

JAZZIT FUNDAMENTALS – JANUARY 28, 2022 UPDATE

The modules listed below are dated January 28, 2022 in your Resource Centre **JZUPDATE** RC update control.

Remember that Jazzit Fundamentals updates are cumulative. Updating to this release will include all revisions made to the templates.

You must have *CaseWare Working papers 2020 or higher* installed if you wish to update from the Resource Centre update control in KLIB and FRMLIB.

FEATURES

JZL1 LETTER TO THE LAWYER

- Updated the short date cells from MM/d/yy to MM/dd/yy to be consistent with other letters.

Declaration and payment of eligible dividends					
Display share class only Grand total on Sort classes					
Share Class	Shares Outstanding	Dividend Per Share \$	Total Dividend \$	Date Payable (mm/dd/yy)	Date Paid (mm/dd/yy)
<input checked="" type="checkbox"/> Class A shares	15	1.250	18.75	10/06/21	11/06/21
<input type="checkbox"/> Class B shares					

JZTOOLS JAZZIT TOOLBOX

- Added option to specify number of years from year end in the calculated date cells.

DATE	
Description	Smart link
day only	
Calculated date:	
Right click to select date calculation in Resource Centre module. Calculation menu is disabled in the master / client template. Cell shading does not print.	
long date format	
short date format	
month only	
day only	
CLIENT ADDRESS (linked to engagement properties)	
Description	Smart link
Address line 1 (CLP3)	
Address line 2 (CLP4)	
Province (CLP6)	

- Today's date
- Current year end
- Prior year end
- Next year end
- Specify number of years after year end
- 3 months after year end
- 6 months after year end
- 9 months after year end
- Specify number of months after year end
- 90 days after year end
- 180 days after year end
- Specify number of days after year end

K2 BASIS OF PRESENTATION NOTES

- PPE description in basis of accounting note now linked to PPE note heading (same as link on balance sheet).

☒ 1. BASIS OF ACCOUNTING

☒ The basis of accounting applied in the preparation of the balance sheet of Jazzit Generic Masters (GENMST) as at December 31, 2021, and the statements of income, retained earnings and cash flows for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

☐ accounts receivable less an allowance for doubtful accounts

☐ rent receivable based on lease terms less an allowance for doubtful accounts

☐ inventory valued at cost

☐ work-in-progress accounted for on a net realizable value basis

☐ livestock recorded at net realizable value

☐ investment

☐ equipment amortized on the same basis as for income tax

☐ equipment recorded at historical cost and amortized on the same basis as for income tax

☐ reducing property amortized in accordance with amounts allowable for income

☐ payable and accrued liabilities

☐ income taxes payable as at the reporting date

☐ recorded in accordance with the lease terms

☐ amortized over its estimated useful life

☐ equipment

☐ property, plant and equipment

☐ property and plant

☐ property and equipment

☐ plant and equipment

☐ property

☐ plant

☐ equipment

☐ capital assets

☐ fixed assets

☐ revenue producing properties

- Added optional wording for tax only engagements to the basis of presentation note.

☒ Financial statements not prepared for general purposes

☒ Some users may require further information as these statements have not been prepared for general purposes.

☐ These financial statements are not general purpose financial statements and have been prepared to assist the company in preparing its corporate income tax returns.

K3A SIGNIFICANT ACCOUNTING POLICIES

- Added option for Section 3856 to the changes in accounting policies policy.

☒ **Changes in accounting policies**

☒ **Section 3856 Financial Instruments**

The company early applied the recommendations in Section 3856, "Financial instruments", on the presentation and recognition of retractable shares in a tax planning arrangement.

Under these recommendations, a company that issues retractable shares in a tax planning arrangement may choose to present those shares at par (or stated or assigned) value as a separate line item in the equity section of the balance sheet only when all the following conditions are met:

- control of the company issuing the retractable shares is retained by the shareholder receiving them;
- no consideration is received by the company, or only shares of the company are exchanged in the arrangement;
- no other written or oral arrangement exists that gives the holder of the shares the contractual right to require the company to redeem the shares on a fixed or determinable date or within a fixed or determinable period.

The company classifies the shares as a financial liability if it chooses to do so or if the above conditions are not met, and measures them at their redemption amount. Any resulting adjustment is recognized in either retained earnings or a separate component of equity.

In accordance with the applicable transition provisions, the company chose to apply the amendments at the beginning of the fiscal year in which the amendments were applied for the first time. i.e. on January 1, 2021.

The company chose to record the effect of classifying these shares as a financial liability in retained earnings.

K8 FINANCIAL INSTRUMENTS

- Added a liquidity risk option for retractable shares.

☒ **Liquidity risk**

☒ Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

☐ The company is exposed to this risk mainly in respect of its bank loan, long term debt, retractable shares presented as liabilities, and accounts payable. The company's exposure to liquidity risk changed during the year from the previous year as a result of the increase in financial liabilities, in particular the bank loan, accounts payable, long term debt and retractable shares presented as a liability.

W1 - WK ALL ADDITIONAL WORKING PAPERS

- Added instructions to include an additional wp in the financial statements.

**** Resource Centre module - Do not copy this module directly into your client files. ****

How to include this document in the financial statements

1. In the financial statements insert a manual line on the statement menu
2. Determine the page number that his document will display when it is part of the financial statements
3. In this document click on: File > Print > Page setup menu and set "First page number" as needed
4. Print the financial statements and this document to complete the package.

Additional working paper options

Format: **Financial statements** -
Draft stamp: FS set to Off -
Page size: Letter -
Page orientation: Portrait -

WV WAIVER OF AUDIT RESOLUTION

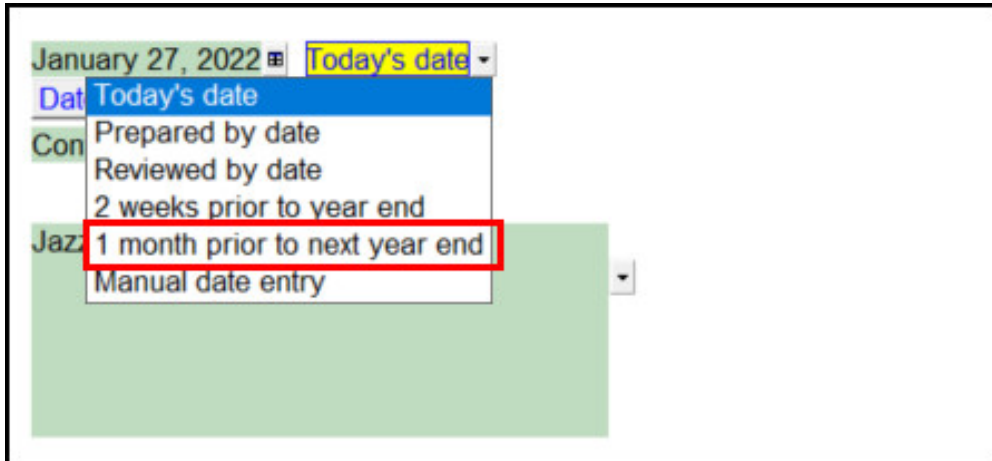
- Added back the generic waiver wording as an unselected row option.

RESOLVED THAT:

- ☒ The company waives the statutory requirements for an audit for the year ended December 31, 2021.
- ☒ "We, the undersigned, being all of the shareholders of Jazzit Generic Masters (GENMST) , a company which is not a distributing company, do hereby waive all irregularities and informalities in the passing of the foregoing Resolution and have hereunto set our hands in approval thereof."
- ☐ Enter other details of the waiver here....

YC YEAR-END CHECKLIST LETTER

- Added the option "1 month prior to next year end" to the popup menu for date of letter.



CORRECTIONS AND ENHANCEMENTS

BS BALANCE SHEET

- ✓ Added a space in front of the custom option for marketable securities cost/fmv disclosure.

BS2 9 COLUMN BALANCE SHEET WITH BUDGET

- ✓ Removed an incorrect comma in "Shareholder's deficiency" heading when set to single owner in home menu and deficit.
- ✓ Corrected issue with the current year balance not connecting properly with stmt of net assets.
- ✓ Updated the "period settings" button under the columns folder to prevent issues with older home menus.

CF2 9 COLUMN CASH FLOWS WITH BUDGET

- ✓ Updated the "period settings" button under the columns folder to prevent issues with older home menus.

CL CLIENT ENCLOSURE LETTER

- ✓ Corrected issue with bullets in the provincial corporate tax section.
- ✓ Corrected issue with right click menu on section heading for financial statements.

CP FINANCIAL STATEMENTS HOME MENU

- ✓ Updated the "show/hide column settings" button when 9 column FS loaded and home menu not set to stay in freeze frame.

IS INCOME STATEMENT, STATEMENT OF RETAINED EARNINGS AND EXPENSE SCHEDULE

- ✓ Corrected issue with missing \$ on first line of prior period adjustment section of statement of retained earnings.

IS2 9 COLUMN INCOME STATEMENT WITH BUDGET

- ✓ Corrected issue with missing \$ on first line of prior period adjustment section of statement of retained earnings.
- ✓ Updated the "period settings" button under the columns folder to prevent issues with older home menus.
- ✓ Corrected missing column selection control in the statement of changes in equity (margin-to-margin format).

JZEL ENGAGEMENT LETTER

- ✓ Added report options above salutation in the sample CSRS 4200 report (Appendix A).
- ✓ Removed duplicate period at the end of first paragraph for "Use and distribution of our communication" where company name also ends in a period.

- ✓ Added ability to select alternative frameworks other than linked to FS in the engagement options section of home menu.
- ✓ Current year/next year button in report options now available for all engagement types.
- ✓ Corrected alignment of underlines when date set to the right of signatory name.

JZRL MANAGEMENT REPRESENTATIONS LETTER

- ✓ Replaced "We" with "we" in the political activities representation.
- ✓ Added ability to select alternative frameworks other than linked to FS in the engagement options section of home menu.
- ✓ Corrected alignment of underlines when date set to the right of signatory name.
- ✓ Updated letter to properly support tax only engagement option.

K2 BASIS OF PRESENTATION NOTES

- ✓ Level one lines inserted into the basis of accounting notes are set to bullet format by default.
- ✓ Corrected issue with opening paragraph when 26 or more rows have been inserted into the basis of accounting note.

K3A SIGNIFICANT ACCOUNTING POLICIES

- ✓ Moved the rates column closer to description column when methods column is not selected.

K7 SHARE CAPITAL NOTES

- ✓ Moved the "%" to column heading in the percentage of ownership section of the default share capital note.

KK LEASE COMMITMENTS NOTES

- ✓ Updated option 3 note so it is properly included in CaseWare GIFL export when selected in the FS.

KO GENERIC 2 COLUMN NOTES

- ✓ Generic note R6 - updated the section options button functionality.

MS - JZMW MARKETABLE SECURITIES WORKING PAPERS

- ✓ Updated the interest earned table so it does not hide when unselected.
- ✓ Updated the jump popup menu so it shows securities in alphabetical order after sort selected.

Q1 - QK ADDITIONAL LETTERS

- ✓ Corrected alignment of underlines when date set to the right of signatory name.

RP ENGAGEMENT REPORT

- ✓ Corrected wording before the salutation in carry forward header for multiple page reports.
- ✓ Added an option to address salutation to management.
- ✓ Removed an extra space before the basis of accounting note reference in CSRS 4200 report.

SC2 GENERIC 9 COLUMN SCHEDULES WITH SUBTOTALS

- ✓ Heading underlines now skip properly when combining schedules and headings are switched off.

SC6 1-9 COLUMN INCOME STATEMENT SCHEDULES WITH BUDGET

- ✓ Heading underlines now skip properly when combining schedules and headings are switched off.