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THE NEWSLETTER FROM BDO'S NATIONAL ASSURANCE PRACTICE

BDO KNOWS: FASB

2012 ACCOUNTING YEAR IN REVIEW

WAAAAIT FOR IT...

During 2012, the FASB spent most of its time working on major projects, including its convergence program with the IASB. However, none of them were finalized. For the most part, the Accounting Standards Updates (ASUs) issued in 2012 address narrow topics, many of which are industry-specific. As such, several significant projects are slated to be exposed for public comment this winter or perhaps completed in 2013. This includes the standards for revenue recognition, leases, financial instruments and other topics.

Our year-in-review letter summarizes where the ongoing major projects stand and what constituents can expect in 2013. But first, we recap the new standards that were issued in 2012, some of which will impact year-end financial statements this reporting season. We've also included a comprehensive list of recently issued accounting standards in the appendix.

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NEW PRONOUNCEMENTS IN 2012

BUSINESS COMBINATIONS: INDEMNIFICATION ASSETS

In a business combination, the seller may indemnify the buyer for one or more exposures related to the target company, such as litigation or uncertain tax positions. Topic 805 requires the buyer to record an indemnification asset on the same basis as the indemnified liability or asset, subject to any contractual limitations on its amount or collectability concerns. Questions were asked about the meaning of the phrase "on the same basis" as well as "contractual limitations" when the indemnification arose in a government-assisted acquisition of a financial institution that includes a loss-sharing agreement. For example, Bank A acquires Bank B subject to a loss-sharing agreement provided by the FDIC.

In light of the quoted language above, the FASB issued ASU 2012-6[1] to specifically address situations in which expectations change about the amount of cash flows to be collected under the indemnification agreement. In certain circumstances, the effect of the change in expected cash flows of the indemnification agreement should be amortized, while in others an immediate earnings impact may result. For example, if the expected cash flows on the indemnified assets increase and there is no previously recorded valuation allowance, an entity should account for the associated decrease in the indemnification asset by amortizing the change over the lesser of the contractual term of the indemnification agreement and the remaining life of the indemnified assets, i.e., on the same basis as the acquired loans with evidence of deteriorated credit quality. Alternatively, if the expected cash flows on the indemnified assets increase such that a previously recorded valuation allowance is reversed, an entity should account for the associated decrease in the indemnification asset immediately in earnings.

The new guidance is effective for fiscal years and interim periods within those years beginning after Dec. 15, 2012, for both public and private companies. It applies to both new and existing indemnification agreements. Early adoption is permitted.

CONTINUING CARE RETIREMENT COMMUNITIES (CCRCs): REFUNDABLE ADVANCE FEES

Prior to ASU 2012-1,[2] there was diversity in practice as to how CCRCs would classify the advance deposit received from a resident, either as deferred revenue or a liability. As the description implies, deferred revenue is subsequently taken into income, whereas liabilities are not. The amendments in this Update clarify that a CCRC should classify an advance fee as deferred revenue when the resident contract provides for payment of the refundable advance fee upon reoccupancy by a subsequent resident, which is limited to the proceeds of reoccupancy. In that scenario, the CCRC is not "at risk" because the funds used to repay the liability are sourced from the next resident. In contrast, refundable advance fees that are contingent upon reoccupancy by a subsequent resident but are not limited to the proceeds of reoccupancy should be accounted for and reported as a liability.

Public companies, including conduit debt obligors, are required to apply the new guidance for years beginning after Dec. 15, 2012, while private companies will do so for years beginning after Dec. 15, 2013. Early adoption is permitted.

IMPAIRMENT OF FILM COSTS

Under Topic 926, if evidence of a potential write-down of unamortized film costs occurs after the balance sheet date but before the financial statements are issued, there is a rebuttable presumption that the evidence actually existed at the balance sheet date. This presumption resulted in incorporating conditions into a fair value measurement used for impairment testing as if the future conditions were known with certainty. Such guidance conflicted with Topic 820's focus on incorporating only information that is known or knowable at the balance sheet date.

ASU 2012-7[3] resolved this conflict by conforming the industry-specific guidance in Topic 926 to the standard fair value model in Topic 820. Specifically, the revised guidance eliminates the rebuttable presumption that the conditions leading to the write-off of unamortized film costs after the balance sheet date existed as of the balance sheet date. The revised guidance also eliminates the requirement that an entity incorporate into fair value measurements used in the impairment tests the effects of any changes in estimates resulting from the consideration of subsequent evidence if the information would not have been considered by market participants at the measurement date.

1 *Subsequent Accounting for an Indemnification Asset Recognized at the Acquisition Date as a Result of a Government-Assisted Acquisition of a Financial Institution*
2 *Continuing Care Retirement Communities—Refundable Advance Fees*
3 *Accounting for Fair Value Information That Arises after the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs*

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For public companies, the amendments take effect for impairment tests performed after December 15, 2012. Private companies have an additional year to implement the new guidance. Early adoption is permitted.

IMPAIRMENT OF LONG-LIVED INTANGIBLE ASSETS

During the FASB's 2011 project to provide a qualitative option related to goodwill impairment testing, many preparers requested the same relief for indefinite-lived intangible assets. At that time, the Board decided to finalize the goodwill project as soon as possible without expanding its scope, but agreed to address indefinite-lived intangible assets in a separate project, which resulted in ASU 2012-2.[4] Its objective is to reduce the cost and complexity of performing an impairment test for indefinite-lived intangible assets other than goodwill.

The ASU provides entities with an option to first assess qualitative factors to determine whether events or circumstances indicate that it is more likely than not that the indefinite-lived intangible asset is impaired. If an entity concludes that it is more than 50 percent likely that the indefinite-lived intangible asset is not impaired, no further analysis is required. However, if an entity concludes otherwise, it is required to determine the fair value of the indefinite-lived intangible asset to measure the amount of actual impairment, if any, as currently required by Subtopic 350-30.

The new optional assessment is effective for annual and interim impairment tests performed for years beginning after Sept. 15, 2012. Early adoption is permitted.

BDO OBSERVATION:

The new standard only applies to indefinite-lived intangible assets, such as IPR&D. Amortizing assets, such as most customer lists, are excluded. See our *newsletter* on the new standard for more details.

NOT-FOR-PROFIT ENTITIES: CASH FLOW STATEMENT

Currently, there is diversity in practice about not-for-profit entities' presentation of the cash receipts from the sale of donated financial assets, such as securities, in the statement of cash flows. Some NFPs presented the cash flows as an investing activity, while others portrayed them as a noninvesting activity, i.e., operating or financing. ASU 2012-5[5] was issued to resolve that inconsistency. It requires an NFP to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows as an operating activity if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any NFP imposed restrictions for sale and were converted nearly immediately into cash. In this context, "nearly immediately" is synonymous with "promptly" and should be understood in terms of days, not months.

In cases where the donor has restricted the use of the contributed resources to long-term purposes, the cash receipts would be classified as cash flows from financing activities. Or if the NFP fails to convert the donated assets to cash "nearly immediately," receipts from the sale would be classified as cash flows from investing activities.

The new standard is effective for fiscal years and interim periods within those years beginning after June 15, 2013. Early adoption is permitted.

ON THE HORIZON

In this section, we provide an update on the FASB's "Big 3" projects: revenue, leases and financial instruments. Then we summarize two additional projects with wide applicability — investment companies and revisions to the consolidation literature. We've also included an update on the private company GAAP initiative.

REVENUE

As a refresher, the 2011 revenue recognition exposure draft preserved the core elements of the original model. It is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations

4 *Testing Indefinite-Lived Intangible Assets for Impairment*
5 *Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*

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between the parties in the pattern of revenue recognition based on the consideration the vendor receives. To accomplish this objective, the proposed standard would require the application of the following five steps:

1. Identify the contract with the customer.
2. Identify the separate performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the separate performance obligations in the contract.
5. Recognize revenue when (or as) the company satisfies a performance obligation.

While the five-step model has not changed, numerous aspects have been refined by the Board based on extensive public feedback and outreach efforts during 2012. We've summarized a few of the more critical decisions made this year:

- Distinct Performance Obligations – clarified that a good or service is distinct when the customer can benefit from it either on its own or together with other resources that are readily available to the customer, and the good or service is distinct within the context of the contract.
- Onerous Performance Obligations – decided not to require an assessment as to whether a performance obligation (or entire contract) is onerous. However, any existing guidance in U.S. GAAP related to the recognition of losses from contracts with customers would be retained, such as the standard for construction-type contracts.
- Constraint on variable consideration – indicated that variable consideration should be estimated as the amount to which the entity expects to be entitled, subject to an assessment that the amount of revenue recognized should not be subject to a significant reversal in the future, e.g., a downward adjustment based on new information.
- Collectability - affirmed that collectablity is addressed through impairment recognition. It is not a prerequisite for revenue recognition. Also decided that all impairment losses—both Day 1 and Day 2—should be presented as an expense, not contra revenue.
- Licenses – decided there are two types of licenses. A vendor either provides a "right" to a customer that transfers at a specific point in time, or provides "access" to a resource from which the customer benefits over a period of time.
- Performance obligations satisfied over time – retained the guidance for assets, which considers whether the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Refined the guidance for service contracts by focusing on the simultaneous receipt and consumption of benefits that another entity would not need to substantially re-perform for the customer.
- Disclosures – The Board is expected to revise some of its proposed disclosure requirements based on joint input from preparers and users, but the details have not yet been resolved.
- Transition – While still undecided, the Board is considering whether to provide a form of modified-retrospective adoption in which two years of comparative information would be presented instead of three years.

▶BDO OBSERVATION:

BDO plans to host a webcast summarizing the final revenue recognition standard, which may be released as early as the first quarter of 2013. Details and registration instructions will be available at a later date.

LEASES

During 2012 the Board concluded there are two different types of leases, for both lessors and lessees. The criteria used to distinguish between each type is the same, which is whether the lessee acquires and consumes more than an insignificant portion of the underlying asset during the lease term. However, the model applicable to a lessor or lessee differs based on the amount of consumption.

Lessees would continue to recognize all leases on the balance sheet (other than short-term leases) by recording a right-to-use asset and a lease payment liability. However, the P&L impact over the life of the lease would be as follows:

- Property leases (land or a building — or part of a building — or both) would be accounted for using the straight-line approach unless the lease term is for the major part of the economic life of the underlying asset, or the present value of fixed lease payments accounts for substantially all of the fair value of the underlying asset.
- All other leases would be accounted for using an accelerated approach unless the lease term is an insignificant portion of the economic life of the underlying asset, or the present value of the fixed lease payments is insignificant relative to the fair value of the underlying asset.

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In other words, property leases are presumptively straight-line, while all other leases will presumptively reflect an accelerated pattern of expense recognition. The presumption can be overcome based on the amount of consumption.

Lessors would also report two types of leases. A receivable and residual approach would apply to leases for which the lessee acquires and consumes more than an insignificant portion of the underlying asset over the lease term. Otherwise, rental income would be recognized on a straight-line basis. To apply the receivable and residual approach:

- Lessors would derecognize the underlying asset, recognize a receivable for the right to receive lease payments and a residual asset for the asset that will be returned to the lessor at the end of the lease term.
- The receivable would be measured at the present value of the lease payments, while the residual asset would equal i) the present value of the estimated residual asset at the end of the term plus ii) deferred profit, which is the difference between the gross residual asset and the carrying amount of the underlying asset.
- Day 1 profit would equal the sum of the lease payment receivable and the residual asset, less the underlying asset that was derecognized.
- Subsequently, the lease receivable would be accreted using the effective interest method, while the residual asset would be accreted to its estimated value at the end of the lease term. Profit would not be recognized until the underlying asset is subsequently sold or re-leased.

Based on current expectations, real estate that is considered to be "investment property" would be excluded from the receivable and residual approach, in which case the straight-line method would apply. This would be similar to today's operating-lease treatment.

The Boards plan to re-expose an updated draft of the leasing standard during the first part of 2013. Project details are available *here*.

FINANCIAL INSTRUMENTS

To recap, this project will provide comprehensive guidance for classification, measurement, impairment and hedge accounting related to financial instruments. It will result in changes to the current accounting for many instruments including investments in debt and equity securities, nonmarketable equity securities, loans, loan commitments, debt liabilities and derivatives. The proposal would have the greatest effect on banks and other financial institutions, but all enterprises that engage in financial instrument transactions will be affected. Last year, we indicated that accounting for financial instruments has proven to be the most difficult convergence project for the Boards to build consensus. That theme continued to be evident in 2012, although some areas of agreement have been reached. For example, the Boards have agreed that instead of bifurcating embedded derivatives, the entire hybrid instrument will be marked-to-market through earnings.

However, the FASB's most notable difference with the IASB relates to credit impairment. After developing a "three bucket" impairment model with the IASB during the year, the FASB ultimately decided it would not be operational in the U.S. Stakeholders in the U.S. financial reporting system, including the large financial institutions most directly affected by the potential three bucket impairment model, informed the Board that it would be difficult to develop methods for tracking credit deterioration in a manner necessary to apply the different types of measurement guidance, i.e., estimating the next 12 months of credit losses vs. the remaining lifetime of expected losses. As a result, the FASB has developed its own impairment model, known as the Current Expected Credit Loss (CECL) model. It simplifies the prior approach by requiring only a single estimate of the current amount of expected credit losses, which makes the issue of transferring financial assets between buckets moot. There is also no recognition threshold for recording future losses. The information used to develop the estimate would, at a minimum, contemplate at least two possible outcomes, including (1) an outcome in which a credit loss results and (2) an outcome in which no credit loss results. The estimate would be based on all relevant internal and external information, including past events, current conditions and reasonable and supportable forecasts.

The CECL model was released for public comment on Dec. 20, 2012, and comments are due by April 30, 2013. Classification and measurement is slated to be exposed by the end of the second quarter. The IASB plans to expose its impairment model, as well as certain amendments to IFRS 9[6] regarding classification in measurement, during the first quarter of 2013 for a similar period of time. This will provide constituents an opportunity to evaluate the similarities and differences of the Boards' standards on financial instruments in tandem.

The FASB has not provided a target date to expose its hedging guidance, the last key element of the project. The financial instruments project page is available *here*.

6 *Financial instruments*

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INVESTMENT COMPANY ENTITIES

The 2011 exposure draft[7] sought to resolve diversity in practice as to which reporting entities qualified as "investment companies." It would have established six specific criteria, all of which would have to have been met in order to qualify for the specialized accounting in Topic 946. Feedback to the proposal was somewhat mixed, but most constituents indicated a preference for a more "principles-based" definition.[8] The FASB ultimately agreed, and now has indicated that an entity would need to meet two main criteria, and also to assess several other characteristics, in evaluating whether the entity is considered an investment company. The two main criteria are:

1. An investment company is an entity that does both of the following:
   a. Obtains funds from an investor or investors and provides the investor(s) with professional investment management services
   b. Commits to its investor(s) that its business purpose and only substantive activities are investing the funds for returns from capital appreciation, investment income, or both
2. An investment company and its affiliates do not obtain or have the objective of obtaining returns or benefits from their investments that are either of the following:
   a. Other than capital appreciation or investment income
   b. Not available to noninvestors or are not normally attributable to ownership interests

The other typical characteristics of an investment company that would require consideration are i) multiple investments, ii) multiple investors, iii) investors that are not related to the parent entity or the investment manager, iv) ownership interests in the form of equity or partnership interests, and v) fair value management of investments. However, if an entity does not meet one or more of the typical characteristics, it would not necessarily be precluded from being an investment company.

The Board currently plans to finalize the investment company project by mid-2013.

In connection with the 2011 ED, the FASB issued a companion exposure draft for investment property entities. That particular project has been suspended, although the Board plans to consider additional issues concerning real estate held for investment, as well as certain issues related to mortgage and equity REITs.

CONSOLIDATION: PRINCIPAL VS. AGENT

The FASB released the principal vs. agent exposure draft in November 2011.[9] The proposed amendments would have established a framework for determining whether a decision maker is using its power as a principal or an agent, which affects whether the entity is a variable interest entity (VIE) and, if so, whether it should be consolidated. In addition, the proposal was intended to resolve an existing inconsistency in the way that kickout and similar rights are evaluated for VIEs and all other entities.

Specifically, the evaluation to assess whether a decision maker is using its power as a principal or an agent would focus on:

- the rights held by other parties
- the compensation to which the decision-maker is entitled in accordance with its compensation agreement(s)
- the decision-maker's exposure to variability of returns from other interests that it holds in the entity, including through related parties

In addition, the same provisions would be used to evaluate whether a general partner controls a limited partnership (or similar entity), consistent with the principal versus agent analysis for evaluating VIEs.

Many respondents found the exposure draft to be operationally challenging, largely because it was not at all clear how the notion of a "principal" compared with a "primary beneficiary." During 2012, the Board has discussed ways to better integrate these notions, using the same basic tenets of "power" and "economics."

The FASB also plans to finish this project by mid-2013.

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7 Proposed Accounting Standards Update—Financial Services—*Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements* (Oct. 21, 2011)

8 Under the exposure draft, entities regulated under the SEC's Investment Company Act of 1940 would qualify as investment companies irrespective of any other consideration. The FASB has not changed that decision.

9 Proposed Accounting Standards Update—*Consolidation (Topic 810): Principal versus Agent Analysis* (Nov. 3, 2011)

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OTHER CURRENT FASB PROJECTS

A complete list of the FASB's technical agenda and the timeline for each project can be accessed on the FASB's *website.*

PRIVATE COMPANY COUNCIL

In May 2012, the Financial Accounting Foundation (FAF) established the Private Company Council to improve the standards-setting process in U.S. GAAP for private companies. Its purpose is to determine whether exceptions or modifications to existing standards are necessary to meet the needs of private company financial statement users. The Council will also serve in an advisory capacity to FASB. In that role, the Council will emphasize private company perspectives as the FASB develops accounting standards in the future.

The FAF established the Council after an extensive outreach program that was designed to address concerns raised by private company constituents, including the AICPA, about the usefulness of U.S. GAAP in a non-public setting.

The structure of the PCC is similar to the EITF. It has 10 members, who represent users, preparers and auditors. Just recently, the FASB staff developed a draft framework for evaluating potential GAAP differences that will be mutually finalized by the PCC and the FASB in early 2013.

BDO OBSERVATION:

BDO agreed with the direction of the framework and offered views for improving it in our *comment letter*.

The Council plans to hold at least five meetings per year during the first three-year term. If and when the Council proposes a change to U.S. GAAP, it must be endorsed by the FASB for public exposure. The PCC would update its recommendation based on public input and the FASB would decide whether to finalize its initial endorsement. As such, the FASB will retain its role as the sole standard setter for US GAAP.

The Council held its first meeting on December 6, 2012. Among other things, it discussed potential agenda topics for future meetings. The list included accounting for uncertain tax positions, consolidating VIEs, accounting for "plain vanilla" swaps and issues related to intangible assets in a business combination. The Council's next meeting is scheduled for Feb. 12, 2013, at which it will vote to formally establish its technical agenda.

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EFFECTIVE DATES OF U.S. ACCOUNTING PRONOUNCEMENTS

This appendix was prepared with a calendar year-end company in mind. Therefore, standards with an effective date in 2011 have been included since many companies applied them for the first time in 2012, e.g., the first interim or annual period beginning on or after Dec. 15, 2011. Standards that do not require adoption before 2013 are highlighted in gray.

PRONOUNCEMENT	EFFECTIVE DATE
ASC 210, Balance Sheet	
ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities*	An entity is required to apply the amendments for annual reporting periods beginning on or after 1/1/2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented.
ASC 220, Comprehensive Income	
ASU 2011-12, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-5*	For public entities, effective for interim and annual periods beginning after 12/15/2011. For nonpublic entities, effective for fiscal years ending after 12/15/2012, and interim and annual periods thereafter. Retrospective adoption is required. The amendments in ASU 2011-12 are effective simultaneously with ASU 2011-5.
ASU 2011-05, *Presentation of Comprehensive Income*	For public entities, effective for interim and annual periods beginning after 12/15/2011. For nonpublic entities, effective for fiscal years ending after 12/15/2012, and interim and annual periods thereafter. Retrospective adoption is required. Early adoption is permitted, because compliance with the amendments is already permitted. The amendments do not require any transition disclosures.
ASC 230, Statement of Cash Flows	
ASU 2012-05, *Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows (a consensus of the FASB Emerging Issues Task Force)*	Effective prospectively for fiscal years, and interim periods within those years, beginning after 6/15/2013. Retrospective application to all prior periods presented upon the date of adoption is permitted. Early adoption from the beginning of the fiscal year of adoption is permitted. For fiscal years beginning before 10/22/2012, early adoption is permitted only if an NFP's financial statements for those fiscal years and interim periods within those years have not yet been made available for issuance.
ASC 310, Receivables	
ASU 2011-02, *A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring*	Effective for public entities for the first interim or annual period beginning on or after 6/15/2011, and should be applied retrospectively to modifications occurring on or after the beginning of the annual period of adoption. Effective for nonpublic entities for annual periods ending on or after 12/15/2012, including interim periods within those annual periods. Early adoption is permitted for public and nonpublic entities, with certain stipulations for nonpublic entities.
ASU 2011-01, *Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20*	ASU 2011-01 temporarily delayed the effective date of ASU 2010-20 for public companies, while the Board completed its deliberations on what constitutes a TDR for a creditor. See ASU 2011-02 for current effective date requirements.
ASU 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*	For public entities, disclosures at period end are effective for interim and annual reporting periods ending on or after 12/15/10. Disclosures about activity that occurs during a reporting period are effective for interim and annual reporting periods beginning on or after 12/15/10. For nonpublic entities, the disclosures required by ASU 2010-20 are effective for annual reporting periods ending on or after 12/15/2011.
ASC 350, Intangibles—Goodwill and Other	
ASU 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment*	Effective for annual and interim impairment tests performed for fiscal years beginning after 12/15/2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before 7/27/2012, if an entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance.

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▶EFFECTIVE DATES OF U.S. ACCOUNTING PRONOUNCEMENTS *(continued)*

PRONOUNCEMENT	EFFECTIVE DATE
ASU 2011-08, *Testing Goodwill for Impairment*	Effective for annual and interim goodwill impairment tests performed for fiscal years beginning after 12/15/2011. Early adoption is permitted, including for annual and interim goodwill impairment tests performed as of a date before 9/15/2011, if an entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance.
ASU 2010-28, *When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts*	Effective for public entities for fiscal years, and interim periods within those years, beginning after 12/15/2010. Early adoption is not permitted. Effective for nonpublic entities for fiscal years, and interim periods within those years, beginning after 12/15/2011. Nonpublic entities may elect early adoption using the same effective date as public entities.
ASC 360, Property, Plant, and Equipment	
ASU 2011-10, *Derecognition of in Substance Real Estate—a Scope Clarification (a consensus of the FASB Emerging Issues Task Force)*	The amendments in this Update should be applied on a prospective basis to deconsolidation events occurring after the effective date. Prior periods should not be adjusted even if the reporting entity has continuing involvement with previously derecognized in substance real estate entities. For public entities, the amendments in this Update are effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2012. For nonpublic entities, the amendments are effective for fiscal years ending after Dec. 15, 2013, and interim and annual periods thereafter. Early adoption is permitted.
ASC 715, Compensation	
ASU 2011-09, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan*	For public entities, effective for annual periods for fiscal years ending after Dec. 15, 2011, with early adoption permitted. For nonpublic entities, effective for annual periods for fiscal years ending after Dec. 15, 2012, with early adoption permitted. The amendments should be applied retrospectively for all prior periods presented.
ASC 720, Other Expenses	
ASU 2011-06, *Fees Paid to the Federal Government by Health Insurers (a consensus of the FASB Emerging Issues Task Force)*	Effective for calendar years beginning after Dec. 31, 2013, when the fee initially becomes effective.
ASC 805, Business Combinations	
ASU 2012-06, *Subsequent Accounting for an Indemnification Asset Recognized at the Acquisition Date as a Result of a Government-Assisted Acquisition of a Financial Institution (a consensus of the FASB Emerging Issues Task Force)*	For public and nonpublic entities, the amendments in this Update are effective for fiscal years, and interim periods within those years, beginning on or after 12/15/2012. Early adoption is permitted. The amendments should be applied prospectively to any new indemnification assets acquired after the date of adoption and to indemnification assets existing as of the date of adoption arising from a government-assisted acquisition of a financial institution.
ASC 820, Fair Value Measurements and Disclosures	
ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*	The amendments in this Update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after 12/15/2011; early application is not permitted. For nonpublic entities, the amendments are effective for annual periods beginning after 12/15/2011. Nonpublic entities may apply the amendments in this Update early, but no earlier than for interim periods beginning after 12/15/2011.
ASC 860, Transfers and Servicing	
ASU 2011-03, *Reconsideration of Effective Control for Repurchase Agreements*	Effective for all entities, both public and nonpublic, for the first interim or annual period beginning on or after 12/15/2011. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted
ASC 926, Entertainment—Films	

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▶EFFECTIVE DATES OF U.S. ACCOUNTING PRONOUNCEMENTS *(continued)*

PRONOUNCEMENT	EFFECTIVE DATE
ASU 2012-07, *Accounting for Fair Value Information That Arises after the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs (a consensus of the FASB Emerging Issues Task Force)*	For SEC filers, the amendments are effective for impairment assessments performed on or after 12/15/2012. For all other entities, the amendments are effective for impairment assessments performed on or after 12/15/2013. The amendments resulting from this Issue should be applied prospectively. In addition, earlier application is permitted, including for impairment assessments performed as of a date before 10/24/2012, if, for SEC filers, the entity's financial statements for the most recent annual or interim period have not yet been issued or, for all other entities, have not yet been made available for issuance.
ASC 944, Financial Services – Insurance	
ASU 2010-26, *Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*	Effective for fiscal years, and interim periods within those fiscal years, beginning after 12/15/2011 through prospective adoption. Retrospective application for all periods presented is permitted. Early adoption is permitted, but only at the beginning of an entity's annual reporting period.
ASC 954, Health Care Entities	
ASU 2012-01, *Continuing Care Retirement Communities – Refundable Advance Fees*	Effective for public entities for fiscal years beginning after 12/15/2012. For nonpublic entities, the Issue will be effective for fiscal years ending after 12/15/2013. Early adoption is permitted. Entities must apply the requirements retrospectively by recording a cumulative-effect adjustment to opening retained earnings (or unrestricted assets) as of the beginning of the earliest period presented.
ASU 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities (a consensus of the FASB Emerging Issues Task Force)*	Effective for public entities for fiscal years beginning after 12/15/ 2011, and interim periods within those fiscal years. For nonpublic entities, the Issue will be effective for fiscal years ending after 12/15/2012, and interim and annual periods thereafter. Early adoption is permitted. Entities must apply the presentation requirements retrospectively; however, the qualitative and quantitative disclosures are only required to be provided prospectively.
Other	
ASU 2012-03, *Technical Amendments and Corrections to SEC Sections, Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 114, Technical Amendments Pursuant to SEC Release NO. 33-9250, and Corrections Related to FASB Accounting Standard Update 2010-22*	The amendments are effective immediately upon issuance of the Update.
ASU 2012-04, *Technical Corrections and Improvements*	The amendments in this Update that will not have transition guidance will be effective upon issuance for both public entities and nonpublic entities. For public entities, the amendments that are subject to the transition guidance will be effective for fiscal periods beginning after 12/15/2012. For nonpublic entities, the amendments that are subject to the transition guidance will be effective for fiscal periods beginning after 12/15/2013.