



## Memorandum

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**To:** GAO's Financial Management and Assurance Team (FMA)  
CIGIE Financial Audit Community

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**Subject:** Professional Standards Update No. 62  
February 2014 through May 2015

We issue Professional Standards Updates (PSU) to alert staff of changes in professional standards and related guidance. The PSUs highlight some key points concerning recent activity at standard-setting organizations. PSUs are not intended to provide comprehensive information on all standards. Those affected by a new standard should refer that standard for details.

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# Professional Standards Update Number 62

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## **Auditing and Attestation Standards and Guidance**

### **U.S. Government Accountability Office (GAO)**

*Principles of Federal Appropriations Law: Annual Update of the Third Edition* (March 2014 and March 2015) ([Click here for link](#))

The objective of this publication is to present a cumulative supplement to the published third edition text that includes all relevant decisions from January 1 through December 31 of the previous year.

*Standards for Internal Control in the Federal Government* (September 2014) ([Click here for link](#))

The revised Green Book sets the standards for an effective internal control system for federal agencies, a crucial safeguard over public resources. Internal control is an organizational process that can aid agencies in working more efficiently and effectively, reporting accurately on their operations, and complying with applicable laws and regulations. The revised Green Book standards reflect various changes to the government operating environment, such as the expanded use of information technology. The new edition of the Green Book has greater detail and depth. While retaining the five components of internal control found in past editions, which apply to all organizational levels and to all categories of objectives, the 2014 version also presents 17 new principles that enumerate management responsibilities in implementing and overseeing an effective internal control system.

### **American Institute of Certified Public Accountants (AICPA)**

**Statements on Auditing Standards (SAS)** ([Click here for link](#))

SAS No. 129, *Amendment to Statement on Auditing Standards No.122 Section 920, Letters for Underwriters and Certain Other Requesting Parties, as Amended* (September 2014), codified in AU-C Section 920

This SAS makes several amendments to AU-C Section 920, which addresses the auditor's responsibilities when engaged to issue letters to requesting parties in connection with a non-issuing entity's financial statements included in a registration statement or other securities offering.

**AICPA Audit and Accounting Guides** ([Click here for link](#))

*Audit Guide: Government Auditing Standards and Circular A-133 Audits* (February 2014)

This guide provides guidance on the auditor's responsibilities when conducting an audit of financial statements in accordance with *Government Auditing Standards*. It also provides guidance on the auditor's responsibilities when conducting an audit in accordance with the Single Audit Act and Office of Management and Budget (OMB) Circular No. A-133. This guide is issued annually. The 2015 edition is expected in July 2015.

*Audit Guide: Audit Sampling* (March 2014)

This guide presents recommendations on the application of generally accepted auditing standards to audits involving the use of audit sampling methods. It is an update of the 2012 AICPA Audit Guide of the same name. The auditing guidance in this edition has been conformed to SAS Nos. 122 through 128, which have been issued since 2011 as part of the Accounting Standards Board's Clarity Project. This guide also includes increased guidance on the use of nonstatistical audit sampling. This guidance is more integrated and explains the common factors that need to be considered when following either a statistical or nonstatistical approach. Although the purpose of this guide is to provide guidance to help auditors apply audit sampling in accordance with AU-C Section 530, *Audit Sampling*, the concepts and procedures described herein may be useful when performing attestation engagements that involve sampling.

*Audit & Accounting Guide: State and Local Governments* (March 2014)

This guide provides advice for addressing audit and accounting issues common for state and local governments. It includes guidance on planning, performing, reporting on audit engagements; including financial reporting and the financial reporting entity, revenue and expense recognition, capital asset accounting, and the elements of net position.

*Audit and Accounting Guide: Not-for-Profit Entities* (March 2014)

This guide has been developed to assist management of not-for-profit entities in preparing their financial statements in conformity with U.S. generally accepted accounting principles and to assist auditors in performing and reporting on their audit engagements.

*Audit Guide: Assessing and Responding to Audit Risk in a Financial Statement Audit* (September 2014)

This guide provides guidance on performing risk assessment procedures and obtaining sufficient appropriate audit evidence. As such, this guide illustrates how to gather information needed to assess risk, evaluate that information to assess risk at the assertion level, and design and perform further audit procedures based on that assessed risk, evaluate the results, and reach conclusions. Guidance on evaluating and communicating findings is also included.

*Audit Guide: Special Considerations in Auditing Financial Instruments* (September 2014)

This guide provides practical assistance to auditors for developing their training programs and internal guidance that is useful in gaining a more in-depth understanding of financial instruments. Detailed implementation guidance is provided for assessing and responding to the risk of material misstatement related to financial instruments as well as guidance on reporting considerations.

**AICPA Interpretations** ([Click here for link](#))

Note: The first three interpretations below relate to implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement No. 27* (Issued June 2012)

*Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors): Auditing Interpretations of AU-C Section 600 (April 2014)*

Many governmental entities provide pension benefits to their employees through governmental pension plans. In order to report pension amounts in accordance with GASB Statement No. 68, employers obtain certain information from the governmental pension plan. This interpretation addresses whether the governmental plan is considered a component of the employer for purposes of AU-C Section 600, *Special Considerations – Audits of Group Financial Statements*. It concludes that in this circumstance, a governmental pension plan is not a component of the employer for purposes of AU-C Section 600. Accordingly, it would not be appropriate for an employer auditor to make reference to the audit report of the governmental pension plan auditor.

*Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement: Auditing Interpretations of Section 805 (June 2014)*

This interpretation addresses when management of a governmental agent multiple-employer pension plan has calculated and prepared a schedule of changes in fiduciary net position by employer. It concludes that because the amounts contained in the schedule are considered elements or items of the agent's plan or participating employer's financial statements, the elements included in this schedule may be audited under AU-C Section 805, *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement*.

*Audit Evidence: Auditing Interpretations of Section 500 (June 2014) (refers to AU-C Section 500, Audit Evidence)*

GASB Statement No.68 requires governmental entities participating in governmental agent multiple-employer pension plans to present certain pension amounts in employer financial statements that are calculated by the plan or its actuary. This interpretation concludes that unaudited information provided by the plan's management to the employers to support allocations or pension amounts that has not been subjected to further audit procedures beyond those performed in the audit of the basic plan financial statements would not constitute sufficient appropriate audit evidence to support the relevant assertions in the employer's financial statements related to the pension amounts, including required disclosures.

*The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of AU-C Section 570 (January 2015)*

AU-C Section 570, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*, provides indicators related to when there may be a substantial doubt about an entity's ability to continue as a going concern.

*Agreed-Upon Procedures Engagements: Attest Engagements Interpretation of AT Section 201 (February 2015) ([Click here for link](#))*

This interpretation addresses whether certain procedures often performed by practitioners as agreed-upon procedures engagements related to asset-backed securitizations are considered third-party due diligence services in light of U.S. Securities and Exchange Commission (SEC) Release No. 34-72936, *Nationally Recognized Statistical Rating Organizations*.

## **AICPA Audit Risk Alerts** ([Click here for link](#))

### *Audit Risk Alert: Not-for-Profit Entities Industry Developments* (May 2014)

This alert focuses on risks related to recent Not-for-Profit trends, going concern, revenue recognition, and fair value issues. This alert also includes information on emerging issues, such as (1) auditing functional expenses, (2) fraud and internal control considerations, and (3) Financial Accounting Standards Board (FASB) Not-for-Profit Standard-Setting Activity.

### *Audit Risk Alert: General Accounting and Auditing Developments – 2014/15* (2014)

This Alert was developed to improve understanding of the business, economic, and regulatory environments. It contains a summary of recent auditing and accounting pronouncements, and addresses emerging practice issues and current accounting, auditing, and regulatory developments. It contains new accounting and auditing guidance related to derivatives and hedging, service concession agreements, discontinued operations, stock compensation, and more.

### *Audit Risk Alert: State and Local Governmental Developments* (2014)

This alert is intended to be used in conjunction with Audit Risk Alert *General Accounting and Auditing Developments*. General topics include recently issued guidance and emerging audit risks resulting from external economic factors.

## **AICPA: Other Guidance**

### *Conflict Minerals Reports: Questions and Answers* (March 2014) ([Click here for link](#))

This document contains questions and answers on conflict minerals reports, including whether the practitioner in an attest engagement may report either directly on the subject matter or on management's assertion. (Note: This document was issued prior to SEC's partial stay on the effective date of the conflict minerals rules in May 2014.)

### *Peer Review Program: Supplemental Guidance* (April 2014, updated January 2015) ([Click here for link](#))

This peer review supplemental guidance covers (1) review requirements for joint ventures, (2) risk assessments, (3) system reviews performed at a location other than the reviewed firm's office, (4) surprise engagements, (5) peer reviewers or firms that consider withdrawing from a peer review after beginning fieldwork, (6) consulting between the reviewed firm and the peer reviewer, (7) planning and performing compliance tests of requirements of voluntary membership organizations, and (8) impact on peer review results and reporting.

## **Institute of Internal Auditors (IIA)**

### **IIA Practice Guides** ([Click here for link](#))

#### *Auditing Anti-bribery and Anti-corruption Programs* (June 2014)

This guide offers internal audit practitioners insight on the nature of bribery and corruption in organizations throughout the world. It discusses the current business landscape and stresses

that no organization, regardless of whether it is public, private, large, or small, is immune from the devastating impacts that bribery and corruption bring. The guide provides an overview of the key components necessary to effectively audit prevention and deterrence programs. In addition, the practice guide identifies high-risk areas and red flags for bribery and corruption, while providing audit steps to address each high-risk area.

*Business Continuity Management (August 2014)*

This guide provides public sector auditors with the goals and definitions of Business Continuity Management and Crisis Management, and the activities that may be performed by internal audit before, during, and after a crisis and internal audit's evaluation of key Business Continuity Management elements. This guide is written for a global audience.

*Assessing Organizational Governance in the Public Sector (October 2014)*

This guide provides public sector auditors with direction on how to assess and make appropriate recommendations for improving governance activities and processes. Organized into seven sections, the guide takes into account how widely organizational structures, as well as the regulations and mandates that each organization is subject to, can vary from one location to another; within the same state, province, or country; and around the world. The guide is written for a global audience.

*Creating an Internal Audit Competency Process for the Public Sector (February 2015)*

This guide provides the public sector with a complement to the Internal Audit Capability Model by providing specific guidance on developing, implementing, and sustaining an Internal Audit – Competency Process to help ensure that the organization's audit function has the collective knowledge, skills, and other competencies necessary to complete planned audits and to support the audit function as it evolves.

**Public Company Accounting Oversight Board (PCAOB)**

**PCAOB Auditing Standard ([Click here for link](#))**

*Auditing Standard No. 18 - Related Parties (June 2014)*

This standard requires specific audit procedures for the auditor's evaluation of a company's identification of, accounting for, and disclosure of transactions and relationships between a company and its related parties. Further, the amendments regarding significant unusual transactions include specific audit procedures that are designed to improve the auditor's identification and evaluation of such transactions, and to enhance the auditor's understanding of their business purposes. The PCAOB adopted this standard because the transactions and relationships addressed could pose increased risk of material misstatement in company financial statements. The PCAOB determined that its existing requirements in these critical areas did not contain sufficient required procedures and are not sufficiently risk based.

## **PCAOB Audit Practice Alerts ([Click here for link](#))**

*Audit Practice Alert 12: Matters Related to Auditing Revenue in an Audit of Financial Statements* (September 2014)

This alert was issued in light of PCAOB inspection findings and the May 2014 issuance by FASB and the International Accounting Standards Board of a converged accounting standard on revenue recognition. This practice alert highlights certain requirements of PCAOB standards relating to aspects of auditing revenue, including testing of revenue recognition, presentation, and disclosure. The alert highlights findings from PCAOB inspections and how auditors could improve testing procedures and address fraud risks related to revenue.

*Audit Practice Alert 13: The Auditor's Consideration of a Company's Ability to Continue as a Going Concern* (September 2014)

This alert was issued in light of recent changes to U.S. generally accepted accounting principles (GAAP) about disclosure of uncertainties about a company's ability to continue as a going concern. The alert states that auditors should look to the applicable financial reporting framework—whether U.S. GAAP or International Financial Reporting Standards—to assess management's going concern evaluation and the related financial statement disclosures. This alert also makes clear that auditors should continue to look to the existing PCAOB requirements (former AU Section 341) when evaluating whether the auditor's report requires an explanatory paragraph disclosing the auditor's substantial doubt about a company's ability to continue as a going concern.

## **Risk Management Guidance**

**Committee on Sponsoring Organizations of the Treadway Commission (COSO)**  
([Click here for link](#))

*Improving Organizational Performance and Governance* (February 2014)

Since their inception, COSO's Enterprise Risk Management - Integrated Framework and Internal Control – Integrated Framework were both intended to provide guidance for management on how to implement and evaluate effective enterprise risk management and internal control processes, leading to the improvement of management and governance processes. The purpose of this paper is to relate the COSO frameworks to an overall business model and describe how the key elements of each framework contribute to an organization's long-term success. COSO's fundamental premise is that good risk management and internal control are necessary for long-term success of all organizations, and COSO seeks to support that premise by articulating how the frameworks contribute to improving organizational performance and governance.

*COSO in the Cyber Age* (January 2015)

This paper addresses how organizations consider implementation of COSO frameworks into information technology environments to manage cyber risks. The study states that cyber risk assessments should be performed for both internal and external risks.

## **Regulatory Requirements and Guidance**

### **Office of Management and Budget (OMB)**

#### **Circulars and Related Guidance ([Click here for link](#))**

*OMB Circular No. A-133 Compliance Supplement* (March 2014)

This supplement identifies existing important compliance requirements that the federal government expects to be considered as part of an audit required by the Single Audit Act Amendments of 1996. The *Compliance Supplement* is revised annually.

OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget* (July 2014, revised November 2014)

This circular provides guidance to agencies on the preparation, submission, and execution of agency budgets.

### **Department of the Treasury (Treasury)**

#### **Treasury Financial Manual (TFM) ([Click here for link](#))**

TFM, Volume 1, Part 2, Chapter 3200: *Foreign Currency Accounting and Reporting* (September 2014)

This TFM chapter covers the requirements relating to accounting for and reporting of foreign currencies acquired by accountable officers without purchase for dollars. Generally, these currencies are acquired under the provisions of foreign assistance or foreign agricultural development programs. The requirements of this chapter are applicable to all military, United States, and certain Treasury Disbursing Offices (TDOs) and Non-Treasury Disbursing Offices (NTDOs) having this type of activity.

TFM, Volume 1, Part 2, Chapter 4600: *Treasury Reporting Instructions for Credit Reform Legislation* (September 2014)

This TFM chapter prescribes Treasury's reporting instructions for federal credit program agencies. These instructions apply to all direct loan and loan guarantee programs, except those specifically excluded by the Federal Credit Reform Act of 1990, Sections 502 and 506.

TFM, Volume 1, Part 6, Chapter 2100: *Fiscal Service Data Registry* (October 2014)

This TFM chapter provides information on Treasury's Bureau of the Fiscal Service's (Fiscal Service) Data Registry. The Fiscal Service promotes the common identification, use, and appropriate sharing of financial data across the federal government.

TFM, Volume 2, Part 8, Chapter 3000: *Liquidation Procedures for Failed Depositories* (October 2014)

This TFM chapter outlines procedures for Federal Reserve Banks and branches to follow when a financial institution falls within the definition of failed depository. These procedures only apply to financial institutions that will not reopen and are designated as depositories and financial agents of the U.S. Government, participate in a Treasury investment program, or hold deposits of funds in trust pursuant to any other statute or regulation.

TFM, Volume 1, Part 2, Chapter 4300: *Reporting Instructions for Accounts Invested in Department of the Treasury Securities* (November 2014)

This TFM chapter provides detailed reporting instructions for disclosing principal, premium, discount, inflation compensation, and earned interest on accounts invested in Treasury securities. Agencies use these instructions for reporting security transactions on the Statement of Transactions, when reconciling their Governmentwide Accounting (GWA) Account Statement, or both.

TFM, Volume 1, Part 4A, Chapter 4000: *Requirements for Non-Treasury Disbursing Officers (NTDOs)* (November 2014)

This TFM chapter addresses the requirements for Non-Treasury Disbursing Officers (NTDO). Requirements include rules for NTDOs to report daily disbursement forecasting and rules under government fiscal crisis.

TFM, Volume 1, Part 5, Chapter 6000: *Foreign Checks and Currency Drawn on Foreign Banks* (November 2014)

This TFM chapter provides instructions for federal agencies on depositing foreign checks and currency drawn on foreign banks. Instructions include how to determine if a check is foreign or domestic, how to maintain a record of checks, check endorsement, and depositing foreign checks payable in foreign currency and U.S. dollars.

TFM, Volume 1, Part 5, Chapter 4600: *Treasury Lockbox Network* (December 2014)

This TFM chapter prescribes the procedures to be observed by all Federal agencies involved with the lockbox paper check, and remittance processing of Federal agency receipts, whether electronic or paper.

TFM, Volume 2, Part 4, Chapter 4000: *Treasury Check Reclamation Procedures* (December 2014)

This TFM chapter prescribes procedures and notices regarding Treasury's check reclamations. Reclamation is a Fiscal Service demand to a presenting bank for a refund of a check payment amount. Treasury uses this recovery procedure to obtain refunds from presenting banks for improperly negotiated U.S. Treasury checks.

TFM, Volume 1, Part 4, Chapter 4000: *Debt Management Services Collection of Delinquent Nontax Debt* (February 2015)

This TFM chapter describes how Treasury's Bureau of the Fiscal Service provides delinquent nontax debt collection services for federal agencies. The chapter also describes federal agencies' responsibilities and the fees charged for delinquent debt collection services.

TFM, Volume I, Part 2, Chapter 4700: *Agency Reporting Requirements for the Financial Report of the United States Government* (November 2014 and June 2015)

This TFM chapter describes how agencies provide data for the *Financial Report of the United States Government* using the Government-wide Financial Report System and Government-wide Treasury Account Symbol Adjusted Trial Balance System. It also includes the Bureau of the Fiscal Service (Fiscal Service) Closing Package methodology, the Federal Intra-governmental Transactions process, and requirements for electronically submitting preclosing adjusted trial balances.

### **Treasury Financial Manual (TFM) Bulletins ([Click here for link](#))**

Treasury Bulletin No. 2014-09: *Accounting for and Reporting of Foreign Currency Transactions and Balances* (September 2014)

This TFM bulletin defines the reporting requirements for foreign currency transactions. These guidelines are applicable to purchased foreign currency and nonpurchased foreign currency (X7000 accounts). Each agency should report foreign currency held by the United States on its adjusted trial balance by *U.S. Government Standard General Ledger* (USSGL) account for ultimate inclusion in the *Financial Report of the U.S. Government*.

Treasury Bulletin No. 2014-10: *2014 Year-End Closing* (September 2014)

This guidance applies to fiscal year 2014 reporting only. This TFM bulletin provides agencies with the procedures for preparing year-end closing reports and other financial reports. It also contains the deadlines by which agencies must submit fiscal year 2014 financial data to Treasury for timely certification and reporting.

Treasury Bulletin No. 2015-01: *Change to Transmittal Letter No. S2 14-01, U.S. Government Standard General Ledger (USSGL)* (October 2014)

This TFM bulletin specifies changes to the (1) chart of accounts, (2) accounts and definitions, (3) account transactions, and (4) account attributes for USSGL proprietary account and budgetary account reporting, and crosswalks to standard external reports for fiscal years 2014 and 2015 reporting.

Treasury Bulletin No. 2015-02: *Current Value of Funds Rate (CVFR)* (December 2014)

This TFM bulletin reports the Current Value of Funds Rate (CVFR) that is computed and published by the Secretary of the Treasury. The CVFR is a percentage based on the current value of funds to Treasury. The CVFR percentage for the period of January 1, 2015, through December 31, 2015, is 1 percent. Federal agencies are to apply the CVFR percentage when assessing interest charges for outstanding debts owed to the government, evaluating the cost-effectiveness of cash discounts, and considering the date to pay purchase card invoices if a rebate is offered by the card issuer.

Treasury Bulletin No. 2015-03: *Change to Transmittal Letter No. S2 14-01, U.S. Government Standard General Ledger (USSGL)* (December 2014)

This TFM bulletin notifies agencies that Part 1 and Part 2 of the USSGL TFM Supplement have been revised for fiscal years 2014 and 2015 and outlines the changes made.

Treasury Bulletin No. 2015-04: *Change to the Transmittal Letter No. S2 14-01, U.S. Government Standard General Ledger (USSGL)* (March 2015)

This TFM bulletin notifies agencies that Part 2 of the USSGL TFM Supplement has been revised for fiscal year 2015 and outlines the changes made.

### **Treasury Announcement** ([Click here for link](#))

Treasury Announcement No. 2015-01: Changes to Volume 1, Part 2, Chapter 4700, Figure 3 (November 2014)

This guidance applies to fiscal year 2014 reporting only. This TFM announcement informs agencies of the dates that Significant Entity Inspector Generals (IGs) use to provide their final legal representation letters to GAO, OMB, and the Fiscal Service.

## **Accounting Standards and Guidance**

### **Federal Accounting Standards Advisory Board (FASAB)**

#### **Statements of Federal Financial Accounting Standards (SFFAS)** ([Click here for link](#))

SFFAS No. 46: *Deferral of the Transition to Basic Information for Long-Term Projections* (October 2014)

This statement provides a second 1-year deferral of the transition of the statement presenting long-term fiscal projections for the U.S. government and related disclosures from required supplementary information (RSI) to basic information. This second deferral permits (1) the audit community to complete its consideration of the need for revised guidance and (2) the preparer time to plan the audit. During the deferral period, the consolidated financial report of the U.S. government will continue to report as RSI the information necessary for the reader to assess whether future budgetary resources will likely be sufficient to sustain public services and to meet obligations as they come due. Deferral of the transition to basic information provides an additional year for the AICPA to develop guidance for audit reports on long-term fiscal projections.

SFFAS No. 47: *Reporting Entity* (December 2014)

This statement establishes principles for identifying organizations for which elected officials are accountable. The statement also guides preparers of general purpose federal financial reports in determining what organizations to report on, whether such organizations are considered “consolidated entities” or “disclosure entities,” and what information should be presented about those organizations. The statement also requires information to be provided about related party relationships of such significance that exclusion of information about them would be misleading.

This statement is effective for periods after September 30, 2017, and early implementation is not permitted. It is anticipated that central agencies will determine if there is a need for coordinated guidance to ensure government-wide consistency.

## **Financial Accounting Standards Board (FASB)**

### **Accounting Standards Updates (listed only) ([Click here for link](#))**

Accounting Standards Update No. 2014-06, *Technical Corrections and Improvements Related to Glossary Terms* (March 2014)

Accounting Standards Update No. 2014-07, *Consolidation (Topic 810): Applying Variable Interest Entity Guidance to Common Control Leasing Arrangements* (March 2014)

Accounting Standards Update No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* (April 2014)

Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606): Section A: Summary and Amendments That Create Revenue from Contracts with Customers (Topic 606) and Other Assets and Deferred Costs – Contracts with Customers (Subtopic 340-40); Section B: Conforming Amendments to Other Topics and Subtopics in the Codification and Status Tables; and Section C: Background Information and Basis for Conclusions* (May 2014)

Accounting Standards Update No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* (June 2014)

Accounting Standards Update No. 2014-11, *Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures* (June 2014)

Accounting Standards Update No. 2014-12, *Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* (June 2014)

Accounting Standards Update No. 2014-13, *Consolidation (Topic 810): Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity* (August 2014)

Accounting Standards Update No. 2014-14, *Receivables – Troubled Debt Restructurings by Creditors (Subtopic 310-40): Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure* (August 2014)

Accounting Standards Update No. 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (August 2014)

Accounting Standards Update No. 2014-16, *Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity* (November 2014)

Accounting Standards Update No. 2014-17, *Business Combinations (Topic 805): Pushdown Accounting* (November 2014)

Accounting Standards Update No. 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination* (December 2014)

Accounting Standards Update No. 2015-01, *Income Statement – Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* (January 2015)

Accounting Standards Update No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis* (February 2015)

Update No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* (April 2015)

Update No. 2015-04, *Compensation—Retirement Benefits (Topic 715): Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets* (April 2015)

Update No. 2015-05, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement* (April 2015)

Update No. 2015-06, *Earnings Per Share (Topic 260): Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions (a consensus of the Emerging Issues Task Force)* (April 2015)

Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (a consensus of the Emerging Issues Task Force)* (May 2015)

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

Update No. 2015-09, *Financial Services—Insurance (Topic 944): Disclosures about Short-Duration Contracts* (May 2015)

## **Government Accounting Standards Board (GASB)**

### **GASB Statement ([Click here for link](#))**

Statement No. 72, *Fair Value Measurement and Application* (February 2015)

This Statement addresses accounting and financial reporting issues related to fair value measurements. The statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement provides guidance for determining a fair value measurement for financial reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

**GASB Concepts Statement** ([Click here for link](#))

Concepts Statement No. 6, *Measurement of Elements of Financial Statements* (March 2014)

This Concepts Statement establishes concepts for the measurement of elements of financial statements. This statement addresses both measurement approaches and measurement attributes. The measurement approach identifies the point in time to which the amount reported for an element of financial statements directly refers. The choice of measurement approach determines whether an asset or liability presented in a financial statement should (1) be reported at an amount that reflects a value at the date the asset was acquired or the liability was incurred or (2) be re-measured and reported at an amount that reflects a value at the financial statement date. A measurement attribute is the feature or characteristic of the asset or liability that is measured.