

Table of Required Elements and Changes



Required Element	Comment
a. A title	<i>No change</i>
b. An addressee	<i>Form usually includes addressee</i>
c. An introductory paragraph that identifies the financial statements audited	<i>No change</i>
d. A description of management's responsibility	Revised wording: Management is responsible for the preparation and fair presentation of these financial statements in accordance with the [<i>state basis of accounting</i>]. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
e. A reference to management's responsibility for determining that the applicable financial reporting framework is acceptable when management has a choice of financial reporting frameworks to use	Note that often regulators prescribe the financial reporting framework to be used, in which case this is not applicable.
f. A description of the purpose for which the financial statements are prepared or reference to a note in the financial statements that contains that information in certain circumstances	<i>New requirement</i> that now pertains to all financial statements prepared in accordance with a regulatory or contractual basis of accounting, or an other basis of accounting

	when the auditor is required to include an alert that restricts the use of the auditor's report
g. A description of the auditor's responsibility to express an opinion on the financial statements (or special purpose financial statements) and the scope of the audit, that includes	See below
i. A reference to GAAS and, if applicable, the law or regulation	<i>No change</i>
ii. A description of an audit in accordance with those standards	<p>Revised wording:</p> <p>Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting</p>

	<p>estimates made by management, as well as evaluating the overall presentation of the financial statements.</p> <p>We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p>
<p><i>h.</i> An opinion paragraph containing an expression of opinion on the financial statements (or special purpose financial statements) and a reference to the general purpose framework (or special purpose framework) used to prepare the financial statements (or special purpose framework), including identifying the origin of the framework</p>	<p><i>No Change</i></p>
<p><i>i.</i> An <i>emphasis-of-matter</i> paragraph that indicates that the financial statements are prepared in accordance with a special purpose framework</p>	<p><i>The placement of the paragraph within the auditor's report has changed; however, the placement may vary in a prescribed form</i></p>
<p><i>j.</i> An <i>other-matter</i> paragraph that restricts the use of the auditor's report when the financial statements are not intended for general use</p>	<p><i>No change</i></p>
<p><i>k.</i> The auditor's signature</p>	<p><i>No change</i></p>
<p><i>l.</i> The auditor's city and state</p>	<p>New requirement; however many prescribed forms request this</p>
<p><i>m.</i> The date of the auditor's report</p>	<p><i>No change</i></p>

DISCLAIMER: This publication has not been approved, disapproved or otherwise acted upon by any senior committees of, and does not represent an official position of, the American Institute of Certified Public Accountants. It is distributed with the understanding that the contributing authors and editors, and the publisher, are not rendering legal, accounting, or other professional services in this publication. If legal advice or other expert assistance is required, the services of a competent professional should be sought. Copyright © 2014 by American Institute of Certified Public Accountants, Inc. New York, NY 10036-8775. All rights reserved. For information about the procedure for requesting permission to make copies of any part of this work, please email copyright@aicpa.org with your request. Otherwise, requests should be written and mailed to the Permissions Department, AICPA, 220 Leigh Farm Road, Durham, NC 27707-8110.