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2015-260  
Comment Letter No. 14

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July 7, 2015

Via email to [director@fasb.org](mailto:director@fasb.org)

Susan M. Cospers  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Re: Simplifying the Accounting for Measurement-Period Adjustments (Topic 805) (File Reference No. 2015-260)

Dear Ms. Cospers:

We are pleased to provide comments on the Board's proposal to simplify the accounting for measurement period adjustments. Except for one point below, we agree with the proposal as drafted.

We agree that measurement period adjustments and their related effects, such as changes in depreciation, should be recorded in the period that they are determined. Other areas of U.S. GAAP require entities to "true-up" initial estimates that are refined in subsequent periods; we believe measurement period adjustments can be cost-effectively treated the same way. We also note the exposure draft is consistent with practice prior to the adoption of Statement 141(R).<sup>1</sup> Consequently, we believe preparers, auditors and users are well-acquainted with this approach and should find it operational. As a result, we do not believe a significant amount of time is necessary to prepare for adoption.

We believe the proposed disclosure of how a measurement period adjustment would have impacted earnings in a prior period<sup>2</sup> effectively negates the benefits of the proposed accounting simplification for preparers. It also appears inconsistent with the Board's conclusion that the benefits from requiring retrospective application do not justify the resulting costs and complexity. As such, we recommend deleting the proposed disclosure requirement.

We would be pleased to discuss our comments with the FASB staff. Please direct questions to Adam Brown at (214) 665-0673.

Very truly yours,

BDO USA, LLP

<sup>1</sup> See paragraph B396 of Statement 141(R), *Business Combinations*.

<sup>2</sup> Paragraph 805-10-50-6

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