

Welcome to SVA's Nonprofit Update. I'm Kirsten Houghton, a principal at SVA and the head of our Nonprofit Services Group.

As you should all know by now, the Financial Accounting Standards Board has issued an accounting standard update related to presentation of not-for-profit financial statements.

The standard includes presentation of only two classes of net assets; presentation of either the direct or indirect method of reporting cash flows; and enhanced disclosures on the amount and purpose of board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources. Other new requirements include the presentation of the statement of functional expenses as part of the basic financial statements and disclosures regarding liquidity and availability of resources.

This standard is effective for annual financial statement audits for the year ending December 31, 2018.

This update represents a brief overview of the new standard as many other changes will be required.

For further information concerning this accounting standard update, go to SVAaccountants.com/nonprofitupdate.

Thank you!