

## COVID-19 FINANCIAL STATEMENT REPORTING REMINDERS

### Has COVID-19 had or is it expected to have a significant impact on your operations and cash flows?

**No?** Consider disclosure of potential impact and risk/uncertainties associated with the current work environment.

**Yes?** Businesses experiencing or expecting decreased profitability or liquidity issues as a result of economic uncertainty should consider the need for additional disclosure or whether any of these factors raise substantial doubt about their ability to continue as a going concern.

### Has the Company failed a debt covenant as of the balance sheet date or as of the date the financial statements are issued (or available to be issued)?

**No?** Further consideration regarding covenant compliance in successive periods may not be necessary. If the company is expecting that it will fail a debt covenant during the year following the date the financial statements are available to be issued (for example due to COVID's effects on revenue), further analysis may be required.

**Yes?** The Company will need to consider factors including whether an appropriate waiver has been obtained or whether the violation can be cured within a defined grace period. If those factors are not present, this may result in substantial doubt being raised and additional going concern considerations will be required if the debt is callable due to the violation.

### Our Company has significant goodwill and we have a December 2019 balance sheet date. Do we need to consider an impairment charge due to COVID-19 pandemic?

**Likely not for 12/31/19 reporting;** however, the potential impact of COVID-19 would require impairment considerations for 2020 reporting. Companies should consider whether to include a disclosure in the 2019 financial statements highlighting the potential impact and uncertainty of factors that could trigger impairment in future periods.