

Tel: 312-856-9100 Fax: 312-856-1379 www.bdo.com

July 13, 2012

Via email to director@fasb.org

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

RE: Proposed Accounting Standards Update, Accounting for Fair Value Information That Arises after the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs (File Reference No. EITF-12E)

Dear Ms. Cosper:

We are pleased to provide comments on the exposure draft of the proposed Accounting Standards Update of Topic 926 *Entertainment - Films*, and support the objective to align the use of fair value measurements in the impairment test of unamortized film costs with the use of fair value measurements in other instances, including in the impairment testing of similar assets.

We note that the exposure draft is being issued to address the apparent conflict between the guidance in Topic 926 and the guidance in Topic 820, *Fair Value Measurement*. We agree with the view that the fair value measurement used for the impairment analysis should only reflect information that is known or knowable as of the measurement date, consistent with how information is incorporated in other fair value measurements. We believe the impairment guidance in Topic 926 will be simplified and improved by eliminating the rebuttable presumption that subsequent events leading to a writeoff actually existed at the balance sheet date.

Our responses to the detailed questions in the exposure draft are provided in the appendix. We would be pleased to discuss our comments with the FASB staff. Please direct questions to Lee Graul, National Director of Accounting at (312) 616-4667 or Adam Brown, Partner in the National Accounting Department at (214) 665-0673.

Very truly yours,

BDO USA, LLP

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Appendix - Questions for Respondents

Please note we have limited our responses to questions posed to auditors specifically, as well as those intended for all constituents.

Question 1: Do you agree that the fair value measurement of a film used in an impairment test of unamortized film costs should be consistent with the definition of fair value as defined by Topic 820; that is, it should be based on assumptions that market participants would make under current conditions at the measurement date, reflecting, when appropriate, that those assumptions were made under conditions of uncertainty because the cash flows used were estimates rather than known amounts?

We agree that the fair value measurement of a film used in an impairment test of unamortized film costs should be consistent with the definition of fair value as defined by Topic 820.

Question 3: Do you believe that the proposed amendments, specifically to eliminate paragraph 926-20-35-18, necessitate further amendments to (a) the examples of events or changes in circumstances that indicate that an entity must assess whether the fair value of a film is less than its unamortized film costs (paragraph 926-20-35-12) or (b) the guidance about how those indicators are considered, specifically with respect to when a test should be performed? Please explain why or why not.

If paragraph 926-20-35-18 is eliminated, we suggest that paragraph 926-20-35-12 also be amended to eliminate the example in 926-20-35-12-f: actual performance subsequent to release failing to meet that which had been expected prior to release. This impairment trigger appears to be inconsistent with the amendments in the proposed update since an unreleased film's subsequent performance would not be known or knowable by market participants at the balance sheet date.

Question 4: Do you agree that the proposed amendments should be applied prospectively? If not, please explain why.

We agree.

Question 5: Do you agree that an entity should be permitted to early adopt the proposed amendments? If not, please explain why.

We agree.

Question 6: The proposed amendments would apply to public and nonpublic entities. Should any of the proposed amendments be different for nonpublic entities? If so, please identify those proposed amendments and describe how and why you think they should be different.

We do not believe any of the proposed amendments should apply differently depending on whether the entities are public or nonpublic.

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Question 7: How much time is needed to implement the proposed amendments?

We do not anticipate the proposed amendments would require any significant lead time to implement.

Other observations:

Paragraphs 855-10-50-2 and 50-3 provide the disclosure requirements for nonrecognized subsequent events, which include the nature of such events and an estimate of its financial effect. Entities in the film industry would be required to disclose material, nonrecognized subsequent events, such as information regarding a film's performance, or evidence of the possible need for a write-down of unamortized film costs occurring after the date of the balance sheet but before the financial statements are issued. As such, the Task Force may consider adding a link in the Relationships Section of Topic 926 to direct preparers to Topic 855, *Subsequent Events*.