

FASB SSARS and SAS: ***An Update and Review for 2018***

Course Description

The purpose of this course is to inform the reader of the various changes affecting accounting, compilation and review, and auditing engagements as well as a review and recall of existing standards. Topics include a summary of newly issued FASB statements, new statements issued by the Auditing Standards Board, changes in compilation and review, current and pending developments, practice issues, and more.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 24 (CPA) (16 hours accounting, 8 hours auditing)

Category: Accounting and Auditing

Prerequisite: Basic understanding of US GAAP.

Advanced Preparation: None

Course Learning Objectives

Chapter 1: ASU 2017-01 Business Combinations (Topic 805) Clarifying the Definition of a Business

1. Identify an area of accounting affected by the definition of a business
2. Recognize elements of a business
3. Identify the new definition of a business in ASU 2017-01
4. Recall an example of a process as used in the definition of a business
5. Recognize Steps 1 and 2 of determining a business in ASU 2017-01
6. Identify a real estate transaction that might qualify as a trade or business in IRC 197
7. Recognize a factor that indicates there is a trade or business for tax purposes

Chapter 2: ASU 2017-04 Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment

1. Identify how intangible assets with finite lives should be accounted for under GAAP
2. Recognize how often a publicly held entity should test goodwill for impairment
3. Recall the level at which goodwill is tested for impairment
4. Recognize the formula used to perform the impairment loss test for goodwill
5. Identify how goodwill is treated after recording an impairment loss
6. Recall the definition of “more likely than not” as used in the goodwill impairment test
7. Recognize the definition of a public business entity
8. Identify the type of entity that is permitted to elect the accounting alternative for goodwill in ASU 2014-02
9. Recognize the maximum amortization life for goodwill using the accounting alternative

Chapter 3: ASU 2016-02, Leases (Topic 842) and ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842

1. Recognize a key change made to GAAP by the new lease standard
2. Identify a type of lease that exists for a lessee under ASU 2016-02
3. Recall a type of lease for which the ASU 2016-02 rules do not apply
4. Recognize some of the criteria that determine whether a contract is or is not a lease
5. Identify a threshold for a lease term to be considered a major part of an asset’s remaining economic life
6. Identify how a lessee should account for initial direct costs
7. Recall how a lessor should initially account for initial direct costs for a lease in certain instances
8. Identify how a lessor should account for lease payments received on the income statement for an operating lease
9. Recognize how certain existing leases are accounted for on the implementation date of ASU 2016-02
10. Recall the potential impact that the new lease standard might have on a lessee’s EBITDA and debt-equity ratios.

Chapter 4: Financial Instruments

1. Identify the category of securities for which ASU 2016-01 retains the three categories under existing GAAP
2. Recall one of the changes made by ASU 2016-01 to existing GAAP for financial instruments.
3. Recall how available-for-sale debt securities are measured on an entity’s balance sheet

4. Identify how held to maturity securities are measured on the balance sheet
5. Recognize how an entity should account for a temporary impairment
6. Recall how an entity should present an unrealized gain or loss on an equity security under ASU 2016-01
7. Identify how a mutual fund that invests in debt and equity securities should classify the investment
8. Recall a change made to the exemption for fair value disclosures with respect to trade receivables and payables
9. Recognize the model that ASU 23016-13 uses to deal with credit losses
10. Identify how credit losses should be recorded under new ASU 2016-13

Chapter 5: The Impact of the Tax Cuts and Jobs Act on GAAP and Financial Reporting

1. Recognize how an entity should account for deferred tax accounts under the Tax Cuts and Jobs Act
2. Identify how the ASU 2018-02 election is made to reclassify the tax-effect on accumulated other comprehensive income
3. Recall the adjustment that is made when an entity converts from S to C corporation status
4. Recognize the type of like-kind exchange that qualifies for nonrecognition of gain or loss under GAAP
5. Identify a way in which an entity can account for bonus depreciation under GAAP.
6. Recall the overall impact that the reduction in the corporate tax rate is having on SEC companies
7. Recognize whether SEC companies are permitted to discount tax liabilities pertaining to repatriated income
8. Recall when an entity is required to disclose the tax years open for examination

Chapter 6: Current Developments - Accounting and Financial Reporting - 2018

1. Recognize some of the implications of a possible change in the format of financial statements
2. Recall a permitted format for presenting a balance sheet under the LIFO Conformity Requirement
3. Identify the disclosure requirement for a concentration within an entity
4. Recognize one of the disclosure requirements in the Dodd-Frank Act
5. Recognize the change made to the extraordinary item rules by ASU 2015-01
6. Recognize an attribute of a company that leads with its balance sheet first in its set of financial statements
7. Identify how an entity should account for restricted cash in its statement of cash flows
8. Recall how to classify deferred tax assets and liabilities on the balance sheet

9. Recall how an entity that uses average cost method should value its inventory under ASU 2015-11.

Chapter 7: Compilation and Review Update Including SSARS Nos. 21-24

1. Recognize engagement types that are and are not part of SSARS No. 21
2. Recall whether the AR-C 70 preparation of financial statements standard is an attest or nonattest service
3. Recall whether a preparation engagement under AR-C 70 is subject to peer review
4. Recognize whether an accountant and his or her client must sign an engagement letter for a preparation of financial statements engagement under AR-C 70
5. Identify whether a report is required in a preparation of financial statements engagement under AR-C 70
6. Identify where to disclose GAAP departures in a preparation of financial statements engagement
7. Recall the requirements for including a legend in a compilation engagement
8. Identify evidence an accountant should obtain to demonstrate that financial statements reconcile with accounting records
9. Identify the order in which certain report paragraphs should be placed in the SSARS No. 21 review report
10. Recognize the accountant's responsibility for reporting fraud in compilation and review engagements
11. Identify the going concern assessment period in a review engagement
12. Identify the options available to report on supplementary information in a compilation or review engagement
13. Recognize evidence an accountant would obtain to demonstrate that the financial statements reconcile with accounting records
14. Identify the disclosure requirements when an accountant reports on a tax return

Chapter 8: SAS No. 132: The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern

1. Recognize the definition of "reasonable period of time" as used in SAS No. 132
2. Identify the key term that SAS No. 132 uses in the auditor's evaluation of going concern
3. Identify when a company is required to use the liquidation basis of accounting
4. Recognize an example of a negative external matter that may raise substantial doubt of going concern
5. Identify an example of a mitigating plan
6. Recognize the meaning of the term "probable" as used in GAAP's ASU 2014-15
7. Identify audit evidence demonstrating a commitment to providing financial support
8. Recall how a CPA should report when there is substantial doubt of going concern
9. Identify a term used in going concern that third party users that is not clearly understood

Chapter 9: Auditing Developments Including SAS Nos. 131, 133 and SSAE No. 18

1. Identify the difference between fraud and an error
2. Recognize the three conditions of the fraud triangle
3. Recall the threshold at which an audit of an employee benefit plan is required
4. Recognize an example of a type of exempt offering covered by SAS No. 133
5. Recognize some of the prerequisites to perform an attestation engagement under SSAE No. 18
6. Identify types of engagements that are covered and not covered by SSAE No. 18
7. Identify the information that must be disclosed under the PCAOB rules