



Summary of Recent Accounting Developments Q3 2019

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Third Quarter 2019

CNM Articles Published

- Letter in response to the FASB Invitation to Comment, Identifiable Intangible Assets and Subsequent Accounting for Goodwill

Big Four Accounting Guides—new or revised

PwC

- Revenue from contracts with customers (August 2019)
- Inventory (August 2019)
- Foreign currency (June 2019)

KPMG

- Earnings per share (September 2019)
- Consolidation of VIEs Handbook (August 2019)
- Leases Handbook (August 2019)
- Asset Acquisitions—Issues In-Depth (August 2019)
- Equity Method of Accounting Handbook (July 2019)
- Business Combinations Handbook (July 2019)

EY

- Foreign currency matters (August 2019)
- Real estate project costs (August 2019)
- Lease accounting, ASC 842 (August 2019)
- Earnings per share (August 2019)
- Consolidation (July 2019)
- Derivatives and hedging—after the adoption of ASU 2017-12 (July 2019)
- Fair value measurement (July 2019)
- Transfers and servicing of financial assets (July 2019)
- Issuer's accounting for debt and equity financings (July 2019)
- Equity method investments and joint ventures (July 2019)

Deloitte

- A Roadmap to Accounting for Equity Method Investments and Joint Ventures (2019)
- A Roadmap to the Presentation and Disclosure of Earnings per Share (2019)
- A Roadmap to Non-GAAP Financial Measures (September 2019)
- A Roadmap to Accounting for Environmental Obligations and Asset Retirement Obligations (2019)
- A Roadmap to Initial Public Offerings (2019)
- A Roadmap to Disposals of Long-Lived Assets and Discontinued Operations (2019)
- A Roadmap to Accounting for Contracts on an Entity's Own Equity (2019)
- A Roadmap to Applying the New Revenue Recognition Standard (2019)
- A Roadmap to Foreign Currency Transactions and Translations (2019)
- A Roadmap to Segment Reporting (2019)
- A Roadmap to Non-GAAP Financial Measures (2019)

New Accounting Standards

- Proposed Accounting Standards Update—Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)—Effective Dates (August 15, 2019, comments due September 16, 2019)¹
 - The proposed update would delay the effective date for ASC 326, the hedging amendment to ASC 815 (ASU 2017-12), and ASC 842 for (i) public small reporting companies (SRCs), as defined by the SEC, and (ii) nonpublic entities as follows:
 1. ASC 326—Fiscal years beginning after December 15, 2022 (e.g., January 1, 2023 for calendar year companies)
 2. ASC 815 and ASC 842—Fiscal years beginning after December 15, 2020 (e.g., January 1, 2021 for calendar year companies).

¹ We believe that this proposed update likely will be adopted before the end of 2019.

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- ASU 2019-07 (July 2019), Codification Updates to SEC Sections, Amendments to SEC Paragraphs Pursuant to SEC Final Rule Release No. 33-10532, *Disclosure Update and Simplification*, and Nos. 33-10231 and 33-10442, *Investment Company Reporting Modernization*, and Miscellaneous Updates
 - Amends various SEC paragraphs

Other Guidance

- AICPA Practice Aid, Allowance for credit losses—audit considerations (September 2019)
- PCAOB Staff Guidance, Using the Work of a Company's Specialist (August 2019)²
- PCAOB Staff Guidance, Supervising or Using the Work of an Auditor's Specialist (August 2019)³
- PCAOB Staff Guidance, Auditing the Fair Value of Financial Instruments (August 2019)³
- PCAOB Staff Guidance, Auditing Accounting Estimates (August 2019)³
- FASB Staff Q&A, Topic 326 (CECL), No. 2: Developing an Estimate of Expected Credit Losses on Financial Assets (July 2019)
- SEC approves PCAOB Auditing Standard No. 2501, Auditing Accounting Estimates, Including Fair Value Measurements, and related amendments (July 2019)⁴
 - Might result in closer audit examination of accounting estimates, including fair value measurements, by public companies.

² Effective for audits of financial statements for fiscal years ending on or after December 15, 2020.

³ The effective date is for fiscal years beginning after December 15, 2019.

⁴ The new standard and related amendments will take effect for audits of financial statements for fiscal years ending on or after December 15, 2020.



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