

Current Expected Credit Losses (CECL)

The new credit loss standard (CECL) requires companies to estimate expected credit losses on their financial instruments over the entire life of the asset. The standard impacts many areas of an organization beyond accounting and often presents more challenges than management teams anticipate. Riveron helps clients simplify the adoption process and create sustainable solutions. We provide more than just a set of recommendations — we become an extension of management to ensure your implementation is practical and tailored to your business's ongoing needs.

Common Private Company Challenges

- ▶ Completeness and accuracy of historical loss data
- ▶ Identifying assets and assigning to risk pools
- ▶ Establishing fair values for FVO evaluation
- ▶ Modeling the appropriate forward-looking factors

CECL Services:

- ▶ Impact assessment
- ▶ Project management
- ▶ Data abstraction
- ▶ Accounting policy and methodology development
- ▶ Financial statement disclosure preparation
- ▶ Business process design
- ▶ Internal controls development and testing
- ▶ Training and education
- ▶ Model development and validation

\ How We Help

We can assist as-needed, from policy review to full implementation. Our technical accounting, financial reporting and data analysis experts have a wealth of experience implementing CECL in large and small organizations across a broad spectrum of industries, enabling your path to a successful implementation.

Assess & Identify

- ▶ Determine in-scope assets:
 - ▶ Trade receivables
 - ▶ Loans and notes
 - ▶ HTM, AFS securities
 - ▶ Beneficial interests
 - ▶ Other
- ▶ Compile historical loss data
- ▶ Assess current methodology against CECL requirements

Design & Implement

- ▶ Identify risk profiles by asset type and calculate historical loss rates
- ▶ Design CECL approach
- ▶ Prepare CECL adoption memo
- ▶ Design and implement future state processes and controls
- ▶ Develop implementation, change management, and training plans

Aggregate & Test

- ▶ Test completeness, accuracy, and relevance of model assumptions, inputs, and outputs
- ▶ Prepare disclosures
- ▶ Provide ongoing technical accounting support
- ▶ Test internal controls

THE RIVERON ADVANTAGE

Working as an extension of the organization, we help our clients address their unique needs and reach unimagined potential.

- ▶ Former accounting and audit executives
- ▶ Technical accounting, systems, and process design experts
- ▶ Project and change management
- ▶ Tailored, hands-on approach

RIVERON

Riveron is a business advisory firm specializing in accounting, finance, technology, and operations. We partner with our clients to elevate performance and expand possibilities across the transaction and business lifecycle.

\ Accounting Advisory

\ Accounting & Finance Operations

\ Capital Markets & Divestitures

\ Performance Improvement

\ Restructuring & Turnaround

\ Tax Advisory

\ Technology Enablement

\ Transaction Services

\ Governance, Risk & Compliance

\ ESG & Strategic Communications