

MaherDuessel

Pursuing the profession while promoting the public good®

www.md-cpas.com

Common Financial Statement Errors

CHELSEA RICELANG AND HANNAH MAUST

Agenda

- Identify and understand some of the most common errors found in not-for-profit financial statements
 - Auditor's Report
 - Statement of Financial Position
 - Statement of Activities
 - Statement of Functional Expenses
 - Statement of Cash Flows
 - Notes to the Financial Statements

Auditor's Report

Auditor's Report

- ❑ Utilize proper opinion template based on client
- ❑ Consistent usage of client names, year-end dates, and financial statements names throughout

Auditor's Report

- SAS 134, Auditor Reporting and Amendments
 - Effective for reporting period ending on or after December 15, 2021
 - Changes the form and content of the auditor's report
 - Opinion
 - Basis for Opinion
 - Emphasis of Matters
 - Responsibilities of Management for the Financial Statements
 - Auditor's Responsibilities for Audit of the Financial Statements

Auditor's Report

INDEPENDENT AUDITOR'S REPORT^{a, b}

To the Board of Trustees of
ABC Organization^c

Report on the Audit of the Financial Statements

Opinion^d

We have audited the accompanying financial statements of ABC Organization (a nonprofit organization),^e which comprise the statement of financial position as of June 30, 20X1, and the related statements of activities, functional expenses, and cash flows^f for the year then ended, and the related notes to the financial statements.^g

In our opinion, the financial statements present fairly, in all material respects, the financial position of ABC Organization as of June 30, 20X1, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.^{h, i, j}

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.^k Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ABC Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditor's Report

Responsibilities of Management for the Financial Statements^{1/}

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements^m

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.]

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ABC Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Statement of Financial Position

Statement of Financial Position – Classified vs Non-Classified Presentation

- Proper classification between current and non-current assets and liabilities

	20X1	20X0
Assets		
Cash and cash equivalents	\$ 5,821,340	\$ 3,485,916
Operating investments	723,006	641,132
Accounts receivable, net	312,216	387,200
Promises to give, net	1,990,615	897,930
Gift shop inventory, net	21,672	14,517
Prepaid expenses and other assets	290,813	355,387
Cash restricted to building project	500,000	-
Property and equipment, net	30,810,802	30,265,057
Assets held under split-interest agreements	1,977,102	1,929,260
Beneficial interests in charitable trusts held by others	812,850	804,179
Beneficial interest in assets held by community foundation	1,094,842	1,090,505
Beneficial interests in perpetual trusts	2,595,059	2,515,201
Endowment		
Promises to give, net	336,999	372,553
Investments	47,027,131	43,378,704
Total assets	<u>\$ 94,314,447</u>	<u>\$ 86,137,541</u>
Liabilities and Net Assets		
Accounts payable	\$ 670,603	\$ 239,809
Accrued expenses and other liabilities	647,722	645,147
Deferred revenue	2,967,135	2,604,216
Line of credit	225,000	275,000
Liabilities under split-interest agreements	1,418,127	1,488,803
Capital lease obligations	69,214	86,459
Bonds and notes payable	9,571,777	9,759,768
Interest-rate swap	240,300	273,500
Total liabilities	<u>15,809,878</u>	<u>15,372,702</u>

Statement of Financial Position – Cash & Cash Equivalents and Investments

- ❑ Restricted cash should be reported separately
- ❑ Proper classification between cash and investments
 - Certificates of Deposit
 - Money Market Accounts
- ❑ Investment valuation
 - FMV vs NAV

Statement of Financial Position – Promises to Give

- ❑ Conditional vs Unconditional
- ❑ Unconditional promises – collected within one year
 - Recorded at net realizable value
- ❑ Unconditional promises – collected in future years
 - Recorded at present value
- ❑ Recorded as revenue with donor restriction unless gift is perpetual in nature or intended to be used as support for current period
- ❑ Allowance for any receivable should be shown on the face SFP or in the notes to the financial statements

Statement of Financial Position – Capitalization

- ❑ Capitalize vs Expense Considerations
- ❑ Construction in Progress/Work in Progress

Statement of Financial Position – Finance vs Operating Leases

- ❑ ASC 842 – effective for not-for-profit entities for periods beginning after December 15, 2021
- ❑ Requirement to record a right of use asset and lease liability on the SFP now applicable for most leases
- ❑ Proper classification between finance and operating leases

Statement of Financial Position – Prepays and Accounts Payable

- ❑ Prepaid recorded for items billed and paid for in advance of year-end that are applicable to the following year
- ❑ Accounts payable recorded for items billed applicable to the current year but not paid for as of year-end

Statement of Financial Position – Net Asset Classifications

- ❑ Without donor restriction – undesignated
- ❑ Without donor restriction – board designated
- ❑ With donor restriction – for time or purpose
- ❑ With donor restriction – perpetual in nature

Statement of Activities

Format of Statement of Activities

- ❑ Break out activity between without donor restrictions and with donor restrictions
- ❑ Expenses must be presented on a functional and natural classification
 - Option to present this on the face of Statement of Activities

Format of Statement of Activities

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions and grants	\$ 103,357	\$ 22,000	\$ 125,357
Program fees	188,334	-	188,334
Rental	63,545	-	63,545
Membership	1,751	-	1,751
Fundraising	99,947	-	99,947
Investment income (loss), net of fees	652	196,207	196,859
Miscellaneous	16,676	-	16,676
	<u>474,262</u>	<u>218,207</u>	<u>692,469</u>
Net assets released from restrictions:			
Trust distributions:			
Trust quarterly distributions	86,536	(86,536)	-
Donor gifts released from restrictions	65,542	(65,542)	-
	<u>152,078</u>	<u>(152,078)</u>	<u>-</u>
Total net assets released from restrictions	152,078	(152,078)	-
Total revenue and support	626,340	66,129	692,469

Format of Statement of Activities

	2021	2020
Net Assets Without Donor Restrictions:		
Revenues, gains, and other support:		
Contributions	\$ 11,118	\$ 12,418
Investment income (loss), net	11,161,827	294,961
Other income	1,023	-
Total revenues, gains, and other support	<u>11,173,968</u>	<u>307,379</u>
Expenses:		
Program expenses:		
Program grants	1,311,432	1,191,000
Direct charitable expenses	247,997	248,535
Total program expenses	<u>1,559,429</u>	<u>1,439,535</u>
Management and general expenses:		
Salaries, wages, and benefits	137,762	134,148
Office operations	108,059	141,199
Insurance	5,188	5,089
Legal and professional	36,079	35,172
Excise tax	31,574	53,396
Other expenses	1,502	9,037
Total management and general expenses	<u>320,164</u>	<u>378,041</u>
Total expenses	<u>1,879,593</u>	<u>1,817,576</u>
Excess (Deficiency) of Revenues, Gains, and Other Support Over Expenses	9,294,375	(1,510,197)
Discontinued operations revenues (expenses):		
Other	<u>(10,865)</u>	<u>(10,865)</u>
Change in Net Assets Without Donor Restrictions	<u>9,283,510</u>	<u>(1,521,062)</u>
Net Assets With Donor Restrictions (Perpetual in Nature):		
Investment income (loss)	<u>25,139</u>	<u>(3,685)</u>
Change in Net Assets With Donor Restrictions (Perpetual in Nature)	<u>25,139</u>	<u>(3,685)</u>

Format of Statement of Activities

Expenses:

Program:

Contracted personnel	331,369	164,996
Supplies	32,660	-
Utilities and insurance	11,359	13,515
Equipment rentals and maintenance	41,162	-
Travel	829	1,218
Miscellaneous	1,501	14,873
	<hr/>	<hr/>
Total program	418,880	194,602

Management and general:

Contracted personnel	124,257	108,398
Professional fees	7,126	15
Supplies	1,325	1,772
Advertising	5,387	6,747
Miscellaneous	100	401
	<hr/>	<hr/>
Total management and general	138,195	117,333
	<hr/>	<hr/>
Total expenses	557,075	311,935

Revenue and Revenue Recognition

- ❑ Revenue should be disaggregated by type such as:
 - Contributions and Grants
 - Program Fees
 - Rental
 - Membership
 - Fundraising
 - Investment Income, net

Revenue and Revenue Recognition

- ❑ Contributions with Restrictions vs. Refundable Advances
 - Common error – recording grants with time/purpose restrictions as a refundable advance instead of a contribution with donor restrictions
 - Refundable advances are recorded when money is received before all barriers – such as incurring qualifying expenses - are met and may be required to be returned if the barriers are not met.

Revenue and Revenue Recognition

- Example: Grant in the amount of \$250,000 is received from an organization for the purpose of constructing a new nursing building. This should be recorded as contribution with donor restrictions.
- Example: Grant in the amount of \$50,000 received which requires the organization to incur qualifying expenditures year-end or return the funding. Qualifying expenditures have not yet been incurred. This should be recorded as a refundable advance.

Revenue and Revenue Recognition

- ❑ Membership Revenue
 - Recognized over the duration of the membership period
- ❑ Event Revenue
 - Recognized at the time of the event
 - Tracked within deferred revenue until earned at the time of the event
- ❑ Investment Income
 - Should be reported net of any fees

Contributed Nonfinancial Assets

- ❑ ASU 2020-07, “Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets” is effective for June 30, 2022 year-ends
- ❑ Required to report contributed nonfinancial assets as a separate line item in the statement of activities, apart from other contributions

Contributed Nonfinancial Assets

SAMPLE CLIENT

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Net Assets without Donor Restrictions:		
Revenues, gains, and other support:		
Contributions of cash and other financial assets	\$ 200,000	\$ 250,000
Contributions of nonfinancial assets	25,000	30,000 ***

*** Disaggregation would then be required to be shown in the footnotes

Contributed Nonfinancial Assets

SAMPLE CLIENT

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Net Assets without Donor Restrictions:</u>		
Revenues, gains, and other support:		
Contributions of cash and other financial assets	\$ 200,000	\$ 250,000
Contributions of nonfinancial assets:		
Rent	10,000	11,000
Clothing	7,000	5,000
Services	8,000	12,000

Statement of Functional Expenses

Statement of Functional Expenses – Allocation of Costs

- ❑ Allocation Methods
 - Direct identification
 - Salaries – time based
 - Square footage
- ❑ There should be documentation for why elected methods are considered reasonable for organization
- ❑ Make sure allocation methods are consistently applied year over year

Statement of Cash Flows

Statement of Cash Flows

- ❑ May use either the direct or indirect method
- ❑ ASU 2016-14 eliminated the requirement to show the reconciliation of the change in net assets to cash flows from operating activities when using the direct method

Common Errors

- ❑ Line items not disaggregated the same as on the statement of financial position
- ❑ Items not agreeing to corresponding amounts on the other statements
- ❑ Bad debt expense – should be separate reconciling item and not included with change in accounts receivable

Common Errors

- ❑ Gain/loss on the disposal of fixed assets
 - Should be separate reconciling item and not offset with the purchase of fixed assets

- ❑ Gain/loss on the sale of fixed assets
 - Total proceeds to be reported within investing activities and any associated gain/loss is shown as a reconciling item

- ❑ Contributed fixed assets should be shown as a reconciling item, not included with purchases of fixed assets, as there was no outflow of cash.

Common Errors

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ (85,762)	\$ (94,259)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	92,641	108,908
Loss (gain) on disposals of fixed assets	(6,282)	-
Net unrealized (gains) losses on investments	(1,130)	(62)
Change in:		
Accounts receivable	29,206	2,565
Prepaid expenses	(4,311)	4,346
Accounts payable	145,753	(204,663)
Accrued compensation	(2,322)	9,799
Total adjustments	<u>253,555</u>	<u>(79,107)</u>
Net cash provided by (used in) operating activities	<u>167,793</u>	<u>(173,366)</u>
Cash Flows From Investing Activities:		
Purchase of fixed assets	-	(22,642)
Proceeds from sale of fixed assets	<u>9,500</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>9,500</u>	<u>(22,642)</u>

Common Errors

- ❑ Proceeds from issuance of and payments on debt should be presented at gross NOT net
- ❑ Draws & payments on lines of credit should be gross NOT net
- ❑ Loan forgiveness – should be reported as a reconciling item since it does not affect cash; however, be sure to report any repayments that occurred prior to forgiveness within financing activities

Common Errors

- ❑ If using the indirect method, supplemental disclosures must be provided for amounts of interest paid and any income taxes paid, if applicable

Supplemental Information:

Interest paid	\$ 45,278
Taxes paid - unrelated business income	\$ 2,166

Notes to the Financial Statements

Notes to the Financial Statements – Liquidity

- ❑ Disclosure shows financial assets available for general expenditure within one year of SFP date
- ❑ Remove any items with internal or external restrictions from liquid financial assets included in calculation
- ❑ Quantitative and qualitative parts required

Notes to the Financial Statements – Liquidity (cont.)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statement of financial position, comprise the following:

	<u>20X1</u>	<u>20X0</u>
Cash and cash equivalents	\$ 4,851,231	\$ 3,171,955
Operating investments	723,006	641,132
Accounts receivable	312,216	387,200
Promises to give	985,846	847,930
Distributions from assets held under split-interest agreements	145,000	142,000
Distributions from beneficial interests in assets held by others	180,110	176,395
Endowment spending-rate distributions and appropriations	<u>1,115,664</u>	<u>1,000,021</u>
	<u>\$ 8,313,073</u>	<u>\$ 6,366,633</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$300,000 and \$250,000 as of December 31, 20X1 and 20X0, respectively.

Notes to the Financial Statements – Revenue Recognition

- Contribution revenue
- Exchange-type revenue

Notes to the Financial Statements – Long-Term Receivables

- Unconditional promises to give should be disclosed as the total amount to be received in less than one year, in one to five years, and in more than five years, and the related allowance of uncollectible

Notes to the Financial Statements – Long-Term Receivables (cont.)

	20X1	20X0
Within one year	\$ 1,165,958	\$ 898,050
In one to five years	980,189	92,559
Over five years	500,000	600,000
	2,646,147	1,590,609
Less discount to net present value at rates ranging from 2.96% to 4.70%	(112,994)	(83,128)
Less allowance for uncollectable promises to give	(205,539)	(236,998)
[If the fair value election has been made, the above two lines would be replaced with one line item entitled "Adjustment to fair value". The adjustment would most likely differ from the amounts above.]	\$ 2,327,614	\$ 1,270,483
Promises to give appear as follows in the statements of financial position:		
Promises to give, net	\$ 1,990,615	\$ 897,930
Endowment promises to give, net	336,999	372,553
	\$ 2,327,614	\$ 1,270,483

Notes to the Financial Statements – Endowments

- ❑ Required to disclose
 - Policy for appropriation for expenditure of funds
 - Investment policies for funds
 - Description of the organization's interpretation of the law(s) underlying the net asset classification of donor-restricted endowment funds
- ❑ Change in endowment roll forward (by net asset class)
- ❑ Consideration for underwater endowments
- ❑ Investment income and expense should be presented on a net basis

Notes to the Financial Statements – Net Assets

- ❑ Disclosure should show when/how assets can be used
 - Purpose
 - Time
 - Perpetual
- ❑ Releases should also be disclosed
- ❑ Information about board designations, as applicable

Notes to the Financial Statements – Net Assets (cont.)

	<u>20X1</u>	<u>20X0</u>			
Subject to expenditure for specified purpose:			Endowments:		
Building project	\$ 500,000	\$ -	Subject to appropriation and expenditure when a specified event occurs:		
Operation of the training center	448,377	108,927	Restricted by donors for		
Educational programs	375,627	119,290	Available for general use	7,223,171	5,252,329
Financial aid	146,105	85,744	Educational programs	4,186,393	3,761,284
Promises to give, the proceeds from which have been restricted by donors for			Financial aid	1,268,531	1,023,659
Educational programs	57,265	-		<u>12,678,095</u>	<u>10,037,272</u>
Centennial anniversary celebration	22,847	-	Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
	<u>1,550,221</u>	<u>313,961</u>	Operation of the Training Center	6,811,531	6,726,382
Subject to the passage of time:			Educational programs	8,279,742	8,000,578
Beneficial interests in charitable trusts held by others	812,850	804,179	Financial aid	1,688,411	1,688,761
Assets held under split-interest agreements	558,975	440,457	General use	2,058,166	2,058,166
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	20,000	35,000	Unconditional promises to give, net - restricted to general endowment in perpetuity	336,999	372,553
	<u>1,391,825</u>	<u>1,279,636</u>	Underwater endowments	-	(42,677)
				<u>19,174,849</u>	<u>18,801,763</u>
			Total endowments	<u>31,852,944</u>	<u>28,839,035</u>
			Perpetual in nature, not subject to spending policy or appropriation:		
			Beneficial interest in assets held by community foundation	1,094,842	1,090,505
			Beneficial interests in perpetual trusts	2,595,059	2,515,201
				<u>3,689,901</u>	<u>3,605,706</u>
				<u>\$ 38,484,891</u>	<u>\$ 34,038,338</u>

Notes to the Financial Statements – Donated Support

- ❑ Donated services are recognized as contributions if the service “created or enhanced nonfinancial assets” or “requires specialized skills, is performed by people with those skills, and would otherwise be purchased by the organization”
- ❑ Donated services from volunteers that do not meet the criteria to be recognized should still be disclosed in the footnotes
- ❑ Donated services and materials should be broken out by service/material provided, and the valuation method should be disclosed in the policy footnote

Notes to the Financial Statements – Donated Support (cont.)

We received donated professional services and materials as follows during the years ended December 31, 20X1 and 20X0:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
<u>December 31, 20X1</u>				
Educational services	\$ 14,755	\$ -	\$ -	\$ 14,755
Legal services	-	8,800	-	8,800
Food	22,873	-	-	22,873
Supplies	2,338	-	1,029	3,367
Advertising	-	787	9,253	10,040
	<u>\$ 39,966</u>	<u>\$ 9,587</u>	<u>\$ 10,282</u>	<u>\$ 59,835</u>

Notes to the Financial Statements – Related Parties

- Common related party examples:
 - Officers, board members, founders, substantial contributors, and their immediate family members
 - Members of any related party’s immediate family
 - Supporting organizations

- Common related party transaction examples:
 - Significant contributions from related parties
 - Significant concentration of revenues and receivables from related parties
 - Leasing office space from a board member
 - Loaning money to/borrowing from a founder, board member, or significant donor
 - Using legal services provided by a firm in which a board member or their immediate family member is in an owner position

Best Practices to Avoid Future Errors

- ❑ Double check reports
 - Check for errors in spacing, alignment, headers/footers, underlines
 - Tie face statements to footnote numbers exactly
 - Ensure consistency of phrasing and abbreviations throughout report
- ❑ Ensure there is a policy note for all significant financial statement line items
- ❑ If a reclassification of prior year balances is included in the financial statements, make sure a reclassification disclosure is included
- ❑ Use example templates from PICPA and AICPA
- ❑ When in doubt, disclose a situation to your auditors

Sources

- ❑ AICPA Not-for-Profit Industry Conference: Common Financial Statement Errors
- ❑ AICPA Audit and Accounting Guide – Not-For-Profit Entities
- ❑ AICPA Not-for-Profit Section Illustrative Financial Statements
- ❑ AICPA: Common Financial Statement Errors for Not-for-Profit Entities
- ❑ AICPA: U.S. GAAP Financial Statements - Best Practices in Presentation and Disclosure
- ❑ PICPA Not-for-Profit Industry Conference: Common Financial Statement Mistakes Made by Not-for-Profit Organizations
- ❑ FASB ASC 958

Trivia Questions

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: A statement regarding the evaluation of the entity's ability to continue as a going concern is required in these sections of the auditor's report for accrual financial statements:

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: True or False: The following is an example of a grant with donor restrictions – “A university receives a \$500,000 for the purpose of constructing dormitories. No right of return exists.”

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: True or False: the following is an example of a grant with donor restrictions –

Live Content Slide

When playing as a slideshow, this slide will display live content

**Poll: By land area, which is the biggest state in the
USA?**

Live Content Slide

When playing as a slideshow, this slide will display live content

**Poll: Expenses must be presented on a functional
and natural classification on:**

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Which of the following is considered a non-current asset?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Event revenue received before the occurrence of the event should be recorded as:

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: On which Caribbean Island can you swim with pigs?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Conditional contributions should be included...

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: True or False: Investment Income should be recorded at gross on the Statement of Activities.

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: The following is a conditional contribution: A research grant for which reports showing how funds were used and grant compliance are required. Funds must be returned if not used for grant purpose.

Live Content Slide

When playing as a slideshow, this slide will display live content

**Poll: Which is a not a net asset to be classified as
with restriction?**

Live Content Slide

When playing as a slideshow, this slide will display live content

**Poll: True or False: It is unheard of to eat chicken
with pasta in Italy.**

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: ___ is an example of a cost to be treated through the direct identification allocation method.

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: A liquidity footnote requires:

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: True or False: A pledge expected to be collected 4 years from now should be shown at net realizable value on the Statement of Financial Position.

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Where is the longest boardwalk in the United States located?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Which of the following is not an example of a required endowment disclosure?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Donated services are recorded for:

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: ASU 2020-07 requires contributed nonfinancial assets to be reported as a separate line item in the statement of activities and

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Which of the following should be disclosed as a related party transaction?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: What is the most visited tourist attraction in the world annually?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: True or False: Nonprofits may choose either the direct or indirect method for the Statement of Cash Flows

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Gains/losses on the disposal of fixed assets should be reported under which of the following on the Statement of Cash Flows:

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: True or False: Proceeds from issuance of and payments on debt should be presented at as separate items on the Statement of Cash Flows and not netted.

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: With 221,800 islands, this country is estimated to have the most islands in the world?

Questions? Contact Us!



Chelsea Ricelang, CPA

Supervisor

412.535.5528

cricelang@md-cpas.com



Hannah Maust, CPA

Supervisor

412.315.3577

hmaust@md-cpas.com