



ASC 606 Revenue Recognition Implementation Services





Who We Are

Rivers & Moorehead (R&M) is an accounting consulting firm assisting public and private companies in the following primary areas⁽¹⁾:



SEC Compliance & Financial Reporting



Pre-Audit Preparation



Business Valuation



Technical Accounting Assistance



¹R&M does not provide assurance or tax compliance services



How We Can Help

R&M is a recognized leader in technical consulting projects

- We have provided high quality service and deliverables since our inception in 2004 and are regularly referred by leading audit firms across the country.
- We bring a CPA firm mentality to our projects – you are not hiring an individual, but rather engaging the collective resources of the firm

R&M is a cost-effective resource for small to mid-sized public companies

- Our owner-operated structure allows us to bid work at 50-70% of the fees of larger consulting firms while delivering comparable quality
- We will manage and execute your ASC 606 consulting engagement from start-to-finish. Our engagement doesn't end until your audit firm is satisfied.





R&M Expertise & Strategic Advantage

Our services will meet your expectations

- We are the go-to resource for many public companies in relation to technical accounting matters, including ASC 606 implementation.
- “Guarantee results” – we see our deliverables through to the end, which includes responding and addressing all auditor comments and requests.

Our team brings experience

- R&M employees are grounded in their experience working for large public accounting firms and for industry leading companies, leading to a higher level of analysis and documentation quality.
- Our consultants consist only of partner or manager-level individuals that work exclusively for our firm.

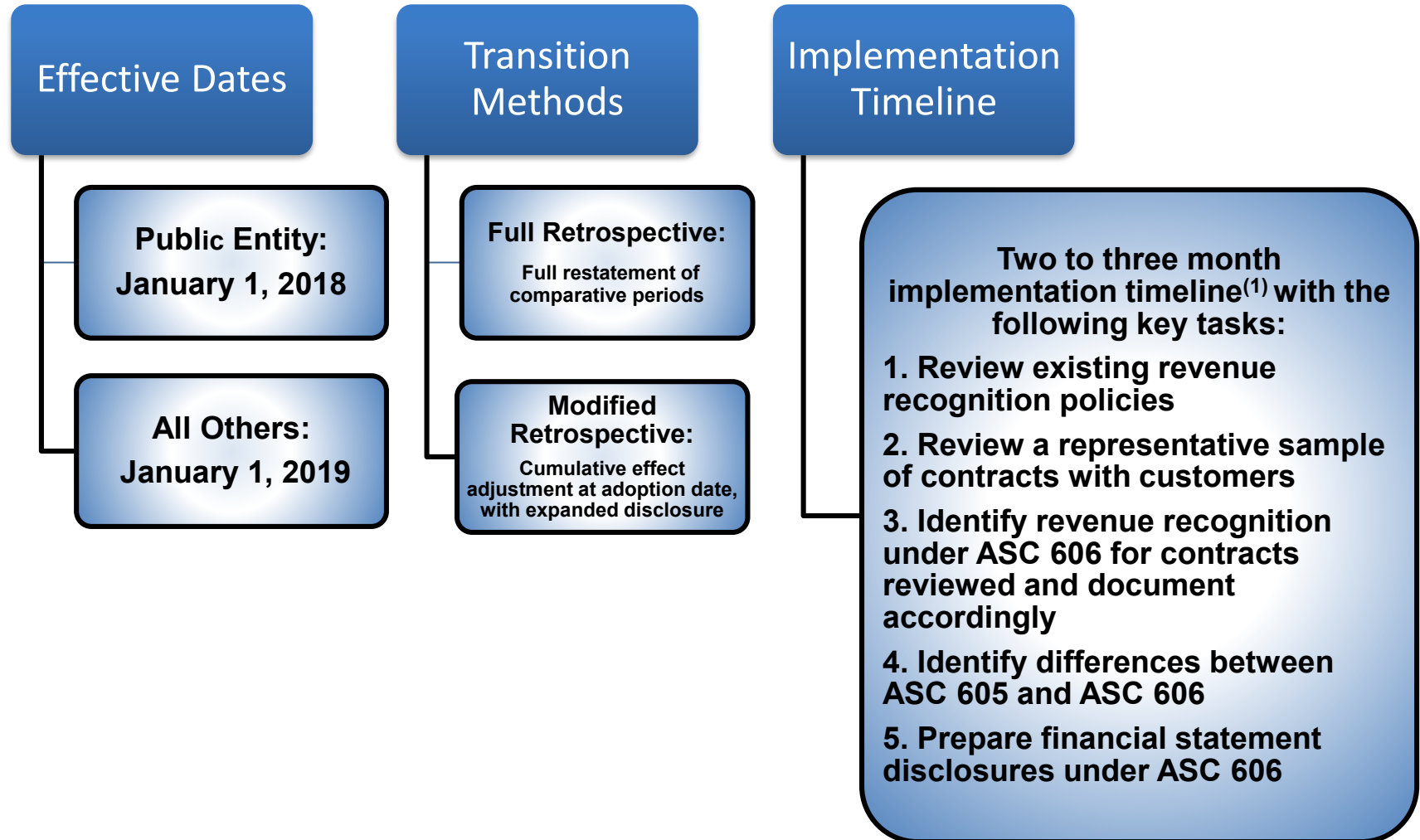
Our firm has significant resources

- Our resources are far deeper than hiring a single individual or performing the analysis in-house.
- We utilize best-in-class research tools as well as proprietary tools, templates and methodologies that help provide greater efficiency.
- We are a member of a prestigious nationwide alliance, allowing us to access additional technical resources for specific issues.





ASC 606 at a Glance

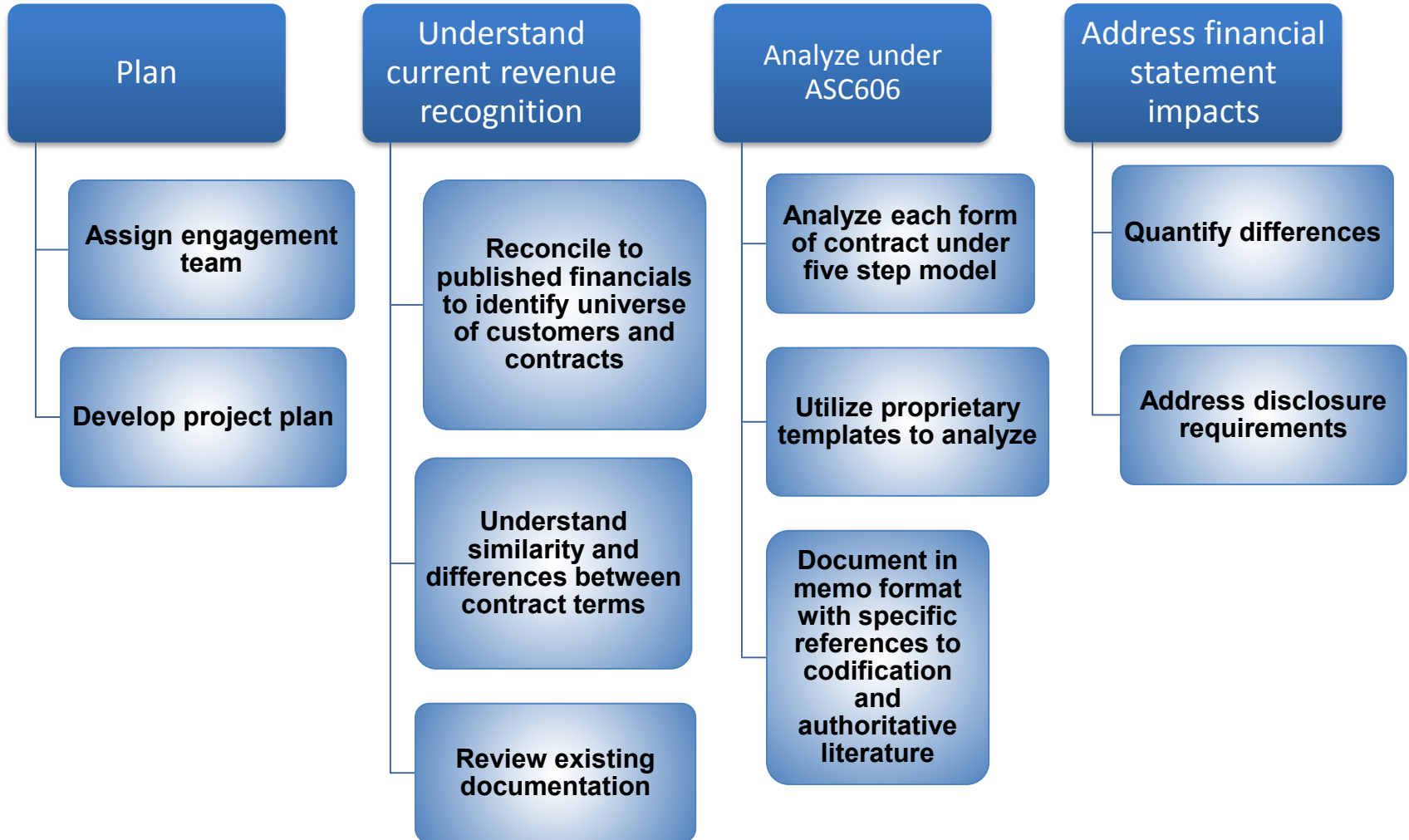


(1) Heavily dependent on the number of revenue streams, homogenous terms and complexity of existing revenue recognition, however is representative of most mid-sized public companies to-date.





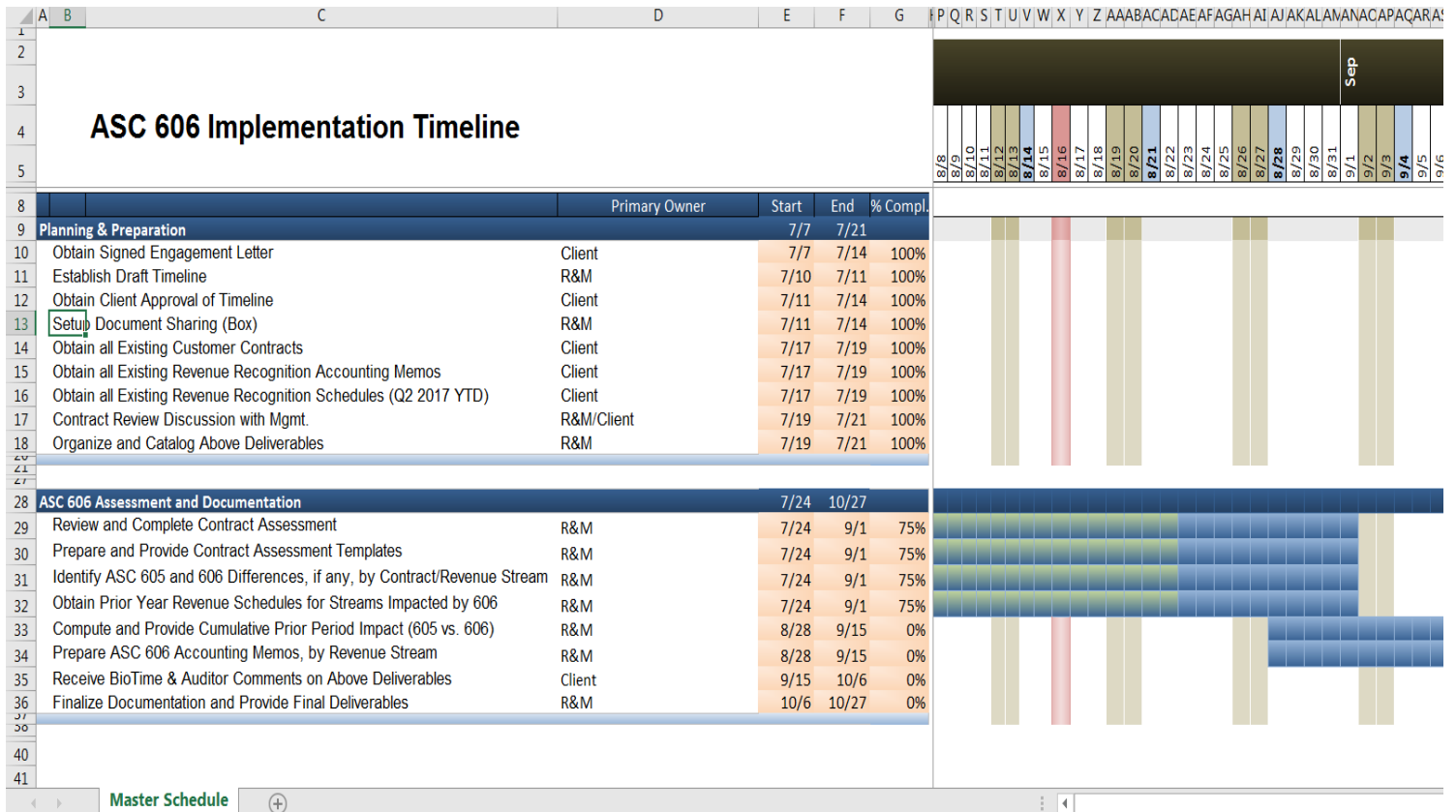
Our Approach





Project Management

- We utilize simple but effective project management tools to measure progress and identify responsibilities and dependencies





Documentation Standards

- We utilize proprietary templates to ensure efficacy and consistency
- All accounting conclusions are cross referenced to codification and industry accepted interpretations via memo and template formats

	A	B	C	D	E	F	G	H	I	J	K	
1												
2												
3												
4					Step 4 - Allocate the Transaction Price to the Performance Obligations							
5					Allocation The transaction price (Step 3) is allocated to each performance obligation (Step 2) based on the stand-alone selling price of each performance obligation.							
6												
7												
8	#	Contract Name & General Info. (Effective date, customer name, termination date, etc.)	Identified Performance Obligation(s) (Tab 2)	Contractual (Transaction) Price (Tab 3)	Standalone Selling Price Explicit? If so, what is it?	Adjusted Market Assessment Approach (if applicable)	Expected Cost plus Margin Approach (if applicable)	Residual Approach (if applicable)	Allocation of Variable Consideration	Allocation of a Discount	Resulting Allocation by Performance Obligation	
9												
10	1			\$0.00								
11												
12												
13	2			\$0.00								
14												
15												
16												
17	3			\$0.00								
18												





Time to Get Ahead

The ASC 606 implementation deadline is quickly approaching

- Companies are running out of time to meet the first quarter 2018 implementation deadline.
- Most Board of Directors and Audit Committees expect to see significant progress by the third quarter of 2017.

Resources will be constrained as the deadline gets closer

- As the deadline approaches, consulting resources will quickly evaporate as public companies scramble for implementation at or near year-end.





Representative SEC Clients

Avnet (NYSE: AVT)

ON Semiconductor (NASDAQ: ONNN)

Amkor Technology (NASDAQ: AMKR)

The Joint (NASDAQ: JYNT)

Insys Therapeutics (NASDAQ: INSY)

Cable One (NYSE: CABO)

LifeLock (NYSE: LOCK)

Limelight Networks (NASDAQ: LLNW)

Providence Service Corporation
(NASDAQ: PRSC)

Cellular Biomedicine (NASDAQ: CBMG)

Exar Corporation (NYSE: EXAR)

BioTime, Inc. (NYSE: BTX)

SharpSpring (NASDAQ: SHSP)

Support.com (NASDAQ: SPRT)

AmeriCann (OTC: ACAN)

McorpCX (OTC: MCCX)

Amedica (NASDAQ : AMDA)

Transenterix (NYSE: TRAX)



ON Semiconductor





Representative Engagements

Implementing New Accounting Standards

SEC Reporting

Sarbanes-Oxley Consulting

Pre-Audit Preparation

CFO and Controllershship Services

Monthly Financial Reporting

Budgeting and Forecasting

Discounted Cash Flow Analysis

Selecting a New Accounting System

Purchase Accounting

Data Room Preparation

Drafting Financial Statement Footnotes

Reconciliation Projects

Restatement Activities

Technical Research and Position Papers

Internal Audit

Implementing a Standard Costing System

Fixing the Monthly Close

Internal Control Analysis

System Implementation Support

Stock-Based Compensation

Income Tax Accruals

Developing Policies and Procedures

Implementing Fixed Asset System

Implementing Equity Tracking Systems

Proxy Statement Preparation

Impairment Testing for Goodwill and Long Lived Assets

Supplemental Staffing

Advanced Excel Training





Firm-wide Technical Skills and Experience

Asset Retirement Cost

Bankruptcy

Beneficial Conversion Features

Budgeting

Business Combinations

**Capital vs. Operating Lease
Analysis**

Classified Balance Sheets

Contingent Liabilities

Convertible Securities

Debt Issuance Costs

Debt Modifications

Derivatives

Discontinued Operations

Discounted Cash Flow Analysis

Down Round Provisions

Due Diligence

Earnings Per Share

Equity Method Investments

Equity Valuation

Fair Value Measurement

Forecasting

FX Currency Transactions

Gain from Bargain Purchase

Going Concern

Goodwill & impairment

Hedging

Impairment of Assets

Intangible Valuation

Non-controlling Interests

Notes to Financial Statements

Policies & Procedures

Purchase Accounting

Transactions

**Purchased or Developed Software for
Internal Use**

Related Party Transactions

Reorganization

Revenue Recognition

Reverse Stock Splits

Segment Reporting

Standard Costing

Stock Based Compensation

Stock Options

Reporting

Stock Split

Subsequent Events

Tax Provisions

Transfer Pricing

Treasury Stock

Weighted Average Shares



Leadership



Steve Rivers CPA
Managing Partner

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Steve Rivers is the firm's Managing Partner and leads the technical accounting and SEC compliance practices

- Interim VP of Corporate Accounting at Avnet
- Controller at ON Semiconductor
- Member of the assurance practices of **KPMG** and **Arthur Andersen**
- Extensive experience in technical issues, audit preparation, SEC compliance, financial statement preparation and overall engagement management

Education & Certifications

- Bachelor of Science - Indiana University Bloomington
- Certified Public Accountant in Arizona and a member of the AICPA

Representative Engagements

- Medistem Panama – provide ongoing CFO services since 2005 for overseas stem cell laboratory and clinical operation
- Avnet – served in VP of Corporate Accounting role for 8 month assignment for \$25B global electronics distributor
- On Semiconductor – participated in ASC 606 implementation activities for \$4B semiconductor company



Leadership



Brian Jones
Partner
Valuation Services Leader

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Brian Jones is a Partner and the firm's Valuation Services Leader

Experience

- Member of the Corporate Value Consulting Group at **Duff & Phelps** and **PricewaterhouseCoopers**
- Provides valuation opinions for financial reporting, reorganizations, tax planning, fairness and transaction advisory
- Experience in valuing complex securities, derivative financial instruments, contingent asset and liabilities
- Experience in GAAP, FASB and IFRS requirements and expectations

Education

- Master of Science - Illinois Institute of Technology
- Bachelor of Science - Oregon State University



Leadership



Kevin Marcelo CPA
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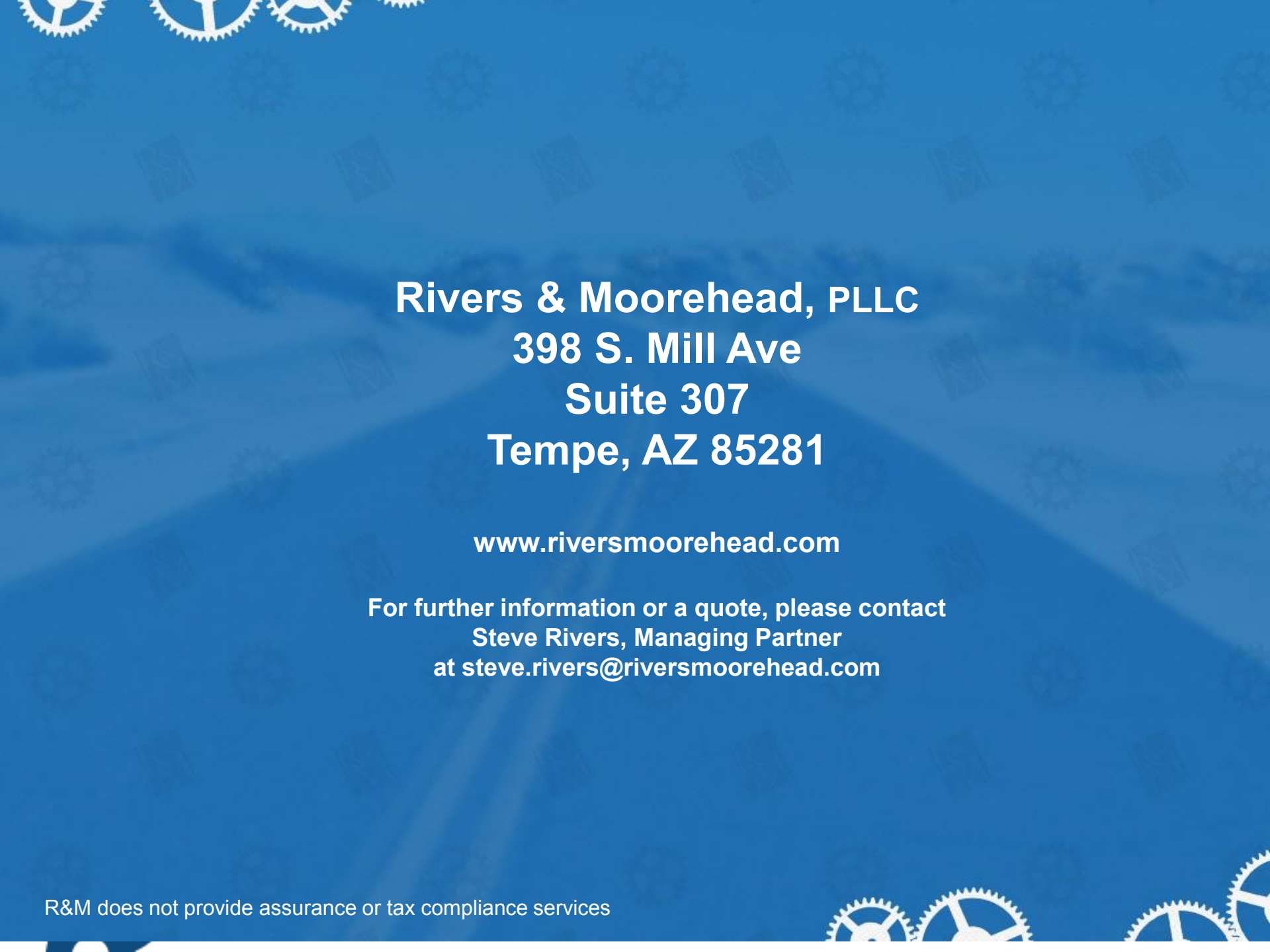
Kevin Marcelo is a Partner in the firm's Accounting Services Practice

Experience

- Senior Manager in **Deloitte's** Phoenix and Costa Mesa offices
- Experience in audit preparation and SOX consulting
- Experience in registration statements (S-1) and offering circulars
- Experience in SEC comment letter responses and financial statement disclosures
- Specializes in SEC compliance and non-public financial reporting, technical accounting research and position papers
- Certified Public Accountant in Arizona and California

Education

- Bachelor of Arts - University of California Los Angeles



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