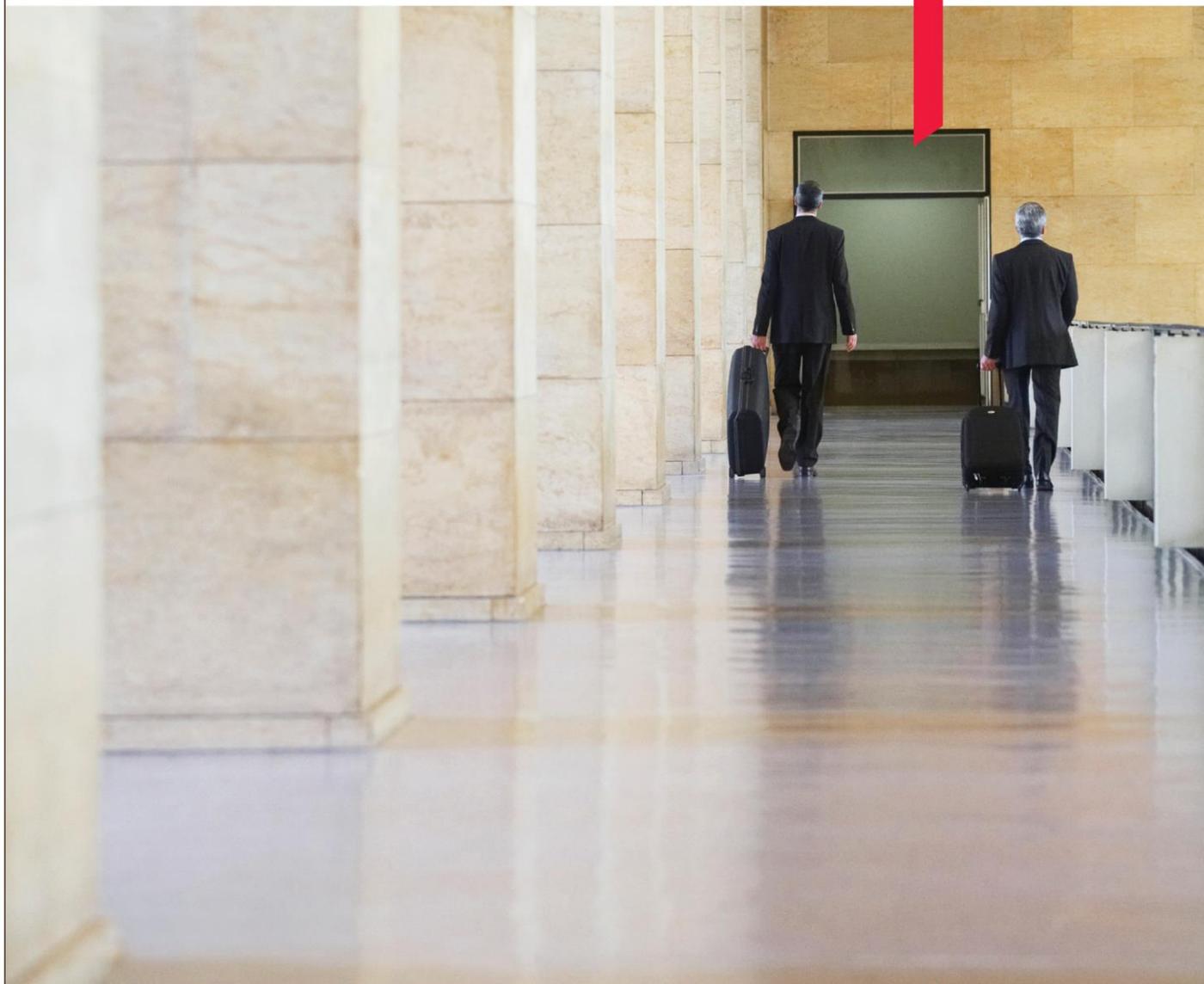


SECOND QUARTER 2015

Provided Courtesy Of
UP | **URISH**
POPECK
accountants and consultants

AN OFFERING FROM BDO'S NATIONAL ASSURANCE PRACTICE

SIGNIFICANT ACCOUNTING & REPORTING MATTERS



BDO

▶ TABLE OF CONTENTS

Financial Accounting Standards Board (FASB)	<u>3</u>
Final FASB Guidance	<u>3</u>
Proposed FASB Guidance	<u>7</u>
Other Activities	<u>12</u>
Public Company Accounting Oversight Board (PCAOB)	<u>14</u>
Final and Proposed PCAOB Guidance	<u>14</u>
Other Activities	<u>14</u>
Securities Exchange Commission (SEC)	<u>16</u>
Final SEC Guidance	<u>16</u>
Proposed SEC Guidance	<u>17</u>
International Accounting Standards Board (IASB)	<u>18</u>
Final IASB Guidance	<u>18</u>
Proposed IASB Guidance	<u>18</u>
Effective Dates of U.S. Accounting Pronouncements	<u>20</u>
BDO Resources for Clients and Contacts	<u>30</u>

BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, financial advisory and consulting services to a wide range of publicly traded and privately held companies. For 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through 40 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1,082 offices in 119 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms. For more information, please visit: www.bdo.com.

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your individual needs.

▶ FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)

FINAL FASB GUIDANCE

All final FASB guidance can be accessed on the [FASB website](#) located under the *Standards* tab, *Accounting Standards Updates*.

Accounting Standards Update 2015-10, *Technical Corrections and Improvements*

Issued: June 2015

Summary: The amendments in this Update represent changes to clarify the FASB Accounting Standards Codification (ASC), correct unintended application of guidance, or make minor improvements to the ASC that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities.

Effective Date and Transition: Transition guidance varies based on the individual amendments. The amendments that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments became effective upon issuance.

Accounting Standards Update 2015-09, *Financial Services—Insurance (Topic 944): Disclosures about Short-Duration Contracts*

Issued: May 2015

Summary: ASU 2015-09 enhances the disclosure requirements for short-duration insurance contracts (most property, liability and short-term health contracts) issued by insurers. The purpose of the required disclosures is to provide financial statement users with more transparent information about an insurance entity's liability for unpaid claims and claim adjustment expenses, subsequent adjustments to those estimates, methodologies and judgments in estimating claims, as well as the timing, frequency and severity of claims. Such disclosures should enable users to understand the insurance entity's ability to underwrite and anticipate costs associated with claims.

The amendments require annual disclosure by insurers of specific information about incurred and paid claims and their related liabilities and expenses, incurred-but-not-reported claims, reserving methodologies, and other quantitative information. The amendments do not apply to the holder (that is, policyholder) of short-duration contracts.

The ASU also includes guidance on aggregation of disclosures, disclosures regarding significant changes in methodologies and assumptions used to calculate the liability for unpaid claims and claim adjustment expenses, disclosures required in both annual and interim reporting periods, and disclosures about liabilities for unpaid claims and claim adjustment expenses reported at present value.

For additional information on this topic, refer to BDO's [Alert](#).

Effective Date and Transition: The amendments are effective retrospectively for public business entities for annual reporting periods beginning after December 15, 2015 (i.e., year end 2016 for calendar year end entities) and interim reporting periods within annual periods beginning after December 15, 2016. The amendments are effective retrospectively for all other entities for annual reporting periods beginning after December 15, 2016 and interim reporting periods within annual periods beginning after December 15, 2017. Early adoption is permitted.

Accounting Standards Update 2015-08, *Business Combinations (Topic 805): Pushdown Accounting—Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115 (SEC Update)*

Issued: May 2015

Summary: ASU 2015-08 amends the FASB ASC pursuant to SEC Staff Accounting Bulletin (SAB) 115, which rescinds certain SEC guidance in order to conform with ASU 2014-17, *Pushdown Accounting*. ASU 2014-17 was issued in November 2014 and provides a reporting entity that is a business or nonprofit activity (an “acquiree”) the option to apply pushdown accounting to its separate financial statements when an acquirer obtains control of the acquiree.

Effective Date: SAB 115 became effective November 21, 2014.

Accounting Standards Update 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (a consensus of the Emerging Issues Task Force)*

Issued: May 2015

Summary: ASU 2015-07 simplifies Topic 820 by removing the requirement to categorize, within the fair value hierarchy, all investments measured using the net asset value per share practical expedient. Although classification within the fair value hierarchy is no longer required, an entity must disclose the amount of investments measured using the NAV practical expedient in order to permit reconciliation of the fair value of investments in the hierarchy to the corresponding line items in the balance sheet. The implementation guidance presents an example of this reconciliation.

Investments measured using the NAV practical expedient continue to be: (i) exempt from the detailed disclosures related to the fair value hierarchy required by paragraph 820-10-50-2, and (ii) subject to the qualitative and quantitative disclosures described in paragraph 820-10-50-6A.

The ASU, however, reduces disclosures that were required for investments that are eligible for the use of, but for which the reporting entity opts not to use, the NAV practical expedient. These investments are no longer subject to the disclosures described in paragraph 820-10-50-6A. Since the fair value for these investments is determined using observable and/or unobservable inputs, the fair value measurements for these investments continue to be subject to the fair value disclosures required by paragraph 820-10-50-2, which includes “levelling” disclosures.

For additional information on this topic, refer to BDO's [Alert](#).

Effective Date and Transition: The amendments are effective retrospectively for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The amendments are effective retrospectively for all other entities for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted.

Accounting Standards Update 2015-06, Earnings Per Share (Topic 260): Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions (a consensus of the Emerging Issues Task Force)

Issued: April 2015

Summary: ASU 2015-06 clarifies that for purposes of calculating historical earnings per unit under the two-class method, the allocation of the earnings (losses) of a transferred business before the date of a dropdown transaction should be allocated entirely to the general partner interest. As a result, the previously reported earnings per unit of the limited partners (typically the earnings per unit measure presented in the financial statements) should not change due to the dropdown transaction. The clarification is intended to reduce diversity in practice regarding treatment of such transactions, as alternatively, some entities had allocated earnings to the limited partners and incentive distribution rights holders on a hypothetical basis in periods prior to the dropdown, in a manner consistent with their post-dropdown contractual rights.

Qualitative disclosures about how the rights to the earnings (losses) differ before and after the dropdown transaction occurs for purposes of computing earnings per unit under the two-class method also are required.

For additional information on this topic, refer to BDO's [Alert](#).

Effective Date and Transition: The amendments are effective retrospectively for all affected entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.

Accounting Standards Update 2015-05, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement

Issued: April 2015

Summary: ASU 2015-05 clarifies whether a hosting arrangement (e.g., cloud computing, software as a service, infrastructure as a service, etc.) contains a software license, and thus, whether it is to be accounted for by the customer similarly to other internal-use software.

Specifically, the amendments revise the scope of Subtopic 350-40 to include internal-use software accessed through a hosting arrangement only if both of the following criteria are met:

1. The customer has the contractual right to take possession of the software at any time during the hosting period without significant penalty. There is no significant penalty if the customer has the ability to take delivery of the software without incurring significant cost and the ability to use the software separately without significant loss of utility or value.
2. It is feasible for the customer to either run the software on its own hardware or contract with another party unrelated to the vendor to host the software.

If both of the above criteria are present in a hosting arrangement, then the arrangement contains a software license and the customer should account for that element in accordance with Subtopic 350-40 (i.e., generally capitalize and subsequently amortize the cost of the license). If both of the above criteria are not present, the customer should account for the arrangement as a service contract (i.e., expense fees as incurred).

For additional information on this topic, refer to BDO's [Alert](#).

Effective Date and Transition: The amendments are effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The amendments are effective for all other entities for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early

adoption is permitted. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively.

Accounting Standards Update 2015-04, *Compensation—Retirement Benefits (Topic 715): Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets*

Issued: April 2015

Summary: ASU 2015-04 introduces a practical expedient for measuring defined benefit plan assets and benefit obligations. Under the expedient, if an employer’s fiscal year-end does not coincide with a month-end, the employer may measure plan assets and benefit obligations using the month-end that is closest to the employer’s fiscal year-end.

An employer making the election will be required to adjust the fair value of the plan assets and obligations for any contribution or other significant event caused by the employer (e.g., amendment, settlement, or curtailment that calls for a remeasurement) that occurs between the measurement date and the employer’s fiscal year-end. However, an employer does not need to adjust the fair value of individual classes of assets for a contribution occurring between the measurement date and the employer’s fiscal year-end; the employer should simply disclose the amount of the contribution.

The amendments create a similar practical expedient for interim events. If a significant event occurs during an interim period which calls for a remeasurement of defined benefit plan assets and obligations (e.g., partial settlement), the employer may remeasure defined benefit plan assets and obligations using the month-end that is closest to the date of the significant event.

For additional information on this topic, refer to BDO’s [Alert](#).

Effective Date and Transition: The amendments are effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The amendments are effective for all other entities for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments must be applied prospectively. Early adoption is permitted.

Accounting Standards Update 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*

Issued: April 2015

Summary: ASU 2015-03 requires that debt issuance costs be reported in the balance sheet as a direct deduction from the face amount of the related liability, consistent with the presentation of debt discounts. Prior to the amendments, debt issuance costs were presented as a deferred charge (i.e., an asset) on the balance sheet. The ASU provides examples illustrating the balance sheet presentation of notes net of their related discounts and debt issuance costs. Further, the amendments require the amortization of debt issuance costs to be reported as interest expense. Similarly, debt issuance costs and any discount or premium are considered in the aggregate when determining the effective interest rate on the debt.

BDO OBSERVATION:

Some stakeholders have raised questions regarding the treatment of debt issuance costs related to revolving debt arrangements. During the June 2015 EITF meeting, the SEC observer announced that given the absence of authoritative guidance within ASU 2015-03 for debt issuance costs related to revolving debt arrangements, the SEC staff would not object to deferral and presentation of such costs as an asset and subsequent amortization ratably over the term of the revolving debt arrangement.

For additional information on this topic, refer to BDO's [Alert](#).

Effective Date and Transition: The amendments are effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The amendments are effective for all other entities for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. The amendments must be applied retrospectively. All entities have the option of adopting the new requirements as of an earlier date for financial statements that have not been previously issued.

PROPOSED FASB GUIDANCE

The following is a summary of significant proposed guidance that was issued or was open for comment during the quarter. All proposed FASB guidance can be accessed on the [FASB website](#) located under the *Projects* tab.

Proposed Accounting Standards Update, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*

Issued: June 2015

Comment Deadline: August 14, 2015

Summary: The proposed Update would introduce multiple revisions to Topic 718 intended to reduce complexity in accounting for share-based payment transactions. The proposed amendments would: simplify recognition and classification of excess tax benefits and deficiencies resulting from the difference between the deduction for tax purposes and the compensation cost recognized for financial reporting purposes of an award; permit an accounting policy election to account for forfeitures as they occur; simplify certain classification and presentation issues resulting from employer withholding for tax purposes and classification of awards with repurchase features; provide a practical expedient for nonpublic entities regarding expected term; and allow a one-time election to switch from fair value measurement to intrinsic value measurement for all liability-classified awards.

Effective Date: The effective date will be determined after the Board considers stakeholder feedback on the proposed amendments.

Proposed Accounting Standards Update, *Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Equity Method of Accounting*

Issued: June 2015

Comment Deadline: August 4, 2015

Summary: The proposed amendments would eliminate the requirement to separately account for the basis difference of equity method investments, which is the difference between the cost of an investment and the investor's proportionate share of the net assets of the investee. An entity would recognize its equity method investment at cost and would no longer determine the acquisition date fair value of the investee's identifiable assets and liabilities assumed. The proposed amendments also would eliminate the requirement to retroactively adopt the equity method of accounting when an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest.

Effective Date: The effective date will be determined after the Board considers stakeholder feedback on the proposed amendments.

Proposed Accounting Standards Update, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*

Issued: May 2015

Comment Deadline: July 6, 2015

Summary: The proposed amendments are intended to simplify the accounting for adjustments made to provisional amounts recognized in a business combination. Specifically, the proposed amendments would require an acquirer in a business combination recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amount is determined with a corresponding adjustment to current period goodwill, rather than recognizing them retrospectively at the acquisition date. The acquirer also would record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. An acquirer would be required to disclose the amount of adjustment to current period income statement line items relating to the income effects that would have been recognized in previous periods if the adjustment to provisional amounts were recognized as of the acquisition date.

Effective Date: The effective date will be determined after the Board considers stakeholder feedback on the proposed amendments.

Proposed Accounting Standards Update, *Revenue from Contracts with Customers (Topic 606) - Identifying Performance Obligations and Licensing*

Issued: April 2015

Comment Deadline: June 30, 2015

Summary: The proposed amendments provide more detailed guidance, including additional implementation guidance and examples in the following key areas: 1) identifying performance obligations, and 2) licenses of intellectual property.

The proposed amendments would more clearly articulate the guidance for certain assessments required as part of identifying performance obligations, and provide additional examples within the implementation guidance for applying these assessments. In addition, an entity would not be required to identify goods or services promised that are immaterial in the context of the contract. Further, an entity would be permitted to account for shipping and handling activities occurring after the customer has obtained control of a good as a fulfillment activity rather than as an additional promised service. This would be an accounting policy election and related disclosures would be required.

The proposed amendments would also make the following clarifications within the implementation guidance on licenses of intellectual property (IP):

- Whether a license of IP represents a right of use or a right of access by categorizing the underlying IP as either functional or symbolic. Functional IP has significant standalone functionality because it can be used as is for performing a specific task, or be aired or played; this type of license is generally satisfied at the point in time the customer is able to use and benefit from the license. Symbolic IP does not have significant standalone functionality; this type of license is satisfied over time.
- A promise to grant a license that is not a separate performance obligation must be considered in the context above (i.e., functional or symbolic), in order to determine whether the overall performance obligation is satisfied at a point in time or over time, and how to best measure progress toward completion if recognized over time.
- When to recognize revenue for a sales-based or usage-based royalty promised in exchange for a license of IP.

- Contractual restrictions on a customer's rights in a licensing arrangement do not affect the entity's identification of promised goods or services in the contract.

For additional information on this topic, refer to BDO's [Revenue Recognition Resource Center](#), and BDO's [comment letter](#).

Proposed Accounting Standards Update, *Liabilities—Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Cards (a consensus of the FASB Emerging Issues Task Force)*

Issued: April 2015

Comment Deadline: June 29, 2015

Summary: The proposed amendments would clarify that prepaid stored-value cards redeemable at third-party merchants for goods, services, or cash are financial liabilities, but would also provide a narrow-scope exception to the derecognition guidance in Subtopic 405-20 such that breakage associated with such liabilities should be accounted for consistent with the breakage guidance in Topic 606, *Revenue from Contracts with Customers*.

For additional information on this topic, refer to BDO's [comment letter](#).

Effective Date: The effective date and the ability to apply the amendments before the effective date will be determined after the Task Force considers stakeholder feedback on this proposed Update.

Proposed Accounting Standards Update, *Revenue from Contracts with Customers (Topic 606) - Deferral of the Effective Date*

Issued: April 2015

Comment Deadline: May 29, 2015

Summary: The amendments in this proposed Update would defer the effective date of ASU 2014-09, *Revenue from Contracts with Customers*. The amendments would require public entities to apply the new revenue standard for annual reporting periods beginning after December 15, 2017, including interim reporting periods therein (i.e., beginning on January 1, 2018 for a calendar year entity). Public entities would be permitted to elect to early adopt for annual reporting periods beginning after December 15, 2016.

Nonpublic entities would apply the new revenue standard for annual reporting periods beginning after December 15, 2018 (i.e., January 1, 2019 for a calendar year entity) and interim reporting periods within annual reporting periods beginning after December 15, 2019 (i.e., the quarter ending March 31, 2020 for a calendar year entity). Nonpublic entities may elect to early adopt for annual reporting periods beginning after December 15, 2016, including interim reporting periods therein.

For additional information on this topic, refer to BDO's [Revenue Recognition Resource Center](#), and BDO's [comment letter](#).

Proposed Accounting Standards Update, *Plan Accounting (Topics 960, 962, and 965)—(I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment Disclosures, and (III) Measurement Date Practical Expedient*

Issued: April 2015

Comment Deadline: May 18, 2015

Summary: The proposed amendments, comprising three separate ASUs, are intended to reduce complexity in employee benefit plan accounting under Topics 960¹, 962², and 965³, as follows:

Fully Benefit-Responsive Investment Contracts - the proposed amendments would designate contract value as the only required measurement for fully benefit-responsive investments contracts within the scope of Topics 962 and 965, eliminating the requirement to measure, present and disclose such contracts also at fair value and reconcile fair value to contract value.

Plan Investment Disclosures - the proposed amendments would eliminate certain disclosure requirements for both participant-directed investments and nonparticipant-directed investments, and also reduce disclosures required specifically for investments using the net asset value per share practical expedient. The proposed amendments would also require that both participant-directed and nonparticipant-directed investments be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways (i.e., also on the basis of nature, characteristics, and risks as required by Topic 820, *Fair Value Measurement*).

Measurement Date Practical Expedient - the proposed amendments would provide a measurement date practical expedient for employee benefit plans similar to the recently finalized practical expedient allowing employers to measure defined benefit plan assets on a month-end date that is nearest to the employer's fiscal year-end, when the fiscal period does not coincide with a month-end (see ASU 2015-04 summary, above).

At its June 2015 meeting, the Task Force reached a final consensus in which it affirmed the amendments set forth within the proposal, and reached several additional decisions clarifying the scope of the amendments. Final amendments are subject to FASB ratification.

Effective Date and Transition: The consensus on the measurement of fully benefit-responsive investments contracts and the disclosure of plan investments are expected to be applied retrospectively for fiscal years beginning after December 15, 2015, with early adoption permitted. The consensus on the measurement date practical expedient is expected to be applied prospectively for fiscal years beginning after December 15, 2015, with early adoption permitted.

Proposed Accounting Standards Update, *Derivatives and Hedging (Topic 815): Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts within Nodal Energy Markets (a consensus of the FASB Emerging Issues Task Force)*

Issued: April 2015

Comment Deadline: May 18, 2015

Summary: The proposed amendments would clarify that the use of locational marginal pricing by an independent system operator does not constitute net settlement of a contract for the purchase or sale of electricity on a forward basis for delivery to a location in a nodal energy market, even in scenarios in which legal title to the associated electricity is conveyed to the independent system operator during transmission. Consequently, the use of locational marginal pricing by the independent system operator would not cause that contract to fail to meet the physical delivery criterion of the normal purchases and normal sales scope exception. If the physical delivery criterion is met, along with all of the other criteria of the normal purchases and normal sales scope exception, an entity may elect to designate that contract as a normal purchase or normal sale rather than adjusting it to fair value through earnings each period.

¹ *Plan Accounting—Defined Benefit Pension Plans*

² *Plan Accounting—Defined Contribution Pension Plans*

³ *Plan Accounting—Health and Welfare Benefit Plans*

At its June 2015 meeting, the Task Force reached a final consensus in which it affirmed the amendments set forth within the proposal. Final amendments are subject to FASB ratification.

Effective Date: The effective date and the ability to early adopt will be determined after the FASB considers the proposed amendments.

Proposed Accounting Standards Update, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954): Presentation of Financial Statements of Not-for-Profit Entities*

Issued: April 2015

Comment Deadline: August 20, 2015

Summary: The proposed amendments would change several of the requirements for financial statements and notes in Topics 958 and 954, with the intent of improving the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit (NFP) entity's liquidity, financial performance, and cash flows.

Specifically, the proposed would: eliminate the distinction between resources with permanent restrictions and those with temporary restrictions from the face of financial statements; require an NFP to present intermediate measures of operations in the statement of activities; require an NFP to present operating cash flows using the direct method; reclassify certain items reported in a cash flow statement; require enhanced disclosures; require an NFP to use the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset; and require an NFP to report investment income net of external and direct internal investment expenses.

For additional information on this topic, refer to BDO's blog: [Proposed Changes to the Nonprofit Financial Statement Model - What You Need to Know](#).

Effective Date: The effective date, and whether it should be the same for all NFPs, as well as whether early adoption would be permitted, will be determined by the Board after considering stakeholders' feedback on the proposed amendments.

Emerging Issues Task Force Issues - Consensuses-for-Exposure

Status: The Task Force reached consensus-for-exposure on the following Issues in June 2015. The Task Force will determine the effective dates of any forthcoming amendments after considering feedback on the exposure drafts.

15-D: Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships

Summary: The Task Force concluded that a change in one of the parties to a derivative contract that is part of an existing hedge accounting relationship does not, in and of itself, require dedesignation of that hedge relationship.

15-E: Contingent Put and Call Options in Debt Instruments

Summary: The Task Force concluded that the assessment of whether puts and calls embedded in debt instruments are clearly and closely related to the debt host only requires an assessment of the four-step decision sequence in paragraph 815-15-25-42. Thus, a separate assessment of whether the contingent feature is indexed only to the interest rate or credit risk of the entity is not required to determine whether the embedded features should be separated from the debt instrument and adjusted to fair value through earnings each period.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant FASB publications and activities.

FASB and IASB Joint Transition Resource Group for Revenue Recognition

Summary: As a result of certain issues discussed to date by the FASB and IASB Joint Transition Resource Group (TRG) for Revenue Recognition, the FASB issued an exposure document in April that would clarify guidance within the new standard regarding licenses of intellectual property and identifying performance obligations within a contract. The IASB plans to issue an exposure document on this topic together with several other issues during the third quarter. The Boards' decisions were not identical, which may lead to diversity in practice.

Additionally, both the FASB and IASB proposed deferrals of the effective date of the new standard during the quarter. While the FASB has proposed a one-year delay, the exposure document questions whether a two-year delay may be appropriate in certain circumstances. The IASB exposure document proposes a one-year deferral.

For detailed summaries of the proposals, refer to the *Proposed FASB Guidance* and *Proposed IASB Guidance* sections of this publication.

Also during the quarter, the Boards tentatively agreed to propose similar amendments clarifying principal versus agent considerations regarding: whether an entity's promise is to provide goods or services it controls beforehand or to arrange for others to do so; the unit of account for the principal versus agent evaluation; application of the control principle in the context of services; control indicators; and additional illustrative examples.

The next meeting of the TRG is scheduled for July 13, 2015.

Background: The TRG was established in 2014 to solicit, analyze, and discuss stakeholder issues arising from implementation of the recently issued standard, ASU 2014-09 (Topic 606), Revenue from Contracts with Customers; to inform the FASB and IASB about those implementation issues, which will help the Boards determine what, if any, action will be needed to address those issues; and to provide a forum for stakeholders to learn about the new guidance from others involved with implementation.

For more information, or for resources on the new standard, refer to BDO's [Revenue Recognition Resource Center](#). More information may also be found on the FASB [website](#).

Update on International Convergence

The FASB and the IASB continue their efforts on their remaining joint projects: financial instruments and leases. Second quarter developments are detailed below by topic. Final standards on both leasing and financial instruments are expected this year. For current status of joint FASB/IASB projects, refer to the [FASB's Current Technical Plan and Project Updates](#) and [IASB's Work Plan for IFRSs](#).

Financial Instruments - The FASB and IASB have not reached convergence in the financial instruments project. During 2014, the IASB finalized its project with the issuance of revised IFRS 9 Financial Instruments, while the FASB continued to redeliberate issues related to classification and measurement, as well as impairment. During the second quarter of 2015, the FASB made tentative decisions regarding the definition of a purchased credit-impaired (PCI) asset and financial assets acquired in a business combination.

The FASB also reached tentative decisions regarding numerous aspects of the hedge accounting project, including: presentation of hedge ineffectiveness and the overall hedging model; disclosures related to cumulative-basis adjustments in fair value hedges; tabular disclosures about the effect of hedge accounting; hedge documentation requirements; and hedges of benchmark interest rates.

Leases - The revised exposure draft was issued in May 2013, and the comment period closed in September 2013. The exposure draft was criticized by most constituents for its expected cost to implement and its complexity, and many questioned whether it would provide improved information to users of the financial statements.

During the second quarter of 2015, the FASB continued redeliberating the proposals in the May 2013 Exposure Draft, focusing on establishing a collectibility threshold within the lessor model (to achieve consistency with the new revenue standard), lessor accounting for lease modifications and impairment, and lessee accounting for purchase of a leased asset during the lease term.

A final standard is expected by the end of 2015 with an effective date several years later.

► PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)

FINAL AND PROPOSED PCAOB GUIDANCE

All final and proposed PCAOB guidance can be accessed on the [PCAOB website](#) located under the *Rules of the Board* tab.

As of the date of this publication, the PCAOB had not issued any final or proposed guidance during the quarter.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant PCAOB publications and activities.

Concept Release, *Audit Quality Indicators*

Issued: July 2015

Comment Deadline: September 28, 2015

Summary: The concept release seeks public feedback on the content and possible uses of a group of potential audit quality indicators (AQIs), a portfolio of quantitative measures that may provide new insights about how to evaluate the quality of audits and how high quality audits are achieved. The concept release identifies a total of 28 potential AQIs, grouped into three broad categories: audit professionals; audit process; and audit results.

For additional information on this topic, refer to BDO's [Alert](#).

Supplemental Request for Comment, *Rules to Require Disclosure of Certain Audit Participants*

Issued: June 2015

Comment Deadline: August 31, 2015

Summary: The supplemental request seeks public feedback on an alternative to the PCAOB's 2013 reproposal to require auditors to disclose in the auditor's report the name of the engagement partner and information about certain other participants in the audit. Under the proposed alternative, the information would be required to be disclosed on a new PCAOB Form AP, *Auditor Reporting of Certain Audit Participants*.

Effective Date: The effective dates for any revisions to PCAOB standards would be determined after the Board considers stakeholder feedback.

For additional information on this topic, refer to BDO's [Alert](#).

Staff Consultation Paper No. 2015-01, *The Auditor's Use of the Work of Specialists*

Issued: May 2015

Comment Deadline: July 31, 2015

Summary: The consultation paper seeks public comment on possible changes to PCAOB standards regarding the objectivity and oversight of specialists and the use of their work in audits. The consultation paper observes that auditor use of specialists has become more frequent in recent years due in part to increasing complexity of business transactions reported in financial statements and the resulting complexity of information needed to account for those transactions. The consultation paper explores the possible need for improvement of the standards and some alternative regulatory approaches.

Effective Date: The effective dates for any revisions to PCAOB standards would be determined after the Board considers stakeholder feedback.

PCAOB Issues Audit Committee Dialogue

Summary: In May 2015, the PCAOB introduced a new digital outreach communication vehicle to audit committees - the "Audit Committee Dialogue." This first communication, in what is expected to be a series, highlights insights from PCAOB inspections of public company auditing firms, specifically discussing recurring areas of concern and emerging risks related to merger & acquisition activity, falling [fluctuating] oil prices, and undistributed foreign earnings. For each of these areas, the PCAOB has included several targeted questions audit committees may want to consider asking their auditors. Additionally, these targeted questions may also be helpful in discussions with company management, in particular as they relate to emerging risk areas.

For additional information, refer to BDO's [Alert](#).

▶ SECURITIES AND EXCHANGE COMMISSION (SEC)

FINAL SEC GUIDANCE

All SEC Final Rules can be accessed on the [SEC website](#) located under the *Regulatory Actions* section, *Final Rules*.

(Note: The following pertains to significant accounting and reporting SEC releases. For a complete listing of SEC rules, please refer to the SEC website.)

Amendments for Small and Additional Issues Exemptions under the Securities Act (Regulation A)

Issued: March 2015

Release: No. 33-9741

Summary: On March 25, 2015 the Securities and Exchange Commission unanimously approved amendments to Regulation A, known as "Regulation A+," as required by Section 401 of the JOBS Act. They are intended to increase access to capital for smaller companies by modernizing Regulation A and expanding it to provide a streamlined process by which a private company can offer and sell up to \$50 million of securities in a twelve-month period.

For additional information on this topic, refer to BDO's [Alert](#).

Effective Date: The amendments became effective on June 19, 2015.

PROPOSED SEC GUIDANCE

All SEC Proposed Rules can be accessed on the [SEC website](#) located under the *Regulatory Actions* section, *Proposed Rules*.

(Note: The following pertains to significant accounting and reporting SEC releases. For a complete listing of SEC rules, please refer to the SEC website.)

Concept Release, *Possible Revisions to Audit Committee Disclosures*

Issued: July 2015

Comment Deadline: Comments may be submitted for 60 days after the concept release is published in the Federal Register.

Summary: The concept release seeks public comment regarding audit committee reporting requirements, with a focus on enhancing the audit committee's reporting of its process for overseeing the independent auditor. The concept release is in response to views that the SEC's existing disclosure rules for this area perhaps have not kept pace with the evolving role and responsibilities of audit committees and may not result in disclosures about audit committees and their activities that are sufficient to help investors understand and evaluate audit committee performance, which may in turn inform investors' investment or voting decisions.

Some of the more significant potential changes to reporting requirements being considered include: the audit committee's oversight of the audit committee; the audit committee's process for appointing or retaining the independent auditor; qualifications of the audit firm and certain members of the engagement team selected by the audit committee; location of audit committee disclosures in SEC filings; smaller reporting companies and emerging growth companies; and other considerations.

For additional information on this topic, refer to BDO's [Alert](#).

Proposed Rule, *Pay vs. Performance*

Issued: April 2015

Comment Deadline: July 6, 2015

Summary: The proposed rule would implement requirements mandated by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The proposed rules would require registrants to disclose in a clear manner the relationship between executive compensation actually paid and the financial performance of the registrant. The proposed rules are intended to help shareholders to be better informed when they vote to elect directors and in connection with advisory votes on executive compensation.

Proposed Item 402(v) of Regulation S-K would require registrants to provide a table comparing the following: executive compensation actually paid to the named executive officers for whom disclosure is currently required in the Summary Compensation Table (SCT); Total Shareholder Return (TSR) for the registrant; and TSR for the selected peer group.

For additional information on this topic, refer to BDO's [Alert](#).

Effective Date: The effective date will be determined after the SEC considers feedback on the proposed rule.

▶ INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

FINAL IASB GUIDANCE

All final IASB guidance can be accessed on the [IASB website](#) located under the *IFRS* tab, *Standards and Interpretations*.

IFRS for Small and Medium-sized Entities (IFRS for SMEs), 2015 Limited Amendments

Issued: May 2015

Summary: A number of updates have been made to IFRS for SMEs. The most significant changes include: addition of the option to use the revaluation model for property, plant and equipment (Section 17 *Property, Plant and Equipment*); alignment of the main recognition and measurement requirements for deferred income tax with IAS 12 *Income Taxes*; and alignment of the main recognition and measurement requirements for exploration and evaluation assets with IFRS 6 *Exploration for and Evaluation of Mineral Resources*.

Effective Date: The IFRS for SMEs amendments are required to be applied for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

PROPOSED IASB GUIDANCE

The following is a summary of all significant proposed guidance that was issued or was open for comment during the quarter. All proposed IASB guidance can be accessed on the [IASB website](#) located under the *Get Involved* tab, *Comment on a Proposal*.

Exposure Draft, *Remeasurement on a Plan Amendment, Curtailment or Settlement - Availability of a Refund from a Defined Benefit Plan (Proposed amendments to IAS 19 and IFRIC 14)*

Issued: June 2015

Comment Deadline: October 19, 2015

Summary: The proposed narrow-scope amendments would implement changes to two areas of accounting for defined benefit plan accounting under to IAS 19, *Employee Benefits* and IFRIC 14, *IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, as follows:

- The amendments would provide guidance on whether the power of other parties (e.g. pension trustees) to enhance benefits or wind-up a plan affect the availability of a refund from a defined benefit plan.

- Upon remeasurement resulting from a plan amendment, curtailment or settlement, the amendments would require current service cost and net interest to be determined based on the assumptions used for the remeasurement, and net interest for the remaining period to be determined based on the remeasured net defined liability/asset.

Exposure Draft, *Effective Date of IFRS 15*

Issued: May 2015

Comment Deadline: July 3, 2015

Summary: The proposed amendments would delay the effective date of IFRS 15 *Revenue from Contracts with Customers* by one year to January 1, 2018. Entities would still be permitted to apply IFRS 15 early, and to choose between applying the standard either retrospectively to each prior period presented or retrospectively with a cumulative catch-up adjustment at the date of initial application.

For additional information on this topic, refer to BDO's [IFR Bulletin](#).

Exposure Draft, *Conceptual Framework for Financial Reporting*

Issued: May 2015

Comment Deadline: October 26, 2015

Summary: The exposure draft sets out the IASB's proposals for a revised Conceptual Framework. The purpose of the updated Conceptual Framework is to provide a more complete, clear and updated concept. In addition to the content of the existing Conceptual Framework, the revised version clarifies certain aspects and addresses the following: measurement; financial performance; presentation and disclosure; derecognition; and the reporting entity.

As part of the project, the IASB does not question all aspects of the Conceptual Framework, but aims to update, improve and fill existing gaps. The revisions of the Conceptual Framework are expected to be finished in 2016.

Exposure Draft, *Updating References to the Conceptual Framework (Proposed amendments to IFRS 2, IFRS 3, IFRS 4, IFRS 6, IAS 1, IAS 8, IAS 34, SIC-27 and SIC-32)*

Issued: May 2015

Comment Deadline: October 26, 2015

Summary: The exposure draft proposes to update references in existing IFRS guidance to the Conceptual Framework so that they refer to the revised version of the Conceptual Framework proposed in ED/2015/3 *Conceptual Framework for Financial Reporting*.

In addition to that, the IASB proposes to remove a number of footnotes that refer to the changes made to the Conceptual Framework in 2010.

▶ 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 2014 have been included since many companies applied them for the first time in 2015, e.g., the first interim or annual period beginning on or after December 15, 2014. Standards that do not require adoption before 2016 are highlighted in gray. The final amendments to the FASB Codification resulting from EITF Issues No. 15-A and 15-C were not available before the quarterly Significant Accounting & Reporting Matters document was published. The effective date(s) indicated above (see “Proposed FASB Guidance”) are based on our observation of the public meeting.

Also, refer to BDO’s [publication](#) summarizing effective dates of IFRS pronouncements.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 205, Presentation of Financial Statements		
ASU 2014-15, <i>Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern</i>	Effective for all entities, unless they have adopted the liquidation basis of accounting under Subtopic 205-30. The new standard applies prospectively to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.	Effective for all entities, unless they have adopted the liquidation basis of accounting under Subtopic 205-30. The new standard applies prospectively to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.
ASU 2014-08, <i>Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity</i>	Effective for annual periods beginning on or after December 15, 2014, and interim periods within those years. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.	Effective for annual periods beginning on or after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.
ASC 225, Income Statement		
ASU 2015-01, <i>Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015.	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 260, Earnings Per Share		
<i>ASU 2015-06, Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions (a consensus of the Emerging Issues Task Force)</i>	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.
ASC 310, Troubled Debt Restructuring by Creditors		
<i>ASU 2014-14, Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure</i>	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted, if the entity has already adopted ASU 2014-04.	Effective for annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Early adoption is permitted, if the entity has already adopted ASU 2014-04.
<i>ASU 2014-04, Reclassification of Residential Real Estate collateralized consumer Mortgage Loans upon Foreclosure (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for annual periods and interim periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted. An entity can elect to adopt the amendments in this update using either a modified retrospective transition method or a prospective transition method.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. An entity can elect to adopt the amendments in this update using either a modified retrospective transition method or a prospective transition method.
ASC 323, Investments - Equity Method and Joint Ventures		
<i>ASU 2014-01, Accounting for Investments in Qualified Affordable Housing Projects (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for annual periods and interim reporting periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted. If adopted, the amendments in this Update should be applied retrospectively to all periods presented. A reporting entity that uses the effective yield method to account for its investments in qualified affordable housing projects before the date of adoption may continue to apply the effective yield method for those preexisting investments.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. If adopted, the amendments in this Update should be applied retrospectively to all periods presented. A reporting entity that uses the effective yield method to account for its investments in qualified affordable housing projects before the date of adoption may continue to apply the effective yield method for those preexisting investments.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 350, Intangibles—Goodwill and Other		
ASU 2015-05, <i>Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement</i>	Effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively.	Effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively.
ASU 2014-02, <i>Accounting for Goodwill (a consensus of the Private Company Council)</i>	Not applicable to public entities.	The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity’s annual or interim financial statements have not yet been made available for issuance.
ASC 360, Property, Plant, and Equipment		
ASU 2014-08, <i>Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity</i>	Effective for annual periods beginning on or after December 15, 2014, and interim periods within those years. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.	Effective for annual periods beginning on or after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 405, Liabilities		
ASU 2013-04, <i>Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for fiscal years, and interim periods within those years, beginning after December 31, 2013. Early adoption is permitted. Retrospective application is required for all periods presented. Entities are permitted to use hindsight when determining the appropriate amount to be recorded in prior periods.	Effective for fiscal years ending after December 31, 2014 and interim and annual periods thereafter. Early adoption is permitted. Retrospective application is required for all periods presented. Entities are permitted to use hindsight when determining the appropriate amount to be recorded in prior periods.
ASC 606, Revenue		
ASU 2014-09 <i>Revenue from Contracts with Customers</i>	Effective for annual periods beginning after December 15, 2016, including interim periods therein. Entities may adopt using a retrospective approach (with certain optional practical expedients) or a cumulative effect approach. Under the this alternative, an entity would apply the new revenue standard only to contracts that are incomplete under legacy U.S. GAAP at the date of initial application (e.g. January 1, 2017) and recognize the cumulative effect of the new standard as an adjustment to the opening balance of retained earnings. That is, prior years would not be restated and additional disclosures would be required to enable users of the financial statements to understand the impact of adopting the new standard in the current year compared to prior years that are presented under legacy U.S. GAAP. Early adoption is prohibited.	Effective for annual periods beginning after December 15, 2017. In addition, the new standard is effective for interim periods within annual periods that begin after December 15, 2018. The same transition alternatives apply. There are certain provisions that allow for nonpublic entities to early adopt.
ASC 715, Compensation—Retirement Benefits		
ASU 2015-04, <i>Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets</i>	Effective prospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective prospectively for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted.

ASC 718, Compensation—Stock Compensation		
<i>ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)</i>	<p>Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted.</p> <p>Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.</p>	<p>Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted.</p> <p>Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.</p>
ASC 740, Income Taxes		
<i>ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)</i>	<p>Effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted.</p>	<p>Effective for fiscal years and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted.</p>
ASC 805, Business Combinations		
<i>ASU 2015-08, Pushdown Accounting—Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115 (SEC Update)</i>	<p>SAB 115 became effective November 21, 2014.</p>	<p>Not applicable to private entities.</p>

<p>ASU 2014-18, <i>Accounting for Identifiable Intangible Assets in a Business Combination</i> (a consensus of the Private Company Council)</p>	<p>Not applicable to public entities.</p>	<p>If elected, the accounting alternative should be applied to eligible transactions in fiscal years beginning after December 15, 2015. Specifically, if the first eligible transaction occurs in the first fiscal year beginning after December 15, 2015, the elective adoption will be effective for that fiscal year's annual financial reporting and all interim and annual periods thereafter. If the first eligible transaction occurs in fiscal years beginning after December 15, 2016, the elective adoption will be effective in the interim period that includes the date of that first in-scope transaction and subsequent interim and annual periods thereafter. Early application is permitted for any interim and annual financial statements that have not yet been made available for issuance.</p>
<p>ASU 2014-17, <i>Pushdown Accounting</i> (a consensus of the FASB Emerging Issues Task Force)</p>	<p>Effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event.</p>	<p>Effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event.</p>
<p>ASC 810, Consolidation</p>		
<p>ASU 2015-02, <i>Amendments to the Consolidation Analysis</i></p>	<p>Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015.</p>	<p>Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017.</p>
<p>ASU 2014-13, <i>Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity</i></p>	<p>Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted as of the beginning of an annual period. Entities may adopt using either a full or modified retrospective approach. The modified approach only impacts the annual period of adoption by recording a cumulative-effect adjustment to equity.</p>	<p>Effective for annual periods beginning after December 15, 2016, and interim and annual periods thereafter. Early adoption is permitted as of the beginning of an annual period. Entities may adopt using either a full or modified retrospective approach. The modified approach only impacts the annual period of adoption by recording a cumulative-effect adjustment to equity.</p>

<p>ASU 2014-07 <i>Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements (a consensus of the Private Company Council)</i></p>	<p>Not applicable to public entities.</p>	<p>If elected, the accounting alternative is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance. The accounting alternative should be applied retrospectively to all periods presented. Prospective adoption is not permitted.</p>
<p>ASC 815, Derivatives and Hedging</p>		
<p>ASU 2014-16, <i>Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity (a consensus of the FASB Emerging Issues Task Force)</i></p>	<p>Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015.</p>	<p>Effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016.</p>
<p>ASU 2014-03 <i>Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps - Simplified Hedge Accounting Approach (a consensus of the Private Company Council)</i></p>	<p>Not applicable to public entities.</p>	<p>If elected, the simplified hedge accounting approach will be effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted, and private companies are able (but not required) to adopt the new standards for December 31, 2013 year-end financial statements that are not yet available for issuance. Private companies have the option to apply the amendments in this Update using either a modified or full retrospective approach.</p>
<p>ASC 820, Fair Value Measurement</p>		
<p>ASU 2015-07, <i>Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (a consensus of the Emerging Issues Task Force)</i></p>	<p>Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.</p>	<p>Effective retrospectively for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted.</p>

ASC 830, Foreign Currency Matters		
ASU 2013-05, <i>Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force)</i>	Effective prospectively for all entities with derecognition events after the effective date. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 31, 2013. Early adoption is permitted. If early adoption is elected, the guidance should be applied as of the beginning of the entity's fiscal year of adoption.	Effective prospectively for all entities with derecognition events after the effective date. The guidance is effective for fiscal years beginning after December 31, 2014 and interim and annual periods thereafter. Early adoption is permitted. If early adoption is elected, the guidance should be applied as of the beginning of the entity's fiscal year of adoption.
ASC 835, Interest		
ASU 2015-03, <i>Simplifying the Presentation of Debt Issuance Costs</i>	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted.
ASC 853, Service Concession Arrangements		
ASU 2014-05, <i>Service concession Arrangements (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for annual periods and interim periods within those annual periods beginning after December 15, 2014. Early adoption is permitted. The amendments should be applied on a modified retrospective basis, to all arrangements existing at the beginning of the fiscal year of adoption and to all arrangements entered into after that date.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. The amendments should be applied on a modified retrospective basis, to all arrangements existing at the beginning of the fiscal year of adoption and to all arrangements entered into after that date.
ASC 860, Transfers and Servicing		
ASU 2014-11, <i>Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures</i>	The accounting changes and disclosure for certain transactions accounted for as a sale are effective for the first period (interim or annual) beginning after December 15, 2014. Earlier application for a public business entity is prohibited. The disclosure for transactions accounted for as secured borrowings is required for annual periods beginning after December 15, 2014, and for interim periods after March 15, 2015.	The accounting changes and both new disclosures are effective for annual periods beginning after December 15, 2014 and interim periods after December 15, 2015. These entities may elect early application and apply the requirements for interim periods beginning after December 15, 2014.

ASC 915, Development Stage Entities		
<p>ASU 2014-10, <i>Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation</i></p>	<p>DSE requirements - Effective for annual reporting periods beginning after December 15, 2014 and interim periods therein. While the elimination of the DSE financial reporting requirements applies retrospectively, the new disclosures about related risks and uncertainties are required prospectively.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p> <p>Consolidation update - Effective for annual reporting periods beginning after December 15, 2015 and interim periods therein.</p> <p>The amendments apply retrospectively and also generally incorporate the transition provisions of Statement 167 to address situations in which it may not be practicable to obtain the necessary information for prior years.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p>	<p>DSE requirements - Effective for annual reporting periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. While the elimination of the DSE financial reporting requirements applies retrospectively, the new disclosures about related risks and uncertainties are required prospectively.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p> <p>Consolidation update - Effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods beginning after December 15, 2017.</p> <p>The amendments apply retrospectively and also generally incorporate the transition provisions of Statement 167 to address situations in which it may not be practicable to obtain the necessary information for prior years.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p>
ASC 944, Financial Services—Insurance		
<p>ASU 2015-09, <i>Disclosures about Short-Duration Contracts</i></p>	<p>Effective for annual reporting periods beginning after December 15, 2015 and interim reporting periods within annual periods beginning after December 15, 2016. Early adoption is permitted.</p>	<p>Effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods within annual periods beginning after December 15, 2017. Early adoption is permitted.</p>

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 958, Not-for-Profit Entities		
ASU 2013-06, <i>Services Received from Personnel of an Affiliate</i>	Not applicable to public entities.	Effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date of adoption should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted.
Other		
ASU 2015-10, <i>Technical Corrections and Improvements</i>	Transition guidance varies based on the individual amendments. The amendments that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments became effective upon issuance.	Transition guidance varies based on the individual amendments. The amendments that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments became effective upon issuance.

▶ BDO RESOURCES FOR CLIENTS AND CONTACTS

BDO USA, LLP is a national professional services firm providing assurance, tax, financial advisory, and consulting services to a wide range of publicly traded and privately held companies. We are guided by our core values: put people first; be exceptional: every day, every way; embrace change; empowerment through knowledge; and choose accountability.

For more than 100 years, we have provided quality service and leadership through the active involvement of our most experienced and committed professionals.

The firm serves clients through over 50 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1328 offices in 150 countries. For further information, please refer to [BDO's website](#).

BDO commits significant resources to keep our professionals and our clients up-to-date on current and evolving technical, governance, industry, and reporting developments. Our thought leadership consists of quarterly email updates, publications, surveys, practice aids, and tools that span a broad spectrum of topics that impact financial reporting, as well as corporate governance. Our focus is not to simply announce changes in technical guidance, regulations or emerging business trends, but rather expound on how such changes may impact our clients' business. Through our various webinar series, we reach a broad audience and provide brief, engaging, just-in-time training that we make available in a variety of ways to meet the needs of your busy schedules. The following provides a sample of our offerings.

To begin receiving email notifications regarding BDO publications and event invitations (live and web-based), visit the [Registration](#) page and create a user profile. If you already have an account on BDO's website, visit the [My Profile](#) page to login and manage your account preferences.

BDO Knowledge Webinar Series

An educational series designed to assist those charged with governance (e.g., Audit Committees) and financial executives in keeping up to date on the latest corporate governance, risk management and financial reporting developments. The program is multi-faceted and consists of complimentary CPE webinars, podcasts and archived self-study courses, covering both broad and specific topics of interest, publications and links to various BDO and external resources.

Additionally, consider our monthly tax series that provides insights and perspectives on the tax issues most important to our clients and their businesses. Visit our [Event/Webinar](#) page for a current listing of programming available.

Board Governance

The BDO Board Governance resources include BDO's proprietary studies, publications, practice aids, and educational programs to keep board members of both public and private companies up to date on emerging issues and trends to assist in fulfilling their corporate oversight responsibilities. Such resources contain customized information for the various committees of the board. For example, refer to our Effective Audit Committees in the Ever Changing Marketplace practical guide and related tools. Visit our [Insights page](#).

BDO Knows: Alerts

Briefs about select technical and regulatory developments and emerging issues are made immediately available to BDO professionals and to clients. Visit our [Insights page](#).

BDO Knows: Financial Reporting Letters

Publications containing more in depth discussions and practical guidance on technical guidance affecting both public and private entities. Visit our [Insights page](#).

Client Advisories

Concise documents that provide timely commentary, analysis and insights on events and trends of interest to management and boards of directors. Visit our [Insights page](#).

Tax Newsletters and Alerts

Updates with respect to federal, state, local, expatriate, and international developments along with other specific tax planning and strategy considerations including specific practice areas such as compensation and benefits, private client and individual filer services, transfer pricing, Foreign Account Tax Compliance Act, etc. Visit our [Insights page](#).

Industry Newsletters, Alerts, Reports, Proprietary Studies, and Surveys

A variety of publications depicting specific industry issues, emerging trends and developments. Visit our [Insights page](#).

Industry Experience

Industry experience has emerged at the top of the list of what businesses need and expect from their accountants and advisors. The power of industry experience is perspective - perspective we bring to help you best leverage your own capabilities and resources.

BDO's industry focus is part of who we are and how we serve our clients and has been for over a century. We demonstrate our experience through knowledgeable professionals, relevant client work and participation in the industries we serve.

For further information on the following BDO industries, please visit our [Industries page](#).

- Consumer Business
- Financial Services
- Gaming, Hospitality & Leisure
- Government Contracting
- Healthcare
- Manufacturing & Distribution
- Natural Resources
- Nonprofit & Education
- Private Equity
- Public Sector
- Real Estate & Construction
- Restaurants
- Technology & Life Sciences