

#### **GROSSMAN YANAK & FORD LLP**

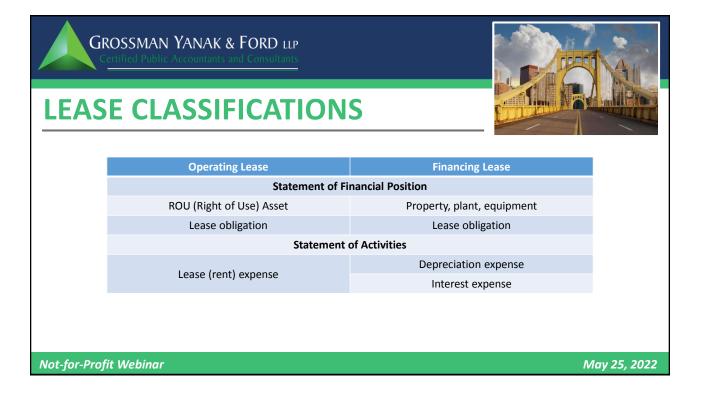
### **ASK THE EXPERTS**

# What are the significant changes in the new leasing standard?

- Lessees record most leases on the balance sheet
- Bright-line tests are no longer used to determine classification
- Underlying principles for lessors are aligned with ASC 606, Revenue
- Expanded disclosures

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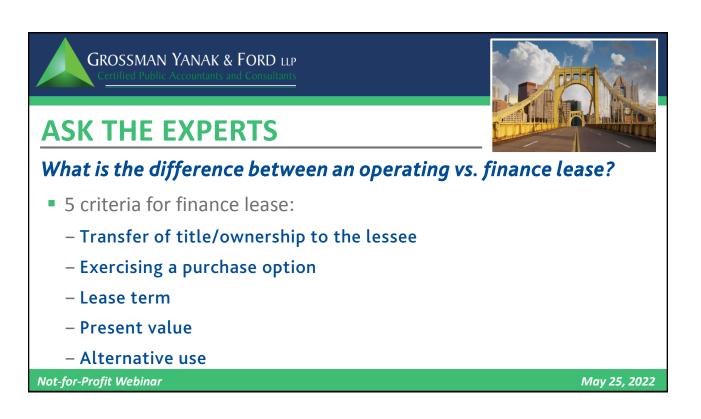


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- Short-term lease exemption
- Policy

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## **ASK THE EXPERTS**

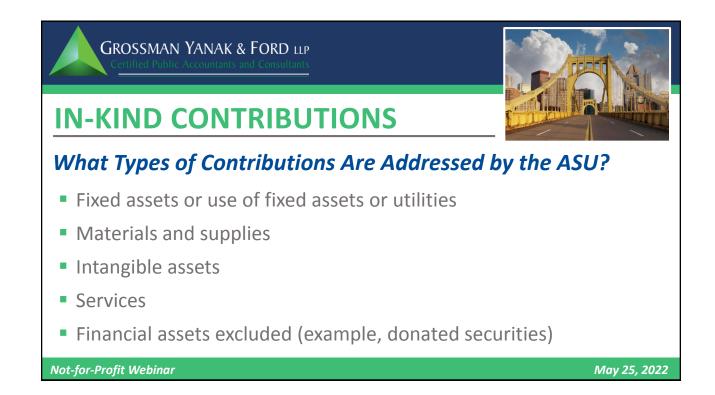


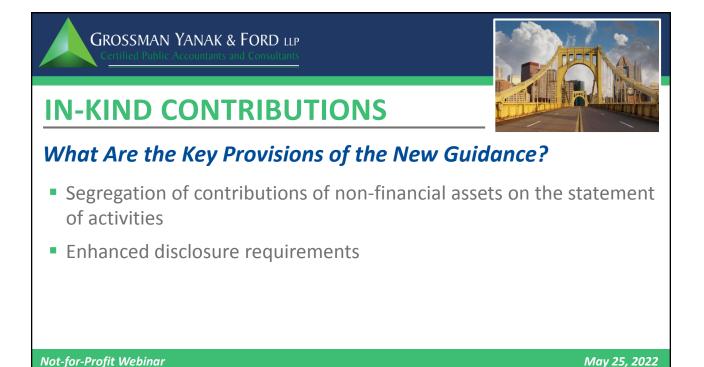
- Embedded leases
- Separate lease and non-lease components
- Debt covenants and other financial ratios
- Disclosure objective
- Practical expedients

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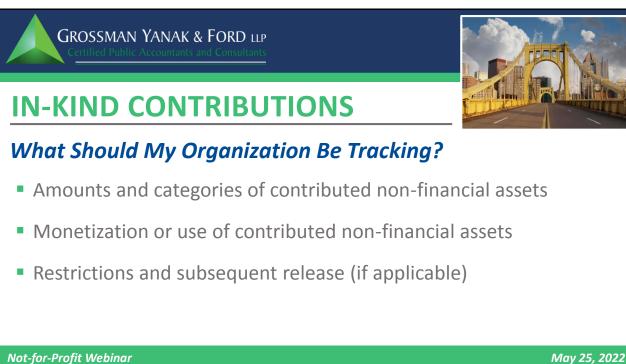


- Amends 968-606 Not-for-Profit Entities Revenue Recognition
- Focus is on non-financial assets





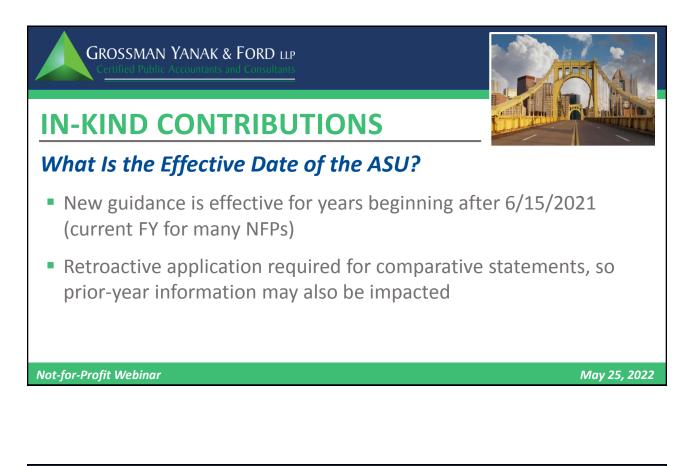
Ask the Experts: Common Issues & Challenges for Not-for-Profits



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Ask the Experts: Common Issues & Challenges for Not-for-Profits











- Clearer communication of roles and responsibilities
- Clearer language regarding level of assurance
- Communication of primary risks of material misstatement during planning
- Increased focus on related-party identification and balances
- Identification of significant unusual transactions

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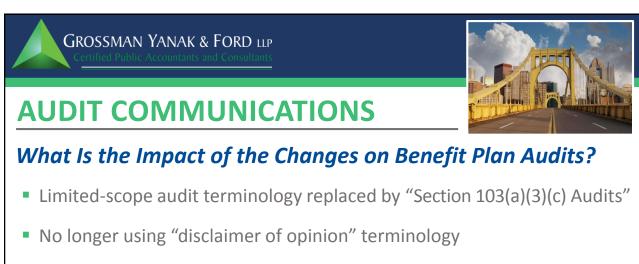
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# AUDIT COMMUNICATIONS

### What's New for the Audit Opinion?

- Adds headings
- Moves opinion to beginning of letter
- Clearer identification of management and auditor responsibilities

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- Completely revamped audit opinion
- Clear explanation of certified information and scope of audit

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 AUDIT COMMUNICATIONS

 What Is the Impact of the Changes on Benefit Plan Audits?

 • Changes in terminology will extend to engagement letter and other communications

 • New audit procedures related to risk assessment and response

Additional considerations related to IRS Form 5500 filing

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### **SIMPLIFYING THE 990**

#### General Topics to Be Covered:

- Financial Statement and Form 990 Reporting Differences
- Part VII Officer Listings and Schedule J Threshold
- Schedule B Reporting
- Considerations for 2021 Filing

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Schedule D	
Part XI Reconciliation of Revenue per Audited Financial Statem Complete if the organization answered "Yes" on Form 990,	
1 Total revenue, gains, and other support per audited financial statements	s <b>1</b>
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a Net unrealized gains (losses) on investments	2a
b Donated services and use of facilities	2b
c Recoveries of prior year grants	2c
d Other (Describe in Part XIII.)	2d
e Add lines 2a through 2d	
3 Subtract line 2e from line 1	
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a Investment expenses not included on Form 990, Part VIII, line 7b	4a
<b>b</b> Other (Describe in Part XIII.)	4b
<b>c</b> Add lines <b>4a</b> and <b>4b</b>	4c
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line	e 12.)
2 Amou a Dona	Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.         al expenses and losses per audited financial statements         bunts included on line 1 but not on Form 990, Part IX, line 25:         ated services and use of facilities
	r year adjustments
	er losses
	er (Describe in Part XIII.)
	lines 2a through 2d
	tract line 2e from line 1
	ounts included on Form 990, Part IX, line 25, but not on line 1:
	stment expenses not included on Form 990, Part VIII, line 7b 4a
	er (Describe in Part XIII.)
	lines 4a and 4b
5 Total	al expenses. Add lines <b>3</b> and <b>4c.</b> (This must equal Form 990, Part I, line 18.)



# **SIMPLIFYING THE 990**

### In What Year Are Officers and Compensation Reported?

- Individuals should be included as of last day of reporting period
- Calendar-year compensation
- W-2 compensation should be Box 1 or Box 5, whichever is greater
- Examples of nontaxable benefits

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## **SIMPLIFYING THE 990**



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### What Are the Compensation Thresholds?

	Page 7 – Form 990	Schedule J	
Officers:			
Current	Over \$100,000	Over \$150,000	
Former	Over \$100,000	Over \$100,000	
Highest Paid Employees:			
Current	Over \$100,000	Over \$150,000	
Former	Over \$100,000	Over \$100,000	
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#### Polling Question:

For an organization that files on a 6/30/2021 fiscal yearend, what period is used for reporting officer compensation?

- 7/1/2020 6/30/2021
- 1/1/2020 12/31/2020
- 1/1/2021-12/31/2021
- 7/1/2021 6/30/2022



### **SIMPLIFYING THE 990**



#### What Do I Need to Provide for Schedule B?

- Contributions as of the last day of year-end
- Excel format best for organization
- Tracking of cash and noncash donations for significant reporting
  - \$5,000 or 2% of line 1h Total Contribution

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