

2023 COMMON INTEREST REALTY ASSOCIATIONS 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 **2023 Knowledge-Based Audits of Common Interest Realty Associations** have been updated to help auditors conduct efficient and effective audit engagements in accordance with U.S. GAAS and to take into account the latest literature, standards, and guidance, including:

- AICPA Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*;
- SAS No. 135, *Omnibus Statement on Auditing Standards – 2019*;
- SAS No. 137, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*;
- SAS No. 138, *Amendments to the Description of the Concept of Materiality*;
- SAS No. 139, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes From SAS No. 134*;
- SAS No. 140, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137*;
- SAS No. 141, *Amendment to the Effective Dates of SAS Nos. 134–140*;
- SAS No. 142, *Audit Evidence* (effective for periods ending on or after December 15, 2022);
- AICPA Ethics Interpretation, Staff Augmentation Arrangements (ET sec. 1.275.007); and
- FASB Accounting Standards Codification through Accounting Standards Update No. 2022-04

The following standards have not been fully incorporated but are discussed in practice alerts:

- SAS No. 143, *Auditing Accounting Estimates and Related Disclosures* (effective for periods ending on or after December 15, 2023);
- SAS No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources* (effective for periods ending on or after December 15, 2023); and
- SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (effective for periods ending on or after December 15, 2023).
- SAS No. 146, *Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards*; and
- SAS No. 147, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations*.

Note: The amendments in SAS No. 143 predominantly affect AU-C Section 540. Until the effective date of December 15, 2023 the amendments to other AU-C sections will be located in the Appendix C of AU-C Section 540.

The 2023 tools include links 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 disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification™.

The 2023 edition of *Knowledge-Based Audits of Common Interest Realty Associations* includes the following updates:

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
KBA-101 Overall Audit Strategy					
Modify	Added types of components to Reporting Requirements section	Procedures	Clarification		Steps will retain on roll forward if user selects to keep responses
Modify	Use of Other Information section, Step 1 - modified practice point to reflect SAS No. 142 amendments regarding sufficiency and appropriateness of audit evidence	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses
Modify	Minor wording changes	Instructions, Tables			Steps will retain on roll forward if user selects to keep responses
KBA-102 Engagement Completion Document					
Modify	Minor wording changes	Instructions			
New	New column in “Prior Year Significant Matters, Findings, or Issues” table as follows: If the Matter, Findings, or Issue was not Resolved, Will it be Included in the Current Year? If “Yes”, then this prior year finding will flow down into the Current Year Matters Table.	Tables			
KBA-103 Evaluating and Communicating Internal Control Deficiencies					
Modify	Minor wording changes	Instructions, Table			
KBA-105 Review of Significant Accounting Estimates					
Modify	Modified table and instructions to incorporate SAS No. 142 requirements regarding audit evidence	Instructions, Table	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Added practice point regarding management bias	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Minor wording changes	Instructions			
KBA-200 Entity Information and Background					
Modify	Deleted duplicative steps addressed in KBA-101	Procedures	Improved Workflow		
Modify	Minor wording changes	Instructions, Procedures			Steps will retain on roll forward if user selects to keep responses
KBA-201 Client/Engagement Acceptance and Continuance Form					
Modify	Added practice alert regarding <i>SAS No. 146, Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards</i> .	Instructions	New or Revised Guidance	<i>SAS No. 146, Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards.</i>	
Modify	Added practice alert regarding the AICPA Professional Ethics Executive Committee (PEEC) issued a new interpretation, “ <i>Assisting Attest Clients With Implementing Accounting Standards</i> ” (ET Section 1.275.113)	Procedures	New or Revised Guidance	ET Section 1.275.113	
Modify	Section III, Step II, Substep a v.– modified to read “To provide unrestricted access to persons within or outside the entity from whom the auditor determines it necessary to obtain information to be used as audit evidence”				Steps will retain on roll forward if user selects to keep responses
Modify	Minor wording changes	Instructions, Procedures			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts					
Modify	Materiality Calculations tab - added practice point regarding consideration of materiality when identifying and assessing the risks of material misstatement	Procedures	Clarification		
KBA-302 Understanding the Entity and Its Environment					
Modify	Added practice alert regarding SAS No. 142, <i>Audit Evidence</i>	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Modified instructions to include SAS No. 142 requirements regarding information to be used as audit evidence	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Financing section – combined steps d. and e. regarding leasing arrangements	Procedures	Improved Workflow		Steps will retain on roll forward if user selects to keep responses
Modify	Minor wording changes	Instructions, Procedures			Steps will retain on roll forward if user selects to keep responses
KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures					
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	
Modify	Added practice alert regarding SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	Instructions	New or Revised Guidance	SAS No. 143, <i>Auditing Accounting Estimates</i>	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
				<i>and Related Disclosures</i>	
KBA-401 Understanding Entity-Level Controls					
Modify	Modified practice points to reflect SAS No. 142 requirements regarding sufficiency and appropriateness of audit evidence	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Minor wording changes	Instructions, Tables			
Modify	Added practice alert regarding SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	Instructions	New or Revised Guidance	SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	
KBA-402 Understanding General Controls for Information Technology					
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and</i>	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
				<i>Assessing the Risks of Material Misstatement</i>	
Modify	Added practice alert regarding SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	Instructions	New or Revised Guidance	SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	
Modify	Modified practice points to reflect SAS No. 142 requirements regarding sufficiency and appropriateness of audit evidence	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Minor wording changes	Instructions, Tables			
Modify	Section II Step 2 Table – modified factors to reflect SAS No. 142 terminology regarding information to be used as audit evidence	Tables	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
KBA-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts through KBA-411 Understanding Activity-Level Controls: Financial Reporting and Closing Process					
Modify	Minor wording changes	Instructions, Tables			
KBA-411 Understanding Controls Maintained by a Service Organization					
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material</i>	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
				<i>Misstatement</i>	
Modify	Modified practice points to reflect SAS No. 142 requirements regarding sufficiency and appropriateness of audit evidence	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Minor wording changes	Instructions, Tables			Steps will retain on roll forward if user selects to keep responses
Modify	Added practice alert regarding SAS No. 142, <i>Audit Evidence</i>	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
KBA-501 Team Discussion and Consideration of the Risks of Material Misstatement					
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	
Modify	Added practice alert regarding SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	Instructions	New or Revised Guidance	SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	
Modify	Modified Step 3 to address SAS No. 142 requirement to evaluate information to be used as audit evidence; added substeps to consider the authenticity of documents and integrity of information in electronic form	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Minor wording changes	Instructions, Procedures			Steps will retain on roll forward if user selects to keep responses

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-502 Summary of Risk Assessments					
Modify	Modified instructions to address SAS No. 142 requirements regarding information to be used as audit evidence and sufficiency and appropriateness of audit evidence	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	
Modify	Added practice alert regarding SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	Instructions	New or Revised Guidance	SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i>	
KBA-901 Financial Statement Disclosures Checklist					
Modify	Current through ASU No. 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions	Instructions, Procedures	New and Revised Guidance		
KBA-902 Audit Review and Approval Checklist					
Modify	Minor wording changes	Instructions, Procedures			Steps will retain on roll forward if user selects to keep responses
Modify	Modified Step 15 to address SAS No. 142 requirement to evaluate information to be used as audit evidence	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	
KBA-904 Audit Documentation Checklist					
Modify	Updated Step 16f to address corroborative or contradictory information	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses
Modify	Combined Steps 10 and 17 related to documentation of team discussion regarding the susceptibility of the entity’s financial statements to material misstatement due to error or fraud	Procedures	Improved Workflow		Steps will retain on roll forward if user selects to keep responses

KBA-901 Financial Statement Disclosures Checklist

Note: Footnote examples can be found on CCH ARM Accounting Research Manager as follows:

1. [GAAP Financial Statement Disclosures Manual](#)
2. [Best Practices in Presentation and Disclosure](#)
3. [10-K Lookup](#)

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Table of Contents		
Removed	Updated Section 505 Equity to remove section, “Equity Based Payments to Non Employees”	
Removed	Updated Section 815 Derivatives and Hedging to remove section, “Fair Value Hedges”	
Added	Added a NEW Section 832, “Government Assistance”	
Income Statement – Reporting Comprehensive Income (ASC 220)		

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Overall		
Removed	<i>Note:</i> The presentation and disclosure requirements in item 13 below have been superseded by the amendments in ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities , which is effective for public business entities for fiscal years beginning after December 15, 2018, and 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. Thereafter, the presentation and disclosure requirements in item 14 below should be followed. Early adoption is permitted, including adoption in an interim period. (ASC 815-20-65-3)	
Removed	For derivative instruments and hedging activities, have the following disclosures been made (ASC 815-30-45-1 ; 815-30-50-2):	
Removed	The net gain or loss on derivative instruments designated and qualifying as cash flow hedging instruments reported as a separate classification within other comprehensive income?	
Removed	As part of the disclosures of accumulated other comprehensive income:	
Removed	The beginning and ending accumulated derivative instrument gain or loss?	
Removed	The related net change associated with current period hedging transactions?	
Removed	The net amount of any reclassification into earnings?	
Removed	<i>Note:</i> The presentation and disclosure requirements in item 13 above have been superseded by the amendments in ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities , which is effective for public business entities for fiscal years beginning after December 15, 2018, and 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. Thereafter, the presentation and disclosure requirements in item 14 below should be followed. Early adoption is permitted, including adoption in an interim period. (ASC 815-20-65-3)	
Earnings Per Share (ASC 260)		
Removed	<i>Note:</i> The presentation and disclosure requirements in item 12 below are prescribed by ASU No. 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception . The amendments in Part I of this ASU are effective on a retrospective basis for public business entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. For all other entities, the amendments in Part I of this ASU are effective on a retrospective basis for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	permitted for all entities as of the beginning of an interim period for which financial statements (interim or annual) have not been issued or have not been made available for issuance. The amendments in Part II of this ASU do not require any transition guidance because those amendments do not have an accounting effect. (ASC 260-10-65-4)	
Removed	An entity should apply the amendments in Part I of ASU No. 2017-11 either:	
Removed	Retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the first fiscal year and interim period(s) in which ASU No. 2017-11 is effective. The cumulative effect of the change should be recognized as an adjustment of the opening balance of retained earnings in the fiscal year and interim period of adoption; or	
Removed	Retrospectively to outstanding financial instruments with a down round feature for each prior reporting period presented in accordance with the guidance on accounting changes in ASC paragraphs 250-10-45-5 through 45-10	
Removed	All entities that have not yet adopted ASU No. 2017-11 may early adopt ASU No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity , related to recognition and measurement for any convertible security that includes a down round feature in financial statements for fiscal years or interim periods that have not yet been issued or made available for issuance. This early adoption of ASU No. 2020-06 is permitted for fiscal years beginning after December 15, 2019.	
Removed	Have the following transitional disclosures related to the adoption of ASU No. 2017-11 been made in both the interim and annual period of adoption (ASC 260-10-65-4):	
Removed	The nature of the change in accounting principle?	
Removed	The method of applying the change?	
Removed	The cumulative effect of the change on retained earnings in the balance sheet as of the beginning of the earliest period presented in which ASU No. 2017-11 is effective?	
Removed	If ASU No. 2017-11 is applied retrospectively in accordance with option 2. above, have the following disclosures been made:	
Removed	A description of the prior-period information that has been retrospectively adjusted, if any?	
Removed	The effect of the change on income from continuing operations, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), any other affected financial statement line item, and any affected per-share amounts for the current period and any prior periods retrospectively adjusted?	
Receivables (ASC 310)		

Type of Change	Description of Change	Roll Forward and Update Content Considerations
New	<i>Note:</i> The presentation and disclosure requirements in items 22 and 23 below have been superseded by ASU No. 2022-02, Financial Instruments — Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures . For entities that have <i>not</i> yet adopted ASC Topic 326, the amendments in ASU No. 2022-02 are effective when the entity first adopts ASC Topic 326. An entity that has adopted ASC Topic 326 should apply ASU No. 2022-02 for financial statements issued for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Thereafter, the presentation and disclosure requirements in items 24 through 26 below should be followed. (ASC 326-10-65-5)	
New	Early adoption, including adoption in any interim period as of the beginning of the fiscal year that includes that interim period, is permitted provided that an entity has adopted ASC Topic 326 in financial statements of fiscal years or interim periods that have not been issued or made available for issuance. An entity may elect to early adopt ASU No. 2022-02 individually for vintage disclosures and troubled debt restructurings by creditors. For example, an entity may early adopt ASU No. 2022-02 for the amendments on vintage disclosures, and an entity may separately elect not to early adopt ASU No. 2022-02 for the amendments on troubled debt restructurings by creditors.	
New	An entity should apply ASU No. 2022-02 prospectively from the beginning of the fiscal year of adoption, except as discussed in item 2 below:	
New	Disclosures required by ASU No. 2022-02 in ASC paragraphs 310-10-50-38 through 50-44 and 326-20-50-6 should be provided for modifications and gross writeoffs made starting in the period of adoption. Information about modifications in periods before adoption need not be provided. That is, in disclosures that require information about modifications made in the previous 12 months, modifications made before the date of the adoption of ASU No. 2022-02 do not need to be included.	
New	For the elimination of recognition and measurement guidance on troubled debt restructurings by creditors in ASC Subtopic 310-40, an entity may elect to apply a modified retrospective transition by means of a cumulative-effect adjustment to the opening retained earnings as of the beginning of the fiscal year of adoption for any change in the allowance for credit losses that had been recorded for loans modified or reasonably expected to be modified in a troubled debt restructuring before the adoption of ASU No. 2022-02. If an entity elects a prospective approach, the guidance should be applied to modifications occurring after the date of adoption of ASU No. 2022-02.	
New	Has the amount of commitments, if any, to lend additional funds to debtors experiencing financial difficulty for which the creditor has modified the terms of the receivables in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension in the current reporting period been disclosed, either in the body of the financial statements or in the accompanying notes, as of the date of each balance sheet presented? (ASC 310-10-50-36)	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<i>Note:</i> For purposes of this disclosure, covenant waivers and modifications of contingent acceleration clauses would not be considered term extensions.	
New	For each period for which an income statement is presented, has the following information been disclosed related to modifications of receivables that are in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension (or combination thereof) made to debtors experiencing financial difficulty during the reporting period (ASC 310-10-50-42):	
New	<i>Note:</i> The disclosures in items 25 and 26 below should be provided for modifications of receivables to borrowers experiencing financial difficulty in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension made within the scope of ASC Topic 310 . For purposes of those disclosures, covenant waivers and modifications of contingent acceleration clauses would not be considered term extensions. These disclosures do not apply to the following financing receivables: (a) receivables measured at fair value with changes in fair value reported in earnings; (b) receivables measured at lower of amortized cost basis or fair value; or (c) trade accounts receivable, except for credit card receivables, that have a contractual maturity of one year or less, and that arose from the sale of goods or services. (ASC 310-10-50-39 and 50-40)	
	In evaluating whether the debtor is experiencing financial difficulties for the purpose of the disclosure requirements in items 25 and 26 below, a creditor should consider the indicators prescribed in ASC paragraph 310-10-50-45 .	
New	These disclosures are applicable regardless of whether a modification of a receivable to a debtor experiencing financial difficulty results in a new loan in accordance with ASC paragraphs 310-20-35-9 through 35-11 . As a practical expedient, an entity may exclude the accrued interest receivable balance that is included in the amortized cost basis of financing receivables for the purposes of the disclosure requirements in ASC Subtopic 326-20. If an entity has applied that practical expedient, an entity may do the same for the disclosures in items 25 and 26 below and should disclose the total amount of accrued interest excluded from the disclosed amortized cost basis. (ASC 310-10-50-41)	
New	In addition to the disclosures in items 25 and 26 below, an entity should consider providing information that helps financial statement users understand significant changes in the type or magnitude of modifications, including those modifications that, for example, were caused by a major credit event, even if the modifications otherwise would not require the disclosures in items 25 and 26 below. (ASC 310-10-50-38)	
New	In the case of a restructuring that results in only a delay in payment that is insignificant, an entity is not required to include the modification made to receivables for debtors experiencing financial difficulty in the disclosure requirements in item 24 above or items 25 and 26 below. Also, if the debt has been previously restructured, an entity should consider the cumulative effect of past restructurings made within the 12-month period before the current restructuring when determining whether a delay in payment resulting from the current restructuring is insignificant. See ASC 310-10-50-46 through 50-48 for additional guidance, including factors that may indicate that a restructuring results in a delay in payment that is insignificant.	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
New	Receivables may be modified in more than one manner. An entity that modifies the same receivable in more than one manner should provide disclosures sufficient for users to understand the different types of combinations of modifications provided to borrowers. For example, a receivable may be modified to provide both principal forgiveness and an interest rate reduction. In that case, an entity should disclose the period-end amortized cost basis of that receivable in a separate category that reflects that a combination of modification types has been granted. If another receivable was modified to provide both an interest rate reduction and a term extension, the period-end amortized cost basis of that receivable should be presented in a different category. Multiple separate combination categories may be necessary if significant. The same receivable's period-end amortized cost basis should not be presented in multiple categories. (ASC 310-10-50-43)	
New	By class of financing receivable, qualitative and quantitative information about:	
New	The types of modifications utilized by an entity, including the total period-end amortized cost basis of the modified receivables and the percentage of modifications of receivables made to debtors experiencing financial difficulty relative to the total period-end amortized cost basis of receivables in the class of financing receivable?	
New	The financial effect of the modification by type of modification, which should provide information about the changes to the contractual terms as a result of the modification and should include the incremental effect of principal forgiveness on the amortized cost basis of the modified receivables, as applicable, or the reduction in weighted-average interest rates (versus a range) for interest rate reductions?	
New	Receivable performance in the 12 months after a modification of a receivable made to a debtor experiencing financial difficulty?	
New	By portfolio segment, qualitative information about how those modifications and the debtors' subsequent performance are factored into determining the allowance for credit losses?	
New	For each period for which an income statements is presented, has the following information been disclosed about financing receivables that had a payment default during the period and had been modified in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension (or a combination thereof) within the previous 12 months preceding the payment default when the debtor was experiencing financial difficulty at the time of the modification (ASC 310-10-50-44):	
New	By class of financing receivable, qualitative and quantitative information about those defaulted financing receivables, including the following:	
New	The amount of financing receivables that defaulted, including the period-end amortized cost basis for financing receivables that defaulted?	
New	By portfolio segment, qualitative information about how those defaults are factored into determining the allowance for credit losses?	
Troubled Debt Restructurings by Creditors		

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	Has disclosure been made of the carrying amount of foreclosed residential real estate properties held at the reporting date as a result of obtaining physical possession in accordance with ASC 310-40-40-6 and ASC 310-40-55-10A ? (ASC 310-10-50-11)	
Removed	Has disclosure been made of the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process according to local requirements of the applicable jurisdiction? (ASC 310-10-50-35)	
Measured at Amortized Cost		
Removed	<i>Note:</i> When a loan is restructured in a troubled debt restructuring into two or more loan agreements, the restructured loans should be considered separately when assessing the applicability of the disclosures in ASC Section 326-20-50 in years after the restructuring because they are legally distinct from the original loan. (ASC 310-40-50-5)	
Updated	<p><i>Note:</i> When disclosing credit quality indicators of financing receivables and net investment in leases (except for reinsurance recoverables and funded or unfunded amounts of line-of-credit arrangements, such as credit cards), the amortized cost basis should be presented by a public business entity within each credit quality indicator by year of origination (i.e., vintage year). For purchased financing receivables and net investment in leases, the initial date of issuance should be used to determine the year of origination, not the date of acquisition. For origination years before the fifth annual period, the amortized cost basis of financing receivables and net investments in leases may be presented by a public business entity in the aggregate. For interim period disclosures, the current year-to-date originations in the current reporting period are considered to be the current-period originations. A public business entity should present the gross writeoffs recorded in the current period, on a current year-to-date basis, for financing receivables and net investments in leases by origination year. For origination years before the fifth annual period, a public business entity may present the gross writeoffs in the current period for financing receivables and net investments in leases in the aggregate. The requirement to present the amortized cost basis within each credit quality indicator by year of origination is not required for an entity that is not a public business entity. (ASC 326-20-50-6)</p> <p>For the purpose of the disclosure requirement in the previous paragraph, presentation should be made by a public business entity of the amortized cost basis of line-of-credit arrangements that are converted to term loans in a separate column. Disclosure should be made in each reporting period by a public business entity, by class of financing receivable, of the amount of line-of-credit arrangements that are converted to term loans in each reporting period and the total of these financing receivables that were written off in the current reporting period in accordance with ASC paragraph 326-20-50-6. (ASC 326-20-50-6A)</p>	Need to find this
Updated	<i>Note:</i> Except as provided for in the previous paragraph, the guidance in ASC paragraphs 310-20-35-9 through 35-11 should be used by a public business entity when determining whether a	Need to find this

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	modification, extension, or renewal of a financing receivable should be presented as a current-period origination. The guidance in ASC paragraphs 842-10-25-8 through 25-9 should be used by a public business entity when determining whether a lease modification should be presented as a current period origination. (ASC 326-20-50-7)	
Internal-Use Software		
Removed	Note: The presentation and disclosure requirements in items 1 through 5 below are prescribed by 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> . 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).	
Removed	Early adoption is permitted, including adoption in any interim period for: <ol style="list-style-type: none"> Public business entities for periods for which financial statements have not yet been issued. All other entities for periods for which financial statements have not yet been made available for issuance. 	
Removed	An entity should apply ASU No. 2018-15 using one of the following two methods: <ol style="list-style-type: none"> Prospectively to costs for activities performed on or after the date that the entity first applies ASU No. 2018-15. Retrospectively in accordance with the guidance on accounting changes in ASC paragraphs 250-10-45-5 through 45-10. 	
Removed	Have the following transitional disclosures related to the adoption of ASU No. 2018-15 been made in the first interim and annual periods of adoption (ASC 350-40-65-3):	
Removed	a. For an entity that elects prospective transition:	
Removed	(1) The nature of and reason for the change in accounting principle?	
Removed	(2) The transition method?	
Removed	b. For an entity that elects retrospective transition:	
Removed	(1) The nature of and reason for the change in accounting principle?	
Removed	(2) The transition method?	
Removed		

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	(3) A qualitative description of the financial statement line items affected by the change?	
Removed	(4) Quantitative information about the effects of the change?	
Removed	<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 ASU No. 2018-15 in an interim period, in which case the entity should also disclose that information in the interim period of adoption.	
Equity Based Payments to Non-Employees		
Removed	Removed entire section	
Liabilities (ASC 405)		
New	New subsection under ASC 405, “Liabilities – Supplier Finance Programs	
Compensation – Stock Compensation (ASC 718)		
Overall		
New	<i>Note:</i> The presentation and disclosure requirements in item 1f(2) (vi) below are prescribed by the amendments in ASU No. 2021-07, Compensation—Stock Compensation (Topic 718): Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards , which is effective prospectively for nonpublic entities for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption, including application in an interim period, is permitted for financial statements that have not been issued or made available for issuance as of October 25, 2021. (ASC 718-10-65-16)	
New	(vi) Practical expedient for current price input? <i>Note:</i> A nonpublic entity that elects to apply the practical expedient in ASC paragraphs 718-10-30-20C through 30-20F should disclose that election.	
Removed	<i>Note:</i> The presentation and disclosure requirements in items 2 and 3 below are prescribed by the amendments in ASU No. 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting , which is effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, including adoption in an interim period, but not earlier than an entity’s adoption date of ASC Topic 606, Revenue from Contracts with Customers .	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	If an entity early adopts the amendments in ASU No. 2018-07 in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. (ASC 718-10-65-11)	
Removed	<p>Note: An entity should apply ASU No. 2018-07 in the same period in which it applies the pending content that links to ASC paragraphs 718-10-65-12 through 65-14.</p> <p>An entity should apply ASU No. 2018-07 on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year in which ASU No. 2018-07 is adopted. For purposes of determining the cumulative-effect adjustment, an entity should:</p> <ol style="list-style-type: none"> 1. Assess only liability-classified awards that have not been settled by the date of adoption and equity-classified awards for which a measurement date has not been established. 2. Remeasure awards as defined in 1. above at fair value as of the adoption date rather than grant-date fair value. 3. Not remeasure assets that are completed. (e.g., finished goods inventory or equipment that has begun amortization would not be remeasured upon transition.) (ASC 718-10-65-11) 	
Removed	3. Have the following been disclosed in the first interim and annual period of adoption of ASU No. 2018-07 (ASC 718-10-65-11):	
Removed	a. The nature of and reason for the change in accounting principle?	
Removed	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?	
Business Combinations (ASC 805)		
Overall		
New	<i>Note:</i> The presentation and disclosure requirements in item 6 below are prescribed by the amendments in ASU No. 2021-08, <i>Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers</i> , which is effective for public business entities for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2022. For all other entities, the requirements are effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2023. An entity should apply ASU No. 2021-08 prospectively to business combinations that occur after the effective date. (ASC 805-20-65-3)	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>Early adoption is permitted, including in any interim period, for:</p> <ol style="list-style-type: none"> 1. Public business entities for periods for which financial statements have not yet been issued. 2. All other entities for periods for which financial statements have not yet been made available for issuance. <p>An entity that elects early adoption of ASU No. 2021-08 in an interim period should apply ASU No. 2021-08:</p> <ol style="list-style-type: none"> 1. Retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application. 2. Prospectively to all business combinations that occur on or after the date of initial application. 	
New	6. For any of the practical expedients in ASC paragraph 805-20-30-29 for measuring contract assets and contract liabilities that an acquirer uses at the acquisition date, has the acquirer disclosed (ASC 805-20-50-5):	
New	a. The expedients that have been used?	
New	b. To the extent reasonably possible, a qualitative assessment of the estimated effect of applying each of those expedients?	
Collaborative Arrangements (ASC 808)		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in item 2 below are prescribed by ASU No. 2018-18, Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606. ASU No. 2018-18 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. (ASC 808-10-65-2).</p> <p>Early adoption is permitted if an entity also has adopted ASC Topic 606, Revenue from Contracts with Customers, including adoption in any interim period for:</p> <ol style="list-style-type: none"> 1. Public business entities for periods for which financial statements have not yet been issued. 2. All other entities for periods for which financial statements have not yet been made available for issuance. <p>An entity should apply ASU No. 2018-18 retrospectively to the date of its initial application of ASC Topic 606. An entity should recognize the cumulative effect of initially applying ASU No. 2018-18 as an adjustment to the opening balance of retained earnings of the later of the earliest</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>annual period presented and the annual period that includes the date of the entity's initial application of ASC Topic 606.</p> <p>An entity may elect to apply ASU No. 2018-18 retrospectively either to all contracts or only to contracts that are not completed contracts at the date of initial application of ASC Topic 606. 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 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 ASC paragraph 606-10-65-1(f)(4), in accordance with the requirements in ASC paragraph 606-10-65-1(g).</p>	
Removed	Have the disclosures required in ASC paragraphs 250-10-50-1 through 50-2 (with the exception of the disclosure in paragraph 250-10-50-1(b)(2)) been made in the period of adoption of ASU No. 2018-18 ? (ASC 808-10-65-2) (See ASC Topic 250, Accounting Changes and Error Corrections)	
Variable Interest Entities Accounting Alternative for Entities Under Common Control		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in items 1 through 3 below have been superseded by the amendments in ASU No. 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities, which is effective for all entities other than private companies for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For private companies, the requirements are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early adoption is permitted, including adoption in an interim period. Thereafter, the presentation and disclosure requirements in items 4 through 6 below should be followed. (ASC 810-10-65-9)</p> <p>ASU No. 2018-17 should be applied retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented.</p>	
	If a reporting entity is required to consolidate a legal entity as a result of the initial application of ASU No. 2018-17 , the initial measurement of the assets, liabilities, and noncontrolling interests of the legal entity depends on whether determining their carrying amounts is practicable. In this context, carrying amounts refer to the amounts at which the assets, liabilities, and noncontrolling interests would have been carried in the consolidated financial statements if the requirements of ASU No. 2018-17 had been effective when the reporting entity first met the conditions to consolidate the legal entity.	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>(1) If determining the carrying amounts is practicable, the reporting entity should initially measure the assets, liabilities, and noncontrolling interests of the legal entity at their carrying amounts at the date ASU No. 2018-17 first applies.</p> <p>(2) If determining the carrying amounts is not practicable, the assets, liabilities, and noncontrolling interests of the legal entity should be measured at fair value at the date ASU No. 2018-17 first applies.</p> <p>Any difference between the net amount added to the balance sheet of the reporting entity and the amount of any previously recognized interest in the newly consolidated legal entity should be recognized as a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented.</p>	
Removed	<p>A reporting entity that is required to consolidate a legal entity as a result of the initial application of ASU No. 2018-17 may elect the fair value option provided by the Fair Value Option Subsections of Subtopic 825-10 on financial instruments, but only if the reporting entity elects the option for all financial assets and financial liabilities of that legal entity that are eligible for this option under those Fair Value Option Subsections. This election should be made on a legal entity-by-legal entity basis. Along with the disclosures required in those Fair Value Option Subsections, the reporting entity should disclose all of the following:</p> <p>(1) Management’s reasons for electing the fair value option for a particular legal entity or group of legal entities.</p> <p>(2) The reasons for different elections if the fair value option is elected for some legal entities and not others.</p> <p>(3) Quantitative information by line item in the balance sheet indicating the related effect on the cumulative-effect adjustment to retained earnings of electing the fair value option for a legal entity.</p>	
Removed	<p>If a reporting entity is required to deconsolidate a legal entity as a result of the initial application of ASU No. 2018-17, the initial measurement of any retained interest in the deconsolidated former subsidiary depends on whether the determination of its carrying amount is practicable. In this context, carrying amount refers to the amount at which any retained interest would have been carried in the reporting entity’s financial statements if ASU No. 2018-17 had been effective when the reporting entity became involved with the legal entity or no longer met the conditions to consolidate the legal entity.</p> <p>(1) If determining the carrying amount is practicable, the reporting entity should initially measure any retained interest in the deconsolidated former subsidiary at its carrying amount at the date ASU No. 2018-17 first applies.</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	If determining the carrying amount is not practicable, any retained interest in the deconsolidated former subsidiary shall be measured at fair value at the date ASU No. 2018-17 first applies. ¹ . Has a reporting entity that neither consolidates nor applies the requirements of the Variable Interest Entities Subsections to a legal entity under common control because it meets the criteria in ASC paragraph 810-10-15-17AD disclosed the following (ASC 810-10-50-2AG):	
Removed	<p>The determinations of whether a legal entity is a variable interest entity (VIE) and which reporting entity, if any, should consolidate the legal entity (i.e., whether the reporting entity is the primary beneficiary of the VIE) should be made as of the date the reporting entity became involved with the legal entity or, if events have occurred requiring reconsideration of whether the legal entity is a VIE and which reporting entity, if any, should consolidate the legal entity, as of the most recent date at which ASU No. 2018-17 would have required consideration.</p> <p>If, at transition, it is not practicable for a reporting entity to obtain the information necessary to make the determinations in item (e) above as of the date the reporting entity became involved with a legal entity or at the most recent reconsideration date, the reporting entity should make the determinations as of the date on which ASU No. 2018-17 is first applied.</p> <p>If the determinations of whether a legal entity is a VIE and whether a reporting entity is the primary beneficiary of a VIE are made in accordance with item (f) above, then the consolidating entity should measure the assets, liabilities, and noncontrolling interests of the legal entity at fair value as of the date on which ASU No. 2018-17 is first applied. However, if the VIE's activities are primarily related to securitizations or other forms of asset-backed financings and the VIE's assets can be used only to settle the VIE's obligations, then the VIE's assets and liabilities may be measured at their unpaid principal balances (as an alternative to a fair value measurement) at the date ASU No. 2018-17 is first applied. This measurement alternative does not obviate the need for the primary beneficiary to recognize any accrued interest, an allowance for credit losses, or other-than-temporary impairment, as appropriate. Other assets, liabilities, or noncontrolling interests, if any, that do not have an unpaid principal balance, and any items that are required to be carried at fair value under other applicable ASC Topics, should be measured at fair value.</p>	
Removed	<i>Note:</i> The disclosure and presentation requirements in items 1 through 3 below are effective for private companies on a retrospective basis upon the adoption of the accounting alternative in the Variable Interest Entities Subsections. Upon the adoption of the accounting alternative, the guidance in the Variable Interest Entities Subsections should be applied retrospectively as of the beginning of the first fiscal year in which the accounting alternative is elected and to all periods presented. A private company that makes an accounting policy election to apply the accounting alternative guidance in the Variable Interest Entities Subsections for the first time need not justify that the use of the accounting alternative is preferable as described in ASC paragraph 250-10-45-2 . (ASC 810-10-65-4)	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	Has a private company lessee that does not apply the requirements of the Variable Interest Entities subsections to one or more lessor legal entities because it meets the criteria in ASC paragraph 810-10-15-17A disclosed the following (ASC 810-10-50-2AD):	
Removed	a. The amount and key terms of liabilities (e.g., debt, environmental liabilities, and asset retirement obligations) recognized by the lessor legal entity that expose the private company lessee to providing financial support to the legal entity? (<i>Note</i> : For example, a private company lessee exposed to debt of the legal entity should disclose information such as the amount of debt, interest rate, maturity, pledged collateral, and guarantees associated with the debt.)	
Removed	b. A qualitative description of circumstances (e.g., certain commitments and contingencies) not recognized in the financial statements of the lessor legal entity that expose the private company lessee to providing financial support to the legal entity?	
Removed	3. Have the following transition presentation and disclosures been made if a reporting entity deconsolidates a variable interest entity as a result of the application of the accounting alternative for VIEs (ASC 810-10-65-4):	
Removed	a. Has the difference, if any, between the net amount removed from the reporting entity's balance sheet and the amount of any retained interest in the deconsolidated VIE been reported as a cumulative-effect adjustment to retained earnings?	
Removed	b. Has the amount of any cumulative-effect adjustment related to deconsolidation been disclosed separately?	
Removed	Removed Section, "Disclosure and <i>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> "	
Derivatives and Hedging (ASC 815)		
Overall		
Removed	<i>Note</i> : The presentation and disclosure requirements in items 1 through 3 below are prescribed by ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities , which is effective for public business entities for fiscal years beginning after December 15, 2018, and 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. Early adoption is permitted, including adoption in an interim period. (ASC 815-20-65-3)	
Removed	If an entity early adopts ASU No. 2017-12 in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period (i.e., the initial application date).	
Removed	For cash flow hedges and net investment hedges existing (i.e., the hedging instrument has not expired, been sold, terminated, or exercised or the entity has not removed the designation of the	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	hedging relationship) as of the date of adoption, an entity should apply ASU No. 2017-12 related to the elimination of the separate measurement of ineffectiveness by means of a cumulative-effect adjustment to accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings as of the initial application date.	
Removed	<p><i>Note:</i> An entity may elect any of the following items upon adoption of ASU No. 2017-12:</p> <p>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 ASC paragraph 815-20-25-6B or ASC paragraph 815-25-35-13 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.</p> <p>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:</p> <ul style="list-style-type: none"> i) Increasing the designated notional amount of the hedging instrument. ii) Decreasing the designated notional amount of the hedging instrument. iii) Increasing the designated proportion of the hedged item. iv) Decreasing the designated proportion of the hedged item. <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>	
Removed	For fair value hedges existing as of the date of adoption in which foreign exchange risk is the hedged risk or one of the hedged risks and a currency swap is the hedging instrument, an entity may, without dedesignation, modify its hedge documentation to exclude the cross-currency basis spread component of the currency swap from the assessment of hedge effectiveness and recognize the excluded component through an amortization approach. The cumulative effect of applying this election should be recognized as an adjustment to accumulated other comprehensive income with a	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	corresponding adjustment to the opening balance of retained earnings as of the initial application date.	
Removed	For hedges existing as of the date of adoption that exclude a portion of the hedging instrument from the assessment of effectiveness, an entity may modify the recognition model for the excluded component from a mark-to-market approach to an amortization approach without dedesignation of the hedging relationship. The cumulative effect of applying this election should be recognized as an adjustment to accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings as of the initial application date.	
Removed	<p>An entity may modify documentation without dedesignating an existing hedging relationship to specify the following:</p> <ul style="list-style-type: none"> i. 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 ASC paragraph 815-20-25-3(b)(2)(iv)(03) ii. 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 ASC paragraph 815-20-25-117A if the entity determines at a later date that use of the shortcut method was not or no longer is appropriate. iii. 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 ASC paragraphs 815-20-25-84 through 25-85 or ASC paragraphs 815-20-25-129 through 25-129A are met and that subsequent prospective and retrospective effectiveness assessments should be performed in accordance with ASC paragraphs 815-20-35-9 through 35-12 or in accordance with ASC paragraphs 815-20-25-126 through 25-129A and ASC paragraphs 815-30-35-33 through 35-34. 	
Removed	<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 ASC paragraph 815-20-25-12A. Any unrealized gain or loss at the date of the transfer should be recorded in accumulated other comprehensive income in accordance with ASC paragraph 320-10-35-10(c). That reclassification, in and of itself, would not result in any of the following:</p> <ul style="list-style-type: none"> i. 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. ii. Require the entity to designate the reclassified security in a hedging relationship under the last-of-layer method. iii. Restrict the entity from selling the reclassified security. 	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	<i>Note:</i> For private companies that are not financial institutions as described in ASC paragraph 942-320-50-1 and not-for-profit entities (except for not-for-profit entities that have issued, or are a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market), the elections in items 1 through 7 above should be determined before the next interim (if applicable) or annual financial statements are available to be issued.	
Removed	For all other entities, the elections in items 1 through 7 above should be determined before the first quarterly effectiveness assessment date after the date of adoption.	
Removed	<i>Note:</i> For fair value hedges existing as of the date of adoption in which the hedged item is a tax-exempt financial instrument, the hedged risk may be modified to interest rate risk related to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Rate. The modification should be considered a dedesignation and immediate redesignation of the hedging relationship. In this situation, the cumulative basis adjustment of the hedged item from the dedesignated hedging relationship should be amortized to earnings on a level-yield basis over a period of time based on the applicable requirements in other ASC Topics.	
Removed	<p><i>Note:</i> An entity is not required to apply the guidance in ASC paragraph 815-20-25-81 when comparing hedging relationships executed before and after the date of adoption ASU No. 2017-12 for any of the following:</p> <ol style="list-style-type: none"> 1) Hedging relationships executed before the date of adoption assessed under the shortcut method for which hedge documentation was not amended as permitted by item 5(ii) above, and hedging relationships executed after the date of adoption assessed under the shortcut method in accordance with ASC paragraphs 815-20-25-117A through 25-117D 2) Hedging relationships executed before the date of adoption for which the hedged risk was not amended to a contractually specified component or a contractually specified interest rate as permitted by item 6 above, and hedging relationships executed after the date of adoption for which the hedged risk is the variability in cash flows attributable to changes in a contractually specified component or a contractually specified interest rate 3) Hedging relationships executed before the date of adoption for which the recognition of excluded components was not amended to an amortization approach as permitted by item 4 above, and hedging relationships executed after the date of adoption for which an amortization approach is elected in accordance with ASC paragraph 815-20-25-83A. 	
Removed	<i>Note:</i> On a prospective basis only for existing hedging relationships on the date of adoption (in all interim periods and fiscal years ending after the date of adoption), an entity should:	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<ul style="list-style-type: none"> Present the entire change in the fair value of the hedging instrument in the same income statement line item as the earnings effect of the hedged item when the hedged item affects earnings (with the exception of amounts excluded from the assessment of hedge effectiveness in a net investment hedge) in accordance with ASC paragraphs 815-20-45-1A and 815-20-45-1C. <p>Disclose the items in ASC Subtopic 815-10 as amended by ASU No. 2017-12 (these items are addressed in this section below).</p>	
New	<p><i>Note:</i> The presentation and disclosure requirements in item 5h below have been superseded by ASU No. 2022-01, <i>Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method</i>, which is effective for public business entities for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Thereafter, the presentation and disclosure requirements in items 5i through 5l below should be followed. (ASC 815-20-65-6)</p> <p>Early adoption is permitted on any date on or after the issuance of ASU No. 2022-01 (i.e., March 28, 2022) for any entity that has adopted ASU No. 2017-12, <i>Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities</i>, for the corresponding period. If an entity early adopts ASU No. 2022-01 in an interim period, the cumulative-effect adjustment for adopting the amendments related to basis adjustments described below should be reflected as of the beginning of the fiscal year that includes the interim period (i.e., the initial application date).</p> <p>An entity should apply ASU No. 2022-01 to designate more than one portfolio layer method hedging relationship for a single closed portfolio on a prospective basis as of the date of adoption of ASU No. 2022-01.</p>	
New	<p><i>Note:</i> An entity should apply ASU No. 2022-01 on basis adjustments, except for the pending content in Subtopic 815-10 (related to disclosures), on a modified retrospective basis by means of a cumulative-effect adjustment to the opening balance of retained earnings and the balance sheet line items (as appropriate) as of the date of initial application for portfolio layer method hedges existing as of the date of adoption of ASU No. 2022-01.</p> <p>An entity may elect to adopt the disclosure guidance in ASU No. 2022-01 for Subtopic 815-10 on a prospective basis from the date of initial application of ASU No. 2022-01 or on a retrospective basis to each prior period presented after the date of adoption of ASU No. 2017-12.</p> <p>An entity may reclassify one or more debt securities from held to maturity to available for sale if the debt securities are:</p> <ol style="list-style-type: none"> Hedged under the portfolio layer method in accordance with ASC paragraph 815-20-25-12A. 	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>2. Classified as held to maturity immediately before the date of adoption of ASU No. 2022-01.</p> <p>An entity reclassifying one or more debt securities should:</p> <p>1. Determine which debt securities to reclassify no later than 30 days after the date of adoption of ASU No. 2022-01. For an entity that has not yet adopted the amendments in ASU No. 2016-13, any unrealized gain or loss on the reclassified debt security at the date of reclassification should be recorded in accumulated other comprehensive income. For an entity that has adopted ASU No. 2016-13, for each reclassified debt security it should:</p> <p>i. Reverse in retained earnings any allowance for credit losses previously recorded on the held-to-maturity debt security at the date of reclassification.</p> <p>ii. Reclassify the debt security to the available-for-sale category at its amortized cost basis (which is reduced by any previous writeoffs but excludes any allowance for credit losses).</p> <p>iii. Determine whether an allowance for credit losses is necessary by following the guidance in ASC Subtopic 326-30. If so, that allowance should be recorded in retained earnings at the date of reclassification.</p> <p>iv. Report in accumulated other comprehensive income any unrealized gain or loss on the debt security at the date of reclassification, excluding the amount recorded in the allowance for credit losses in accordance with (iii).</p>	
New	<p>2. Include those reclassified debt securities in one or more closed portfolios that are designated in a portfolio layer method hedge no later than 30 days after the date of adoption of ASU No. 2022-01. Neither a minimum amount of the closed portfolio nor a minimum hedge period must be designated to meet this requirement.</p> <p>3. An entity should provide the disclosures in accordance with ASC paragraph 320-10-50-10 for reclassified debt securities in the period of reclassification.</p> <p>4. That reclassification, in and of itself, would not 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>	
New	Has the following been disclosed separately for each line item in the balance sheet that includes hedged assets and liabilities for fair value hedges that involve hedging relationships designated under the portfolio layer method in accordance with ASC paragraph 815-20-25-12A :	
New	(1) The amortized cost basis of the closed portfolio(s) of financial assets or the beneficial interest(s)?	
New		

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	(2) The amount that represents the hedged item(s) (i.e., the hedged layer or layers)?	
New	<p>(3) The basis adjustment associated with the hedged item(s) (i.e., the hedged layer or layers)?</p> <p><i>Note:</i> For existing hedging relationships designated under the portfolio layer method, an entity should not disclose the basis adjustment on a more disaggregated basis than the portfolio layer method closed portfolio to meet the objectives of disclosure requirements in other ASC Topics unless that disaggregation is required in accordance with ASC paragraph 815-20-45-4. After an entity allocates a basis adjustment in accordance with ASC paragraph 815-20-45-4 (if applicable), if other ASC Topics require the disclosure of the amortized cost basis of assets included in the closed portfolio on a basis that requires disaggregating the assets included in the closed portfolio, the entity should exclude the portfolio layer method basis adjustment from the amortized cost basis of those assets. In that case, the entity should disclose the total amount of the portfolio layer method basis adjustment excluded from the amortized cost basis of the assets included in the closed portfolio. (ASC 815-10-50-5B)</p>	
New	j. For hedging relationships designated under the portfolio layer method, if the outstanding amount of the closed portfolio is less than the hedged layer or layers in accordance with ASC paragraph 815-25-40-8(b) (i.e., a breach occurred), has an entity disclosed: (ASC 815-10-50-5C)	
New	(1) The amount of the hedge basis adjustment recognized in current-period interest income because of the breach?	
New	(2) The circumstances that led to the breach?	
New	k. If a breach of a portfolio layer method hedge has occurred in accordance with ASC paragraph 815-25-40-8(b) , has the entity presented in interest income the basis adjustment associated with the hedged layer (or portion thereof) that is no longer outstanding? (ASC 815-20-45-1CC)	
New	l. For an existing portfolio layer method hedge, if the assets included in the same closed portfolio are presented in different line items in the balance sheet, has the entity allocated the portfolio layer method basis adjustment to the assets' associated line items in the balance sheet using a systematic and rational method? (ASC 815-20-45-4)	
New	<i>Note:</i> The presentation and disclosure requirements in item 17 below are prescribed by ASU No. 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method , which is effective for public business entities for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. For all other entities, the requirements are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. (ASC 815-20-65-6)	
New	17. Have the following transitional disclosures related to the adoption of ASU No. 2022-01 been made in each interim and annual period in the fiscal period of adoption (ASC 815-20-65-6):	
New	a. The nature of and reason for the change in accounting principle related to accounting for hedge basis adjustments?	
New	b. The effect of adoption on any line item in the balance sheet, if material, as of the beginning of the first period for which ASU No. 2022-01 is applied?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<i>Note:</i> Presentation of the effect on financial statement subtotals is not required.	
New	c. 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. 2022-01 is applied?	
Fair Value Hedges		
Removed	Removed Entire Section	
Cash Flow Hedges		
Removed	<i>Note:</i> The presentation and disclosure requirements in items 1 through 5 below have been superseded by the amendments in ASU No. 2017-12, <i>Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities</i> , which is effective for public business entities for fiscal years beginning after December 15, 2018, and 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. Thereafter, the presentation and disclosure requirements in items 6 through 9 below should be followed. Early adoption is permitted, including adoption in an interim period. (ASC 815-20-65-3)	
Removed	1. Has the net gain or loss on derivative instruments designated and qualifying as cash flow hedging instruments that are reported in comprehensive income been displayed as a separate classification within other comprehensive income? (ASC 815-30-45-1)	
Removed	2. Has the total amount reported in other comprehensive income (as determined in accordance with paragraph 815-30-35-3(b)) for the hedging relationship first been allocated to each of the forecasted transactions (hedged items) within the hedging relationship to measure the amount of other comprehensive income to be reclassified into earnings in the coming 12 months if multiple cash flow exposures are designated as the hedged items for a single derivative instrument? (ASC 815-30-45-2)	
Removed	3. Have the estimated amounts to be reclassified into earnings in the coming 12 months been summed after the amount reported in other comprehensive income has been allocated to each of the forecasted transactions within the hedging relationship? (ASC 815-30-45-3) <i>Note:</i> The allocation method used above should be applied consistently and should consider any cumulative gain or loss on the derivative instrument that has been recognized in earnings as hedge ineffectiveness.	
Removed	A description of the transactions or other events that will result in the reclassification into earnings of gains and losses that are reported in accumulated other comprehensive income?	
Removed	The estimated net amount of the existing gains or losses that are reported in accumulated other comprehensive income at the reporting date that is expected to be reclassified into earnings within the next 12 months?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Removed	The maximum length of time over which the entity is hedging its exposure to the variability in future cash flows for forecasted transactions excluding those forecasted transactions related to the payment of variable interest on existing financial instruments?	
Removed	The amount of gains and losses reclassified into earnings as a result of the discontinuance of cash flow hedges because it is probable that the original forecasted transactions will not occur by the end of the originally specified time period or within the additional period of time discussed in ASC paragraphs 815-30-40-4 and 40-5 ?	
Removed	5. Have the following items been separately disclosed as part of the disclosures of accumulated other comprehensive income (ASC 815-30-50-2):	
Removed	a. The beginning and ending accumulated derivative instrument gain or loss?	
Removed	b. The related net change associated with current period hedging transactions?	
Removed	c. The net amount of any reclassification into earnings?	
Removed	<i>Note:</i> The presentation and disclosure requirements in items 1 through 5 above have been superseded by the amendments in ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities , which is effective for public business entities for fiscal years beginning after December 15, 2018, and 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. Thereafter, the presentation and disclosure requirements in items 6 through 9 below should be followed. Early adoption is permitted, including adoption in an interim period. (ASC 815-20-65-3)	
Removed	6. Have the following disclosures been made for derivative instruments designated and qualifying as cash flow hedging instruments and for the related hedged transactions, for every annual and interim reporting period for which a balance sheet and an income statement is presented (ASC 815-30-50-1):	
Fair Value Measurement (ASC 820)		
New	<p><i>Note:</i> The presentation and disclosure requirements in items 7 through 9 below are prescribed by the amendments in ASU No. 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which is effective for public business entities for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted. For all other entities, the amendments are effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2024. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.</p> <p>Entities are required to apply ASU No. 2022-03 as follows:</p> <p>1. For entities that meet the definition of an investment company in</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>accordance with the guidance in ASC paragraphs 946-10-15-4 through 15-9, on a prospective basis to an equity security in which the contractual restriction that prohibits the sale of the equity security is executed or modified on or after the date at which the investment company first applies ASU No. 2022-03. An investment company that holds an equity security that is subject to a contractual sale restriction executed before the date at which the investment company first applies ASU No. 2022-03 should continue to account for that equity security using the accounting policy applied before the adoption of ASU No. 2022-03 until the contractual sale restriction expires or is modified. An entity should account for a modification to a contractual sale restriction in accordance with item 2 below on the date of modification. Any adjustments as a result of applying ASU No. 2022-03 should be recognized as an adjustment to current-period earnings on the date the contractual sale restriction is modified.</p> <p>2. For all other entities, on a prospective basis to all equity securities. Any adjustments as a result of applying ASU No. 2022-03 should be recognized as an adjustment to current-period earnings on the date at which an entity first applies ASU No. 2022-03.</p>	
New	7. Has an entity disclosed the following information for equity securities subject to contractual sale restrictions (ASC 820-10-50-6B):	
New	a. The fair value of equity securities subject to contractual sale restrictions?	
New	b. The nature and remaining duration of the restriction(s)?	
New	c. Circumstances that could cause a lapse in the restriction(s)?	
New	<i>Note:</i> Equity securities restricted from sale because they are pledged as collateral and included in other disclosures required by other ASC Topics should not be included in the information required in items (a) through (c) above.	
New	d. For multiple investments in equity securities subject to the contractual sale restrictions, has consideration been given to the guidance in ASC paragraph 820-10-50-1D when disclosing the information required in items (a) through (c) above?	
New	8. For entities that meet the definition of an investment company and adopt ASU No. 2022-03 in accordance with the guidance in item (1) in the Note above, has the entity disclosed the following in each period that the entity continues to apply a discount to equity securities subject to contractual sale restrictions executed before adopting ASU No. 2022-03 (ASC 820-10-65-13(d)):	
New	a. The fair value of equity securities subject to a contractual sale restriction on the statement of financial position to which the entity continues to apply a discount?	
New	b. The nature and remaining duration of the contractual sale restriction?	
New	c. The circumstances that could cause a lapse in the restriction?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
New	<i>Note:</i> The equity securities included in items 8 (a) through (c) should be excluded from the amounts disclosed as required by item 7 above.	
New	9. For entities that do not meet the definition of an investment company and adopt ASU No. 2022-03 in accordance with the guidance in item (2) in the Note above, has the entity disclosed the amount recognized as an adjustment to earnings in the period that the entity first applies ASU No. 2022-03 (ASC 820-10-65-13(e))??	
Government Assistance (ASC 832)		
New	NEW Section	
Leases (ASC 842)		
Lessees		
New	<p><i>Note:</i> The presentation and disclosure requirements in items 11 and 12 below are prescribed by the amendments in ASU No. 2021-09, Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities, which is effective for private companies for all new and existing leases when the entity first adopts ASC Topic 842, for an entity that has not yet adopted ASC Topic 842 as of November 11, 2021. An entity that has adopted ASC Topic 842 as of November 11, 2021 should apply ASU No. 2021-09 for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Earlier application is permitted as of the beginning of the fiscal year of adoption. (ASC 842-10-65-6)</p> <p>An entity that has not adopted ASC Topic 842 as of November 11, 2021 should apply the same transition method elected for the adoption of ASC Topic 842.</p> <p>An entity that has adopted ASC Topic 842 as of November 11, 2021 should apply ASU No. 2021-09 on a modified retrospective basis to leases affected by the amendments existing as of the beginning of the fiscal year of adoption by adjusting the lease liability, which should be calculated based on the discount rate and remaining lease term at the beginning of the fiscal year of adoption. An entity should recognize the amount of the change in the lease liability as an adjustment to the corresponding right-of-use asset, unless:</p> <ol style="list-style-type: none"> 1. The carrying amount of the right-of-use asset is reduced to zero, in which case the entity should recognize any remaining amount of the adjustment to opening retained earnings at the beginning of the fiscal year of adoption. 2. The adjustment would increase a right-of-use asset that was previously impaired, in which case the entity should record the adjustment to opening retained earnings at the beginning of the fiscal year of adoption. 	Disclosure will retain on roll forward
New	An entity that has adopted ASC Topic 842 as of November 11, 2021 should not treat the adoption of ASU No. 2021-09 as an event that would require the	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>entity to:</p> <ol style="list-style-type: none"> 1. Remeasure and reallocate the consideration in the contract in accordance with ASC paragraph 842-10-15-36. 2. Reassess the lease term or a lessee option to purchase the underlying asset in accordance with ASC paragraph 842-10-35-1. 3. Remeasure the lease payments in accordance with ASC paragraph 842-10-35-4. 4. Reassess lease classification in accordance with ASC paragraph 842-10-25-1. <p><i>Note:</i> At the date of adoption of ASU No. 2021-09, an entity that has adopted ASC Topic 842 as of November 11, 2021 may choose to apply or discontinue using the risk-free rate for any class of underlying asset.</p>	
New	<p>11. Has a lessee that makes the accounting policy election in ASC paragraph 842-20-30-3 to use a risk-free rate as the discount rate disclosed its election and the class or classes of underlying assets to which the election has been applied? (ASC 842-20-50-10)</p> <p><i>(Note: This is applicable only for private companies.)</i></p>	
New	<p>12. Has an entity that has adopted ASC Topic 842 as of November 11, 2021, and that has adopted ASU No. 2021-09, disclosed the following as of the beginning of the fiscal year of adoption of ASU No. 2021-09 (rather than at the beginning of the earliest period presented) (ASC 842-10-65-6):</p>	
New	<p>a. The information required by ASC paragraphs 250-10-50-1(a) and (b)(3), if applicable?</p>	
New	<p>b. The recognized amount of changes in lease liabilities and corresponding right-of-use assets resulting from the transition adjustment?</p> <p><i>(Note: This is applicable only for private companies.)</i></p>	
Leases (ASC 842) Lessors		
New	<p><i>Note:</i> The presentation and disclosure requirements in item 14 below are prescribed by ASU No. 2021-05, Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments, which is effective as follows: (ASC 842-10-65-5)</p> <p>An entity that has not yet adopted ASU No. 2016-02 (as amended) as of July 19, 2021, should apply ASU No. 2021-05 when it first applies ASU No. 2016-02 (as</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>amended) and should apply the same transition method elected for ASU No. 2016-02 (as amended).</p> <p>An entity within the scope of ASC paragraph 842-10-65-1(a) that has adopted ASU No. 2016-02 (as amended) as of July 19, 2021, should apply ASU No. 2021-05 for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Earlier application is permitted.</p> <p>An entity within the scope of ASC paragraph 842-10-65-1(b) that has adopted ASU No. 2016-02 (as amended) as of July 19, 2021, should apply ASU No. 2021-05 for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Earlier application is permitted.</p>	
New	<p>An entity within the scope of ASC paragraphs 842-10-65-1(a) or (b) should apply ASU No. 2021-05 by using one of the following two methods:</p> <p>1. Retrospectively to the date in which ASU No. 2016-02 (as amended) was adopted (the beginning of the period of adoption of ASC Topic 842). Under this transition method, the entity should apply ASU No. 2021-05 to leases that commence or are modified on or after the beginning of the period of its adoption of ASC Topic 842 and do not meet the conditions in ASC paragraph 842-10-25-8.</p> <p>2. Prospectively to leases that commence or are modified on or after the date that the entity first applies ASU No. 2021-05 and do not meet the conditions in ASC paragraph 842-10-25-8.</p>	
New	14. Have the following transitional disclosures related to the adoption of ASU No. 2021-05 been made in the period of adoption (ASC 842-10-65-5):	
New	a. For an entity within the scope of ASC paragraphs 842-10-65-1(a) or (b) that elects the retrospective transition method above:	
New	(1) The applicable transition disclosures required by ASC Topic 250 on accounting changes and error corrections, except for the requirements in ASC paragraph 250-10-50-1(b)(2) and ASC paragraph 250-10-50-3 ?	
New	(2) The transition disclosures in ASC paragraph 250-10-50-1(b)(3) as of the beginning of the earliest period presented but not before the date in which ASU No. 2016-02 (as amended) was adopted?	
New	b. For an entity within the scope of ASC paragraphs 842-10-65-1(a) or (b) that elects the prospective transition method above:	
New	(1) The nature of and reason for the change in accounting principle?	
New	(2) The transition method?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
New	(3) A qualitative description of the financial statement line items affected by the change?	

Audit Programs (AUDs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
AUD-101 Overall Audit Program					
Modify	Updated practice alert regarding SAS No. 147, <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations</i>	Instructions	New or Revised Guidance	SAS No. 147, <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations</i>	
Modified	Added practice alert regarding SAS No. 146, <i>Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards</i> .	Instructions	New or Revised Guidance	SAS No. 146, <i>Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards</i> .	
Modify	Added language and practice point to Step 16 regarding communication of the significant risks at the planning stage of the audit for those who elect to do so in writing	Procedures	Enhancement		Steps will retain on roll forward if user selects to keep responses
Modify	Modified Step 57 to include SAS No. 142 requirements regarding information to be used as audit evidence; added practice point regarding relevance and reliability of information obtained from an external source	Instructions	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Step will reset on roll forward due to content changes.
Modify	Added Step 76 to consider whether the results of audit procedures provide a basis for concluding on the sufficiency and appropriateness of audit evidence obtained	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Added Step 77 to address inconsistencies in, or doubts about the reliability of, audit evidence	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses
Modify	Minor wording changes	Instructions, Procedures			Steps will retain on roll forward if user selects to keep responses
AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial or Reaudit Engagement					
Modify	Minor wording changes	Procedures			Steps will retain on roll forward if user selects to keep responses
AUD-602 Audit Program: Involvement of a Component Auditor					
Modify	Added practice point regarding involvement in the work performed by component auditors	Instructions	Clarification	AU-C Section 600, <i>Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)</i>	
AUD-603 Audit Program: Using the Work of an Auditor’s Specialist					
Modify	Updated practice alert regarding SAS No. 144, <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use of specialists and the Use of Pricing Information Obtained from External Information Sources</i>	Instructions	New or Revised Guidance	SAS No. 144, <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use of specialists and the Use of Pricing Information Obtained from External Information Sources</i>	
AUD-604 Audit Program: Using the Work of a Management’s Specialist					
Modify	Updated practice alert regarding SAS No. 144, <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use of specialists and the Use of Pricing Information Obtained from External Information Sources</i>	Instructions	New or Revised Guidance	SAS No. 144, <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use</i>	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
				<i>of specialists and the Use of Pricing Information Obtained from External Information Sources</i>	
Modify	Updated practice point regarding to competence, capabilities, and objectivity of the management's specialist to reflect the guidance being moved to AU-C Section 501, <i>Audit Evidence — Specific Considerations for Selected Items</i>	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	
Modify	Updated terminology to include SAS No. 142 requirements regarding information to be used as audit evidence	Procedures	SAS No. 142, <i>Audit Evidence</i>	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses
AUD-701 Audit Program: Designing Tests of Controls					
Modify	Updated practice alert regarding SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Instructions	New or Revised Guidance	SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	
Modify	Modified Steps 5, 6, 11 to address SAS No. 142 requirements regarding evaluating information to be used as audit evidence	Procedures	New or Revised Guidance	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses
Modify	Minor wording changes	Procedures			Steps will retain on roll forward if user selects to keep responses
AUD-801 Audit Program: Cash through AUD-821 Audit Program: Business Combinations					
Modify	Updated terminology to reflect SAS No. 142 requirements regarding audit evidence	Procedures	SAS No. 142, <i>Audit Evidence</i>	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses
Modify	Added new step "Information To Be Used As Audit Evidence"	Procedures	SAS No. 142, <i>Audit Evidence</i>	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	Updated practice point regarding sufficiency and appropriateness of audit evidence	Procedures	SAS No. 142, <i>Audit Evidence</i>	SAS No. 142, <i>Audit Evidence</i>	Steps will retain on roll forward if user selects to keep responses
Modify	Minor wording changes	Instructions, Procedures			Steps will retain on roll forward if user selects to keep responses
AUD-901 Audit Program: Subsequent Events, AUD-904 Audit Program: Compliance with Laws and Regulations , AUD-907 - 915					
Modify	Added new step “Information To Be Used As Audit Evidence”	Procedures	SAS No. 142, <i>Audit Evidence</i>	SAS No. 142, <i>Audit Evidence</i>	
AUD-908 Interim Review Program: Management Inquiries					
Modify	Modified Step 23 to read: Have actions taken at meetings of those charged with governance, stockholders, board of directors, committees of the board of directors, or comparable meetings that may affect the financial statements been appropriately reflected in the financial statements (e.g., approval of officer compensation, loan agreements, dividends, dispositions)?	Procedures	Enhancement		
Modify	Deleted duplicative step in “Other” section regarding the actions taken at meetings	Procedures	Improved Workflow		

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

- **AIDs 201-910** Updated terminology to reflect SAS No. 142 requirements regarding information to be used as audit evidence; minor wording changes.
- **AID-201** Modified practice alert regarding AICPA Ethics Interpretation, *Staff Augmentation Arrangements*; added Step 6 to address augmented staff; updated effective date for AICPA Ethics Interpretation, *Information System Services*.
- **AIDs 301, 810, 813, 817, 823, 825, 827, 832, 834, 840, 910** Modified instructions to reflect SAS No. 142 guidance regarding audit evidence and analytical procedures.
- **AID-303 Worksheet for Determination of Materiality** updated to remove sections related to performance materiality and trivial.
- **AID-702** Updated definitions of audit procedures; Section II table and instructions – clarified steps regarding procedures performed in the current period; updated requirements regarding audit evidence.
- **AID-846** Modified instructions to reflect SAS No. 142 requirements regarding corroborative or contradictory evidence.

Auditor’s Reports (RPTs) had no significant updates.

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

- **COR-216** Added language regarding communication of the significant risks at the planning stage of the audit for those who elect to do so in writing.
- **COR-813** Added rows for lease modifications / amendments.
- **COR-901** Modified language regarding management's evaluation of the entity's ability to continue as a going concern; added optional representation regarding completeness and availability of minutes.
- **CORs 201, 901A, 908, 909** Minor wording changes.

Resource Documents (RESs) have been modified and updated, where applicable, in accordance with current guidance.

- **RESs 001-029** Modified language to reflect SAS No. 142 requirements regarding audit evidence; minor wording changes.
- **RESs 001** New or revised guidance to address the requirements of SAS No. 142, *Audit Evidence*.
- **RESs 002, 031** Updated as needed.
- **RES-003** Added steps to address source of information, authenticity of documents, information in electronic form.
- **RES-007** Modified to reflect SAS No. 142 requirements regarding corroborative or contradictory evidence.
- **RESs 008, 019** Added practice alert regarding SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*.
- **RES-020** Added examples of threats to independence.
- **RES-028** Deleted.
- **RES-029** Renamed "Determining and Communicating Key Audit Matters (KAMS) Decision Tree When an Auditor has Been Engaged to Report Key Audit Matters".
- **RES-033: Determination of Materiality** - removed guidance related to performance materiality and trivial amounts.
- **RESs QCA, QCCR** Updated practice alert regarding *SAS No. 146, Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards*.

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:

- SAS No. 142, *Audit Evidence* (effective for periods ending on or after December 15, 2022);
- AICPA Ethics Interpretation, *Staff Augmentation Arrangements* (ET sec. 1.275.007).

The following standards have not been fully incorporated but are discussed in practice alerts:

- SAS No. 143, *Auditing Accounting Estimates and Related Disclosures* (effective for periods ending on or after December 15, 2023);
- SAS No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources* (effective for periods ending on or after December 15, 2023); and
- SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (effective for periods ending on or after December 15, 2023).

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>
KBA s	KNOWLEDGE-BASED AUDIT DOCUMENTS		
KBA-101	Overall Audit Strategy	X	
KBA-102	Engagement Completion Document	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies	X	
KBA-105	Review of Significant Accounting Estimates	X	
KBA-200	CIRA Information and Background	X	
KBA-201	Client/Engagement Acceptance and Continuance Form		
KBA-301	Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts		
KBA-302	Understanding the CIRA and Its Environment		
KBA-303	Inquiries of Management and Others within the CIRA about the Risks of Fraud and Noncompliance with Laws and Regulations		
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: Revenues, Receivables, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Property and Equipment		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-405	Understanding Activity-Level Controls: Other Assets		
KBA-406	Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements		
KBA-407	Understanding Activity-Level Controls: Payroll		
KBA-408	Understanding Activity-Level Controls: Treasury		
KBA-409	Understanding Activity-Level Controls: Income Taxes		
KBA-410	Understanding Activity-Level Controls: Financial Reporting and Closing Process		
KBA-411	Understanding Controls Maintained by a Service Organization		X
KBA-502	Summary of Risk Assessments	X	
KBA-503	Basis for Inherent Risk Assessment		
KBA-902	Audit Review and Approval Checklist		
KBA-904	Audit Documentation Checklist		
KBA-905	Review and Approval Checklist: Interim Review of Financial Information		
AUDs	AUDIT PROGRAMS		
AUD-100	Engagement-Level Tailoring Questions	X	
AUD-101	Overall Audit Program	X	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for Initial or Reaudit Engagements and Transition Periods		
AUD-602	Audit Program: Involvement of a Component Auditor		X
AUD-603	Audit Program: Using the Work of an Auditor's Specialist		X
AUD-604	Audit Program: Using the Work of a Management's Specialist		X
AUD-701	Audit Program: Designing Tests of Controls		
AUD-800	Audit Program: Custom		X
AUD-801	Audit Program: Cash		
AUD-802A	Audit Program: Investments		
AUD-802B	Audit Program: Derivative Instruments and Hedging Activities		
AUD-803	Audit Program: Receivables and Revenues		
AUD-804	Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets		
AUD-805	Audit Program: Intangible Assets		
AUD-806	Audit Program: Property and Equipment, and Depreciation		
AUD-807	Audit Program: Accounts Payable and Purchases		
AUD-808	Audit Program: Payroll and Related Liabilities		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-809	Audit Program: Income Taxes		
AUD-810	Audit Program: Debt and Lease Obligations		
AUD-811	Audit Program: Members' Equity/Fund Balances		
AUD-812	Audit Program: Other Income, Operating Expenses, and Major Repairs and Replacements Expenditures		
AUD-813	Audit Program: Journal Entries		
AUD-814	Audit Program: Related-Party Transactions		
AUD-815	Audit Program: Fair Value Measurements and Disclosures		
AUD-816	Audit Program: Variable Interest Entities		
AUD-817	Audit Program: Commitments and Contingencies		
AUD-818	Audit Program: Accounting Estimates		
AUD-819	Audit Program: Concentrations		
AUD-820	Audit Program: Business Combinations		
AUD-901	Audit Program: Subsequent Events		
AUD-902	Audit Program: Going Concern		
AUD-903	Audit Program: Consideration of Fraud		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
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: Financial Statement Review		
AUD-910	Audit Program: Specific Element, Account, or Item of a Financial Statement in Accordance with AU-C 805		
AUD-915	Audit or Interim Review Program: Auditor Involvement with Exempt Offering Documents		
AIDs	PRACTICE AIDs		
AID-201	Nonattest Services Independence Checklist		
AID-302	Understanding the CIRA'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-802	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.

Workpaper Requiring Association	What is it associated with?		
	Workpaper	Table/Question	Association Item (Custom Value)
KBA-411 Understanding Ctrls: 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: Component Auditor Involvement (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