

**NPO FINANCIAL REPORTING CHANGES
 EFFECTIVE FOR YEARS BEGINNING IN 2018**

	Current GAAP	ASU 2016-14
Net asset classifications	(a) Unrestricted (b) Temporarily Restricted (c) Permanently Restricted	(a) Without Donor Restrictions (b) With Donor Restrictions
Statement of cash flows	Use direct method or indirect method; reconciliation required.	Use direct method or indirect method; reconciliation of the change in net assets to the cash flow from operations is <u>no longer required</u> .
Liquidity and availability of resources	N/A	<u>Disclose in the footnotes:</u> (a) Quantitative information that communicates the availability of the NFP's financial assets at the balance sheet date to meet cash needs for general expenditures within one year. (b) How the NFP manages its liquid resources and its liquidity risk.
Investment earnings	Disclose gross investment return and expense components.	Report and disclose investment returns net of external and direct internal investment management fees and custodial expenses.
Expense reporting	Statement of functional expenses is optional for all NFP's except Voluntary Health and Welfare Entities.	Report expenses by function and nature as well as an accompanying analysis of expenses.
Underwater endowments	Classified as a decrease in <i>unrestricted net assets</i>	Classified in <i>With Donor Restrictions</i> with enhanced disclosures.