

# NFP Accounting & Audit Update

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## Presentation Roadmap

- New auditing standards and what it means for you (SASs 134-140)
- Accounting standards effective in 2021: Gifts-In-Kind
- Accounting standards effective in the future: Leases
- Covid-19 funding and compliance update



# New Auditing Standards And What It Means For You

## SAS 134, Auditor Reporting

- Significant changes to the auditor's report:
  - "Opinion" section to be presented first
  - "Basis for Opinion" section presented second and includes a statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities
  - Expands the description of the auditor's responsibilities and managements responsibilities relating to going concern evaluation when required.
- Requires the auditor to communicate with those charged with governance about the significant risks identified by the auditor.

## SAS 135, Omnibus Statement on Auditing Standards

- Amendments intended to enhance audit quality by heightening the auditor's focus on related parties and significant unusual transactions
- New matters the auditor is required to communicate to those charged with governance:
  - Significant findings from related party transactions and significant unusual transactions
  - Difficult or contentious matters which the auditor consulted outside the engagement team
  - Uncorrected misstatements or the matters underlying them could potentially cause future-period financial statements to be materially misstated.



## Related Parties

- Inquiry of management and others within the entity about the business purpose of entering into a transaction with a related party versus an unrelated party.
- Inquiry of those charged with governance about the entity's related party relationships and transactions.
- Requirement for the auditor to evaluate whether the entity has properly identified its related party relationships and transactions.

## Significant Unusual Transactions

- Significant unusual transactions are significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual due to their timing, size, or nature.
- Inquiries of management and those charged with governance about whether the entity has entered into any significant unusual transactions.
- If significant unusual transactions are identified, the auditor should inquire of management about the nature, terms, and business purpose (or the lack thereof) of the transactions and whether such transactions involved related parties.



# Accounting Standards Effective in 2021





## Gifts-In-Kind (ASU 2020-07)

- Effective for periods beginning after June 15, 2021 (Starting with June 30, 2022 year ends).
- Objective is to increase transparency about contributed nonfinancial assets, including how they are used and how they are valued.
- Applies to contributions of nonfinancial assets (fixed assets, the use of fixed assets, materials and supplies, intangibles, services, etc.).
- Retrospective application is required if presenting comparative financial statements.



## Gifts-In-Kind: Why is Transparency Important?

- Many NFP's receive and use significant amounts of gifts-in-kind (GIK).
- The value of GIK can impact key metrics such as the program expense ratio.
- Can also have significant implications for the financial and/or programmatic sustainability.



## Gifts-In-Kind: Overview Of Requirements

- Does not change how not-for-profit organizations recognize and measure gifts-in-kind.
- Present contributed nonfinancial assets as a separate line item in Statement of Activities.
- Disclose information about how the assets are used or monetizing, any associated donor restrictions, and how they are valued.
- Required to disclose the types of contributed nonfinancial assets that have been recognized during the reporting period by category.

# Gifts-In-Kind: Separate Line Example Presentation

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains, and other support</b>			
Contributions, primarily from individuals:			
Cash and other financial assets	67,920	74,330	142,250
In-kind	127,760		127,760
Government grants	52,600	-	52,600
Other income	66,580	-	66,580
Net assets released from restrictions	19,200	(19,200)	-
<b>Total revenues, gains, and other support</b>	<b>334,060</b>	<b>55,130</b>	<b>389,190</b>
<b>Expenses</b>			
Animal shelter operations	212,960	-	212,960
Supporting services:			-
Management and general	20,385	-	20,385
Fundraising	21,570	-	21,570
<b>Total expenses</b>	<b>254,915</b>	<b>-</b>	<b>254,915</b>
<b>Change in net assets</b>	<b>79,145</b>	<b>55,130</b>	<b>134,275</b>

# Gifts-In-Kind: Separate Column Example Presentation

	Without Donor Restrictions			With Donor Restrictions	Total
	In-Kind	Other	Total		
<b>Revenues, gains, and other support</b>					
Contributions, primarily from individuals	127,760	67,920	195,680	74,330	270,010
Government grants	-	52,600	52,600	-	52,600
Other income	-	66,580	66,580	-	66,580
Net assets released from restrictions	-	19,200	19,200	(19,200)	-
<b>Total revenues, gains, and other support</b>	<b>127,760</b>	<b>206,300</b>	<b>334,060</b>	<b>55,130</b>	<b>389,190</b>
<b>Expenses</b>					
Animal shelter operations	111,570	101,390	212,960	-	212,960
Supporting services:					
General and Administrative	-	20,385	20,385	-	20,385
Fundraising	-	21,570	21,570	-	21,570
<b>Total expenses</b>	<b>111,570</b>	<b>143,345</b>	<b>254,915</b>	<b>-</b>	<b>254,915</b>
<b>Change in net assets</b>	<b>16,190</b>	<b>62,955</b>	<b>79,145</b>	<b>55,130</b>	<b>134,275</b>

# Gifts-In-Kind: Disclosure Example

## Contributed Nonfinancial Assets

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the statement of activities included:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Food	\$ 18,357	\$ -
Legal services	2,500	-
Vehicles	-	14,367
	<u>\$ 20,857</u>	<u>\$ 14,367</u>



## Gifts-In-Kind: Disclosure Example

NFP recognized contributed nonfinancial assets within revenue, including contributed food, legal services, and vehicles. With the exception of contributed vehicles, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed food was utilized in the Food Pantry program to provide free meals. In valuing food, NFP estimated the fair value on the basis of estimates provided that would be received for selling similar products. Contributed legal services recognized were from attorneys advising on various administrative matters. The estimated fair value was based on rates for similar services.

NFP has a policy to sell all contributed vehicles immediately upon receipt. Donors contributed two vehicles during the year and restricted the proceeds to the Food Pantry program. All vehicles were sold and valued based on the cash received.



## Gifts-In-Kind: Commonly Missed Gifts-In-Kind

- Contributed advertisement and radio time
- Contributed use of facilities/utilities
- Contributed personnel costs from an affiliate
- Contributions for fundraisers
- Contributed administration costs
- Below-market interest rates





## Other Accounting Standards Updates Effective In 2021

- ASU 2018-15 Cloud Computing Implementation Costs, ASC 350-40
- ASU 2021-01 Reference Rate Reform, ASC 848
- ASU 2021-03 Goodwill, ASC 350



# Accounting Standards Effective In The Future



## Leases (Topic 842) – Overview

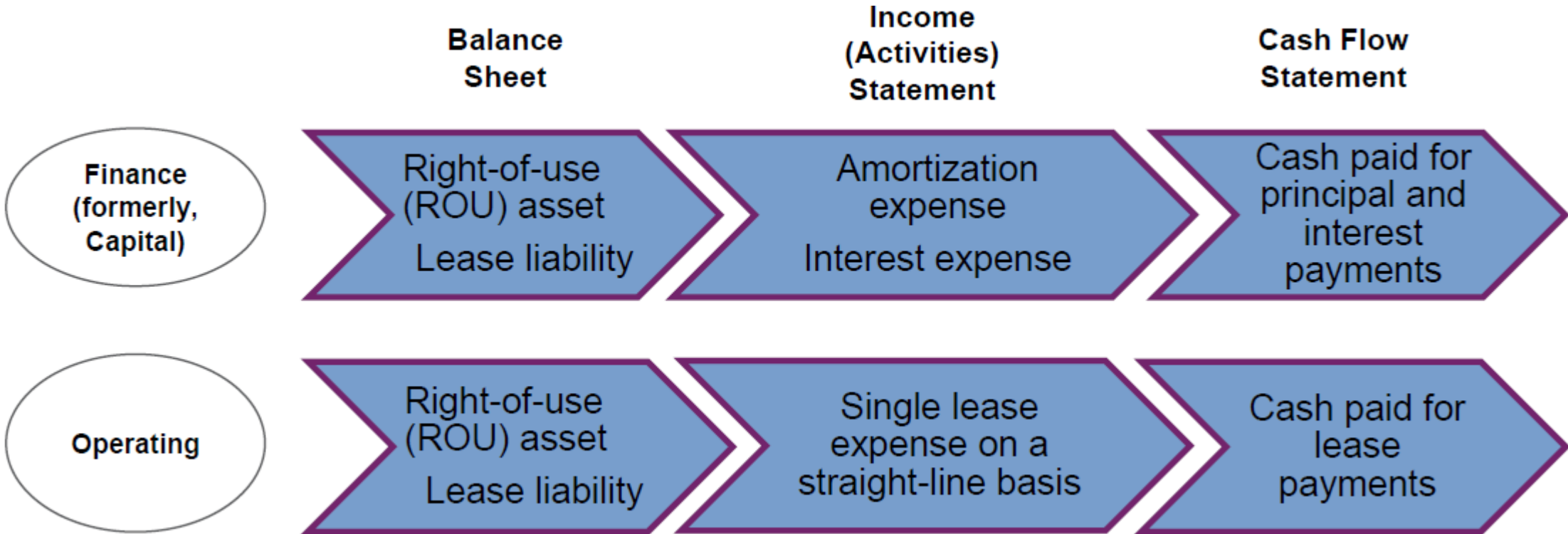
- Fiscal years beginning after December 15, 2021 (Calendar year 2022).
- The most significant change in the ASU is its lessee model that brings most leases on the statement of financial position as assets and liabilities that arise from leases.
- The FASB's thought process around this standard goes back to how assets and liabilities are defined:
  - Assets are probable future economic benefits obtained or controlled by a particular entity as result of past transactions or events.
  - Liabilities are probable future sacrifices of economic benefits arising that the entity is obligated to make as a result of past transactions or events.



## Leases – Highlights and Difficulties

- May affect compliance with contractual agreements and loan covenants
- Remeasurements and the process for making remeasurements
- Segregating between lease and non-lease components
- Incremental borrowing rate
- Treatment of variable lease payments
- Transition and disclosures
- Need for software

# Leases – Accounting Overview



## Leases - Classification

Finance lease if any of the following are met (otherwise it's an operating lease):

Lease transfers ownership of the underlying asset to the lessee by the end of the lease term

Lease grants the lessee an option to purchase the asset that the lessee is reasonably certain to exercise

Lease term is for a major part of the remaining economic life of the underlying asset

PV of the lease payments and any lease residual value guarantee not reflected in the lease payments, equal or exceed substantially all of the asset's FV

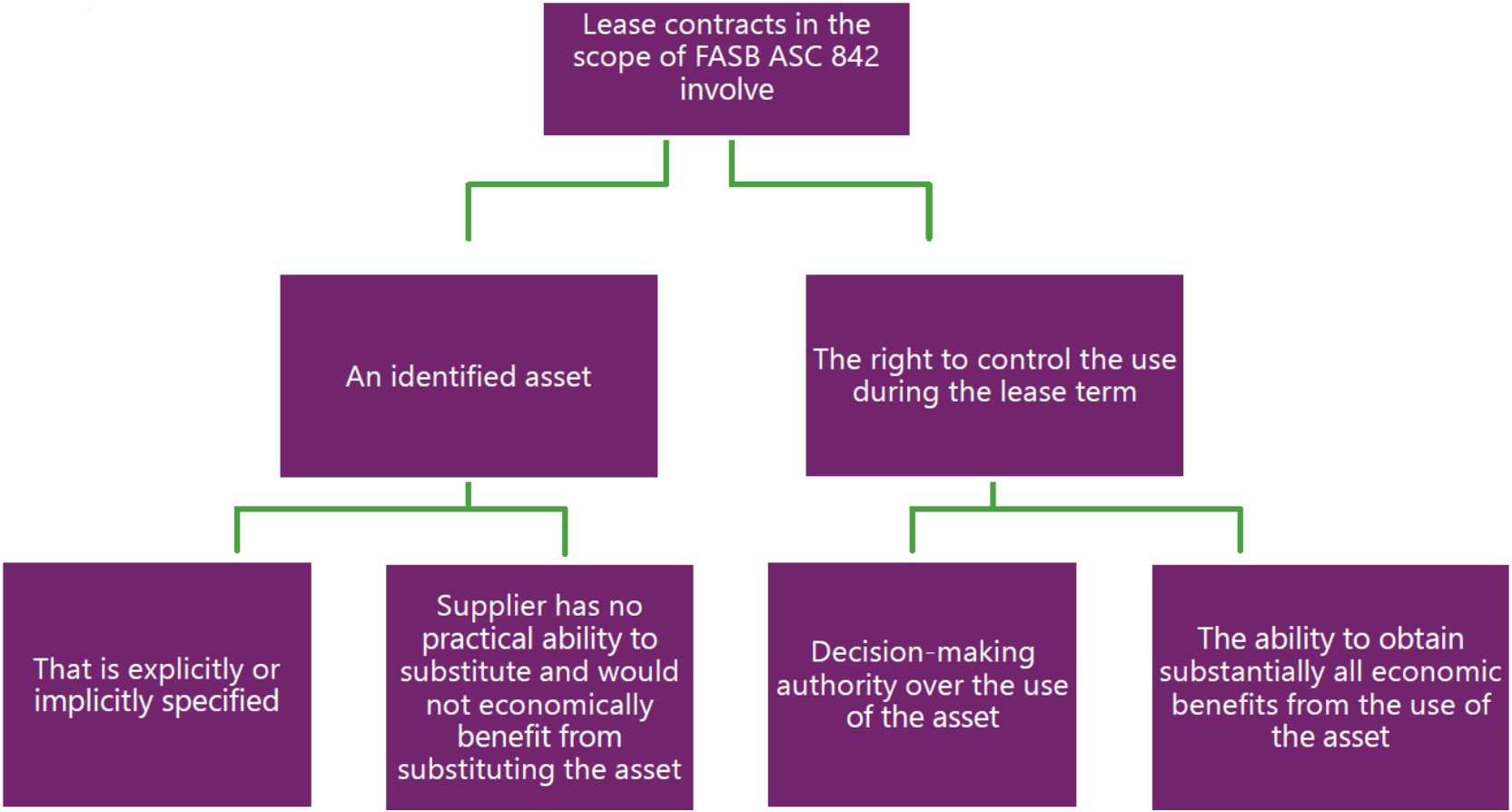
Underlying asset is of such specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term



## Leases – What Is A Lease

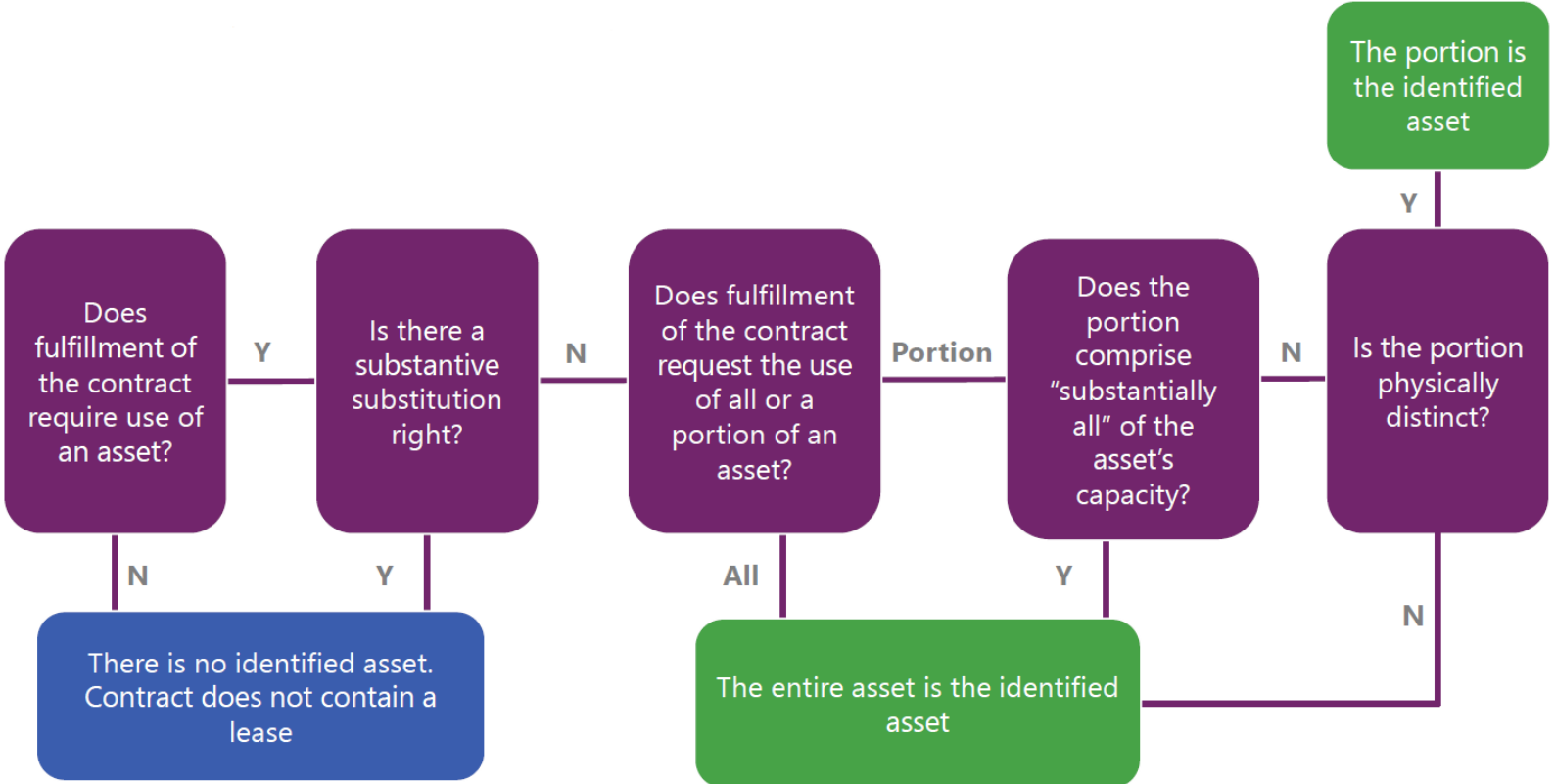
- A lease is a contract, or part of a contract, that conveys the right to control the use of identified property, plant, and equipment for a period of time in exchange for consideration. Must be a physical asset!
- Does not apply to:
  - Intangible assets
  - Minerals, oil, gas, and similar resources
  - Inventory
  - Assets under construction
- Donated use of assets are not within scope of the lease standard, but they are subject to the GIK disclosures.

# Leases – Identifying A Lease





# Leases – Identifying An Asset Flowchart



## Leases – What Is The Lease Term

- The noncancellable period for which a lessee has the right to use an underlying asset, including:
  - Options to extend if the lessee is reasonably certain to exercise.
  - Options to terminate if the lessee is reasonably certain not to exercise.
  - Options to extend in which the exercise is controlled by the lessor.
- Short Term Lease Exception:
  - For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities.
  - Election needs to be consistently applied for similar leases.

## Leases – Lease Term Examples

- Q: Lease with noncancellable period of 3 years with and mutual option to renew for an additional 3 years. What is the lease term?
- A: 3 years as both the lessee and lessor have to agree to the renewal option.
  
- Q: Lease agreement for 48 months. Lessee has the option to extend the lease for an additional 12 months. Lessee is uncertain if they will extend the lease. At the end of the 48 or 60 months, the lease may be continued on a month-to-month basis in which either the lessee or lessor can cancel without penalty. What is the lease term?
- A: The initial lease term is 48 months as lessee is not reasonably certain it will exercise the renewal option. The month-to-month options are not included as both parties can cancel.

## Leases – Contracts With Multiple Components

- Generally, you will account for the lease component (e.g., the right to use a building) and nonlease component (e.g., maintenance services for the building) of a lease as separate contracts. Only the lease components are required to be accounted for in accordance with FASB ASC 842.
- In an effort to save some lessees time and to some degree ease the accounting, the lessee may elect, by class of underlying asset, not to separating lease and nonlease components and account for the combined components as on single lease.

## Leases – Discount Rate

- The rate that the entity uses to discount future lease payments should be the rate implicit in the lease if it is readily determinable.
- If not determinable, the entity should use its incremental borrowing rate. This is the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.
- Private entities are permitted an accounting policy election to use a risk-free discount rate for the lease (normally the federal funds rate). Election aside, if the rate implicit in the lease is known, it must be used.

## Leases – Payment Streams

- The lease payments will consist of the following related to the use of the underlying asset during the lease term:
  - Fixed payments, including any incentives
  - Variable payments that depend on an index or a rate (i.e. CPI), initially measured using the index or rate at the commencement date.
  - Amounts probable of being owned by the lessee under residual value guarantees
  - Exercise price of a purchase option is reasonably certain to exercise
  - Payments for penalties for terminating the lease if lessee is reasonably certain to exercise



## Leases – Materiality

- The standard does not include any recognition and measurement exemption for leases of small assets. However, entities will likely be able to adopt reasonable capitalization thresholds below which lease assets and lease liabilities are not recognized, which should reduce the costs of applying the guidance and that an entity's practice in this regard may be consistent with many entities' accounting policies in other areas of GAAP (e.g., in capitalizing purchases of property, plant, and equipment).



## Leases – Calculating The Lease Liability

- At the commencement date, the lessee will measure the lease liability at the present value of the lease payments not yet paid, discounted using the discount rate for the lease a lease commencement.





## Leases – Calculating The ROU Asset

- At the commencement date, the ROU asset is made up of:
  - The initial measurement of the lease liability
  - Any prepaid or accrued lease payments
  - Less any lease incentives received
  - Plus any initial direct costs incurred by the lessee

## Leases – Operating Lease Example

- A 3 year lease with monthly payments of \$1,000 in year 1, \$1,200 in year 2, and \$1,400 in year 3. No renewal options.
- No purchase options, incentives, or other costs
- Initial measurement of the ROU asset and liability is \$40,000
- Incremental borrowing rate is 4.7152%

# Leases – Operating Lease Monthly Schedule

Implied Interest Rate 4.7152%

	Payment	Interest	Reduction to Lease Liability	Lease Liability	Rent Expense	Deferred Rent	ROU Asset Bal.	
Initial	\$ -	\$ -		\$ 40,000.00			\$ 40,000.00	
1	\$ 1,000.00	\$ 157.17	\$ 842.83	\$ 39,157.17	\$ 1,200.00	\$ 200.00	\$ 39,157.17	
2	\$ 1,000.00	\$ 153.86	\$ 846.14	\$ 38,311.03	\$ 1,200.00	\$ 400.00	\$ 38,311.03	
3	\$ 1,000.00	\$ 150.54	\$ 849.46	\$ 37,461.57	\$ 1,200.00	\$ 600.00	\$ 37,461.57	
4	\$ 1,000.00	\$ 147.20	\$ 852.80	\$ 36,608.77	\$ 1,200.00	\$ 800.00	\$ 36,608.77	
5	\$ 1,000.00	\$ 143.85	\$ 856.15	\$ 35,752.62	\$ 1,200.00	\$ 1,000.00	\$ 35,752.62	
6	\$ 1,000.00	\$ 140.48	\$ 859.52	\$ 34,893.10	\$ 1,200.00	\$ 1,200.00	\$ 34,893.10	
7	\$ 1,000.00	\$ 137.11	\$ 862.89	\$ 34,030.21	\$ 1,200.00	\$ 1,400.00	\$ 34,030.21	
8	\$ 1,000.00	\$ 133.72	\$ 866.28	\$ 33,163.92	\$ 1,200.00	\$ 1,600.00	\$ 33,163.92	
9	\$ 1,000.00	\$ 130.31	\$ 869.69	\$ 32,294.24	\$ 1,200.00	\$ 1,800.00	\$ 32,294.24	
10	\$ 1,000.00	\$ 126.89	\$ 873.11	\$ 31,421.13	\$ 1,200.00	\$ 2,000.00	\$ 31,421.13	
11	\$ 1,000.00	\$ 123.46	\$ 876.54	\$ 30,544.59	\$ 1,200.00	\$ 2,200.00	\$ 30,544.59	
<b>Y1</b>	<b>12</b>	<b>\$ 1,000.00</b>	<b>\$ 120.02</b>	<b>\$ 879.98</b>	<b>\$ 29,664.61</b>	<b>\$ 1,200.00</b>	<b>\$ 2,400.00</b>	<b>\$ 29,664.61</b>
	13	\$ 1,200.00	\$ 116.56	\$ 1,083.44	\$ 28,581.18	\$ 1,200.00	\$ 2,400.00	\$ 28,581.18
	14	\$ 1,200.00	\$ 112.30	\$ 1,087.70	\$ 27,493.48	\$ 1,200.00	\$ 2,400.00	\$ 27,493.48
	15	\$ 1,200.00	\$ 108.03	\$ 1,091.97	\$ 26,401.51	\$ 1,200.00	\$ 2,400.00	\$ 26,401.51
	16	\$ 1,200.00	\$ 103.74	\$ 1,096.26	\$ 25,305.25	\$ 1,200.00	\$ 2,400.00	\$ 25,305.25
	17	\$ 1,200.00	\$ 99.43	\$ 1,100.57	\$ 24,204.68	\$ 1,200.00	\$ 2,400.00	\$ 24,204.68

## Leases – Operating Lease Journal Entries

Commencement:

	Account Name	Debit	Credit
<i>Record lease at commencement</i>			
DR	ROU Asset	40,000	
CR	Lease Liability		40,000

Month one:

	Account Name	Debit	Credit
<i>Monthly cash payment to record lease payment</i>			
DR	Lease Expense	1,200	
DR	Lease Liability	842	
CR	Cash		1,000
CR	ROU asset		1,042

## Leases – Operating Lease Journal Entries Summary

	Initial	Year 1	Year 2	Year 3
Cash lease payments		\$ 12,000	\$ 14,400	\$ 16,800
Lease expense recognized:				
Periodic lease expense		14,400	14,400	14,400
Statement of Financial Position				
ROU Asset	40,000	27,265	13,979	-
Lease Liability	(40,000)	(29,665)	16,379	-

## Leases – Finance Lease Example

- Same facts as previous example except it was determined to be a finance lease.
- Commencement journal entry

	Account Name	Debit	Credit
<i>To record lease at commencement</i>			
DR	Right-of-use asset	40,000	
CR	Lease Liability		40,000

## Leases – Finance Lease Example Month One Journal Entries

	Account Name	Debit	Credit
1. To record amortization on ROU asset ( $\$40,000/36$ months)			
DR	Amortization Expense	1,111	
CR	ROU Asset		1,111
2. Monthly cash payment to record lease payment			
DR	Lease Liability	1,000	
CR	Cash		1,000
3. To record interest expense ( $\$40,000 \times 4.7152\% / 12$ )			
DR	Interest Expense	157	
CR	Lease Liability		157

# Leases – Finance Lease Monthly Schedule

Implied Interest Rate 4.7152%

	Payment	Interest	Lease Liability	Amortization	ROU Asset Bal.	
<b>Initial</b>	\$ -	\$ -	\$ 40,000.00	\$ -	\$ 40,000.00	
1	\$ 1,000.00	\$ 157.17	\$ 39,157.17	\$ 1,111.11	\$ 38,888.89	
2	\$ 1,000.00	\$ 153.86	\$ 38,311.03	\$ 1,111.11	\$ 37,777.78	
3	\$ 1,000.00	\$ 150.54	\$ 37,461.57	\$ 1,111.11	\$ 36,666.67	
4	\$ 1,000.00	\$ 147.20	\$ 36,608.77	\$ 1,111.11	\$ 35,555.56	
5	\$ 1,000.00	\$ 143.85	\$ 35,752.62	\$ 1,111.11	\$ 34,444.44	
6	\$ 1,000.00	\$ 140.48	\$ 34,893.10	\$ 1,111.11	\$ 33,333.33	
7	\$ 1,000.00	\$ 137.11	\$ 34,030.21	\$ 1,111.11	\$ 32,222.22	
8	\$ 1,000.00	\$ 133.72	\$ 33,163.92	\$ 1,111.11	\$ 31,111.11	
9	\$ 1,000.00	\$ 130.31	\$ 32,294.24	\$ 1,111.11	\$ 30,000.00	
10	\$ 1,000.00	\$ 126.89	\$ 31,421.13	\$ 1,111.11	\$ 28,888.89	
11	\$ 1,000.00	\$ 123.46	\$ 30,544.59	\$ 1,111.11	\$ 27,777.78	
<b>Y1</b>	<b>12</b>	<b>\$ 1,000.00</b>	<b>\$ 120.02</b>	<b>\$ 29,664.61</b>	<b>\$ 1,111.11</b>	<b>\$ 26,666.67</b>
	13	\$ 1,200.00	\$ 116.56	\$ 28,581.18	\$ 1,111.11	\$ 25,555.56
	14	\$ 1,200.00	\$ 112.30	\$ 27,493.48	\$ 1,111.11	\$ 24,444.44
	15	\$ 1,200.00	\$ 108.03	\$ 26,401.51	\$ 1,111.11	\$ 23,333.33



## Leases – Finance Lease Journal Entries Summary

	Initial	Year 1	Year 2	Year 3
Cash lease payments		\$ 12,000	\$ 14,400	\$ 16,800
Lease expense recognized:				
Interest expense		1,665	1,114	421
Amortization expense		<u>13,333</u>	<u>13,333</u>	<u>13,333</u>
Total expense		14,998	14,447	13,754
Statement of Financial Position				
ROU Asset	40,000	26,667	13,333	-
Lease Liability	(40,000)	(29,665)	16,379	-

## Leases – What’s The Impact Between The Two

	ROU Asset		Lease Liability		Expense		
	Finance	Operating	Finance	Operating	Finance	Operating	Diff.
Initial	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	-	-	-
Year 1	\$ 26,667	\$ 27,265	\$ 29,665	\$ 29,665	\$ 14,998	\$ 14,400	\$ 598
Year 2	\$ 13,333	\$ 13,979	\$ 16,379	\$ 16,379	\$ 14,447	\$ 14,400	\$ 47
Year 3	-	-	-	-	\$ 13,755	\$ 14,400	\$ (645)
Total					\$ 43,200	\$ 43,200	-

# Leases – Disclosures

Qualitative	Quantitative	
<ul style="list-style-type: none"><li>▪ Nature of leases</li><li>▪ Leases that have not yet commenced but that create significant rights and obligations for the lessee</li><li>▪ Significant assumptions and judgments made in application</li><li>▪ Main terms and conditions of any sale and leaseback transactions</li><li>▪ Whether an accounting policy election was made for the short-term lease exemption</li></ul>	<ul style="list-style-type: none"><li>• Finance lease expense, segregated between amortization and interest</li><li>• Operating lease cost</li><li>• Short-term lease cost</li><li>• Variable lease cost</li><li>• Sublease income</li><li>• Gains and losses arising from sale and leaseback transactions</li><li>• Lease payments maturity analysis (similar to that in Topic 840 disclosures)</li></ul>	<ul style="list-style-type: none"><li>▪ Separately for Finance and Operating leases:<ul style="list-style-type: none"><li>- Cash paid for amounts included in lease liabilities, segregated between operating and financing</li><li>- Lease liabilities arising from obtaining ROU assets</li><li>- Weighted-average remaining lease term</li><li>- Weighted-average discount rate for leases</li></ul></li></ul>



## Leases – Tips For Getting Ready

- Review contracts and payments to create an inventory of leases
- Embedded lease assessment
- May need to setup new procedures for tracking new leases
- Decide what practical expedients and accounting policy elections to use
- Consider any impact to covenants or ratios
- Understand lease payment process and GL account impact



## Other Future Standards

- ASU 2016-13 (and subsequent ASUs) Credit Losses, Topic 326



# Covid-19 Funding and Compliance Update

## SBA Paycheck Protection Program Loans

- Forgivable loans with two rounds of funding
- NFP's would use either the Debt or Condition Grant model.
- PPP loans are not subject to single audit

<b>Accounting Models</b>	<b>Debt Model (Topic 470, Subtopic 405-20)</b>	<b>Conditional Grant (Contribution) Model (Subtopic 958-605)</b>
<b>Recognition of loan proceeds</b>	Loan payable	Refundable advance
<b>Accrued interest</b>	Yes	No
<b>Timing of income recognition and derecognition of the loan</b>	Debtor is legally released	Conditions substantially met
<b>Description</b>	Gain on extinguishment	Grant revenue (or gain)



## Economic Injury Disaster Loans (EIDL)

- Forgivable advances of \$10,000
- Loans are interest deferred for 24 months
- Advances are not subject to single audit
- Loans are subject to single audit





## Employee Retention Credits (ERC)

- Refundable tax credit designed to encourage employers to keep employees on their payroll.
- The ERC is subject to certain qualifications
- Not a loan like PPP; ERC is likely to be considered a form of government grant
- IRS is behind on processing, likely record Accounts Receivable when you submit
- ERC funds are not subject to single audit



## Shuttered Venue Operators Grant (SVOGs)

- SBA Grant was established to help venue operators with certain qualifying expenses.
- Under the terms of the grant, recipients are not required to repay if funds are used for eligible expenses by the dates specified.
- Most likely to be considered a conditional grant
- SVOGs are subject to single audit



## Provider Relief Funds (PRF)

- Generally considered conditional grants where revenue is recognized to extent that health care related expenses or lost revenues have been incurred and not reimbursed from other sources.
- Challenges dealing with various delays and revisions to the HHS guidelines, including calculation of lost revenue
- Confusion over GAAP reporting versus SEFA reporting
- PRF are subject to single audit

# Provider Relief Funds: SEFA Reporting

Year end	What is included on the SEFA?
Before 6/30/2021	No PRF
6/30/2021 through 12/30/2021	Total expenditures and lost revenues from the <u>Period 1</u> report submission to the PRF Reporting Portal
12/31/21 through 6/29/22	Total expenditures and lost revenues from the <i>BOTH</i> <u>Period 1</u> and <u>Period 2</u> report submission to the PRF Reporting Portal
6/30/22 or after	SEFA reporting guidance to be provided at a later date in 2022 Supplement

## Provider Relief Funds: HHS Reporting

Reporting Portal Period	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Period of Availability	Deadline to Use Funds	PRF Portal Reporting Time Period
Period 1	April 10, 2020 to June 30, 2020	January 1, 2020 to June 30, 2021	June 30, 2021	July 1, 2021 to September 30, 2021*
Period 2	July 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2021	December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	January 1, 2021 to June 30, 2021	January 1, 2020 to June 30, 2022	June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	July 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2022	December 31, 2022	January 1, 2023 to March 31, 2023



## What Should We Be Disclosing?

- Entities are required to identify and describe the accounting policies that materially affect the financial statements.
- Disclosures generally include judgements as to the appropriateness of principles related to recognition of revenue

# Thank You!

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