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## Course Information

Course Title: ***FASB, SSARS, and SAS Update and Review 2024 #312024***

### **Recommended CPE credit hours for this course**

In accordance with the standards of the CFP Board, the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

### **CPA 24 Total: Accounting: 16; Auditing: 8**

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE .51 PSR

Pennsylvania Board of Accounting: PX178025

Texas State Board of Accountancy: 009349

### **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.

### **Course Content**

Publication revision date: 4/18/2024

Course book: *FASB, SSARS, and SAS Update and Review* by Steven C. Fustolo, CPA, MBA.

Final exam (online): One Hundred-Twenty questions (multiple-choice).

**Program Delivery Method:** Self-Study (NASBA QAS Self-Study/interactive)

### **Subject Codes/Field of Study**

NASBA (CPA): Accounting (16); Auditing(8)

### **Course Level, Prerequisites, and Advance Preparation Requirements**

Program Level: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic understanding of U.S. GAAP

Advance Preparation: None

**Table of Contents follows the Learning Objectives.**

### Instructions for Taking This Course

- Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."
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- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

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- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## LEARNING OBJECTIVES

As a result of studying each assignment, you should be able to meet the objectives listed below for each individual assignment.

### I. ASSIGNMENT AND SUBJECT

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1. Review the materials from Chapter 1
2. Study the Review Questions and Suggested Solutions throughout Chapter 1
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 1 course material, you will be able to:

- Recognize examples of assets that are and are not subject to the ASC 326-20 expected credit loss model
- Recognize the model that ASU 2016-13 uses to deal with credit losses
- Recall how an entity should present the allowance for credit losses on the balance sheet
- Identify how credit losses should be recorded under new ASU 2016-13
- Recognize some of the disclosures required by ASU 2016-13
- Identify examples of entities that are under common control
- Identify how a decline in fair value of a held-to-maturity debt security should be handled under GAAP
- Recognize the new impairment model for available-for-sale debt securities under ASC 326-30, and
- Identify how an entity should implement the ASU 2016-13 rules.

### II. ASSIGNMENT AND SUBJECT

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1. Review the materials from Chapter 2
2. Study the Review Questions and Suggested Solutions throughout Chapter 2
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 2 course material, you will be able to:

- Review how to account for a joint venture
- Identify how to measure a crypto asset and record it on the balance sheet and income statement, and
- Recall some of the new disclosures for income taxes required by ASU 2023-09.

### III. ASSIGNMENT AND SUBJECT

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1. Review the materials from Chapter 3
2. Study the Review Questions and Suggested Solutions throughout Chapter 3
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 3 course material, you will be able to:

- Recognize a key change made to GAAP by the new lease standard
- Identify a type of lease that exists for a lessee under ASU 2016-02
- Recall a type of lease for which the ASU 2016-02 rules do not apply
- Identify some of the types of benefits a lessee can obtain from a leased asset
- Identify a threshold for a lease term to be considered a major part of an asset's remaining economic life
- Recognize why an entity might not want to use the risk-free rate to compute the present value of lease payments
- Identify how a lessee should account for initial direct costs
- Recognize items that are and are not components of a lease term
- Recall the method a lessee should use to record interest expense on a lease obligation
- Identify some types of leases for a lessor
- Recall how a lessor should initially account for initial direct costs for a lease in certain instances
- Identify how a lessor should account for lease payments received on the income statement for an operating lease
- Recall how a lessor should classify certain cash receipts on the statement of cash flows
- Recognize how certain existing leases are accounted for on the implementation date of ASU 2016-02
- Identify how deferred income taxes will be treated for lessees under ASU 2016-02
- Recall the potential impact that the new lease standard might have on a lessee's EBITDA and debt-equity ratios, and
- Recall the IRS rules regarding when an entity should and should not capitalize a lease for tax purposes.

#### **IV. ASSIGNMENT AND SUBJECT**

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1. Review the materials from Chapter 4
2. Study the Review Questions and Suggested Solutions throughout Chapter 4
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 4 course material, you will be able to:

- Recognize the type of expense that is the basis for measuring the amount of the ERC
- Identify where to present the ERC in the statement of income using the ASC 958 conditional contribution model
- Recognize where to present the ERC in the statement of income using the IAS 20 grant model
- Recognize the proper presentation of the ERC in a tax-basis statement of income
- Identify how to account for an ERC filing in 2023 and 2024
- Recognize a technique that has been attempted to circumvent the SALT deduction limitation
- Identify how to account for the PTE tax in an entity's financial statements
- Recognize the requirements for recording deferred state income taxes with respect to the PTE tax election, and
- Identify disclosures that should be made for the PTE tax.

## **V. ASSIGNMENT AND SUBJECT**

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1. Review the materials from Chapter 5
2. Study the Review Questions and Suggested Solutions throughout Chapter 5
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 5 course material, you will be able to:

- Recognize some types of concentrations that might require disclosure under the risk and uncertainty rules
- Identify the definition of “near term”
- Recall the frequency in which an entity should test goodwill for impairment
- Recall how to classify business interruption insurance proceeds on the financial statements
- Recognize the relationship that a change in interest rates has on real estate values
- Identify the benchmark used to determine going concern
- Recognize how to report on going concern in an engagement
- Identify a method that can be used to measure variable consideration revenue
- Recognize an example of a construction-type contract
- Identify an advantage of remote auditing
- Recognize a reason to justify using LIFO for GAAP. and
- Identify whether the LIFO IPIC approach is acceptable for GAAP.

## **VI. ASSIGNMENT AND SUBJECT**

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1. Review the materials from Chapter 6
2. Study the Review Questions and Suggested Solutions throughout Chapter 6
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 6 course material, you will be able to:

- Identify the goal of the FASB’s Disaggregation-Income Statement Expenses project
- Recognize one of the characteristics of a multi-employer pension plan
- Recognize the impact that life expectancy has on the amount of a pension liability
- Identify the shift in the types of retirement plans over the past decade
- Recall an example of a financial instrument subject to the concentration of credit risk disclosure
- Identify the requirements of the SEC’s ESC disclosures
- Recall the general GAAP rule for management’s evaluation of going concern
- Recognize the VIE accounting alternative for leases under common control in ASU 2018-17
- Recognize when a state might be able to charge sales tax under the Wayfair decision
- Review the accounting for a net operating loss, and
- Recall the rule for deductibility of interest in IRC 163(j).

## **VII. ASSIGNMENT AND SUBJECT**

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1. Review the materials from Chapter 7
2. Study the Review Questions and Suggested Solutions throughout Chapter 7
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 7 course material, you will be able to:

- Recognize a behavioral trait of most occupational fraudsters
- Recognize the difference between fraud and an error
- Recall the three conditions of the fraud triangle
- Identify an example of an accounting estimate related to classes of transactions, account balances and disclosures identified in SAS No. 143
- Recognize how inherent and control risks should be assessed in accordance with SAS No. 143
- Recognize an example of an inherent risk factor
- Identify examples of the approaches that can be performed in assessing the risks of material misstatement from accounting estimates
- Recall one of the amendments made to AU-C 501 by SAS No. 145 in connection with using the work of an external inventory-taking firm
- Identify some instances in which an auditor may conclude that a specialist's work is not adequate
- Identify a type of risk assessment procedure that an auditor can use in accordance with SAS No. 145
- Recall examples of risk assessment procedures that an auditor may perform in SAS No. 145
- Recognize how to perform risk assessment procedures when relying on information obtained from previous experience with an entity
- Identify examples of risk assessment procedures to obtain audit evidence in accordance with SAS No. 145
- Recognize a new requirement made by SAS No. 145 in connection with assessing inherent risk and control risk in an audit, and
- Identify how an auditor should respond if the auditor does not plan to test the operating effectiveness of an entity's controls.

## **VIII. ASSIGNMENT AND SUBJECT**

■

1. Review the materials from Chapter 8
2. Study the Review Questions and Suggested Solutions throughout Chapter 8
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 8 course material, you will be able to:

- Recall the date by which an engagement partner must take responsibility for determining that ethical requirements are fulfilled
- Identify certain requirements an engagement partner must satisfy in performing an audit engagement
- Recognize examples of resources assigned or made available by a firm to support performance of an audit engagement
- Identify a type of unconscious bias defined in SAS No. 146
- Identify when a successor auditor should request management to authorize a predecessor auditor's response to the successor auditor's inquiry
- Recognize one of the new inquiries a successor auditor should make of a predecessor auditor by SAS No. 147

- Recall the extent of a predecessor auditor's response to a successor auditor's inquiries when there are certain restrictions on the predecessor auditor.
- Identify an example of a recently issued auditing standard that SAS No. 148 incorporates into amendments to AU-C 935, *Compliance Audits*.
- Recall examples of inherent risk factors related to identifying and assessing risks of material misstatement in a compliance audit, and
- Identify the party required to take overall responsibility for the quality on a group audit engagement in accordance with SAS No. 149.

## **IX. ASSIGNMENT AND SUBJECT**

■

1. Review the materials from Chapter 9
2. Study the Review Questions and Suggested Solutions throughout Chapter 9
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the Chapter 9 course material, you will be able to:

- Identify which party is responsible for determining that engagement team members have appropriate competence and capabilities to perform a SSARS engagement
- Recognize the definition of materiality found in SAS No. 138
- Identify factors an accountant should consider when determining materiality in a review engagement
- Recall the least profitable engagement to perform
- Identify the type of reporting an accountant should perform when management elects to include disclosures about a few matters in the notes
- Recognize certain GAAP departures that the author suggests are easiest to implement
- Identify a recommendation to mitigate the risk associated with performing bookkeeping services, and
- Recall a better approach to compute the number of days sales in accounts receivable.

## ABOUT THE AUTHOR

STEVEN C. FUSTOLO, CPA

Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles have been featured in *The Practical Accountant* and other publications. He is the author of numerous books and publications including: *Practice Issues: Compilation and Review*, *Accounting and Auditing Reference Guide*, *Everything You Never Wanted to Know About GAAP*, *Enron: Fraud, Deception and the Aftermath*, *FASB Review for Industry*, *Current Developments: Accounting and Financial Reporting*, *Making Money with Special Engagements*, *Understanding the Variable Interest Entity Rules*, *FASB, SSARS and SAS Update and Review*, *Tax Basis Accrual Financial Statements*, *Accounting for the New Lease Standard*, and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH.) Mr. Fustolo's recent best-selling courses entitled *The Impact of the Tax Cuts and Jobs Act on GAAP and Financial Reporting*, *Implementing the New Revenue Standard (ASC 606)- Guidance for Private Companies*, and *Accounting and Financial Reporting for COVID-19 and the CARES Act*, have received accolades from the financial media. Mr. Fustolo is the recipient of several Outstanding Discussion Leader awards from many professional organizations including the New York and Florida Societies of CPAs. Mr. Fustolo's course entitled *FASB, SSARS and SAS Update and Review* continues to be regarded as one of the top live CPE programs in the country today with ratings that average 4.91 on a scale of 5.0. He speaks regularly for professional groups including being a guest lecturer at the AICPA Advanced Accounting and Auditing Technical Symposium. Mr. Fustolo is the recipient of the Elijah Watts Sells Award (AICPA) and Silver Medal (Massachusetts) for scores received on the CPA Examination.

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# 2024 FASB SSARS AND SAS UPDATE AND REVIEW

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