

Closing the GAAP: New US GAAP Pronouncements

(includes developments to December 31, 2012)

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The following summarizes US GAAP pronouncements that must be applied, if applicable, for the first time by a calendar year-end entity that prepares financial statements in accordance with US GAAP. This newsletter sets out new requirements by the calendar year in which they are first effective.

The listing includes updates from the FASB Accounting Standard Updates ("ASU").

This ACS Newsletter supersedes the information in previous Newsletter 2012-117 and will be updated quarterly. Developments since the previous newsletter, if any, are highlighted in yellow.

While we have attempted to make this newsletter as complete as possible, it may not include all changes or modifications to existing authoritative literature that may affect a particular enterprise.



Developments related to 2012 calendar years

| Reference | Pronouncement and Effective Date Impacting 2012 Calendar Years |
|-----------------------------|--|
| ASU 2012-07 Topic 926 | <p><u>Entertainment – Films: Impairment analysis of unamortized film costs</u></p> <p>Aligns the guidance on fair value measurements in the impairment test of unamortized film costs with the guidance on fair value measurements in other instances within U.S. GAAP.</p> <p>Effective for SEC filers for impairment assessments performed on/after December 15, 2012. For all other entities, the amendments are effective for impairment assessments performed on or after December 15, 2013.</p> |
| ASU 2012-04 | <p><u>Technical corrections and improvements</u></p> <p>Amendments to a wide variety of topics in the Codification. The status tables in paragraphs 288-398 of this ASU list all topics affected by these amendments.</p> <p>The amendments in this ASU that have no transition guidance are effective upon issuance for both public entities and nonpublic entities.</p> |
| ASU 2012-03 | <p><u>Technical amendments and corrections to SEC sections</u></p> <p>Amendments to SEC paragraphs pursuant to SEC Staff Accounting Bulletin No. 114, Technical Amendments Pursuant to SEC Release No. 33-9250 and corrections related to FASB Accounting Standards Update 2010-22.</p> |
| ASU 2011-12 Topic 220 | <p><u>Deferral of effective date of certain amendments related to ASU 2011-05</u></p> <p>Amended to defer certain requirements in ASU 2011-05 related to reclassifications out of accumulated other comprehensive income until such time as the FASB has completed redeliberation of such requirements. Reinstates the requirements for the presentation of reclassifications out of accumulated other comprehensive income that were in place before the issuance of ASU 2011-05.</p> <p>Effective at same time as the amendments in ASU 2011-05: Effective for public entities for years, and interim periods within those years, beginning after December 15, 2011. Effective for nonpublic entities for years ending after December 15, 2012, and interim and annual periods thereafter.</p> |

Learning more: [DL 2012-01](#)

Developments related to 2012 calendar years

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|-----------------------------|---|
| ASU 2011-09 Topic 715 | <p><u>Multiemployer plans</u></p> <p>Amended to require additional disclosures about an employer's participation in a multiemployer pension plan.</p> <p>Effective for nonpublic entities for annual periods for years ending after December 15, 2012</p> |
| ASU 2011-08 Topic 350 | <p><u>Testing goodwill for impairment</u></p> <p>Amended to permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining if it is necessary to perform the two-step goodwill impairment test.</p> <p>Effective for annual and interim goodwill impairment tests for years beginning after December 15, 2011.</p> <p><i>Learning more: DL 2011-28</i></p> |
| ASU 2011-07 Topic 954 | <p><u>Presentation and disclosure for certain health care entities</u></p> <p>Amended to require (i) certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue, and (ii) enhanced disclosures.</p> <p>Effective for public entities for years and interim periods within those years beginning after December 15, 2011.</p> |
| ASU 2011-05 Topic 220 | <p><u>Presentation of comprehensive income</u></p> <p>Amended to require (i) that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements (the current option to present components of other comprehensive income ("OCI") as part of the statement of changes in stockholders' equity is eliminated), and (ii) presentation of reclassification adjustments from OCI to net income on the face of the financial statements.</p> <p>Effective for public entities for years, and interim periods within those years, beginning after December 15, 2011. Effective for nonpublic entities for years ending after December 15, 2012, and interim and annual periods thereafter.</p> <p><i>Learning more: DL 2011-24</i></p> |
| ASU 2011-04 Topic 820 | <p><u>Fair value measurement and disclosure requirements</u></p> <p>Amended to converge requirements for how to measure fair value and for disclosing information about fair value measurements in US GAAP with International Financial Reporting Standards.</p> <p>Effective for public entities for interim and annual periods beginning after December 15, 2011. Effective for nonpublic entities for years beginning after December 15, 2011.</p> <p><i>Learning more: DL 2012-05 DL 2012-02 DL 2011-31 DL 2011-23</i></p> |

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|-----------------------------|---|
| ASU 2011-03 Topic 860 | <p><u>Reconsideration of effective control for repurchase agreements</u></p> <p>Amended to remove from the assessment of effective control (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (2) the collateral maintenance implementation guidance related to that criterion.</p> <p>Effective for the first interim or annual period beginning on/after December 15, 2011.</p> |
| ASU 2011-02 Topic 310 | <p><u>Troubled debt restructurings</u></p> <p>Amended to provide guidance to a creditor in evaluating whether a creditor has granted a concession and whether a debtor is experiencing financial difficulties for purposes of determining whether a restructuring constitutes a troubled debt restructuring.</p> <p>Effective for public entities for the first interim or annual period beginning on/after June 15, 2011. Effective for nonpublic entities for annual periods ending on/after December 15, 2012, including interim periods within those annual periods.</p> <p style="text-align: right;"><i>Learning more: DL 2011-18</i></p> |
| ASU 2010-28 Topic 350 | <p><u>Goodwill impairment and reporting units with zero or negative carrying amounts</u></p> <p>Amended to modify Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists.</p> <p>Effective for public entities for years, and interim periods within those years, beginning after December 15, 2010. Effective for nonpublic entities for years, and interim periods within those years, beginning after December 15, 2011.</p> |
| ASU 2010-26 Topic 944 | <p><u>Costs associated with acquiring/renewing insurance contracts</u></p> <p>Amended to provide guidance on which costs relating to the acquisition of new or renewal insurance contracts qualify for deferral.</p> <p>Effective for years and interim periods within those years beginning after December 15, 2011.</p> <p style="text-align: right;"><i>Learning more: DL 2011-01</i></p> |

Developments related to 2013 calendar years

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|-----------------------------|--|
| ASU 2012-07 Topic 926 | <u>Entertainment – Films: Impairment analysis of unamortized film costs</u> Aligns the guidance on fair value measurements in the impairment test of unamortized film costs with the guidance on fair value measurements in other instances within U.S. GAAP. Effective for SEC filers for impairment assessments performed on/after December 15, 2012. For all other entities, the amendments are effective for impairment assessments performed on or after December 15, 2013. |
| ASU 2012-06 Topic 805 | <u>Business combinations and indemnification assets</u> Clarifies the accounting for subsequently remeasuring an indemnification asset recognized as a result of a government-assisted acquisition of a financial institution. Effective for public and nonpublic entities for years, and interim periods within those years, beginning on/after December 15, 2012. |
| ASU 2012-04 | <u>Technical corrections and improvements</u> Amendments to a wide variety of topics in the Codification. The status tables in paragraphs 288-398 of this ASU list all topics affected by these amendments. For public entities, the amendments that are subject to the transition guidance will be effective for years beginning after December 15, 2012. |
| ASU 2012-02 Topic 350 | <u>Testing indefinite-lived intangible assets for impairment</u> Revises requirements related to how an entity tests indefinite-lived intangible assets for impairment. Effective for annual and interim impairment tests for years beginning after September 15, 2012. |

Learning more: [DL 2012-08](#)

Developments related to 2013 calendar years

| Reference | Pronouncement and Effective Date Impacting 2013 Calendar Years |
|-----------------------------|--|
| ASU 2012-01 Topic 954 | <p><u>Health care entities: Continuing care retirement communities and refundable advance fees</u></p> <p>Clarifies the reporting for refundable advance fees received by continuing care retirement communities.</p> <p>Effective for public entities for years beginning after December 15, 2012. Effective for non-public entities for years beginning after December 15, 2013.</p> |
| ASU 2011-11 Topic 210 | <p><u>Disclosures about offsetting assets and liabilities</u></p> <p>Requires enhanced disclosures about financial instruments and derivative instruments that are either (i) offset in accordance with ASC 210-20-45 or 815-10-45, or (ii) subject to an enforceable master netting arrangement or similar agreement irrespective of whether they are offset in accordance with those sections.</p> <p>Effective for years beginning on/after January 1, 2013.</p> |
| ASU 2011-10 Topic 360 | <p><u>Derecognition of in-substance real estate – scope clarification</u></p> <p>Clarifies whether the guidance in subtopic 360-20 applies to a parent that ceases to have a controlling financial interest in a subsidiary that is in-substance real estate as a result of default on the subsidiary's nonrecourse debt.</p> <p>Effective for public entities for years, and interim periods within those years, beginning on/after June 15, 2012. Effective for nonpublic entities for years ending after December 15, 2013.</p> |
| ASU 2011-07 Topic 954 | <p><u>Presentation and disclosure for certain health care entities</u></p> <p>Amended to require (i) certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue, and (ii) enhanced disclosures.</p> <p>Effective for nonpublic entities for years ending after December 15, 2012 and interim and annual periods thereafter.</p> |

Developments related to 2014 calendar years

| Reference | Pronouncement and Effective Date Impacting 2014 Calendar Years |
|-----------------------------|--|
| ASU 2012-05 Topic 230 | <p><u>Not-for-profit entities ("NFPs") and statement of cash flows</u></p> <p>Amended to provide guidance for NFPs on the classification of cash receipts from the sale of donated financial assets.</p> <p>Effective for years, and interim periods within those years, beginning after June 15, 2013.</p> |
| ASU 2012-04 | <p><u>Technical corrections and improvements</u></p> <p>Amendments to a wide variety of topics in the Codification. The status tables in paragraphs 288-398 of this ASU list all topics affected by these amendments.</p> <p>For nonpublic entities, the amendments that are subject to the transition guidance will be effective for years beginning after December 15, 2013.</p> |
| ASU 2012-01 Topic 954 | <p><u>Health care entities: Continuing care retirement communities and refundable advance fees</u></p> <p>Clarifies the reporting for refundable advance fees received by continuing care retirement communities.</p> <p>Effective for public entities for years beginning after December 15, 2012. Effective for non-public entities for years beginning after December 15, 2013.</p> |
| ASU 2011-06 Topic 720 | <p><u>Fees paid to the federal government by health insurers</u></p> <p>Addresses questions about how health insurers should recognize and classify in their income statements fees mandated by the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act.</p> <p>Effective for calendar years beginning after December 31, 2013 when the fee initially becomes effective.</p> |