

The Riveron logo is displayed in a large, white, serif font. The letter 'R' is significantly larger than the other letters, and the dot on the 'i' is a small circle. The background of the entire slide is a dark blue, low-angle photograph of a classical building with a large dome and columns, illuminated from within.

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Complexity and Urgency. **Simplified.**™

CPE WEBINAR

What Matters Most Going into 2026

AICPA Conference on Current SEC and
PCAOB Developments Debrief

January 14, 2026



Webinar Reminders

- During this session, 4 polling questions must be answered to obtain CPE
- Feel free to ask questions using Zoom Q&A
- On-demand video is not eligible for CPE

A follow-up email will include:

- CPE certificate & webinar evaluation form
- Access to today's recording and slides; An opt-in to receive future webinar invites; Presenter contact info

Objectives for today's webinar:

What Matters Most Going into 2026

- Provide a summary of the key takeaways from the Conference
- Highlight key priorities of the SEC and FASB going into 2026
- Provide an overview of technical topics and trends discussed by accounting experts
- Discuss practical takeaways for public and private companies

Host & Moderator



Drew Niehaus
Senior Managing Director,
Accounting Advisory
Dallas



Panelists



Valerie Flanigan
Director, Accounting
Advisory
Washington D.C.



Patrick Garrett
Managing Director,
National Office Leader,
Accounting Advisory
Dallas



Lara Long
Managing Director,
Accounting Advisory
Atlanta



Kayla Mayfield
Associate Director,
Accounting Advisory
Denver

Overarching themes from this year's conference



Putting the "AI" in the AICPA

Opportunities and risks of AI dominated the sessions this year



Return to Fundamentals

SEC focus on relevant reporting for investors



SEC Processes

Focus on capital formation, more public companies, and clearing the backlog



Audit Quality

New auditing standards coming in the midst of turnover at PCAOB and focus on firm systems of audit quality

POLLING QUESTION

1



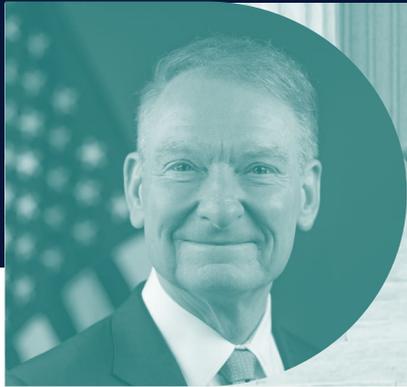
What do you anticipate as your biggest financial reporting challenge in 2026?

- A. Adoption of DISE
- B. Implementation of income tax disclosures
- C. Impacts of tariffs
- D. Impairment considerations
- E. Complex financing arrangements
- F. Other (*Drop it in the chat*)

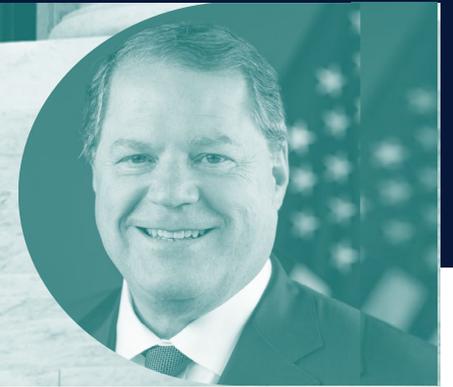


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Updates from the SEC and PCAOB



Tone at the Top



Comments from Chairman Paul Atkins and SEC Chief Accountant, Kurt Hohl

- Chairman Atkins underscored a return to fundamentals, emphasizing sharper, investor-focused information that is meaningful, material, and decision-useful
- Signaled an end to the SEC's "regulation by enforcement" approach
- Reaffirmed a renewed focus on capital formation, with the goal of reversing the long-term decline in the number of public companies
- Highlighted increased SEC oversight of the PCAOB and a continued emphasis on strengthening auditor independence
- Identified potential areas for future rulemaking, including:
 - Cryptocurrency and digital assets
 - A potential shift from quarterly to semi-annual reporting
 - Executive compensation frameworks and disclosures
 - Modernization of risk factor and broader disclosure requirements
 - Greater international convergence of accounting and auditing standards
- Acknowledged ongoing SEC staffing constraints and the operational impact of government shutdowns

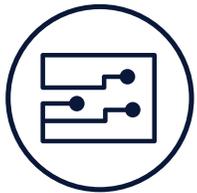
OCA and Corporate Finance Panels

Financial Reporting Trends

- **Non-GAAP measures** | Misleading presentation and labeling
- **Revenue recognition matters** | Principal vs. agent; license revenues
- **MD&A** (historical and future trends and uncertainties)
- **Segment reporting** (CODM; single segment reporting entities; significant segment expenses; inadvertent non-GAAP measures/subtotals)
- **Risk Factors** | Transparency as it relates to macroeconomic and geopolitical conditions, tariffs, supply chain and trade restrictions and emerging technologies and impacts such as AI
- **Statement of cash flow presentation matters**

OCA and Corporate Finance Panels (Continued)

Deep Dive Topics



Data Centers

Emerging issues and complex topics

- Consolidation
- Leases
- Fixed Assets



Stablecoins

- Recording of reserve assets and related redemption obligations
- Classification as a cash equivalent

PCAOB Updates



“One more degree” mindset



QC 1000 Delay



Responsiveness to emerging risks



Monitoring use of technology including AI



CAMs, Professional skepticism, adequate staffing on engagements



PE ownership and independence considerations

Overall firm system of quality management focus

POLLING QUESTION

2



How would a change in quarterly reporting requirements (i.e. to semi-annual) affect your company?

- A. No impact; would still do the same amount of work each quarter for the board/investors
- B. No impact; private company
- C. Significantly less work for the accounting department
- D. We hope it would be less work, but it probably won't be at the end of the day



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Updates from the FASB

Financial Accounting Standards Board (FASB)

Newly Issued and Upcoming Standards

Standard	Topic	Effective Date - Public	Effective Date - Private
ASU 2023-09	Improvements to income tax disclosures	Annual periods beginning after December 15, 2024, including interim periods within that year	Annual periods beginning after December 15, 2025, including interim periods within that year
ASU 2024-03	Disaggregation of expenses on the income statement (DISE)	Annual periods beginning after December 15, 2026; interim periods within annual periods beginning after December 15, 2027	Not required
ASU 2025-07	Definition of a derivative	Annual periods beginning after December 15, 2026, including interim periods within that year	
ASU 2025-08	Accounting for purchased seasoned loans	Annual periods beginning after December 15, 2026, including interim periods within that year	
ASU 2025-06	Accounting for internal-use software costs	Annual periods beginning after December 15, 2027, including interim periods within that year	
ASU 2025-10	Establishing guidance around the definition of and accounting for government grants	Annual periods beginning after December 15, 2028, including interim periods within that year	Annual periods beginning after December 15, 2029, including interim periods within that year

Environmental credit accounting – TBD based on final issuance in 2026

Accounting Standards Update

What to get ready for...

Improvements to Income Tax Disclosures | ASU 2023-09

- PBEs must present a tabular income tax rate reconciliation, using both percentages and reporting currency amounts, disaggregated and presented in eight defined categories
- Certain categories require further disaggregation based on a 5% threshold of income from continuing operations multiplied by the applicable statutory income tax rate
- Non-PBEs are required to qualitatively disclose the nature and effect of the eight specified categories and the jurisdictions that have a significant difference in the statutory rate and effective tax rate. Quantitative disclosures not required
- Compiling and presenting this data may be cumbersome, with the panelists emphasizing that management teams should coordinate early across functions
- Retrospective or prospective adoption is permitted, with prospective adoption reducing comparability

Disaggregation of Income Statement Expenses (DISE) | ASU 2024-03

- Requires disaggregation of defined expense categories in the footnotes to the financials
- Early coordination across IT, controllership, FP&A and the audit team is a key for success
- Significant upgrades to systems and reporting may be necessary to be able to track expenses at the granular level required by the new standard

Accounting Standards Update

Newly Issued and Upcoming



Government Grants - ASU 2025-10

- Utilizes IAS 20 as a baseline, which has been commonly utilized by analogy
- Provides a definition for government grants and a distinguishment between asset-related and income-related grants
- Government grants are not to be recognized until it is probable that the grant will be received and the entity will comply with all of the conditions to the grant, along with meeting all other recognition guidance
- For grants related to assets, companies can use either a deferred income approach or a cost accumulation approach

Environmental Credits – pending issuance

- Recognition will depend on whether it's probable that the credit will be used for compliance or sold, which depends on management intent
- Compliance credits are measured at cost and not tested for impairment
- Noncompliance credits are measured at cost and require being tested for impairment

POLLING QUESTION

3



How far along is your team in adopting ASU 2023-09 on income taxes?

- A. Provision files are updated and we've talked with the auditors
- B. Data is gathered and we're working on updating the model
- C. In the process of gathering data
- D. Getting started tomorrow!
- E. Not applicable



Hot Topics

Governing AI Adoption & Risk



AI in Finance: From Tools to Autonomous Execution



AI adoption within the finance function is progressing in waves:

Productivity → Insight →
Workflow integration →
Agentic execution

Successful programs pair
bottoms-up innovation
with top-down
governance



Treat AI models as
financial systems subject
to inventory of models in
use, data flow mapping,
and change control



Embed model governance
into ICFR: Ownership,
validation standards, and
defined remediation



Five main control
approaches:

- Human-in-the-loop (currently most common)
- Performance testing with synthetic/test data
- Multi-model validation (parallel use of two models)
- Data analytics for anomaly/outcome monitoring
- Third-party/independent validation



Require documented
overrides and auditable
review steps for high-risk
outputs

Entity-level controls: Strong AI governance, clear policies, defined responsibilities, and required training

Investor Relations and Quarterly Reporting



CFOs must be proactive with activists: Investor activist campaigns often begin privately and target companies lagging peers on FCF and TSR

- Move to 12–36 month, KPI-driven narratives linking strategy and capital allocation to measurable outcomes
- Ensure enhanced disclosures addressing AI, supply-chain, and macroeconomic risks
- Assume AI-enabled analyst scrutiny of tone, language, and response patterns on earnings calls:
 - Inconsistencies between disclosures (10-K/10-Q) and external messaging (earnings scripts, investor day slides)
 - Changes in language/word-counts on earnings calls
 - Modernize IR with analytics and investor-ready data

Quarterly reporting remains mandatory, but SEC focus is shifting to consistency of disclosures across periods, not isolated quarter results

- Comment letters increasingly challenge non-GAAP measures and KPIs that change definitions or prominence quarter to quarter
- Heightened scrutiny on MD&A variability - clearly explain drivers of period-over-period changes, do not restate results narratively
- SEC is probing judgment-heavy areas (estimates, reserves, revenue timing, impairment triggers) for trend coherence and disclosure discipline

SPAC Resurgence



SPAC activity has begun to re-emerge as valuation gaps persist and traditional IPO windows remain constrained

- Accounting rigor is front-loaded, pre-deal diligence is critical
- SEC scrutiny remains elevated: de-SPAC transactions are treated as IPO-level events with full disclosure expectations
 - Comment letters continue to center on complex ASCs, especially:
 - Equity classification (ASC 480/815)
 - Revenue recognition (ASC 606)
 - Business combinations (ASC 805)
 - Fair value (ASC 820)
 - The SEC has placed emphasis on clear judgments, consistent application, and transparent disclosures across periods.
- Post-combination risk centers on ICFR readiness, especially around close processes, complex instruments, and legacy systems
- Sponsor economics, earn-outs, and PIPE structures require clear accounting conclusions and transparent investor communication



POLLING QUESTION

4



How has your company approached AI adoption within finance systems?

- A. Full speed ahead – incorporating AI wherever we can into our workflows
- B. In the process of evaluating systems, use cases, and controls for the finance department
- C. The company is using AI within other departments, but not in the finance function
- D. We have not started to adopt AI



Peering into 2026



8



YES

Thank you for joining today's webinar!

Q&A and Related Resources

Riveron is a leading business advisory firm. We partner with the office of the CFO, private equity, and other capital providers to elevate performance across the transaction and business lifecycle.

[Learn More.](#)

The image displays four resource cards arranged horizontally. Each card features a distinct background image: a blue architectural structure, a scenic river valley, a wooden geometric pattern, and a blue abstract network. The text on each card includes a title, a brief description, and the author's name.

- Card 1:** Title: "Turning Audit Season into a Value-Creation Opportunity". Description: "An audit can serve as more than just a snapshot of past performance. Businesses can use audit feedback to inform strategic decisions. Explore practical steps for extracting value from the process." Author: Helen Mason.
- Card 2:** Title: "Accounting for Equity: Avoiding Pitfalls and Seizing Opportunities This Audit Season". Description: "Equity and cap table management present risks during the audit cycle. Learn how to implement the pre-emptive processes and technical assurance required to manage this risk and transform your equity administration into a value driver this audit season." Author: Valerie Flanigan, Keith Ma, Brian Aubuchon.
- Card 3:** Title: "Q4 2025 Accounting Advisory Guide: The AICPA Conference Highlights a Profession at an Inflection Point". Description: "In this 2025 AICPA Conference brief for CFOs and accounting leaders, Riveron professionals highlight the most significant regulatory, accounting, and technological trends shaping financial reporting, audit quality, and AI adoption heading into 2026." Author: Patrick Garrett, Lara Long, Mia Aura, Valerie Flanigan, Kayla Mayfield.
- Card 4:** Title: "Fueling Private Equity with Operations and the Office of the CFO". Description: "While many PE firms have historically built value through a deal-focused strategy, now, many sponsors are finding they must pivot their focus to improving PortCo operations, particularly within the office of the CFO." Author: Nate Heeren.



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