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## LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

### *PPC's Guide to Homeowners' Associations and Other Common Interest Realty Associations*

Twenty-ninth Edition (July 2018)

#### Highlights of this Edition

The following are some of the important new features of the 2018 Edition of *PPC's Guide to Homeowners' Associations and Other Common Interest Realty Associations*:

- Revenue Recognition Standard Implementation.** This edition of the *Guide* has integrated the new revenue recognition accounting standards in FASB ASC 606, *Revenue from Contracts with Customers*. The new guidance, introduced by ASU 2014-09 and related amending ASUs, is effective for entities other than public companies for years beginning on or after December 15, 2018, and interim periods within years beginning on or after December 15, 2019. Early adoption is permitted, but no earlier than for years and interim periods beginning on or after December 15, 2016. This edition of the *Guide* includes discussion of specific implementation issues, along with updated programs and practice aids with new procedures and practical considerations, to help you navigate the transition. This edition of the *Guide* also retains the pre-FASB ASC 606 guidance and procedures for your continued use in audits of CIRAs that have not yet implemented the new revenue recognition standards.
- Hosting Services and Independence.** A new ethics interpretation, *Hosting Services* (ET 1.295.143), was issued in August 2017 and is effective on September 1, 2018. Under the new interpretation, the definition of hosting services has been added to encompass many services firms may be currently providing to their audit clients, and those services may impact their independence. This edition of the *Guide* and the related practice aids have been updated to address the implications of hosting services on auditor independence.
- Comprehensive and Practical Guidance.** This *Guide* provides comprehensive, practical guidance on auditing the financial statements of a homeowners' association. The information presented extends significantly beyond the matters presented in the professional literature that are part of generally accepted auditing standards (GAAS). This material focuses on how auditors can apply GAAS using a practical "how-to-do-it" approach so that audits can be conducted in an effective and efficient manner. The authors have provided interpretive guidance, practical tools, and other aids that auditors can integrate into most audits of homeowners' associations. This *Guide* also provides guidance and tools on performing compilation and review engagements. Additionally, much of the *Guide* is useful for accounting personnel employed by either management companies that serve the CIRA industry or the CIRA itself.
- Updated Disclosure Checklist.** We've updated the checklist for new disclosures required by several recently issued standards.

In addition to these featured items, your *Guide* includes the following update items detailed below.

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 1	1. Updated <i>older</i> population statistics.	Paragraph 102.8
Overview of Common Interest Realty Associations	2. Updated listing of management designations within the CIRA industry.	Paragraph 102.12

CHAPTER 3 Accounting Principles and Practices	1. Added a discussion on the presentation of restricted cash in the statement of cash flows for the issuance of ASU 2016-18, <i>Statement of Cash Flows (Topic 230): Restricted Cash, a consensus of the FASB Emerging Issues Task Force.</i>	Paragraph 301.12
	2. Updated a note for the issuance of ASU 2018-03, <i>Technical Corrections and Improvements to Financial Statements—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.</i>	Paragraph 302.2
	3. Updated the discussion of ASU 2014-09 (FASB ASC 606), to provide additional guidance on the new recognition standard.	Paragraph 303.22
	4. Added a footnote on the issuance of ASU 2018-01, <i>Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842.</i>	Paragraph 304.34
	5. Expanded the discussion of refundable security deposits.	Paragraph 309.32
	6. Expanded the list of other liabilities that CIRAs may report on the financial statements.	Paragraph 309.35
	7. Updated the discussion of CIRAs qualifying as tax-exempt.	Paragraph 311.11
	8. Added a footnote on the tax implications of H.R. 1, <i>An Act to Provide for Reconciliation to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018</i> , commonly referred to as the Tax Cuts and Jobs Act of 2017 (TCJA).	Paragraph 311.20
	9. Added a new section discussing FASB ASC 606, including unique considerations for CIRAs.	Section 312
CHAPTER 4 Financial Statement Presentation	1. Added a footnote on the financial statement illustrations not being updated for FASB ASC 606.	Appendixes 4A, 4B, 4C, and 4D
	2. Added “Income Tax” to the Summary of Significant Accounting Policies.	Appendix 4A-1
	3. Expanded the income tax discussion in Note D—Income Taxes.	Appendixes 4A-1 and 4B-1
CHAPTER 5 Income Taxes	1. Updated for the issuance of the TCJA.	Throughout
	2. Added a discussion on the timing requirements of IRS section 506.	Paragraph 504.15
	3. Updated the list of selected private letter rulings relating to tax-exempt CIRAs.	Exhibit 5-15
	4. Updated the list of Private Letter Rulings that resulted in the revocation of exempt status.	Paragraph 504.41
	5. Updated for the latest IRS forms 1120-H and 1120.	Appendixes 5A-1 and 5A-2
CHAPTER 6 Pre-engagement Activities and Audit Planning	1. Added a footnote or discussion on implementation of FASB ASC 606 and the impact on the risk assessment and planning process.	Throughout
	2. Added a footnote on PEEC adopting revised definitions of <i>attest client</i> and <i>client</i> .	Paragraph 601.16

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| 3. Added a footnote discussing AICPA and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) fraud tools.  | Paragraph 604.8                  |
| 4. Added discussion on inquiries related to the entity's ability to continue as a going concern.   | Paragraph 604.35                 |
| 5. Added a footnote on PEEC's exposure draft of a Proposed Interpretation entitled <i>Responding to Non-Compliance With Laws and Regulations</i> .   | Paragraph 604.37                 |
| 6. Expanded the list of matters to be discussed during the engagement team discussion.   | Paragraph 604.50                 |
| 7. Added a discussion and footnote on the AICPA's Technical Question and Answer, <i>Obtaining an Understanding of Internal Control Relevant to the Audit</i> (Q&A 8200.18).  | Paragraph 606.3                  |
| 8. Added a discussion on the AICPA's Technical Question and Answer, <i>Obtaining an Understanding of the Controls Relevant to the Audit</i> (Q&A 8200.19).   | Paragraphs 606.7 and 606.12      |
| 9. Added a discussion on cybersecurity.  | Paragraphs 606.21–.24            |
| 10. Added a footnote on the AICPA's Technical Question and Answer, <i>Obtaining an Understanding of the Business Processes Relevant to Financial Reporting and Communication</i> (Q&A 8200.17).  | Paragraphs 606.47 and 606.50     |
| 11. Added a footnote discussing walkthroughs of significant revenue streams after the implementation of FASB ASC 606.  | Paragraph 606.60                 |
| 12. Added a discussion on the AICPA's nonauthoritative guidance on control activities related to the audit, including the AICPA's Technical Question and Answer, <i>Control Activities That Are Always Relevant to the Audit</i> (Q&A 8200.20) and the AICPA's Technical Question and Answer, <i>Control Activities That May Be Relevant to the Audit</i> (Q&A 8200.21). | Paragraph 606.84                 |
| 13. Added a footnote on the use of SSAE No. 18, <i>Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting</i> , by service auditors.   | Paragraph 606.95                 |
| 14. Added a discussion on revenue-related fraud risk under FASB ASC 606.   | Paragraphs 607.33–.35            |
| 15. Updated the discussion of the sampling applications in CIRA audits for tests of revenue transactions.  | Paragraph 609.13 and Exhibit 6-6 |
| 16. Expanded discussion of choosing between core audit programs and specified risk audit programs.   | Paragraphs 610.6–.7              |
| 17. Added a footnote on AICPA audit documentation resources.   | Paragraph 610.18                 |
| 18. Expanded the list of audit documentation recommendations.  | Paragraph 610.44                 |
| 19. Expanded the steps for documenting materiality.  | Appendix 6B                      |

CHAPTER 7 Performing Substantive Procedures	1. Added a footnote discussing the AICPA Audit and Accounting Guide, <i>Revenue Recognition</i> .	Paragraph 700.12
	2. Added a footnote discussing FASB ASC 606.	Paragraphs 700.18, 702.8, and 703.64
	3. Moved discussion on developing expectations from Chapter 9 to Chapter 7.	Paragraphs 702.10–.12
	4. Added a footnote discussing the issuance of FASB ASU 2017-12, <i>Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities</i> .	Paragraph 703.10
	5. Added a footnote discussing the issuance of a proposed FASB ASU, <i>Debt (Topic 470): Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent)</i> .	Paragraph 703.49
	6. Added a discussion on revenue-related fraud risk under FASB ASC 606.	Paragraphs 703.78–.79
CHAPTER 8 Concluding the Audit	1. Added a footnote discussing FASB ASC 606.	Paragraph 802.13
	2. Added a footnote discussing the issuance of FASB ASU 2016-01, <i>Recognition and Measurement of Financial Assets and Financial Liabilities</i> .	Paragraph 802.26
	3. Revised the discussion of the auditor’s responsibilities for evaluating an entity’s ability to continue as a going concern since SAS No. 132, <i>The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern</i> , is effective.	Section 805
	4. Updated and expanded the discussion of management representation letters.	Section 806
	5. Added a footnote discussing the issuance of a proposed SAS, <i>The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports</i> .	Paragraph 811.15
	6. Added a footnote discussing the issuance of an exposure draft of a proposed interpretation, <i>Responding to Non-Compliance With Laws and Regulations</i> .	Paragraph 813.49
	7. Added a note on the AICPA’s exposure drafts of four proposed statements on auditing standards relating to Auditor’s Reports.	Appendix 8A-1
CHAPTER 9 Compilation and Review Engagements	1. Streamlined the discussions to emphasize content relevant to compilation and review engagements.	Throughout
	2. Updated SSARS references and guidance for the issuance of SSARS No. 24, <i>Omnibus Statement on Standards for Accounting and Review Services—2018</i> .	Throughout
	3. Expanded the list of compilation and review literature to include AR-C 100, <i>Special Considerations—International Reporting Issues</i> , and AR-C 120, <i>Compilation of Pro Forma Financial Information</i> .	Paragraph 901.3
	4. Added a discussion on SSARS No. 24.	Paragraph 901.4

	5. Added a discussion on the <i>Guide</i> 's "Trial Balance Preparation Checklist" at HOA-CR-6.	Paragraph 902.16
	6. Added a discussion on obtaining reports from using the work of other accountants in a review engagement.	Paragraphs 904.13–.15
	7. Added a discussion on going concern considerations in a review engagement.	Paragraphs 904.16–.21
	8. Expanded the discussion on required workpapers.	Paragraphs 905.5 and 905.9
	9. Revised the discussion on required reporting elements.	Paragraphs 906.3–.6
	10. Added a discussion on interim reporting.	Paragraphs 906.9–.10
	11. Expanded the discussion of reporting on comprehensive income.	Paragraph 906.15
	12. Added a discussion on reporting when there are departures from the applicable reporting framework.	Paragraphs 906.16–.18
	13. Added a discussion on reporting on supplementary information.	Paragraphs 906.22–.24
	14. Updated and reorganized the appendixes.	Appendixes 9A and 9B
CHAPTER 10 Timeshare Developments	1. Added a brief discussion on CIRA revenue recognition implementation issues.	Paragraphs 1002.16–.17
CHAPTER 11 Cooperative Housing Corporations	1. Added a discussion on the Bipartisan Budget Act of 2018 as a tax benefit for tenant-shareholders.	Paragraph 1101.38
CHAPTER 12 State Requirements	1. Updated the index to California Davis-Stirling Common Interest Development Act.	Appendix 12B-1
CHECKLISTS AND PRACTICE AIDS (HOA-CX)		
Instructions	1. Expanded the instructions to reiterate the frequency of updates.	HOA-CX-0
Engagement Independence Compliance and Nonattest Services Documentation Form	2. Revised the instructions to discuss the various parts included in the form. 3. Added a practical consideration discussing the AICPA's new ethics interpretation on hosting services.	HOA-CX-1.2 HOA-CX-1.2
Financial Statement Materiality Worksheet for Planning Purposes	4. Updated the benchmarks and illustrative percentages in Table 2. 5. Expanded the practical considerations on selecting a benchmark.	HOA-CX-2.1 HOA-CX-2.1
Understanding the Entity and Identifying Risks	6. Added practical considerations discussing the implementation of FASB ASC 606. 7. Added practical considerations regarding identifying and assessing risk when implementing new accounting standards.	HOA-CX-3.1 HOA-CX-3.1

	8. Added practical considerations discussing the AICPA Audit and Accounting Guide, <i>Revenue Recognition</i> , and the AICPA Audit Risk Alert, <i>Revenue Recognition: Accounting and Auditing Considerations—2016/17</i> .	HOA-CX-3.1
Engagement Team Discussion	9. Added a practical consideration regarding the engagement team discussion and the implementation of FASB ASC 606 and modified another practical consideration regarding the consideration of other significant new accounting standards.	HOA-CX-3.2
Fraud Risk Inquiries Form	10. Added a practical consideration discussing the implementation of FASB ASC 606.	HOA-CX-3.3
	11. Added a practical consideration regarding identifying and assessing risk when implementing new accounting standards.	HOA-CX-3.3
Understanding the Design and Implementation of Internal Control	12. Added practical considerations regarding the risks and other matters related to the implementation of FASB ASC 606.	HOA-CX-4.1
	13. Added practical considerations regarding new AICPA Technical Questions & Answers 8200.17–21.	HOA-CX-4.1
Entity-level Control Form for Control Environment	14. Added a new internal control relating to the audit committee meeting with the external auditor.	HOA-CX-5.1
Entity-level Control Form for General IT Controls	15. Added new internal controls on peripherals and IT cybersecurity.	HOA-CX-5.5
Control Activities Form for Receivables and Revenue	16. Added additional controls related to FASB ASC 606.	HOA-CX-5.8
Risk Assessment Summary Form	17. Revised the instructions and added a footnote discussing assessing the risk of material misstatement at the relevant assertion level.	HOA-CX-7.1
Substantive Analytical Procedures Worksheet	18. Updated the instructions for describing data to be used.	HOA-CX-9.1
Ratio Analysis Worksheet	19. Changed terminology in certain common ratios and added new ratios used in analytical procedures.	HOA-CX-9.2
Audit Difference Evaluation Form	20. Added a practical consideration regarding FASB ASC 606.	HOA-CX-12.2
Disclosure Checklist	21. Updated the checklist for disclosure requirements of recently issued professional accounting standards.	HOA-CX-13
Going Concern Checklist	22. Updated due to the effective date of SAS No. 132 (AU-C 570).	HOA-CX-16.1
Confirmation and Correspondence Control	23. Added a confirmation letter to confirm customer contract terms.	HOA-CX-17.4

CONFIRMATION AND  
CORRESPONDENCE  
LETTERS (HOA-CL)

General	1. Modified language and practical considerations to incorporate electronic communications.	Throughout
	2. Expanded the instructions to reiterate the frequency of updates.	HOA-CL-0
Audit Engagement Letter	3. Updated the language in the letter for audit procedures to state that the auditor does not express an opinion on internal control. Also, updated the letter for management's responsibilities for internal controls.	HOA-CL-1.1
	4. Added a practical consideration to indicate that the financial statements listed should correspond to those being audited.	HOA-CL-1.1
	5. Revised a practical consideration on communication with those charged with governance in connection with group audits.	HOA-CL-1.1
	6. Expanded the practical consideration on other clauses auditors might use to limit their exposure to legal liability and other losses to include email security.	HOA-CL-1.1
Management Representation Letters	7. Added matters relating to FASB ASC 606 to the practical consideration on common representations.	HOA-CL-3.1 and HOA-CL-3.2
	8. Added and updated practical considerations discussing disclosures made by management relating to terms of contracts with customers.	HOA-CL-3.1 and HOA-CL-3.2
	9. Updated and expanded the listing of information provided by management.	HOA-CL-3.2
Receivables Confirmations and Letters	10. Added a confirmation letter to confirm customer contract terms.	HOA-CL-7.6
Request for Plan Asset Information—Defined Benefit Pension and Other Postretirement Benefit Plans	11. Updated the practical consideration to address FASB ASU 2017-07, <i>Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost</i> , and proposed FASB ASU, <i>Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Changes to the Disclosure Requirements for Defined Benefit Plans</i> .	HOA-CL-11.1 and HOA-CL- 11.2
Other Confirmations and Letters	12. Added a footnote on management providing listing of related parties.	HOA-CL-12.4
AUDIT PROGRAMS— CORE (HOA-AP)		
Instructions	1. Expanded the instructions to reiterate the frequency of updates.	HOA-AP-Instructions

Audit Program for General Planning Procedures	2. Added a practical consideration discussing the AICPA's <i>Guide to Audit Data Analytics</i> .	HOA-AP-1
Other General Planning Procedures	3. Added a practical consideration on the control risk assessment regarding the use of service organizations.	HOA-AP-1, Other General Planning Procedures
	4. Expanded a step on evaluating the date of a service auditor's report.	HOA-AP-1, Other General Planning Procedures
	5. Added a practical consideration on services provided by a subservice organization when there is the use of a service organization.	HOA-AP-1, Other General Planning Procedures
Audit Program for General Auditing and Completion Procedures	6. Added practical considerations discussing the AICPA's proposed SAS, <i>Omnibus Statement on Auditing Standards—2018</i> .	HOA-AP-2
	7. Added a practical consideration referencing the discussion on the disclosure of supplementary information that is not required.	HOA-AP-2
	8. Modified procedure and practical considerations on going concern.	HOA-AP-2
	9. Added a practical consideration on the AICPA's exposure draft of four proposed SASs relating to auditor's reports.	HOA-AP-2
	10. Added a practical consideration for audit documentation, including AICPA audit documentation resources.	HOA-AP-2
Other General Auditing and Completion Procedures	11. Added a practical consideration on the AICPA's exposure draft of a proposed SAS, <i>The Auditor's Responsibilities Relating to Other Information Included in Annual Reports</i> .	HOA-AP-2
	12. Clarified various practical considerations for the issuance of ASU 2016-01.	HOA-AP-2
	13. Updated a practical consideration discussing a proposed ASU, <i>Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</i> .	HOA-AP-2
	14. Added a step on whether related party transactions have been approved by those charged with governance.	HOA-AP-2
Audit Program for Cash (Including Interest- bearing Deposits)	15. Updated and expanded a procedure and practical considerations on confirmation of cash balances.	HOA-AP-3, Basic Procedures
	16. Modified a procedure on classification of cash.	HOA-AP-3, Basic Procedures
Audit Program for Receivables	17. Expanded a practical consideration on ASU 2016-13, <i>Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</i> .	HOA-AP-4, Basic Procedures
	18. Modified a step for related party receivables.	HOA-AP-4



Other Audit Procedures for Receivables	19. Expanded a practical consideration on ASU 2016-13.	HOA-AP-4
Audit Program for Property and Equipment	20. Modified a practical consideration on ASU 2016-02 and added a practical discussion about a subsequent ASU and several proposed ASUs that would impact the guidance relating to ASU 2016-02.	HOA-AP-7, Basic Procedures
	21. Added a practical consideration on examples of events and circumstances that may be indicators for the assessment of impairment.	HOA-AP-7, Extended Procedures
Other Audit Procedures for Property and Equipment	22. Added a practical consideration discussing a subsequent ASU and several proposed ASUs that would impact the guidance relating to ASU 2016-02.	HOA-AP-7
	23. Added a step and practical considerations for sales of real estate after the adoption of FASB ASC 606.	HOA-AP-7
Audit Program for Investments and Derivatives	24. Updated a practical consideration discussing ASU 2016-01.	HOA-AP-8, Basic Procedures
	25. Modified and added practical considerations on debt and equity securities.	HOA-AP-8, Basic Procedures
Other Audit Procedures for Investments and Derivatives	26. Added a practical consideration on ASU 2017-12.	HOA-AP-8
	27. Added a practical consideration on a proposed ASU, <i>Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities</i> .	HOA-AP-8
Audit Program for Other Assets	28. Modified a step to observe physical inventory, if necessary.	HOA-AP-9, Basic Procedures
	29. Added a practical consideration addressing impairment of goodwill.	HOA-AP-9, Basic Procedures
	30. Added a practical consideration on auditors observing client inventory counts.	HOA-AP-9
Other Audit Procedures for Other Assets	31. Expanded a practical consideration on FASB ASC 606 related to deferred advertising costs.	HOA-AP-9
Audit Program for Accounts Payable and Other Liabilities	32. Added a step on updating an understanding of accrued liability accounts.	HOA-AP-10, Basic Procedures
	33. Modified steps and practical considerations on confirmation procedures.	HOA-AP-10, Extended Procedures
	34. Modified a practical consideration on the alternative procedures for nonreplies to confirmations.	HOA-AP-10, Extended Procedures
Other Audit Procedures for Accounts Payable and Other Liabilities	35. Added practical considerations on ASU 2017-07.	HOA-AP-10
	36. Added a practical consideration on ASU 2014-09.	HOA-AP-10
Audit Program for Debt and Related Liabilities	37. Modified a practical consideration discussing a proposed ASU, <i>Debt (Topic 470): Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent)</i> .	HOA-AP-11, Basic Procedures

	38. Updated and expanded a procedure and practical considerations on confirmation of notes or financing arrangements.	HOA-AP-11, Basic Procedures
	39. Added a practical consideration on verifying the validity of nontraditional confirmation replies.	HOA-AP-11, Basic Procedures
Audit Program for Income Taxes	40. Added a practical consideration on the TCJA and recent FASB activity.	HOA-AP-12, Basic Procedures
	41. Added a practical consideration on the presentation of an unrecognized tax benefit.	HOA-AP-12, Basic Procedures
Audit Program for Equity	42. Added a new step on reading or updating the understanding of equity instruments.	HOA-AP-13, Basic Procedures
Audit Program for Revenue, Operating Expenses, and Major Repair and Replacement Expenditures	43. Added a note discussing the applicability of steps before and after implementation of FASB ASC 606.	HOA-AP-14, Basic Procedures and Extended Procedures
	44. Updated the discussion on the AICPA Audit and Accounting guide, <i>Revenue Recognition</i> .	HOA-AP-14, Basic Procedures
	45. Added a practical consideration on the presumption of the existence of fraud risk involving improper revenue recognition.	HOA-AP-14, Basic Procedures
	46. Added a step and practical considerations on discussing FASB ASC 606 implementation with management.	HOA-AP-14, Basic Procedures
	47. Added practical consideration on historical relationships between receivables and revenue changing due to implementation of FASB ASC 606.	HOA-AP-14, Basic Procedures
	48. Modified the step to identify large, unusual, and complex revenue transactions	HOA-AP-14, Basic Procedures
	49. Added a practical consideration for audit procedures to test revenue after the adoption of FASB ASC 606.	HOA-AP-14, Extended Procedures
Other Audit Procedures for Revenue, Operating Expenses, and Major Repair and Replacement Expenditures	50. Updated the instructions to discuss the inclusion of FASB ASC 606 in the other audit procedures.	HOA-AP-14, Other Audit Procedures
	51. Added a practical consideration discussing the different types of contracts with customers (members) relevant to CIRAs.	HOA-AP-14, Other Audit Procedures
	52. Added a practical consideration identifying common CIRA revenue streams.	HOA-AP-14, Other Audit Procedures
	53. Added a practical consideration noting that FASB ASC 606 modified accounting requirements for deferred revenue recognition.	HOA-AP-14, Other Audit Procedures
	54. Added a section and referencing footnotes for revenue-related audit procedures after the adoption of FASB ASC 606 that contains basic, extended, and other audit procedure steps.	HOA-AP-14, Other Audit Procedures
INITIAL AUDIT PRACTICE AIDS (HOA-IA)		
Instructions	1. Expanded the instructions to reiterate the frequency of updates.	HOA-IA-0

Additional Audit Procedures for Property and Equipment Beginning Balance in Initial Audit	2. Added a new step on support for authorization of property and equipment opening balances.	HOA-IA-7
Additional Audit Procedures for Other Assets Beginning Balance in Initial Audit	3. Updated steps for impairment testing.	HOA-IA-9
Additional Audit Procedures for Equity Beginning Balance in Initial Audit	4. Modified a step on the inspection of certain documents to gain an understanding of the entity's capital structure.	HOA-IA-13
<b>COMPILATION AND REVIEW PRACTICE AIDS (HOA-CR)</b>		
Instructions	1. Expanded the instructions to reiterate the frequency of updates.	HOA-CR-0
Engagement Acceptance and Continuance Form—Compilation or Review	2. Added a practical consideration discussing the AICPA's new ethics interpretation on hosting services.	HOA-CR-1
Checklist for a Step-down Engagement (Audit to Review Compilation, or Preparation/Review to Compilation or Preparation/Compilation to Preparation)	3. Updated the AICPA CAR Guide and SSARS references.	HOA-CR-2
Engagement Letters	4. Added a note on considerations in addressing the engagement letter.	HOA-CR-3.1
	5. Updated and added footnotes on supplementary information accompanying the compiled financial statements.	HOA-CR-3.1
	6. Added a footnote related to financial statements prepared in conformity with a special purpose framework.	HOA-CR-3.1
	7. Added a note on considerations in addressing the engagement letter.	HOA-CR-3.2
	8. Updated and added footnotes on supplementary information accompanying the reviewed financial statements.	HOA-CR-3.2
	9. Added a note discussing when the accountant decides to accept responsibility for internal control relevant to the preparation and fair presentation of financial statements and the effect on independence.	HOA-CR-3.2

Client Information Form—Compilation and Review	10. Updated the form for clarity and added questions related to related parties, significant assets and liabilities, and compensation/benefits policies.	HOA-CR-4
Compilation and Review Procedures, Review and Approval Forms	11. Added a practical consideration discussing the AICPA's new ethics interpretation on hosting services.	HOA-CR-5.1 and HOA-CR-5.2
	12. Updated the instructions for the implementation of SSARS No. 24.	HOA-CR-5.2
	13. Added a procedure for communication with other accountants.	HOA-CR-5.2
	14. Expanded the list of considerations when evaluating materiality.	HOA-CR-5.2
	15. Added procedure and practical considerations for considering going concern after the adoption of SSARS No. 24.	HOA-CR-5.2
	16. Added a procedure to acknowledge the acceptability of financial reporting framework.	HOA-CR-5.2
Inquiry and Analytical Procedures Program—Review	17. Updated the instructions for clarity.	HOA-CR-7
	18. Added and revised procedures for clarity.	HOA-CR-7
Compilation Reporting Checklist	19. Added a representation related to financial statements prepared with a contractual basis of accounting.	HOA-CR-8.1
Review Reporting Checklist	20. Updated the instructions for the implantation of SSARS No. 24.	HOA-CR-8.2
	21. Added a representation related to financial statements prepared with a contractual basis of accounting.	HOA-CR-8.2
	22. Added a representation and practical consideration for the going concern assumption after the adoption of SSARS No. 24.	HOA-CR-8.2
	23. Added a representation and practical consideration for the going concern assumption after the adoption of SSARS No. 24.	HOA-CR-9
Illustrative Representation Letters	24. Added a new representation related to the entity's books and records being complete.	HOA-CR-9
	25. Added a footnote to include a reference to an illustrative representation letter when financial statements are prepared using a special purpose framework.	HOA-CR-9
	26. Added a practical consideration discussing the AICPA's new ethics interpretation on hosting services.	HOA-CR-9
INTERIM REVIEW PRACTICE AIDS (HOA-IR)		
Instructions	1. Expanded the instructions to reiterate the frequency of updates.	HOA-IR-0

Interim Review Program	2. Added practical considerations regarding implementing a significant new accounting standard.	HOA-IR-2
	3. Added a practical consideration discussing the implementation of FASB ASC 606.	HOA-IR-2
Interim Review Inquiries Checklist	4. Added practical considerations regarding implementing a significant new accounting standard.	HOA-IR-3
	5. Revised the receivables inquiry for cutoff.	HOA-IR-3
	6. Added a practical consideration discussing the implementation of FASB ASC 606.	HOA-IR-3
	7. Added a new inquiry for revenues and expenses related to FASB ASC 606.	HOA-IR-3
Misstatement Evaluation Form—Interim Review	8. Added a practical consideration discussing the implementation of FASB ASC 606.	HOA-IR-4
Disclosure Requirements for Condensed Interim Financial Information of CIRAs	9. Updated the checklist for disclosure requirements of recently issued professional accounting standards.	HOA-IR-5
Management Representation Letter—Interim Review	10. Modified a practical consideration to add additional representations on matters specific to the Association’s operations or industry related to FASB ASC 606.	HOA-IR-6

