FIRST QUARTER 2015

AN OFFERING FROM BDO'S NATIONAL ASSURANCE PRACTICE

SIGNIFICANT ACCOUNTING & REPORTING MATTERS

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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 2015-01, *Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*

Issued: January 2015

Summary: ASU 2015-01 eliminates the requirement in Subtopic 225-20 to consider whether an underlying event or transaction is extraordinary, and if so, to separately present the item in the income statement net of tax, after income from continuing operations.

Items that are either unusual in nature or infrequently occurring will continue to be reported as a separate component of income from continuing operations. Alternatively, these amounts may still be disclosed in the notes to the financial statements. The same requirement has been expanded to include items that are both unusual and infrequent, i.e., they should be separately presented as a component of income from continuing operations or disclosed in the footnotes.

For additional information on this topic, refer to BDO's Flash Report.

Effective Date and Transition: The ASU is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted from the beginning of the fiscal year of adoption.

Accounting Standards Update 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*

Issued: February 2015

Summary: ASU 2015-02 changes the consolidation analysis for all reporting entities. The changes primarily affect the consolidation of limited partnerships and their equivalents (e.g., limited liability corporations), as well as structured vehicles such as collateralized debt obligations.

The ASU simplifies U.S. GAAP by eliminating entity specific consolidation guidance for limited partnerships. It also revises other aspects of the consolidation analysis, including how kick-out rights, fee arrangements and related parties are assessed. The amendments rescind the indefinite deferral of FASB Statement 167 for certain investment funds and replace it with a permanent scope exception for money market funds.

For additional information on this topic, refer to BDO's Flash Report.

Effective Date and Transition: The ASU is effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted.

Emerging Issues Task Force Issues – Final Consensuses

Status: The Task Force reached final consensus on the following Issues in March 2015 and has submitted them to the FASB for review. Final guidance is subject to FASB ratification.

Issue 14-A: Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions

Summary: The Task Force concluded that a master limited partnership (MLP) would allocate the net income (loss) of a transferred business entirely to the general partner when calculating historical earnings per unit for periods prior to a dropdown transaction that occurs after the formation of the MLP and that is accounted for as a common control transaction. That is, no income or loss would be allocated to the limited partner units in periods prior to the drop down transaction. Certain disclosures would also be required.

Effective Date: The final consensus would be applied retrospectively for all entities for fiscal years beginning after December 15, 2015 and interim periods within those years, with early adoption permitted.

Issue 14-B: Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)

Summary: The Task Force concluded that investments measured using the net asset value (NAV) practical expedient in Topic 820 would no longer be required to be categorized within the fair value hierarchy nor included in the fair value table disclosed in the footnotes. Rather, such investments would be disclosed as reconciling items between the balance sheet amounts and amounts reported in the fair value table.

Effective Date: The final consensus would be applied retrospectively for public business entities for fiscal years beginning after December 15, 2015 and interim periods within those years. All other entities would apply the consensus for fiscal years beginning after December 15, 2016 and interim periods within those years. Early adoption would be permitted.

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 *Exposure Documents* tab. In addition, refer to **BDO comment letters** on all proposals.

Proposed Accounting Standards Update, *Derivatives and Hedging (Topic 815): Disclosures about Hybrid Financial Instruments with Bifurcated Embedded Derivatives*

Issued: February 2015

Comment Deadline: April 30, 2015

Summary: The amendments in this proposed Update would require an entity to disclose information that links each bifurcated embedded derivative to its related host contract. Specifically, an entity would disclose (in both interim and annual reporting periods) the carrying amount, measurement attribute, and line item within the balance sheet and the income statement in which each bifurcated embedded derivative and its related host contract are presented.

Effective Date and Transition: The effective date will be determined after the Board considers feedback on the proposed Update.

Proposed Accounting Standards Updates, *Income Taxes (Topic 740): I. Intra-Entity Asset Transfers and II. Balance Sheet Classification of Deferred Taxes*

Issued: January 2015

Comment Deadline: May 29, 2015

Summary: This exposure draft contains two proposed Updates which would amend ASC 740. The proposed amendments would (1) remove the intra-entity asset transfer exception, and (2) remove the "current" classification of deferred taxes.

Currently, the intra-entity asset transfer exception prohibits immediate recognition of the income tax effects from intra-entity transfers of assets. That is, the tax expense of the entity transferring or selling an asset is deferred on the balance sheet and amortized to income tax expense over the remaining recovery period of the asset and the tax basis step-up to the entity receiving or buying the asset is not recognized (i.e., the tax basis step-up would be tracked off-balance sheet). The Board is proposing to eliminate this exception.

Additionally, deferred income taxes are currently presented in a classified balance sheet as "current" and "noncurrent" based on the classification of the underlying asset or liability for which a deferred tax is recognized. The Board is proposing to eliminate "current" classification and require "noncurrent" classification for all balance sheet deferred tax items. If this proposed change is finalized, the requirement to allocate a valuation allowance between current and noncurrent assets would no longer be necessary, since all deferred tax assets and liabilities would be classified as "noncurrent."

For additional information on this topic, refer to BDO's ASC 740 Alert.

Effective Date and Transition: The proposed Updates would be effective for public entities for annual and interim periods beginning after December 15, 2016, and for private entities for annual periods beginning after December 15, 2017 and for interim periods beginning after December 15, 2018. Private entities would be permitted to early adopt using the public entity effective date; early adoption would not be permitted for public entities.

Emerging Issues Task Force Issues - Consensuses-for-Exposure

Status: The Task Force reached consensus-for-exposure on the following Issues in March 2015 and has submitted them to the FASB for review. Exposure drafts are subject to FASB ratification.

Issue 15-A: Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts within Nodal Energy Markets

Summary: The Task Force is proposing that that contracts for the physical delivery of electricity on a forward basis in nodal energy markets that result in counterparties incurring locational marginal pricing charges (or credits) should meet the physical delivery criterion in ASC 815 and thus qualify for the normal purchases and normal sales (NPNS) scope exception to derivative accounting, as long as all other NPNS criteria are met.

Effective Date: The Task Force will determine the effective date of the final amendments after considering feedback on the exposure draft.

Issue 15-B: Recognition of Breakage for Prepaid Stored-Value Cards

Summary: The Task Force is proposing to include a narrow scope exception to ASC 405-20 for a card-issuer's liability for prepaid stored-value cards that are redeemable for goods and services from a third party and that do not have expiration dates. The Task Force concluded that such liabilities meet the definition of a financial liability, and that card-issuers would recognize breakage for such liabilities. Further, such liabilities would be subject to disclosure requirements for financial liabilities and issuers would be permitted to elect the fair value option.

Effective Date: The Task Force will determine the effective date of the final amendments after considering feedback on the exposure draft.

Issue 15-C: Employee Benefit Plan Simplifications

Summary: The Task Force is proposing the following changes to simplify reporting for employee benefit plans (EBPs): certain investment contracts would no longer be required to be reported at fair value, but rather at contract value; plan assets would be disaggregated by general type in the financial statements; certain fair value disclosures would no longer be required; and EBPs would be permitted to measure plan assets on a date nearest the fiscal year-end when the fiscal year-end does not coincide with a month end.

Effective Date: The Task Force will determine the effective date of the final amendments after considering feedback on the exposure draft.

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: The FASB and IASB Joint Transition Resource Group (TRG) for Revenue Recognition met in January and March of 2015. Several of the issues discussed to date by the TRG have become the subject of research and deliberations by the FASB and IASB. At the February joint meeting, the Boards made tentative decisions regarding licenses of intellectual property and identifying performance obligations within a contract. The Boards' decisions were not identical, which may lead to diversity in practice. The FASB's exposure draft is expected during the second quarter of 2015, while the IASB's exposure draft is expected at a later date.

The FASB has received a number of requests for deferral of the effective date of the new revenue standard. However, it has also received feedback from some entities that do not think deferral is necessary. The FASB staff is presently conducting outreach with preparers to assess whether to delay the effective date of the new revenue standard and, if so, permit early adoption for those preparers that have already started working to implement the new guidance. The FASB is expected to reach final decisions during the second quarter of 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.

BDO hosted a webinar in 2014 discussing the issues being examined by the TRG, and plans a follow-up program in 2015. 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.

Financial Accounting Foundation Seeks Stakeholder Feedback on Private Company Council

Summary: The Financial Accounting Foundation (FAF) Board of Trustees issued a Request for Comment to solicit stakeholder feedback on the Private Company Council's (PCC's) effectiveness, accomplishments, and future role in private company standard setting. The FAF Board of Trustees will use feedback to determine whether the PCC is fulfilling its mission and objectives, and whether any changes are needed to improve the PCC's effectiveness. The comment deadline is May 11, 2015, and more information can be found in the FAF press release.

Update on International Convergence

The FASB and the IASB continue their efforts on their remaining joint projects: financial instruments and leases. First quarter developments are detailed below by topic.

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 first quarter of 2015, the FASB discussed impairment issues related to available-for-sale debt securities and purchased credit impaired assets including certain beneficial interests, and applicability to entities other than public business entities. The FASB decided not to retain certain disclosures about deposit liabilities, but proposed to require additional disclosures about hybrid financial instruments containing bifurcated embedded derivatives. The FASB discussed the benefits, costs, and complexity of the decisions reached to date, as well as the planned transition method. Drafting efforts are underway and a final standard is expected this year.

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 first quarter of 2015, the Boards continued redeliberating the proposals in the May 2013 Exposure Draft, focusing on reassessment of variable lease payments, transition (including guidance for existing leases), and disclosures. The Boards have recently reiterated a desire to issue a converged leasing standard during 2015.

For more information, refer to:
- BDO's Flash Report
- BDO self-study course: *Reproposed Lease Exposure Draft Update*
- BDO's comment letter

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.

▶PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)

FINAL PCAOB GUIDANCE

All final PCAOB guidance can be accessed on the **PCAOB website** located under the *Rules of the Board* tab.

SEC Approval of Final PCAOB Guidance

As of the date of this publication, the SEC had not approved any final PCAOB guidance during the quarter.

Final PCAOB Guidance, Pending SEC Approval

Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

Issued: March 2015

Summary: The PCAOB adopted amendments to its rules and standards to reorganize all existing interim and PCAOB-issued auditing standards into a topical system. The purpose of the reorganization is to help users navigate the standards more easily. Standards will be categorized as follows: general auditing standards; audit procedures; auditor reporting; matters related to filings under federal securities laws; and other matters associated with audits. The amendments do not introduce new auditing requirements or change the substance of existing standards.

Effective Date and Transition: The amendments will be effective, subject to SEC approval, as of December 31, 2016.

PROPOSED PCAOB GUIDANCE

All 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 proposed guidance during the quarter.

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.)

As of the date of this publication, the SEC had not adopted any significant final rules during the quarter.

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.)

Proposed Rule, *Disclosure of Hedging by Employees, Officers and Directors*

Issued: February 2015

Comment Deadline: April 20, 2015

Summary: The proposed rule would require annual meeting proxy statement disclosure of whether employees or members of the board of directors are permitted to engage in transactions to hedge or offset any decrease in the market value of equity securities granted to the employee or board member as compensation, or held directly or indirectly by the employee or board member. The rule is being proposed in order to implement Section 955 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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*.

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

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—Classification of Liabilities (Proposed amendments to IAS 1)

Issued: February 2015

Comment Deadline: June 10, 2015

Summary: The proposed amendments would clarify that the classification of liabilities as either current or non-current is based on the existing rights at the end of the reporting period. For this purpose, the IASB proposed the following changes:

- The wording of IAS 1.73 ('discretion to refinance or roll over') would be aligned with IAS 1.69(d) by replacing the word 'discretion' with 'right'.
- Only rights in place at the end of the reporting period would affect the classification of a liability.
- The term 'unconditional right' in IAS 1.69(d) would be replaced with 'a right'.

The proposed amendments also include an explicit statement that the term 'settlement' in relation to the classification of liabilities refers to 'the transfer to the counterparty of cash, equity instruments, other assets or services'.

For additional information, refer to BDO's IFR Bulletin.

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. 14-A and 14-B were not available before the quarterly Significant Accounting & Reporting Matters document was published. The effective date(s) indicated above (see "Final 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, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*	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, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*	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, *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*	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 310, Troubled Debt Restructuring by Creditors		
ASU 2014-14, *Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure*	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.
ASU 2014-04, *Reclassification of Residential Real Estate collateralized consumer Mortgage Loans upon Foreclosure (a consensus of the FASB Emerging Issues Task Force)*	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		
ASU 2014-01, *Accounting for Investments in Qualified Affordable Housing Projects (a consensus of the FASB Emerging Issues Task Force)*	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.
ASC 350, Intangibles—Goodwill and Other		
ASU 2014-02, *Accounting for Goodwill (a consensus of the Private Company Council)*	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.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 360, Property, Plant, and Equipment		
ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*	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 405, Liabilities		
ASU 2013-04, *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)*	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.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 606, Revenue		
ASU 2014-09 *Revenue from Contracts with Customers*	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.
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)*	Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. 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.	Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. 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.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 740, Income Taxes		
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)*	Effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted.	Effective for fiscal years and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted.
ASU 2014-18, *Accounting for Identifiable Intangible Assets in a Business Combination (a consensus of the Private Company Council)*	Not applicable to public entities.	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.
ASU 2014-17, *Pushdown Accounting (a consensus of the FASB Emerging Issues Task Force)*	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.	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.
ASC 810, Consolidation		
ASU 2015-02, *Amendments to the Consolidation Analysis*	Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015.	Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2014-13, *Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity*	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.	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.
ASU 2014-07 *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements (a consensus of the Private Company Council)*	Not applicable to public entities.	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.
ASC 815, Derivatives and Hedging		
ASU 2014-16, *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)*	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015.	Effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016.
ASU 2014-03 *Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps - Simplified Hedge Accounting Approach (a consensus of the Private Company Council)*	Not applicable to public entities.	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.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 830, Foreign Currency Matters		
ASU 2013-05, *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)*	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 853, Service Concession Arrangements		
ASU 2014-05, *Service concession Arrangements (a consensus of the FASB Emerging Issues Task Force)*	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, *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures*	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.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 915, Development Stage Entities		
ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*	**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. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance. **Consolidation update –** Effective for annual reporting periods beginning after December 15, 2015 and interim periods therein. 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. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.	**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. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance. **Consolidation update –** Effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods beginning after December 15, 2017. 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. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.
ASC 958, Not-for-Profit Entities		
ASU 2013-06, *Services Received from Personnel of an Affiliate*	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.

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 Reflections

The BDO Board Reflections 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: Flash Reports

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.

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- Manufacturing & Distribution
- Natural Resources
- Nonprofit & Education
- Private Equity
- Public Sector
- Real Estate & Construction
- Restaurants
- Technology & Life Sciences