Procedures	Enhancement		
Modified	Inquire of individuals who are responsible for monitoring compliance with the exemption provisions or the controls over compliance regarding: <ul style="list-style-type: none"> <li>a. The nature and frequency of the monitoring activities.</li> <li>b. The results of those monitoring activities, including the nature, frequency, timing, and cause (if known) of any exceptions to the exemption provisions or deficiencies in controls over compliance.</li> <li>c. The nature and frequency of customer complaints that are relevant to the broker's or dealer's compliance with the exemption provisions, including thematic issues in the complaints that indicate the potential for misappropriation of customer assets, or specific allegations of fraud or misfeasance by the broker's or dealer's customers</li> </ul>	Procedures	Enhancement		Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>ATT-832 Attestation Program: Agreed-Upon Procedures Engagements</b>					
Added	We have been engaged to and have completed our audit of the entity's financial statements.	Procedures	Enhancement		
Modified	Step 2 as follows: 2. Perform inquiries of the audit committee, management and others and perform other procedures as necessary to: a. Identify the intended users (specified parties) to whom the report will be restricted; and b. Obtain a preliminary understanding of the scope of the engagement.	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Modified	Step 3 to include substeps: 3. Determine that our firm has the appropriate competence and capabilities, and relevant resources to plan and perform the engagement, to include: a. <i>Determining the engagement meets all of the preconditions;</i> b. <i>Having adequate technical proficiency in attestation engagements;</i> c. <i>Obtaining an understanding of the SIPC rules that are relevant;</i> d. <i>Determining the auditor's compliance with independence, ethics requirements, and other firm policies; and</i> e. <i>Exercising due professional care, which includes application of professional skepticism, in planning and performing the examination and the preparation of the report.</i>	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Deleted	Duplicative Step 3, referenced <b>AID-201</b> in Step 3 Determine that our firm is independent of the responsible party, is unbiased about the subject matter, and can maintain independence in mental attitude and meet other ethics requirements and firm policies.	Procedures	Enhancement		
Added	Establish and document an understanding with the audit committee, the scope and nature of services to be performed in an engagement letter or other suitable form of written	Procedures	Enhancement		Step will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	agreement; including the identification of the procedures to be performed.				
Deleted and created PP to step added above	<p>4. Establish and document an understanding with the responsible party and/or client regarding the scope and nature of services to be performed in an engagement letter or other suitable form of written agreement addressed to the engaging party, including the following:</p> <ul style="list-style-type: none"> <li>a. The nature of the engagement;</li> <li>b. Identification of the subject matter or assertion, the responsible party, and the criteria to be used;</li> <li>c. Identification of specified parties;</li> <li>d. Acknowledgement by the specified parties of their responsibility for the sufficiency of the procedures;</li> <li>e. The practitioner’s responsibilities;</li> <li>f. A statement that the engagement will be conducted in accordance with the standards of Public Company Accounting Oversight Board (United States) and attestation standards established by the American Institute of Certified Public Accountants;</li> <li>g. Agreement on the procedures by enumerating (or referring to) the procedures;</li> <li>h. Disclaimers expected to be included in the practitioner’s report;</li> <li>i. Use restrictions; and</li> <li>j. Assistance to be provided to the practitioner.</li> </ul>	Procedures	Workflow		
Deleted	Evaluate whether the engagement procedures requested are consistent with the procedures published by the SIPC in Rule 600 – Rules Relating to Supplemental Report on SIPC Membership.	Procedures	Workflow		
Deleted	Obtain a written assertion from the responsible party about the measurement or evaluation of the subject matter against the criteria.	Procedures	Workflow		
Deleted	Evaluate whether the engagement procedures requested are consistent with the procedures published by the SIPC in Rule	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<i>600 – Rules Relating to Supplemental Report on SIPC Membership.</i>		Added the procedures for each AUP in new steps		
Added	5. Determine whether the entity is a SIPC member.	Procedures	Enhancement		
Added	Obtain and read a copy of the broker-dealer’s Form SIPC-7/7B and SIPC-6 reports (or SIPC-3 report) that were (was) submitted, or are being submitted, for the period being audited.	Procedures	Enhancement		
Added	6. If the entity is required to file Form SIPC-3 (claiming exclusion from membership in the SIPC), we perform the following agreed-upon procedures: a. Compared the Total amount included in the Schedule of Form SIPC-3 Revenues prepared by the Company for the year ended [Month XX, 201X], to the total revenues in the Company’s audited financial statements included on Annual Audited Report Form X-17A-5 Part III for the year ended [Month XX, 201X], noting no differences; b. Compared the amount in each revenue classification reported in the Schedule of Form SIPC-3 Revenues prepared by the Company for the year ended [Month XX, 201X], to supporting schedules and working papers, noting no differences; c. Recalculated the arithmetical accuracy of the Total Revenues amount reflected in the Schedule of Form SIPC-3 Revenues prepared by the Company for the year ended [Month XX, 201X], and in the related schedules and working papers.	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Added	7. If the entity is required to file Form SIPC-7/7B, we performed the following agreed-upon procedures: a. Compared the listed assessment payments made in accordance Form SIPC-6, <i>General Assessment Payment Form</i> and applied to the General Assessment calculation on Form SIPC-7/7B with	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>respective cash disbursement records entries noting no differences;</p> <p>b. Compared the Total Revenue amounts reported on the Annual Audited Report Form X-17A-5 Part III for the year ended [Month XX, 201X], with the Total Revenue amounts reported in Form SIPC-7/7B for the year ended [Month XX, 201X] noting no differences;</p> <p>c. Compared adjustments reported in Form SIPC-7/7B with supporting schedules and working papers noting no differences;</p> <p>d. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7/7B and in the related schedules and working papers supporting any adjustments noting no differences; and</p> <p>e. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7/7B on which it was originally computed noting no differences.</p>				
Added	We have determined whether the entity’s assessment rate changed during the period and whether the entity’s fiscal year overlaps periods with two different assessment rates, requiring the entity to file Form SIPC-7B.	Procedures	Enhancement		
Added	Document the findings as a result of performing the agreed-upon procedures.	Procedures	Enhancement		

**Practice Aids (AIDs)** have been modified and updated, where applicable, with additional tips, references, and examples.

- **AID-201 Nonattest Services PCAOB Independence Checklist** Added practice point regarding the additional activities that would impair the independence of an auditor of a broker or dealer. Modified column header in Section III to address both threats and safeguards. New flow from KBA-101, columns “Description of Service” and “Firm Personnel Overseeing the Service”.
- **AID-302 Understanding the Entity’s Revenue Streams and Revenue Recognition Policies** Removed practice points referencing FASB changes and replaced with reference to accounting guidance on ARM; added additional considerations.
- **AID-701 Audit Sampling Worksheet for Tests of Controls** Updated language below Table 1 to improve usability. Audit Areas Included row at top of form will now be limited to only audit areas noted in AUD-100 under TQ, “What audit areas, applicable to the engagement, will you be performing tests of the operating effectiveness of controls?”.

- **AID-702 Results of Tests of Controls** Audit Areas Included row at top of form will now be limited to only audit areas noted in AUD-100 under TQ, “What audit areas, applicable to the engagement, will you be performing tests of the operating effectiveness of controls?”
- **AIDs 802, 815, 823, 839** Minor wording changes to improve usability.
- **AID-805 Bank Transfer Schedule** Added column for documenting the reason for the transfer.
- **AID-807 Investments in Securities Analysis** Updated for ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*.
- **AID-808 Accounts Receivable: Confirmation Control Summary** Added tab for negative confirmations.
- **AIDs 810 Accounts Receivable: Analytical Procedures, 831 Accounts Payable: Analytical Procedures** Updated workpaper to provide additional audit evidence
- **AID-814 Allowance for Uncollectible Accounts Analysis** Added section for recovery of previously written off amounts.
- **AID-821 Inventory Analytical Procedures** Added column for “Auditor Expectations and Explanation of Fluctuation”
- **AID-822 PPE Summary Analysis** Added tabs for those implementing ASU No. 2016-02, *Leases (Topic 842)*
- **AID-824 Property Additions Analysis** Deleted column “New, Used, or Leased” and added Comments column.
- **AID-834 Analysis of Accrued-Refundable Income Taxes** Added columns for Federal and State and a section for Changes in Previous Tax Positions.
- **AID-838 Analysis of Equity Accounts** Moved ratio analysis from *AID-841 Payroll and Related Liabilities: Analytical Procedures* and added tab for analysis of equity for an unincorporated entity.
- **AID-841 Payroll and Related Liabilities: Analytical Procedures** Moved ratios to *AID-838 Analysis of Equity Accounts* and replaced with ratios better related to payroll
- **NEW AID-835 Deferred Tax Analysis**
- **NEW AID-846 Journal Entry Testing Worksheet**
- **NEW AID-910 Analytical Procedures: Final Account Balance Analysis**

**Auditor’s Reports (RPTs)** have been modified and updated, where applicable, in accordance with current guidance.

**Correspondence Documents (CORs)** have been modified and updated, where applicable, in accordance with current guidance.

- **CORs 201 Engagement Letter: Financial Statements only Audit under PCAOB Standards, 202 Audit Engagement Letter: Integrated Audit under PCAOB Standards** Added language regarding electronic dissemination of audited financial statements and updated footnotes to address sending data using portals and electronic storage of data.
- **COR-813 Request for Confirmation of Notes Payable** Added additional information to be confirmed.

**Resource Documents (RESs)**

- **RES-001 Knowledge-Based Audit Methodology Overview** modified and updated as appropriate.
- **RES-002 Index of Audit Programs, Forms, and Other Practice Aids** modified and updated as appropriate.

- **RESs 004 Audit Sampling Guidance for Tests of Controls, 005 Audit Sampling Guidance for Substantive Tests of Details** Minor wording changes to improve usability;
- **RES-009 – 017** enhanced control objectives, what can go wrong, and controls to improve usability.
- **DELETED RES-021 Special Considerations in Auditing Financial Instruments**
- **REINDEXED RES-018 to RES-019**
- **REINDEXED RES-019 to RES-020**
- **REINDEXED RES-020 to RES-021**
- **REINDEXED RES-022 to RES-023**
- **REINDEXED RES-023 to RES-024**
- **REINDEXED RES-024 to RES-025**
- **REINDEXED RES-025 to RES-026**
- **NEW RES-018 Broker Dealer Transactions**
- **NEW RES-027 Determining and Communicating Critical Audit Matters (CAMs) Decision Tree**
- **NEW RES-028 Lease Checklist: Identifying a Lease (ASC 842)**

**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:

- AS 4105, *Reviews of Interim Financial Information*, AT No. 1: *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*
- AT No. 2: *Review Engagements Regarding Exemption Reports of Brokers and Dealers*
- AICPA Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*
- AICPA Statement on Auditing Standards (SAS) No. 135, *Omnibus Statement on Auditing Standards - 2019*

FASB Accounting Standards Codification as of June 30, 2019, and through Accounting Standards Update (ASU) No. 2019-06, including:

- ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments;
- ASU No. 2019-05, Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief; and
- ASU No. 2019-06, Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities

Users of this content should consider guidance issued subsequent to these items to determine their effect on engagements conducted using this product.

## 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>KBAs</b>	<b>KNOWLEDGE-BASED AUDIT DOCUMENTS</b>		
KBA-101	Overall Audit Strategy	X	
KBA-101A	Overall Examination or Review Attestation Engagement Strategy		
KBA-102	Engagement Completion Document	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies, Instances of Non-Compliance, and Exceptions	X	
KBA-105	Review of Significant Accounting Estimates	X	
KBA-200	Entity Information and Background	X	
KBA-201	Client/Engagement Acceptance and Continuance Form		
KBA-301	Worksheet for Determination of Materiality and Thresholds for Trivial Amounts		
KBA-302	Understanding the Entity and Its Environment		
KBA-303	Inquiries of Management and Others within the Entity about the Risks of Fraud, Illegal Acts, and Noncompliance with Laws and Regulations		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X	
KBA-401	Understanding Entity-Level Controls		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Inventory		
KBA-405	Understanding Activity-Level Controls: Property, Plant, and Equipment		
KBA-406	Understanding Activity-Level Controls: Other Assets		
KBA-407	Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements		
KBA-408	Understanding Activity-Level Controls: Payroll and Related Liabilities		
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
KBA-413	Understanding Activity-Level Controls: Broker-Dealer Transactions		
KBA-502	Summary of Risk Assessments	X	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-503	Basis for Inherent Risk Assessment		
KBA-902	Engagement Review and Approval Checklist		
KBA-905	Engagement Documentation Checklist		
<b>AUDs</b>	<b>AUDIT PROGRAMS</b>		
AUD-100	Engagement-Level Tailoring Questions	X	
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial or Reaudit Engagement		
AUD-602	Audit Program: Involvement of Other Auditors		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
AUD-801	Audit Program: Cash		
AUD-802A	Audit Program: Investments		
AUD-802B	Audit Program: Derivative Instruments and Hedging Activities		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-803	Audit Program: Accounts Receivable and Revenue		
AUD-804	Audit Program: Inventories and Cost of Sales		
AUD-805	Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets		
AUD-806	Audit Program: Intangible Assets		
AUD-807	Audit Program: Property and Equipment, and Depreciation		
AUD-808	Audit Program: Accounts Payable and Purchases		
AUD-809	Audit Program: Payroll and Related Liabilities		
AUD-810	Audit Program: Income Taxes		
AUD-811	Audit Program: Debt Obligations		
AUD-812	Audit Program: Equity		
AUD-813	Audit Program: Other Income and Expense		
AUD-814	Audit Program: Journal Entries		
AUD-815	Audit Program: Related-Party Transactions		
AUD-816	Audit Program: Fair Value Measurements and Disclosures		
AUD-817	Audit Program: Variable Interest Entities		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-818	Audit Program: Share-Based Payments		
AUD-819	Audit Program: Commitments and Contingencies		
AUD-820	Audit Program: Accounting Estimates		
AUD-821	Audit Program: Concentrations		
AUD-822	Audit Program: Business Combinations		
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		
AUD-907	Interim Review Program: Review of Interim Financial Information		
AUD-908	Interim Review Program: Management Inquiries		
AUD-909	Audit Program: Previously Reported Material Weakness Continues to Exist		
AUD-911	Audit Program: Financial Statement Review		
<b>ATTs</b>	<b>ATTESTATION PROGRAMS</b>		
ATT-830	Attestation Program: Examination Engagement		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
ATT-831	Attestation Program: Review Engagement		
ATT-832	Attestation Program: Agreed-Upon Procedures Engagement		
<b>AIDs</b>	<b>PRACTICE AIDs</b>		
AID-201	Nonattest Services PCAOB Independence Checklist		
AID-302	Understanding the Entity's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering the Use of the Work of Internal Auditors		
AID-603	Component Identification and Analysis		
AID-702	Results of Tests of Controls		
AID-801	Audit Sampling Worksheet for Substantive Tests of Details		
AID-901	Differences of Professional Opinion		

**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.

<i>Workpaper Requiring Association</i>	<i>What is it associated with?</i>		
	<i>Workpaper</i>	<i>Table/Question</i>	<i>Association Item (Custom Value)</i>
KBA-412 Understanding Ctrl: Service Org (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the entity 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: Involvement of Other Auditors (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor plan 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 the engagement team 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 the engagement team will rely on in our engagement.	Audit Firm Name
AUD-603 Audit Program: Auditor's Specialist (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a specialist on this engagement? 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 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a specialist on this engagement? 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 Engagement-Level Tailoring Questions Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area