

Transaction Support & Integration | Bankruptcy and SEC/U.S. GAAP Project



Situation

A leading global producer of flooring products and ceiling systems emerged from six years under bankruptcy protection. In connection with its emergence, the Company adopted fresh-start accounting which required their entire balance sheet to be revalued to reflect its then current fair value. Throughout the process, the Company continued to be an SEC registrant, necessitating rigorous, ongoing SEC reporting. Accordingly, our Client engaged SolomonEdwards to assist in the preparation of their opening balance sheet and to support their ongoing SEC reporting requirements.

Solution

SolomonEdwards provided the expertise necessary to help craft a fresh-start based opening balance sheet by deploying a senior-level resource knowledgeable in bankruptcy and (business combinations) purchase accounting, the analogous basis of fresh-start accounting.

As responsibilities evolved to ongoing technical GAAP and SEC advisory services, the SolomonEdwards consultant also drafted numerous technical positions and performed critical analyses such as annual derivative reviews, goodwill and intangible impairments, as well as asset retirement obligations. Additionally, SolomonEdwards provided an Interim Controller to the corporate IT function.

Results

All technical aspects of reporting and disclosing the issues related to their fresh-start opening balance sheet were effectively addressed and managed. The approach to emergence MD&A disclosures was developed for their 10-K and subsequently defended in an SEC Comment Letter process. Technical issue guidance was also provided to the satisfaction of the client.

The engagement expanded and evolved into an ongoing SEC technical advisory role. This role was responsible for the research and formulation and support of technical accounting positions. It also was responsible for recurring technical analysis, including: impairment analyses, hedging program review, asset retirement obligation analysis, revenue recognition documentation, and segment reporting.



INDUSTRY:
Manufacturing



DEPLOYMENT:
Individual

SERVICES:



Accounting & Finance
Bankruptcy/Restructuring
Financial Reporting & Technical Analysis