CNM LLP
Technical Advisory Firm

2022 Year-end Reminders

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2022 Year-end Reminders

As 2022 draws to a close, here are some regulatory, and accounting and financial reporting developments that may impact your company.

Regulatory Update

Pay Versus Performance Disclosures

The SEC has issued the final rule that amends Reg S-K Item 402 to require registrants to disclose – in proxy or information statements- executive compensation information ("pay") and financial performance measures ("performance").

The rules will apply to all reporting companies, except foreign private issuers, registered investment companies, and Emerging Growth companies. Smaller reporting companies (SRCs) are subject to scaled disclosure requirements. Registrants must comply with the new disclosure requirements for fiscal years ending on or after December 16, 2022. Registrants will be required to provide the information for three years in the first proxy or information statement in which they provide the disclosure, adding another yar of the disclosure in each of the two subsequent annual proxy filings that required the disclosures.

New Item 402(v) of Reg S-K will require registrants to provide a table disclosing specified executive compensation and financial performance measures for the registrants five most recently completed fiscal years.

The required "pay" disclosures include specific measures of compensation for named executive officers, including a new measure of compensation actually paid, calculated as prescribed by the rule.

The financial performance measures to be included in the table are as follows:

- Total shareholder return (TSR) for the registrant
- TSR for the registrant's peer group
- The registrant's net income
- A financial performance measure chosen by the registrant referred to as the "Company-Selected Measure, that represent the most important financial performance measure the registrant uses to link compensation actually paid to the registrant's NEOs to company performance for the most recently completed fiscal year

Further, the registrant will be required to provide a clear description of the relationship between each of the financial performance measures and the executive compensation actual paid to its name executives. Additionally, the registrant will disclose a list of three to seven financial performance measures that the registrant determines are its most important measures.

Emerging Growth Companies

The SEC has increased certain thresholds to determine whether a public company qualifies for Emerging Growth Company (EGC) status. The SEC is required every five years to adjust the annual gross revenue amount used to determine EGC status to reflect changes in inflation. As a result, the annual gross revenue threshold recently was increased to $1.235 billion from $1.07 billion. A company retains ESG status until the earliest of:

- The end of the fiscal year in which its annual revenues exceed $1,235,000,000.
- The end of the fiscal year in which the fifth anniversary of its IPO occurred. For example, if a company with a December 31 fiscal year-end completed its IPO on May 2, 2012, it would have ceased to be an emerging growth company by December 31, 2017 (see Question 40, JOBS Act Frequently Asked Questions: Generally Applicable Questions on Title I of the JOBS Act (May 3, 2012)).

- The date on which the company has, during the previous three-year period, issued more than $1 billion in non-convertible debt.
- The date on which the company qualifies as a large accelerated filer.

Inflation Reduction Act

The Inflation Reduction Act (IRA) was enacted on August 16, 2022 and introduced a new 15% corporate alternative minimum tax, among other provisions. The Corporate AMT is effective for tax years beginning after December 31, 2022.

Under US GAAP, the impact of changes in income tax rates and law must be reflected in the period of enactment, which would be the quarter ended September 30, 2022 for calendar year public companies. Although many companies may determine that most of the provisions in the IRA will impact their tax provision, current taxes payable, and deferred tax assets or liabilities in the future rather than currently, careful consideration should be given to determine what adjustments need to be reflected immediately in the period of enactment as the new law could affect companies' forecasts of future tax liabilities and the realizability of deferred tax assets.

In addition, companies must become familiar with the other provisions of the IRA, such as the 1% excise tax on stock repurchases, to ensure that they are appropriately accounted for.

Climate Disclosures Proposal

The SEC's climate proposal is comprehensive and complex and would impact nearly all registrants. The SEC's aim is to provide investors with more consistent, comparable, and reliable information about how climate-related matters impact a company's business and financial results over time. Included in the proposal is a bright-line materiality threshold of 1% that would apply to disclosures included in the company's audited financial statement. Further Scope 1, 2 and 3 emissions will require independent attestation for all registrants, except for Smaller reporting companies who are exempt from Scope 3 disclosures. While not covered in the proposal, the effects will likely trickle down to private companies.

The comment period has ended and over 4,000 comments letters were submitted. Due to the large number of comments received, it is not clear when the SEC will make a final decision on the proposed disclosures, however it was originally scheduled to be finalized in October 2022.   Nevertheless, we believe that it is likely that at least some new disclosures will be required, which could be required as early as next year. Public companies should become familiar with the provisions of the proposed guidance and monitor its progress in order to be prepared to comply with any new disclosures that are required.

In the meantime, registrants should expect to see continued scrutiny of climate related disclosures based on the sample comment letter published in September 2021. The SEC has been active in issuing comment letters to registrants on their current climate disclosures, specifically asking about the consistency of data used in the disclosures and about internal control considerations over those disclosures.

Cyber Incidents

In March 2022, the SEC proposed new disclosure requirements regarding cyber incidents and related risk management activities. The proposed rules would require public companies to file a Form 8-K to disclose a cyber incident within four days of determining that the incident was material (and not when the incident was first discovered). In addition, material updates on material cyber incidents would be required in periodic filings (e.g., Form 10-Q and Form 10-K). Companies also would be required to disclose their cybersecurity policies and procedures, management's role in cybersecurity governance, and oversight performed by the board of directors and their level of expertise.

Due to a technical error, the comment period was reopened until November 1, 2022. No final rule has been issued yet but one is expected to be forthcoming. Public companies should become familiar with the proposed requirements and start to prepare to comply with them next year.

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Accounting Update

Lease Accounting

The new lease accounting standard, ASC 842, was effective for calendar year nonpublic companies and SRCs on January 1, 2022. For nonpublic calendar year companies who only issue annual financial statements, the application of ASC 842 must be reflected in their 2022 financial statements. Auditors generally will expect to see a detailed summary of how the guidance in ASC 842 was implemented and applied and the transition adjustments that were recorded upon adoption. Generally, ASC 842 requires lessees to record a lease liability and a right-of-use (ROU) asset to be recognized for operating leases, which previously were not reflected on the balance sheet.

Current Expected Credit Losses

Calendar year nonpublic companies and SRCs who have not yet adopted ASC 326 must apply the standard effective January 1, 2023. ASC 326 requires the application of the current expected credit loss method (CECL) to measure an allowance for credit losses for all financial assets recorded at amortized cost. CECL requires an entity to estimate lifetime expected credit losses that considers current economic conditions and reasonable expectations of future economic conditions. This will generally result in an earlier recognition of credit losses.

In addition, ASC 326 amends the measurement and recognition of impairment of available for sale (AFS) debt securities. AFS securities with an unrealized loss in which it is more likely than not that the security will be held until recovery must be evaluated to ascertain whether any portion of the unrealized loss is attributable to credit losses. An allowance is measured and recognized for the estimated credit losses with changes in the allowance offset in earnings. If it is determined that the unrealized loss is not related to credit loss, the unrealized loss will be recorded in other comprehensive income. For AFS securities in an unrealized loss that management intends to sell, the amortized cost basis is written down to fair value through earnings. Also, the notion of other than temporary impairment (e.g., based on the passage of time) has been eliminated.

Economy

The annual rate of inflation is over 8% through September 2022, the Federal Reserve has raised interest rates six times this year, the war in Ukraine is in its eighth month continuing to disrupt the global economy, and the world has not fully recovered from the challenges caused by the COVID-19 pandemic. The current economic environment will have accounting and reporting repercussions that will vary depending on a company's location, size, and industry. Some of the more common accounting and reporting issues are as follows:

- Impairment of goodwill, intangibles, and other long-lived assets
- Debt modifications
- Going concern
- Discontinued operations
- Exit and disposal cost
- Fair value measurements and estimates

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Reference Rate Reform

Companies that have derivative instruments or bifurcated embedded derivatives whose underlying originally was based on changes in LIBOR should have been modified for the elimination of LIBOR as a reliable market interest rate index. Similarly, qualifying accounting hedges under ASC 815, Derivatives and Hedging, required modification for the same reason. ASC 848 provides certain relief in accounting for such changes for a limited time. ASC 848 is due to expire at the end of 2022. However, the FASB recently issued a proposed ASU that would extend the guidance through the end of 2024.

Government Assistance

ASU 2021-10 requires the following annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. The guidance is effective for fiscal years beginning after December 15, 2021 or 2022 for calendar year companies.

1. Information about the nature of the transactions and the related accounting policy used to account for the transactions.
2. The line items on the balance sheet and income statement that are affected by the transactions, and the amounts applicable to each financial statement line item.
3. Significant terms and conditions of the transactions, including commitments and contingencies.

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Guidance Effective in 2022 for Calendar Year-end Public Companies

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2020-06	Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity	SEC filers, excluding SRCs: Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.	Yes, but only as of the beginning of a fiscal year beginning after December 15, 2020.
ASU 2020-07	Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets	Fiscal years beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022	Yes
ASU 2021-01	Reference Rate Reform (Topic 848): Scope	Upon issuance (January 7, 2021) through December 31, 2022	Not applicable
ASU 2021-04	Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging— Contracts in Entity's Own Equity (Subtopic 815-40)	Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years	Yes
ASU 2021-05	Leases (Topic 842) Lessors—Certain Leases with Variable Lease Payments	The amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.	Yes
ASU 2021-10	Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance	Effective for financial statements issued for annual periods beginning after December 15, 2021	Yes

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Guidance Effective After 2022 for Calendar Year-end Public Companies

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2016-13	Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	SRCs: As amended by ASU 2019-10, fiscal years beginning after December 15, 2022, including interim periods within those fiscal years	Yes
ASU 2017-04	Intangibles—Goodwill and Other (Topic 350)	SRCs: As amended by ASU 2019-10, annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2022	Yes, for any goodwill impairment tests performed after January 1, 2017
ASU 2018-12	Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts	SEC filers, excluding SRCs: As amended by ASU 2020-11, fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022 SRCs: As amended by ASU 2020-11, fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025	Yes
ASU 2018-19	Codification Improvements to Topic 326, Financial Instruments—Credit Losses	SRCs: The same effective date as ASU 2016-13	Not applicable
ASU 2019-04	Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments	Topics 1, 2 and 5 (Amendments to Topic 326): SRCs: The same effective date as ASU 2016-13	Topics 1, 2 and 5: Yes if ASU 2016-13 has been adopted
ASU 2019-05	Financial Instruments—Credit Losses (Topic 326) Targeted Transition Relief	SRCs: The same effective date as ASU 2016-13.	Early adoption is permitted if ASU 2016-13 has already been adopted

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Guidance Effective After 2022 for Calendar Year-end Public Companies, continued

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2019-09	Financial Services—Insurance (Topic 944): Effective Date	SEC filers, excluding SRCs: As amended by ASU 2020-11, fiscal years beginning after December 15, 2022, and interim periods within those fiscal years SRCs: As amended by ASU 2020-11, fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025	Not applicable
ASU 2019-10	Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates	SRCs: Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years	Not applicable
ASU 2019-11	Codification Improvements to Topic 326, Financial Instruments—Credit Losses	SRCs: The same effective date as ASU 2016-13.	Early adoption is permitted if ASU 2016-13 has already been adopted
ASU 2020-03	Codification Improvements to Financial Instruments	Issues 6 and 7: SRCs: The same effective date as ASU 2016-13	Not applicable
ASU 2020-06	Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity	SRCs: Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years	Yes, but only as of the beginning of a fiscal year beginning after December 15, 2020.
ASU 2020-11	Financial Services—Insurance (Topic 944): Effective Date and Early Application	SEC filers, excluding SRCs: Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years SRCs: Fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025	Yes - early transition relief available

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Guidance Effective After 2022 for Calendar Year-end Public Companies, continued

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2021-08	Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years	Yes
ASU 2022-01	Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.	Early adoption is permitted if ASU 2017-12 has already been adopted for the corresponding period.
ASU 2022-02	Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures	For entities that have adopted ASU 2016-13: Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For entities that have not yet adopted the amendments related to ASU 2016-13, the same as ASU 2016-13	Early adoption is permitted if ASU 2016-13 has already been adopted
ASU 2022-03	Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years	Yes
ASU 2022-04	Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations	Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023.	Yes

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Guidance Effective in 2022 for Calendar Year-end Nonpublic Companies

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2016-02	Leases (Topic 842)	As amended by ASU 2020-05, fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022	Yes
ASU 2018-01	Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842	Upon issuance for entities that early adopted Topic 842. For entities that have not adopted Topic 842, the same as the effective date in Topic 842	Not applicable
ASU 2018-10	Codification Improvements to Topic 842, Leases	Upon issuance for entities that early adopted Topic 842. For entities that have not adopted Topic 842, the same as the effective date in Topic 842	Not applicable
ASU 2018-11	Leases (Topic 842): Targeted Improvements	For entities that have not adopted Topic 842, the effective date for the new lessor practical expedient is the same as the effective date for Topic 842. Entities that have already adopted Topic 842 may apply the new lessor practical expedient (1) to the first reporting period following the issuance of the practical expedient or (2) at the original effective date of Topic 842	Not applicable
ASU 2018-20	Leases (Topic 842): Narrow-Scope Improvements for Lessors	For entities that have not adopted Topic 842, the effective date is the same as the effective date for Topic 842. Entities that have already adopted Topic 842 may apply the amendments (1) at the original effective date of Topic 842 for the entity, (2) in the first reporting period ending after the issuance of this Update or (3) in the first reporting period beginning after the issuance of this Update	Not applicable

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Guidance Effective in 2022 for Calendar Year-end Nonpublic Companies, continued

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2019-01	Leases (Topic 842): Codification Improvements	Issues 1 & 2: As amended by ASU 2020-05, fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Issue 3: The effective date is the same as the effective date in ASU 2016-02	Not applicable
ASU 2019-12	Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes	Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022	Yes
ASU 2020-01	Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)	Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years	Yes
ASU 2020-05	Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities	Upon issuance (June 3, 2020). Defers the effective date of Topic 842 to fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022 for all entities that have not yet issued financial statements (or made available for issuance) as of June 3, 2020	Not applicable
ASU 2020-07	Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets	Fiscal years beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022	Yes

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Guidance Effective in 2022 for Calendar Year-end Nonpublic Companies, continued

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2020-08	Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs	Fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022	Yes, but only for fiscal years beginning after December 15, 2020
ASU 2020-10	Codification Improvements	Fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022	Yes
ASU 2021-01	Reference Rate Reform (Topic 848): Scope	Upon issuance (January 7, 2021) through December 31, 2022	Not applicable
ASU 2021-04	Earnings Per Share (Topic 260), Debt— Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging— Contracts in Entity's Own Equity (Subtopic 815-40)	Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years	Yes
ASU 2021-05	Leases (Topic 842) Lessors—Certain Leases with Variable Lease Payments	The amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. For entities that have not already adopted ASC 842, concurrent with ASC 842.	Yes
ASU 2021-07	Compensation—Stock Compensation (Topic 718): Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards (a consensus of the Private Company Council)	Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022	Yes
ASU 2021-10	Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance	Effective for financial statements issued for annual periods beginning after December 15, 2021	Yes

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Guidance Effective After 2022 for Calendar Year-end Nonpublic Companies

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2016-13	Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	As amended by ASU 2019-10, fiscal years beginning after December 15, 2022, including interim periods within those fiscal years	Yes
ASU 2018-19	Codification Improvements to Topic 326, Financial Instruments—Credit Losses	The effective date is the same as the effective date in ASU 2016-13	Not applicable
ASU 2019-04	Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments	Topics 1, 2 and 5 (Amendments to Topic 326): For entities that have not yet adopted ASU 2016-13, the same as ASU 2016-13	Topics 1, 2 and 5: Yes if ASU 2016-13 has been adopted
ASU 2019-05	Financial Instruments—Credit Losses (Topic 326) Targeted Transition Relief	For entities that have not yet adopted ASU 2016-13, the same as ASU 2016-13	Early adoption is permitted if ASU 2016-13 has already been adopted
ASU 2019-11	Codification Improvements to Topic 326, Financial Instruments—Credit Losses	For entities that have not yet adopted ASU 2016-13, the same as ASU 2016-13	Early adoption is permitted if ASU 2016-13 has already been adopted
ASU 2017-04	Intangibles—Goodwill and Other (Topic 350)	As amended by ASU 2019-10, annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2022	Yes, for any goodwill impairment tests performed after January 1, 2017
ASU 2018-12	Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts	As amended by ASU 2020-11, fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025	Yes
ASU 2019-09	Financial Services—Insurance (Topic 944): Effective Date	As amended by ASU 2020-11, effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025	Not applicable

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Guidance Effective After 2022 for Calendar Year-end Nonpublic Companies, continued

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2020-11	Financial Services—Insurance (Topic 944): Effective Date and Early Application	Effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025	Yes - early transition relief available
ASU 2019-10	Financial Instruments—Leases (Topic 842): Effective Dates	Credit losses & goodwill impairment: Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years	Not applicable
ASU 2020-03	Codification Improvements to Financial Instruments	Issues 6 and 7:For entities that have not yet adopted the amendments related to ASU 2016-13, the same as ASU 2016-13	
ASU 2020-06	Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging —Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years	Yes, but only as of the beginning of a fiscal year beginning after December 15, 2020.
ASU 2021-02	Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient	For entities that have not already adopted ASC 952-606, concurrent with ASC 952-606.	Yes
ASU 2021-08	Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years	Yes
ASU 2022-01	Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Early adoption is permitted if ASU 2017-12 has already been adopted for the corresponding period.

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Guidance Effective After 2022 for Calendar Year-end Nonpublic Companies, continued

ASU No.	Standard Name	Effective Date	Early Adoptable
ASU 2022-02	Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures	For entities that have adopted ASU 2016-13: Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For entities that have not yet adopted the amendments related to ASU 2016-13, the same as ASU 2016-13	Early adoption is permitted if ASU 2016-13 has already been adopted
ASU 2022-03	Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions	Fiscal years beginning after December 15, 2024, and interim periods within those fiscal years	Yes
ASU 2022-04	Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations	Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023.	Yes

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Who is CNM?

Founded in 2003, CNM is recognized as one of the premier technical advisory firms in Southern California with Big 4 experience that provides the responsive customer service of a boutique firm. And we're a dynamic team that enlists all our energy to help transform the way your company does business – carefully evaluating your needs, simplifying your financial processes, and passionately solving problems in the most cost-effective way.

Our extensive knowledge of US GAAP, ICFR and SEC reporting skills has given us the ability to assist our clients with transactions that are not only multifaceted, but the capability to implement new or complex accounting standards. We have over 175 partners and employees in our Los Angeles, Orange County, San Diego, and New York City offices. Many of our clients are developed from direct referrals from the Big 4 accounting firms, speaking to the level of quality services we provide.

To learn more about how we can help, visit our website at www.cnmllp.com.

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