



Quarterly Perspectives: Financial Reporting & Beyond / Q1 2025

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Meet the Presenters From Forvis Mazars A&A Professional Standards Group



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Special Guest



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Looking Back



What Has Caught Our Eye

- Going concern continues to be relevant and the standard is widely misunderstood
 - Not just an audit standard – management is required to assess if substantial doubt has been raised
 - Step 1 – Is it probable you can't pay your bills for one year after the issuance of your financials?
 - If yes, then substantial doubt has been raised
 - Step 2 – Does management have a plan? And if so, is it probable of actually happening and probable of actually working?
 - Probable is a high threshold and very difficult to achieve if it is not within the company's control
- Increased issuance of profits interest awards
 - Commonly asserted that the awards have no value at issuance
- A lot of SEC activity
 - January 24 – Paul Munter retired as chief accountant (Ryan Wolfe appointed acting)
 - March 27 – Commission votes to end defense of its Climate-Related Disclosure Rules
 - April 9 – Paul Atkins confirmed as new chair

Here & Now



Tariffs

- Types of tariffs
 - *Ad valorem* vs. specific
 - Protective vs. retaliatory
- Tariff update
- Bonus! Tax legislative update

ESG & Sustainability Regulations

SEC Climate-Related Disclosure Rules

- Intent was to require public-traded companies to disclose climate-related risks and greenhouse gas emissions
- In March, SEC halted the defense of the Climate-Related Disclosure Rules

ESG & Sustainability Regulations

State Climate Disclosure Laws

- California
 - SB 253 – Greenhouse Gas Emissions
 - SB 261 – Climate-Related Financial Risk
- Other states following California's Lead – New York, Colorado, New Jersey, Illinois

ESG & Sustainability Regulations

European Union Corporate Sustainability Reporting Directive (CSRD)

- Applies to U.S. companies meeting certain criteria
 - Net revenue of €150M or more in the EU and:
 - A large EU subsidiary, or
 - A branch in the EU with net revenue exceeding €40M, or
 - Securities listed on EU regulated markets
 - Large EU subsidiary – 250+ employees and €50M in net revenue or €25M in total assets
- Omnibus proposal may change these requirements

Uncertainty in Federal Funding

Post calendar year end – Federal actions have occurred that have made federal funding “uncertain”

- How might this impact your company’s financial reporting?
 - Are you reliant on Federal funding?
 - What is your fiscal year end? Calendar or other?
 - Can be both a nonprofit and for-profit entity issue
 - What model are you following – contribution versus revenue?

Uncertainty in Federal Funding – Accounting Implications

- Revenue recognition/receivables
 - Reserves/collectability/conditional contributions
 - Contract modifications or terminations?
- Disclosures:
 - Subsequent events
 - Risks and uncertainties
 - Concentrations of risk
 - Liquidity and availability of resources
 - Going concern

Conversations You Should Be Having



What Is on the Horizon

- How does uncertainty impact accounting?
 - Hedging, estimates, impairment, disclosure, etc.
- Increased usage of cryptocurrency for both investment and operating purposes
 - ASU 2023-08 – *Accounting for and Disclosure of Crypto Assets* is effective for fiscal years beginning after December 15, 2024
- ASU 2024-03 – *Disaggregation of Income Statement Expenses* is effective for annual periods beginning after December 15, 2026

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Thank you!

Please join us again on July 17, 2025, for the second installment of the 2025 Quarterly Perspective webinar series, as well as the following remaining dates for the entire 2025 series:

- October 16, 2025
- January 8, 2026

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