

THE NEWSLETTER FROM BDO'S NATIONAL ASSURANCE PRACTICE

BDO KNOWS: FASB



2016 ACCOUNTING YEAR IN REVIEW

PASSING THE BATON

During 2016 the Financial Accounting Standards Board (FASB) completed several major, long-term projects, and also issued guidance to resolve related practice issues. The FASB and the International Accounting Standards Board (IASB) focused on implementation issues related to the new revenue recognition standard, which resulted in several clarifying amendments during the year. Both boards also issued their respective lease standards, and the FASB finalized guidance on the classification, measurement and impairment of financial instruments. Moving forward, preparers and auditors will roll their sleeves up to implement these major new standards in the near term. Meanwhile, the FASB is planning its future agenda and continues to reduce complexity in U.S. GAAP where possible through its Simplification Initiative.

Our year in review letter summarizes the year's most significant changes in guidance and what to expect in 2017. We've also included a comprehensive list of the effective dates for recently-issued accounting standards in the appendix.

CONTENTS

PASSING THE BATON	1
FINAL FASB GUIDANCE	2
Recognition and Measurement of Financial Assets and Financial Liabilities	2
Leases	2
Intangibles—Goodwill and Other, Business Combinations, Consolidation, Derivatives and Hedging: Effective Date and Transition Guidance	3
Recognition of Breakage for Certain Prepaid Stored-Value Products	3
Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships	3
Contingent Put and Call Options in Debt Instruments	4
Simplifying the Transition to the Equity Method of Accounting	4
Principal versus Agent Considerations (Reporting Revenue Gross versus Net)	4
Improvements to Employee Share-Based Payment Accounting	5
Identifying Performance Obligations and Licensing	5
Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting	6
Revenue from Contracts with Customers, Narrow-Scope Improvements and Practical Expedients	6
Measurement of Credit Losses on Financial Instruments	7
Presentation of Financial Statements of Not-for-Profit Entities	8
Classification of Certain Cash Receipts and Cash Payments	8
Intra-Entity Transfers of Assets Other Than Inventory	9
Interests Held through Related Parties That are Under Common Control	9
Restricted Cash	9
Technical Corrections and Improvements	10
Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers	10
IMPLEMENTATION CONSIDERATIONS	10
Revenue from Contracts with Customers (Topic 606)	10
Leases (Topic 842)	11
Financial Instruments – Credit Losses (Topic 326)	11
ON THE HORIZON	11
Financial Instruments – Hedging	11
Targeted Improvements to the Accounting for Long-Duration Contracts	12
Accounting for Goodwill Impairment	12
Emerging issues Task Force (EITF)	12
Private Company Council	12
Simplification Initiative	13
Other Current FASB Projects	13
AICPA FINANCIAL REPORTING EXECUTIVE COMMITTEE	14
CONTACT	14
THE BDO CENTER FOR CORPORATE GOVERNANCE AND FINANCIAL REPORTING	15
EFFECTIVE DATES OF U.S. ACCOUNTING PRONOUNCEMENTS	16

FINAL FASB GUIDANCE

All final FASB guidance can be accessed on the FASB website at www.fasb.org/home located under the *Standards* tab, *Accounting Standards Updates*.

During 2016, the FASB issued 20 Accounting Standards Updates (ASUs), covering the following topics:

RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Applicable to: All entities.

Summary: ASU 2016-01 includes amendments on recognition, measurement, presentation and disclosure of financial instruments. It requires an entity to:

- ▶ Measure equity investments at fair value through net income, with certain exceptions.
- ▶ Present in OCI the changes in instrument-specific credit risk for financial liabilities measured using the fair value option.
- ▶ Present financial assets and financial liabilities by measurement category and form of financial asset.
- ▶ Assess the need for a valuation allowance on deferred tax assets related to unrealized losses of AFS debt securities in combination with other deferred tax assets.

In addition, the ASU provides an election to subsequently measure certain nonmarketable equity investments at cost less any impairment, adjusted for certain observable price changes. The ASU also requires a qualitative impairment assessment of such equity investments each reporting period and amends certain fair value disclosure requirements.

For entities other than public business entities, the ASU eliminates the requirement under Topic 825¹ to disclose the fair values of financial assets and financial liabilities measured in the financial statements at amortized cost.

For additional information, refer to the following BDO resources:

- ▶ [Self-study: Financial Instruments Update – Credit Losses & Recognition and Measurement](#)
- ▶ [BDO Alert](#)

Effective Date: The amendments are effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 with early adoption permitted for fiscal years beginning after December 15, 2017 including interim periods within those years. Certain provisions of the ASU, including elimination of the requirement under Topic 825 to disclose the fair value of financial instruments carried at amortized cost, are eligible for early adoption.

LEASES

Applicable to: All entities.

Summary: The new leases standard (ASU 2016-02, or Topic 842) applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification.

The new leases standard requires a lessor to classify leases as either sales-type, direct financing or operating, similar to existing U.S. GAAP. Classification depends on the same five criteria used by lessees plus certain additional factors. The subsequent accounting treatment for all three lease types is substantially equivalent to existing U.S. GAAP for sales-type leases, direct financing leases, and operating leases. However, the new standard updates certain aspects of the lessor accounting model to align it with the new lessee accounting model, as well as with the new revenue standard under Topic 606.²

Lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The new leases standard addresses other considerations including identification of a lease, separating lease and nonlease components of a contract, sale and leaseback transactions, modifications,

¹ Financial Instruments

² Revenue from Contracts with Customers

combining contracts, reassessment of the lease term, and remeasurement of lease payments. It also contains comprehensive implementation guidance with practical examples.

For additional information, refer to the following BDO resources:

- ▶ [BDO Knows: Topic 842, Leases](#)
- ▶ [Self-study: The New Lease Accounting Standard](#)
- ▶ [BDO Alert](#)

Effective Date: The amendments are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The amendments are effective for all other entities for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. Specific transition requirements apply.

INTANGIBLES—GOODWILL AND OTHER, BUSINESS COMBINATIONS, CONSOLIDATION, DERIVATIVES AND HEDGING: EFFECTIVE DATE AND TRANSITION GUIDANCE

Applicable to: Nonpublic entities.

Summary: ASU 2016-03 removes the effective dates from the private company accounting alternatives for goodwill, intangible assets, consolidation, and derivatives and hedging. This allows private companies to elect the accounting alternatives at any time without a preferability assessment. However, any subsequent change to an accounting policy election would require justification that the change is preferable under Topic 250. The ASU also extends certain favorable transition provisions of the accounting alternatives.

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

Effective Date: The amendments became effective immediately upon issuance of the ASU.

RECOGNITION OF BREAKAGE FOR CERTAIN PREPAID STORED-VALUE PRODUCTS

Applicable to: All entities.

Summary: ASU 2016-04 amends Subtopic 405-20³ to exempt gift cards and other prepaid stored-value products from the guidance on extinguishing financial liabilities. Rather, they will be subject to breakage accounting consistent with the new revenue guidance in Topic 606. However, the exemption only applies to breakage

liabilities that are neither subject to unclaimed property laws nor attached to segregated bank accounts (e.g., consumer debit cards).

In this context, if an entity expects to be entitled to breakage, it should derecognize the amount of the liability in proportion to the pattern of rights expected to be exercised by the product holder. In addition, breakage should only be recognized to the extent that it is probable that a significant reversal of the recognized breakage amount will not subsequently occur.

The amendments also require entities to update their estimates of breakage at the end of each reporting period, with changes accounted for as a change in accounting estimate.

If an entity does not expect to be entitled to breakage, the entity should derecognize such liabilities within the scope of the ASU when the likelihood of the product holder exercising its remaining rights becomes remote.

For additional information, including discussion of certain limited scope exceptions and disclosure requirements, refer to BDO's [Alert](#).

Effective Date: The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The amendments are effective for all other entities for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted.

EFFECT OF DERIVATIVE CONTRACT NOVATIONS ON EXISTING HEDGE ACCOUNTING RELATIONSHIPS

Applicable to: All entities.

Summary: Topic 815 requires an entity to discontinue a designated hedging relationship in certain circumstances, including termination of the derivative hedging instrument or if the entity wishes to change any of the critical terms of the hedging relationship. ASU 2016-05 amends Topic 815 to clarify that novation of a derivative (replacing one of the parties to a derivative instrument with a new party) designated as the hedging instrument would not, in and of itself, be considered a termination of the derivative instrument or a change in critical terms requiring discontinuation of the designated hedging relationship.

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

Effective Date: The amendments are effective for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted.

CONTINGENT PUT AND CALL OPTIONS IN DEBT INSTRUMENTS

Applicable to: All entities.

Summary: ASU 2016-06 addresses how an entity should assess whether contingent call (put) options that can accelerate the payment of debt instruments are clearly and closely related to their debt hosts. This assessment is necessary to determine if the option(s) must be separately accounted for as a derivative. The ASU clarifies that an entity is required to assess the embedded call (put) options solely in accordance with a specific four-step decision sequence. This means entities are not also required to assess whether the contingency for exercising the option(s) is indexed to interest rates or credit risk. For example, when evaluating debt instruments puttable upon a change in control, the event triggering the change in control is not relevant to the assessment. Only the resulting settlement of debt is subject to the four-step decision sequence.

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

Effective Date: The amendments are effective for public business entities for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year.

SIMPLIFYING THE TRANSITION TO THE EQUITY METHOD OF ACCOUNTING

Applicable to: All entities.

Summary: ASU 2016-07 requires an investor to initially apply the equity method of accounting from the date it qualifies for that method, i.e., the date the investor obtains significant influence over the operating and financial policies of an investee. The ASU eliminates the previous requirement to retroactively adjust the investment and record a cumulative catch up for the periods that the investment had been held, but did not qualify for the equity method of accounting.

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

Effective Date: The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the application of the equity method. Early adoption is permitted.

PRINCIPAL VERSUS AGENT CONSIDERATIONS (REPORTING REVENUE GROSS VERSUS NET)

Applicable to: All entities.

Summary: ASU 2016-08 amends the new revenue standard by clarifying the principal versus agent implementation guidance, but does not change the core principle of the new standard. The updates to the principal versus agent guidance:

- ▶ Require an entity to determine whether it is a principal or an agent for each distinct good or service (or a distinct bundle of goods or services) to be provided to the customer.
- ▶ Illustrate how an entity that is a principal might apply the control principle to goods, services, or rights to services, when another party is involved in providing goods or services to a customer.
- ▶ Clarify that the purpose of certain specific control indicators is to support or assist in the assessment of whether an entity controls a good or service before it is transferred to the customer, provide more specific guidance on how the indicators should be considered, and clarify that their relevance will vary depending on the facts and circumstances.
- ▶ Revise existing examples and add two new ones to more clearly depict how the guidance should be applied.

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

Additional resources are available at [BDO's Revenue Recognition Resource Center](#).

Effective Date: The effective date and transition requirements for ASU 2016-08 are the same as the effective date and transition requirements of Topic 606.

IMPROVEMENTS TO EMPLOYEE SHARE-BASED PAYMENT ACCOUNTING

Applicable to: All entities.

Summary: ASU 2016-09 introduces targeted amendments intended to simplify the accounting for stock compensation. Specifically, the ASU requires all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) to be recognized as income tax expense or benefit in the income statement. The tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. An entity also should recognize excess tax benefits, and assess the need for a valuation allowance, regardless of whether the benefit reduces taxes payable in the current period. That is, off balance sheet accounting for net operating losses stemming from excess tax benefits would no longer be required and instead such net operating losses would be recognized when they arise. Existing net operating losses that are currently tracked off balance sheet would be recognized, net of a valuation allowance if required, through an adjustment to opening retained earnings in the period of adoption. Entities will no longer need to maintain and track an "APIC pool." The ASU also requires excess tax benefits to be classified along with other income tax cash flows as an operating activity in the statement of cash flows.

In addition, the ASU elevates the statutory tax withholding threshold to qualify for equity classification up to the maximum statutory tax rates in the applicable jurisdiction(s). The ASU also clarifies that cash paid by an employer when directly withholding shares for tax withholding purposes should be classified as a financing activity.

The ASU provides an optional accounting policy election (with limited exceptions), to be applied on an entity-wide basis, to either estimate the number of awards that are expected to vest (consistent with existing U.S. GAAP) or account for forfeitures when they occur.

Further, the ASU provides two accounting alternatives to nonpublic entities:

- ▶ A nonpublic entity can make an accounting policy election to apply a practical expedient to estimate the expected term for all awards with performance or service conditions that meet certain conditions.
- ▶ A nonpublic entity can make a one-time accounting policy election to switch from measuring all liability-classified awards at fair value to intrinsic value.

For additional information, refer to the following BDO resources:

- ▶ [BDO Knows: Improvements to Employee Share-Based Payment Accounting](#)
- ▶ [Self-study: FASB Makes Good on Simplifying GAAP for Stock Options and Tax Effects in ASU 2016-09](#)
- ▶ [BDO Alert](#)

Effective Date: The amendments are effective for public business entities for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted, however, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. Specific transition requirements apply.

IDENTIFYING PERFORMANCE OBLIGATIONS AND LICENSING

Applicable to: All entities.

Summary: ASU 2016-10 amends the new revenue standard to provide more detailed guidance, including additional implementation guidance and examples regarding identifying performance obligations and licensing.

Identifying performance obligations

The ASU more clearly articulates the guidance for assessing whether promises are separately identifiable in the overall context of the contract, which is one of two criteria for determining whether promises are distinct. The ASU also clarifies the factors an entity should consider when assessing whether two or more promises are separately identifiable, and provide additional examples within the implementation guidance for assessing these factors.

The ASU further clarifies that an entity is not required to identify promised goods or services that are immaterial in the context of the contract, although customer options to purchase additional goods or services which represent a material right should not be designated as immaterial in the context of the contract.

The ASU also provides an accounting policy election whereby an entity may account for shipping and handling activities as a fulfillment activity rather than as an additional promised service in certain circumstances.

Licenses of intellectual property

The ASU clarifies whether a license of intellectual property (IP) represents a right to use the IP, which is satisfied at a point in time, or a right to access the IP, which is satisfied over time, by categorizing the underlying IP as either functional or symbolic. The ASU describes attributes of functional and symbolic IP and provides examples of each. 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 combined performance obligation is satisfied at a point in time or over time, and how to best measure progress toward completion if recognized over time. Regardless of a license's nature (i.e., functional or symbolic), an entity may not recognize revenue from a license of IP before 1) it provides or otherwise makes available a copy of the IP to the customer, and 2) the period during which the customer is able to use and benefit from the license has begun (i.e., the beginning of the license period).

Additionally, the ASU clarifies two aspects of the implementation guidance on when to recognize revenue for a sales-based or usage-based royalty promised in exchange for a license of IP. Specifically: 1) an entity should not split a sales-based or usage-based royalty into a portion subject to the guidance on sales-based and usage-based royalties and a portion that is not subject to that guidance; and 2) the guidance on sales-based and usage-based royalties applies whenever the predominant item to which the royalty relates is a license of IP.

Lastly, the amendments distinguish contractual provisions requiring the transfer of additional rights to use or access IP that the customer does not already control from provisions that are attributes of a license (e.g., restrictions of time, geography, or use). License attributes define the scope of the rights conveyed to the customer; they do not determine when the entity satisfies a performance obligation.

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

Additional resources are available at [BDO's Revenue Recognition Resource Center](#).

Effective Date: The effective date and transition requirements for ASU 2016-10 are the same as the effective date and transition requirements of Topic 606.

RESCISSION OF SEC GUIDANCE BECAUSE OF ACCOUNTING STANDARDS UPDATES 2014-09 AND 2014-16 PURSUANT TO STAFF ANNOUNCEMENTS AT THE MARCH 3, 2016 EITF MEETING

Applicable to: Public business entities.

Summary: ASU 2016-11 codifies the SEC's rescission of certain SEC Staff Observer comments that were codified in Topic 605⁴ and Topic 932.⁵ In addition, the ASU codifies the SEC's rescission of SEC Staff Announcement, "Determining the Nature of a Host Contract Related to a Hybrid Instrument Issued in the Form of a Share under Topic 815," which was previously codified in paragraph 815-10-S99-3.

Effective Date: The amendments within Topics 605 and 932 are effective upon adoption of the new revenue standard. Paragraph 815-10-S99-3 is rescinded to coincide with the effective date of Update 2014-16.⁶

REVENUE FROM CONTRACTS WITH CUSTOMERS, NARROW-SCOPE IMPROVEMENTS AND PRACTICAL EXPEDIENTS

Applicable to: All entities.

Summary: ASU 2016-12 amends the new revenue standard. The amendments do not alter the core principle of the standard, but make certain targeted changes to clarify the following:

- ▶ **Assessing collectibility** - The amendments add a "substantially all" threshold to the collectibility criterion, and also clarify that the objective of the collectibility assessment is to determine whether the contract is valid and represents a substantive transaction based on whether a customer has the ability and intent to pay for the goods or services that will be transferred to the customer, as opposed to all of the goods or services promised in the contract. The ASU also clarifies how an entity may recognize as revenue consideration received in circumstances where a contract does not meet the criteria required at inception to apply the recognition guidance within the revenue standard.
- ▶ **Presenting sales taxes and other similar taxes collected from customers** - The amendments provide an accounting policy election whereby an entity may exclude from the measurement of transaction price all taxes assessed by a taxing authority related to the specific transaction and which are collected from the customer. Such amounts would be presented "net" under this option.

⁴ Revenue Recognition

⁵ Extractive Activities—Oil and Gas

⁶ 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

- ▶ **Noncash consideration** - The amendments clarify that the fair value of noncash consideration is measured at contract inception, and specify how to account for subsequent changes in the fair value of noncash consideration.
- ▶ **Contract modifications at transition** - The amendments provide a new practical expedient whereby an entity electing either the full or modified retrospective method of transition is permitted to reflect the aggregate effect of all prior period modifications (using hindsight) when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to satisfied and unsatisfied obligations.
- ▶ **Completed contracts at transition** - The amendments include certain practical expedients in transition related to completed contracts. The amendments also clarify the definition of a completed contract.
- ▶ **Disclosing the accounting change in the period of adoption** - ASU 2016-12 provides an exception to the requirement in Topic 250⁷ to disclose the effect on the current period of retrospectively adopting a new accounting standard.

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

Additional resources are available at [BDO's Revenue Recognition Resource Center](#).

Effective Date: The effective date and transition requirements for ASU 2016-10 are the same as the effective date and transition requirements of Topic 606.

MEASUREMENT OF CREDIT LOSSES ON FINANCIAL INSTRUMENTS

Applicable to: All entities.

Summary: ASU 2016-13 introduces new Topic 326⁸ requiring credit losses on most financial assets to be measured at amortized cost and certain other instruments to be measured using an expected credit loss model, which is referred to as the current expected credit loss (CECL) model. Under this model, entities will estimate credit losses over the entire contractual term of the instrument (considering estimated prepayments, but not expected extensions or modifications unless reasonable expectation of a troubled debt restructuring exists) from the date of initial recognition of that instrument. The scope of financial assets within the CECL methodology is broad and includes:

- ▶ Trade receivables from revenue transactions.
- ▶ Loan receivables, held-to-maturity debt securities, reinsurance and certain other receivables.

- ▶ Net investment in leases that are not accounted for at fair value through net income.
- ▶ Certain off-balance sheet credit exposures (such as loan commitments, standby letters of credit, financial guarantees not accounted for as insurance, and other similar instruments, except for instruments within the scope of Topic 815 on derivatives and hedging).

The ASU also replaces the current accounting model for purchased credit impaired loans and debt securities. The allowance for credit losses for purchased financial assets with a more-than insignificant amount of credit deterioration since origination ("PCD assets"), should be determined in a similar manner to other financial assets measured on an amortized cost basis. However, upon initial recognition, the allowance for credit losses is added to the purchase price ("gross up approach") to determine the initial amortized cost basis. The subsequent accounting for PCD financial assets is the same expected loss model described above.

Further, the ASU made certain targeted amendments to the existing impairment model for AFS debt securities. For an AFS debt security for which there is neither the intent nor a more-likely-than-not requirement to sell, an entity will record credit losses as an allowance rather than a write-down of the amortized cost basis.

Certain incremental disclosures are required.

For additional information, refer to the following BDO resources:

- ▶ [Self-study: Financial Instruments Update – Credit Losses & Recognition and Measurement](#)
- ▶ [BDO Alert](#)

Effective Date: The Update has tiered effective dates as follows, with early adoption permitted for all entities as of the fiscal year beginning after December 15, 2018, including interim periods within the fiscal year:

- ▶ For public business entities that are SEC filers, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
- ▶ For all other public business entities, the amendments are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.
- ▶ For all other entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, the amendments are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.

⁷ Accounting Changes and Error Corrections

⁸ Financial Instruments – Credit Losses

PRESENTATION OF FINANCIAL STATEMENTS OF NOT-FOR-PROFIT ENTITIES

Applicable to: Not-for-profit entities.

Summary: ASU 2016-14 improves the presentation of financial statements of not-for-profit entities such as charities, foundations, universities, and nonprofit health care providers, etc. The change is intended to provide more useful information to donors, grantors and other users. The ASU impacts all not-for-profit entities in the scope of Topic 958,⁹ as well as health care entities subject to the nonprofit guidance in Topic 954.¹⁰ The ASU addresses the following key qualitative and quantitative matters:

- ▶ Net asset classes
- ▶ Investment return
- ▶ Expenses
- ▶ Liquidity and availability of resources
- ▶ Presentation of operating cash flows

In addition, the ASU includes illustrative financial statements of not-for-profit entities, which reflect changes made by the new standard.

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

Effective Date: The amendments in ASU 2016-14 are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early adoption is permitted.

CLASSIFICATION OF CERTAIN CASH RECEIPTS AND CASH PAYMENTS

Applicable to: All entities.

Summary: ASU 2016-15 clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments are intended to reduce diversity in practice.

- ▶ Cash payments for debt prepayment or extinguishment costs will be classified in financing activities.
- ▶ Upon settlement of zero-coupon bonds and bonds with insignificant cash coupons, the portion of the payment attributable to imputed interest will be classified as an operating activity, while the portion of the payment attributable to principal will be classified as a financing activity.

- ▶ Cash paid by an acquirer that isn't soon after a business combination for the settlement of a contingent consideration liability will be separated between financing activities and operating activities. Cash payments up to the amount of the contingent consideration liability recognized at the acquisition date will be classified in financing activities; any excess will be classified in operating activities. Cash paid soon after the business combination will be classified in investing activities.
- ▶ Cash proceeds received from the settlement of insurance claims will be classified on the basis of the related insurance coverage (that is, the nature of the loss). Cash proceeds from lump-sum settlements will be classified based on the nature of each loss included in the settlement.
- ▶ Cash proceeds received from the settlement of corporate-owned life insurance (COLI) and bank-owned life insurance (BOLI) policies will be classified as cash inflows from investing activities. Cash payments for premiums on COLI and BOLI may be classified as cash outflows for investing, operating, or a combination of both.
- ▶ A transferor's beneficial interest obtained in a securitization of financial assets will be disclosed as a noncash activity, and cash received from beneficial interests will be classified in investing activities.
- ▶ Distributions received from equity method investees will be classified using either a cumulative earnings approach or a look-through approach as an accounting policy election.

The ASU contains additional guidance clarifying when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance.

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

Effective Date: The amendments are effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period.

⁹ Not-for-profit Entities

¹⁰ Health Care Entities

INTRA-ENTITY TRANSFERS OF ASSETS OTHER THAN INVENTORY

Applicable to: All entities.

Summary: ASU 2016-16 eliminates from Topic 740¹¹ the recognition exception for intra-entity asset transfers other than inventory so that an entity's consolidated financial statements reflect the current and deferred tax consequences of those intra-entity asset transfers when they occur. For intra-entity asset transfers of inventory, recognition of current and deferred income tax consequences will continue to be deferred until the inventory has been sold to an outside party or otherwise left the consolidated group.

For additional information, refer to the following BDO resources:

▶ [BDO Knows: ASC 740 – Intra-Entity Transfers of Assets Other than Inventory](#)

▶ [BDO Alert](#)

Effective Date: The amendments are effective for public business entities for annual reporting periods beginning after December 15, 2017 and interim reporting periods within those fiscal years, and for entities other than public business entities for annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. An entity may elect early adoption, but it must do so for the first interim period of an annual period if it issues interim financial statements.

INTERESTS HELD THROUGH RELATED PARTIES THAT ARE UNDER COMMON CONTROL

Applicable to: All entities.

Summary: ASU 2016-17 amends the variable interest entity (VIE) guidance within Topic 810.¹² It does not change the two required characteristics for a single decision maker to be the primary beneficiary ("power" and "economics"),¹³ but it revises one aspect of the related analysis. The amendments change how a single decision maker of a VIE treats indirect variable interests held through related parties that are under common control when determining whether it is the primary beneficiary of that VIE. The ASU requires consideration of such indirect interests on a proportionate basis, instead of being the equivalent of direct interests in their entirety, thereby making consolidation less likely.

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

Effective Date: The amendments are effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year. Entities that have not yet adopted ASU 2015-02 are required to adopt ASU 2016-17 at the same time they adopt ASU 2015-02 and should apply the same transition method elected for ASU 2015-02. Entities that have already adopted ASU 2015-02 are required to apply ASU 2016-17 retrospectively to all relevant prior periods beginning with the fiscal year in which ASU 2015-02 initially was applied.

RESTRICTED CASH

Applicable to: All entities.

Summary: ASU 2016-18 updates Topic 230¹⁴ to require that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total cash amounts shown on the statement of cash flows. Consequently, transfers between cash and restricted cash will not be presented as a separate line item in the operating, investing or financing sections of the cash flow statement. The ASU includes examples of the revised presentation guidance, and additional presentation and disclosure requirements apply.

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

Effective Date: The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The amendments should be applied retrospectively to each period presented. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period.

¹¹ Income Taxes

¹² Consolidation

¹³ paragraph 810-10-25-38A

¹⁴ Statement of Cash Flows

TECHNICAL CORRECTIONS AND IMPROVEMENTS

Applicable to: All entities.

Summary: ASU 2016-19 includes changes intended to clarify the FASB 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: Most of the amendments do not require transition guidance and are effective upon issuance. Several amendments have specific transition requirements, and early adoption is permitted for those items.

TECHNICAL CORRECTIONS AND IMPROVEMENTS TO TOPIC 606, REVENUE FROM CONTRACTS WITH CUSTOMERS

Applicable to: All entities.

Summary: ASU 2016-20 amends the new revenue standard. The amendments do not alter the core principle of the standard, but clarify certain narrow aspects of the standard including contract cost accounting, disclosures, illustrative examples, and other matters.

Effective Date: The effective date and transition requirements for ASU 2016-20 are the same as the effective date and transition requirements of Topic 606.

IMPLEMENTATION CONSIDERATIONS

Having completed its significant projects on revenue and leases, as well as the recognition, measurement, and impairment of financial instruments, the FASB is now recalibrating its technical agenda. The Board is also working on narrower improvements and simplifications to accounting standards. Preparers and other stakeholders are focused on implementing these significant new standards, which become effective over the next several years. The staff of the Securities and Exchange Commission have stressed in recent months their expectation that registrants will continue to expand disclosures in MD&A regarding the implementation status and the anticipated impact of adopting the new standards. For additional information, refer to BDO's [SEC Year in Review - Significant 2016 Developments](#) newsletter.

REVENUE FROM CONTRACTS WITH CUSTOMERS (TOPIC 606)

Shortly after issuing the new revenue standard in 2014, the FASB and the IASB established a joint Transition Resource Group (TRG) for Revenue Recognition to solicit, analyze, and discuss stakeholder issues arising from implementation of the standard. The TRG met last on November 7, 2016. As of that date, the TRG had received 108 issue submissions, 72 of which were discussed at TRG meetings. TRG issue papers provide additional insight into the FASB staff's views regarding how the standard is to be applied in practice, and are available [here](#). Several of the TRG issues resulted in amendments to clarify the intent of the guidance (ASUs 2016-08, 2016-10, 2016-12, and 2016-20; refer to [Final FASB Guidance](#) above). In September 2016, the Boards hosted a joint educational [webcast](#) in which representatives of both the FASB and the IASB emphasized the importance of early preparation, effective internal controls, and thorough disclosures.

In addition, the AICPA has established sixteen industry task forces to develop a new revenue recognition accounting guide that will provide illustrative examples for how to apply the new guidance. In 2016, several working drafts on industry-specific implementation issues were released for public comment as a result of task force research. In January 2017, the AICPA published the first edition of its Revenue Recognition Audit and Accounting Guide, which will be updated as additional implementation issues are finalized. Refer to [AICPA Financial Reporting Executive Committee](#), below.

The Center for Audit Quality also recently released [Preparing for the New Revenue Recognition Standard](#), a tool comprised of a series of questions and resources for audit committees to use as an aid in their assessment of their organizations' readiness in implementing Topic 606.

For additional information including publications, practice aids, and webinars, refer to BDO's [Revenue Recognition Resource Center](#).

LEASES (TOPIC 842)

The FASB issued ASU 2016-02 in February 2016 establishing a complete leasing model for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. The pattern of expense recognition in the income statement will depend on a lease's classification. It takes effect in 2019 for public companies and in 2020 for all other companies (refer to [Final FASB Guidance](#), above).

For end-to-end implementation assistance related to the new lease standard, visit BDO's [Accounting Advisory page](#), which includes information about our technology solution [partnership](#) with CoStar.

FINANCIAL INSTRUMENTS – CREDIT LOSSES (TOPIC 326)

The FASB issued ASU 2016-13 in June 2016 establishing the current expected credit loss (CECL) model. It has tiered effective dates beginning in calendar year 2020 (refer to [Final FASB Guidance](#), above). The FASB also established a Transition Resource Group (TRG) for Credit Losses to solicit, analyze, and discuss implementation issues that could arise when organizations implement ASU 2016-13. The group will then share their views with the FASB, which will help the Board determine what, if any, action is appropriate to address those issues. The TRG also will provide stakeholders with a forum to learn about the new standard from others involved with implementation. The TRG met on April 1, 2016 to discuss proactively whether the measurement guidance of ASU 2016-13 clearly communicates the Board's decisions. Additional meeting dates have not yet been announced.

ON THE HORIZON

The following is a summary of significant ongoing FASB projects. All proposed FASB guidance can be accessed on the FASB website at www.fasb.org/home located under the *Exposure Documents* tab. In addition, BDO comment letters on proposals can be accessed at www.bdo.com/insights.

FINANCIAL INSTRUMENTS – HEDGING

Applicable to: All entities.

Summary: The FASB proposed amendments to Topic 815 to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. To achieve this objective, the amendments would:

- ▶ Permit hedge accounting for specified risk components in certain cash flow and fair value hedging relationships involving nonfinancial risk and interest rate risk.
- ▶ Change the guidance for measuring the change in fair value of the hedged item in certain fair value hedges of interest rate risk.
- ▶ Align the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements by requiring an entity to report the entire effect of the hedging instrument in the same income statement line item in which the earnings effect of the hedged item is reported in the period(s) that the hedged item affects earnings.

In addition to the main objective, the amendments would make certain targeted improvements to simplify the application of the hedge accounting guidance including relaxing the timing of certain documentation requirements and qualifying for the critical terms match method. The amendments also would permit application of a long-haul method for assessing hedge effectiveness if an entity that applies the shortcut method determines that use of that method was not or no longer is appropriate, as long as the hedge is highly effective and the entity documents at inception which long-haul methodology it would use. Certain one-time transition elections would be permitted to take advantage of the simplifications. Certain modifications to hedging disclosures are also proposed.

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

TARGETED IMPROVEMENTS TO THE ACCOUNTING FOR LONG-DURATION CONTRACTS

Applicable to: All entities.

Summary: The FASB proposed amendments to improve the guidance in Topic 944¹⁵ for insurance companies that issue long-duration contracts, such as life insurance, disability income, long-term care, and annuities. Specifically, it would:

- ▶ Improve the timeliness of recognizing changes in the liability for future policy benefits by requiring that updated assumptions be used to measure the liability.
- ▶ Eliminate the usage of an asset rate (that is, an insurance company's expected investment yield) to discount liability cash flows, and instead require that cash flows be discounted at a high-quality fixed-income instrument yield.
- ▶ Simplify and improve the accounting for certain options or guarantees in variable products (such as guaranteed minimum death, accumulation, income, and withdrawal benefits) by requiring those benefits to be measured at fair value instead of using two different measurement models.
- ▶ Simplify the amortization of deferred acquisition costs.
- ▶ Increase transparency by improving the effectiveness of disclosures.

The Board plans to hold public roundtable meetings in the first quarter of 2017.

ACCOUNTING FOR GOODWILL IMPAIRMENT

Applicable to: All entities.

Summary: The FASB proposed amendments to simplify the subsequent measurement of goodwill for all entities by removing Step 2 from the current goodwill impairment test, which includes determining the implied fair value of goodwill and comparing it with the carrying amount of that goodwill. Instead, under the proposed amendments, an entity would perform its annual, or any interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity generally would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, limited to the carrying amount of goodwill allocated to that reporting unit. An entity would still have the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary.

The proposed amendments would also remove the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. Therefore, the same impairment assessment would apply to all reporting units, and an entity would disclose the existence of any reporting units with zero or negative carrying amounts and the amount of goodwill allocated to those reporting units. A final standard is expected early in 2017.

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

EMERGING ISSUES TASK FORCE (EITF)

Summary: In addition to the final consensuses that were endorsed by the FASB and issued as ASUs during 2016 (included within the summary of final guidance above), the EITF has reached final consensus on Issue 16-B, *Employee Benefit Plan Master Trust Reporting*. The final consensus affirmed that a plan should present its interest in the master trust and the change in its interest in that master trust as single line items in the statement of net assets available for benefits and the statement of changes in net assets available for benefits, respectively. Some incremental disclosures will be required. The final consensus is expected to be effective for fiscal years beginning after December 15, 2018, with early adoption permitted. An entity that elects early adoption must adopt all of the amendments in the same period. The consensus was ratified by the FASB on November 30, 2016. A final ASU is expected shortly.

PRIVATE COMPANY COUNCIL

Summary: The Private Company Council (PCC) was established by the Financial Accounting Foundation (FAF) in 2013 to evaluate possible alternatives within U.S. GAAP to address the needs of users of private company financial statements, as well as to advise the FASB on private company accounting matters. During 2015, the FAF Board of Trustees conducted an assessment of the PCC based on its first three years of operation. Results of the assessment indicated general support for the PCC and agreement with some targeted improvements to increase the PCC's effectiveness. In 2016, the Board of Trustees of the FAF also approved the transition of oversight responsibility for the PCC from the Trustees' Private Company Review Committee to its Standard-Setting Process Oversight Committee (SSPOC) effective January 1, 2017.

During 2016, the FASB issued ASU 2016-03 removing the effective dates from the private company accounting alternatives and allowing entities to adopt them at any time without a preferability assessment. Refer to [Final FASB Guidance](#), above.

Also during the year, the PCC discussed the application of variable interest entities (VIE) guidance to companies under common control. The PCC also continued to provide input on several ongoing and completed FASB technical projects and agenda.

SIMPLIFICATION INITIATIVE

Summary: The FASB completed several projects in 2016, culminating in ASUs aimed at reducing cost and complexity in U.S. GAAP for preparers, without sacrificing useful information for investors. Refer to [Final FASB Guidance](#), above. Several simplification projects are still in process, including:

- ▶ **Balance Sheet Classification of Debt** - The FASB reached several tentative decisions during 2016, including replacing current guidance with a principle to classify debt as current or noncurrent based on the contractual terms of a debt arrangement and an organization's current compliance with debt covenants.
- ▶ **Non-employee Share-Based Payment Accounting** - The project is intended to improve the accounting for nonemployee share-based payment awards issued by public and private companies. The FASB reached several tentative decisions during 2016, including expanding the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from nonemployees. A proposed ASU is expected in early 2017.
- ▶ **Liabilities and Equity—Targeted Improvements** – This initiative is intended to simplify the guidance for certain financial instruments with characteristics of both liabilities and equity. In December 2016, the FASB issued an exposure draft that would permit certain warrants and conversion features with a “down round” provision to be classified as equity, rather than liabilities that are adjusted to fair value through earnings each period. As proposed, the issuer would recognize a dividend for the effect of the down round feature if and when it is triggered to reduce the strike price in the warrant or conversion feature. Comments on the exposure draft are due by February 6, 2017.

OTHER CURRENT FASB PROJECTS

In August 2016, the FASB issued an Invitation to Comment on the future of its technical agenda. BDO's comment letter is available [here](#). Following the comment period, the Board hosted a roundtable discussion on December 16th with stakeholders regarding the FASB's future standard-setting priorities, in which BDO participated. Moderating the pace of change emerged as a common theme in order for preparers, auditors and others to focus on implementing several recent major standards. While a

number of potential projects were recommended for the Board's consideration, most participants expressed support for a broad project to replace the current “patchwork” accounting in U.S. GAAP for instruments with characteristics of liabilities and equity. The FASB plans to hold a meeting in early 2017 to discuss the feedback it has received and consider its next steps.

Additional projects that are expected to result in final guidance in 2017 include:

- ▶ **Clarifying the Definition of a Business** – The FASB has proposed amendments which would clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Specifically, the proposed amendments would require that to be considered a business, a set of assets and activities (“a set”) must include, at a minimum, an input and a substantive process that together contribute to the ability to create outputs and would remove the evaluation of whether a market participant could replace any missing elements, with a framework for performing this evaluation. The proposed amendments also include a screen that would reduce the number of transactions that need to be evaluated, whereby a set would not be a business when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Lastly, the amendments would narrow the definition of outputs so that the term is consistent with how outputs are described in Topic 606.
- ▶ **Clarifying the Scope of Subtopic 610-20 and Accounting for Partial Sales of Nonfinancial Assets** – The FASB has proposed amendments which would clarify the following aspects of the guidance for nonfinancial assets: the scope of the nonfinancial asset derecognition guidance; identification of distinct nonfinancial assets; and accounting for partial sales of nonfinancial assets.
- ▶ **Scope of Modification Accounting in Topic 718** – The FASB has proposed amendments which would clarify which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. Specifically, an entity would account for the effects of a modification unless all the following are the same immediately before and after the modification: the fair value (or calculated value or intrinsic value, if such an alternative measurement method is used) of the award; the vesting conditions of the award; and classification of the award as an equity instrument or a liability instrument.

A complete list of the FASB's technical agenda and the timeline for each project can be accessed on the FASB's [website](#).

AICPA FINANCIAL REPORTING EXECUTIVE COMMITTEE

The Financial Reporting Executive Committee (FinREC) is the senior committee of the AICPA for financial reporting. It is authorized to make public statements on behalf of the AICPA on financial reporting matters. During the quarter, topics discussed by FinREC included:

Revenue Recognition – FinREC has issued several working drafts that provide industry-specific considerations and illustrative examples related to the implementation of ASU 2014-09, *Revenue from Contracts with Customers*. FinREC continued to issue working drafts for comment in 2016. Industries affected by the most recent working drafts include airlines, gaming, telecommunications and timeshares with comment periods ending February 1, 2017 or March 1, 2017.

In January 2017, the AICPA published the first edition of its *Audit and Accounting Guide: Revenue Recognition*. This edition addresses general accounting considerations, general auditing considerations, and accounting implementation issues in the aerospace & defense and asset management industries. The guide will be updated as additional implementation issues are finalized.

Complete details and additional AICPA resources are available [here](#).

Accounting and Valuation Guide - FinREC continued deliberations on a new interpretive practice guide, Valuation of Portfolio Company Investments of Venture Capital and Private Equity Firms and Other Investment Companies. Deliberations included market participant assumptions, calibration and other valuation related matters.

Refer to the AICPA website at: www.aicpa.org/interestareas/frc/accountingfinancialreporting/pages/finrec.aspx.

CONTACT:



ADAM BROWN

Partner, National Director of Accounting
(214) 665-0673 / abrown@bdo.com



ANGELA NEWELL

National Assurance Partner
(214) 689-5669 / ajnewell@bdo.com



GAUTAM GOSWAMI

National Assurance Partner
(312) 616-4631 / ggoswami@bdo.com



YOSEF BARBUT

National Assurance Partner
(212) 885-8292 / ybarbut@bdo.com



JENNIFER KIMMEL

National Assurance Senior Manager
(617) 239-7019 / jkimmel@bdo.com

THE BDO CENTER FOR CORPORATE GOVERNANCE AND FINANCIAL REPORTING

A dynamic and searchable on-line resource for boards of directors and financial executives



AN INCREDIBLE RESOURCE AT YOUR FINGERTIPS

The BDO Center for Corporate Governance and Financial Reporting was born from the need to have a comprehensive, online, and easy-to-use resource for topics relevant to boards of directors and financial executives. We encourage you to visit the Center often for up-to-date information and insights you can rely on.

What you will find includes:

- ▶ Thought leadership, practice aids, tools, newsletters, and comment letters
- ▶ Technical updates and insights on emerging business issues
- ▶ Three-pronged evolving curriculum consisting of upcoming webinars and archived self-study content
- ▶ Opportunities to engage with BDO thought leaders
- ▶ External governance community resources

"Finally, a resource center with the continual education needs of those charged with governance and financial reporting in mind!"

BDO SUBSCRIPTIONS TO PROGRAMMING AND INSIGHTS

To begin receiving email notifications regarding BDO publications and event invitations (live and web-based), visit www.bdo.com/member/registration 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 www.bdo.com/member/my-profile.

For more information about BDO's Center for Corporate Governance, please go to: www.bdo.com/resource-centers/governance.

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 2015 have been included since many companies applied them for the first time in 2016, e.g., the first interim or annual period beginning on or after December 15, 2015. Standards that do not require adoption before 2017 (although they may have early adoption provisions) are highlighted in gray.

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.
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.
ASC 230, Statement of Cash Flows		
ASU 2016-18 , <i>Restricted Cash</i>	Effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period.
ASU 2016-15 , <i>Classification of Certain Cash Receipts and Cash Payments</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted.
ASC 260, Earnings Per Share		
ASU 2015-06 , <i>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.

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 323, Investments – Equity Method and Joint Ventures		
ASU 2016-07, <i>Simplifying the Transition to the Equity Method of Accounting</i>	The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the application of the equity method. Early adoption is permitted.	The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the application of the equity method. Early adoption is permitted.
ASC 326, Financial Instruments—Credit Losses		
ASU 2016-13, <i>Measurement of Credit Losses on Financial Instruments</i>	For public business entities that are SEC filers, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.	For all other entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, the amendments are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.
ASC 330, Inventory		
ASU 2015-11, <i>Simplifying the Measurement of Inventory</i>	Effective prospectively for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted as of the beginning of an interim or annual reporting period. If an entity has previously written down inventory (within the scope of the ASU) below its cost, that reduced amount is considered the cost upon adoption. Upon adoption, the change from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of the ASU will be accounted for as a change in accounting principle	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 as of the beginning of an interim or annual reporting period. If an entity has previously written down inventory (within the scope of the ASU) below its cost, that reduced amount is considered the cost upon adoption. Upon adoption, the change from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of the ASU will be accounted for as a change in accounting principle
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.

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2014-02 , <i>Accounting for Goodwill (a consensus of the Private Company Council)</i>	Not applicable to public entities.	ASU 2016-03 removed the effective date of ASU 2014-02, thereby permitting an entity to apply the accounting alternative at any time without justifying that the use of the accounting alternative is preferable as described in paragraph 250-10-45-2.
ASC 405, Liabilities		
ASU 2016-04 , <i>Liabilities—Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products</i>	Effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted.
ASC 606, Revenue		
ASU 2014-09 , <i>Revenue from Contracts with Customers</i> ASU 2015-14 , <i>Revenue from Contracts with Customers: Deferral of the Effective Date</i> ASU 2016-08 , <i>Principal versus Agent Considerations (Reporting Revenue Gross versus Net)</i> ASU 2016-10 , <i>Identifying Performance Obligations and Licensing</i> ASU 2016-12 , <i>Narrow-Scope Improvements and Practical Expedients</i> ASU 2016-20 , <i>Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</i>	Effective for annual periods beginning after December 15, 2017, 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, 2018) 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 permitted only as of annual reporting periods beginning after December 15, 2016, including interim periods within that year.	Effective for annual periods beginning after December 15, 2018. In addition, the new standard is effective for interim periods within annual periods that begin after December 15, 2019. The same transition alternatives apply. Early adoption is permitted as of either: <ul style="list-style-type: none"> ▶ An annual reporting period beginning after December 15, 2016, including interim periods within that year, or ▶ An annual reporting period beginning after December 15, 2016 and interim periods within annual reporting periods beginning one year after the annual period in which the entity first applies the new standard.
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.

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 718, Compensation—Stock Compensation		
ASU 2016-09, <i>Improvements to Employee Share-Based Payment Accounting</i>	Effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted.	Effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted.
ASU 2014-12, <i>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		
ASU 2016-16, <i>Intra-Entity Transfers of Assets Other Than Inventory</i>	Effective for annual reporting periods beginning after December 15, 2017 and interim reporting periods within those fiscal years. An entity may elect early adoption, but it must do so for the first interim period of an annual period if it issues interim financial statements.	Effective for annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. An entity may elect early adoption, but it must do so for the first interim period of an annual period if it issues interim financial statements.
ASU 2015-17, <i>Balance Sheet Classification of Deferred Taxes</i>	Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted as of the beginning of any interim or annual reporting period.	Effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted as of the beginning of any interim or annual reporting period.
ASC 805, Business Combinations		
ASU 2015-16, <i>Simplifying the Accounting for Measurement-Period Adjustments</i>	Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted.	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.

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2014-08 , <i>Accounting for Identifiable Intangible Assets in a Business Combination (a consensus of the Private Company Council)</i>	Not applicable to public entities.	ASU 2016-03 removed the effective date of ASU 2014-18, thereby permitting an entity to apply the accounting alternative at any time without justifying that the use of the accounting alternative is preferable as described in paragraph 250-10-45-2.
ASC 810, Consolidation		
ASU 2016-17 , <i>Interests Held through Related Parties That Are under Common Control</i>	Effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year.	Effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year.
ASU 2015-02 , <i>Amendments to the Consolidation Analysis</i>	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.
ASU 2014-13 , <i>Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity</i>	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 , <i>Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements (a consensus of the Private Company Council)</i>	Not applicable to public entities.	ASU 2016-03 removed the effective date of ASU 2014-07, thereby permitting an entity to apply the accounting alternative at any time without justifying that the use of the accounting alternative is preferable as described in paragraph 250-10-45-2.
ASC 815, Derivatives and Hedging		
ASU 2016-06 , <i>Contingent Put and Call Options in Debt Instruments</i>	Effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year.	Effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year.
ASU 2016-05 , <i>Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships</i>	Effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted.

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2015-03 , <i>Application of the Normal Purchases and Normal Sales Exception to Certain Electricity Contracts within Nodal Energy Markets</i>	Effective upon issuance and should be applied prospectively. An entity will have the ability to designate qualifying contracts that are entered into on or after the effective date of the ASU as normal purchases and normal sales (“NPNS”). Because an entity may elect the NPNS scope exception at contract inception or at a later date, it also will be able to designate qualifying contracts entered into before the effective date as NPNS, but only prospectively.	Effective upon issuance and should be applied prospectively. An entity will have the ability to designate qualifying contracts that are entered into on or after the effective date of the ASU as normal purchases and normal sales (“NPNS”). Because an entity may elect the NPNS scope exception at contract inception or at a later date, it also will be able to designate qualifying contracts entered into before the effective date as NPNS, but only prospectively.
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>	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 , <i>Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps – Simplified Hedge Accounting Approach (a consensus of the Private Company Council)</i>	Not applicable to public entities.	ASU 2016-03 removed the effective date of ASU 2014-03, thereby permitting an entity to apply the accounting alternative at any time without justifying that the use of the accounting alternative is preferable as described in paragraph 250-10-45-2.
ASC 820, Fair Value Measurement		
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>	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, 2016, and interim periods within those fiscal years. Early adoption is permitted.
ASC 825, Financial Instruments		
ASU 2016-01 , <i>Recognition and Measurement of Financial Assets and Financial Liabilities</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Certain provisions of the ASU are eligible for early adoption.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 with early adoption permitted for fiscal years beginning after December 15, 2017 including interim periods within those years. Certain provisions of the ASU are eligible for early adoption prior to December 15, 2017.

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 835, Interest		
ASU 2015-15 , <i>Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements (Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting)</i>	Effective upon issuance.	Effective upon issuance.
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 842, Leases		
ASU 2016-02 , <i>Leases</i>	Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. Specific transition requirements apply.	Effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. Specific transition requirements apply.
ASC 915, Development Stage Entities		
ASU 2014-10 , <i>Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation</i>	<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>

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 944, Financial Services—Insurance		
ASU 2015-09 , <i>Disclosures about Short-Duration Contracts</i>	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.	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.
ASC 958, Not-for-Profit Entities and Topic 954, Health Care Entities		
ASU 2016-14 , <i>Presentation of Financial Statements of Not-for-Profit Entities</i>	Not applicable.	Effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early adoption is permitted.
ASC 960, Defined Benefit Pension Plans		
ASU 2015-12 , <i>(Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient</i>	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all parts individually or in the aggregate. Part II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all parts individually or in the aggregate. Part II of the ASU should be applied retrospectively, while Part III should be applied prospectively.
ASC 962, Defined Contribution Pension Plans		
ASU 2015-12 , <i>(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient</i>	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.
ASC 962, Health and Welfare Benefit Plans		
ASU 2015-12 , <i>(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient</i>	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.
Other		
ASU 2016-19 , <i>Technical Corrections and Improvements</i>	Most of the amendments do not require transition guidance and are effective upon issuance. Several amendments have specific transition requirements, and early adoption is permitted for those items.	Most of the amendments do not require transition guidance and are effective upon issuance. Several amendments have specific transition requirements, and early adoption is permitted for those items.

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

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2016-11 , <i>Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting</i>	The amendments within Topics 605 and 932 are effective upon adoption of Topic 606. Paragraph 815-10-S99-3 is rescinded to coincide with the effective date of ASU 2014-16.	The amendments within Topics 605 and 932 are effective upon adoption of Topic 606. Paragraph 815-10-S99-3 is rescinded to coincide with the effective date of ASU 2014-16.
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 is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, advisory and consulting services to a wide range of publicly traded and privately held companies. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 60 offices and over 500 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of 67,700 people working out of 1,400 offices across 158 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 is meant to provide general information and should not be acted on without professional advice tailored to your firm's individual needs.

© 2017 BDO USA, LLP. All rights reserved.