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Accounting and Financial Reporting Developments for Private Companies

THIRD QUARTER 2018

In this update, we highlight some of the more important 2018 third-quarter accounting and financial reporting activities for private companies. The content is not meant to be all inclusive.

Accounting Guidance Issued in Third Quarter 2018

Codification Improvements

Accounting Standards Update (ASU) 2018-09, *Codification Improvements*, amends certain topics in the codification to provide clarification, correct errors, and make minor improvements.

The following topics were amended:

- Subtopic 220-10, *Income Statement – Reporting Comprehensive Income – Overall*
- Subtopic 470-50, *Debt – Modifications and Extinguishments*
- Subtopic 480-10, *Distinguishing Liabilities from Equity – Overall*
- Subtopic 718-740, *Compensation – Stock Compensation – Income Taxes*
- Subtopic 805-740, *Business Combinations – Income Taxes*
- Subtopic 815-10, *Derivatives and Hedging – Overall*
- Subtopic 820-10, *Fair Value Measurement – Overall*
- Subtopic 940-405, *Financial Services – Brokers and Dealers – Liabilities*
- Subtopic 962-325, *Plan Accounting – Defined Contribution Pension Plans – Investments – Other*



The transition and effective date guidance is based on the facts and circumstances of each amendment. Some of the amendments do not require transition guidance and are effective upon issuance; however, many of the amendments do have transition guidance with effective dates for annual periods beginning after December 15, 2018 for public business entities. There are some conforming amendments that have been made to recently issued guidance that are not yet effective that may require application of the transition and effective date guidance in the original ASU. We suggest that management consider the specific impact of amendments in determining the effective date.

Codification Improvements to Topic 842 – Leases

ASU 2018-10, *Codification Improvements to Topic 842, Leases*, affects narrow aspects of the new lease guidance. Also see ASU 2018-11 discussed later. The amendments make technical corrections including cross-reference inconsistencies. A summary of the more significant key amendments is below:

- **Rate implicit in the lease** – The amendment clarifies that a rate implicit in the lease cannot be less than zero. If the rate implicit in the lease results in a rate that is less than zero, then zero should be used. As a result, an entity could recognize a commencement date loss on a sales-type lease with significant variable payments.
- **Lessee reassessment of lease classification** – The amendment clarifies that an entity should perform the lease classification reassessment if there is a change in the lease term or the assessment of a lessee option to purchase the underlying asset. This reassessment should be made on the basis of the facts and circumstances on the date the reassessment is required.
- **Lessor reassessment of lease term and purchase option** – The amendment clarifies that a lessor should account for the exercise by a lessee of an option to extend or terminate the lease or to purchase the underlying asset as a lease modification unless the exercise of that option by the lessee is consistent with the assumptions that the lessor made in accounting for the lease at the commencement date of the lease (or the most recent effective date of a modification that is not accounted for as a separate contract).
- **Variable lease payments that depend on an index or a rate** – The amendment clarifies that a change in a reference index or rate upon which some or all of the variable lease payments in the contract are based does not constitute the resolution of a contingency. Variable lease

payments that depend on an index or a rate should be remeasured, using the index or rate at the remeasurement date, only when the lease payments are remeasured for another reason. Accordingly, remeasurement is not required solely for the change in the index or rate.

- **Lease term and purchase option** – The amendment removes inconsistencies in the Topic by clarifying that the period covered by a lessor-only option to terminate the lease is included in the lease term.
- **Transition guidance for amounts previously recognized in business combinations** – The amendment clarifies the transition guidance for lessors for direct financing and sales-type leases under Topic 842.
- **Certain transition adjustments** – The amendments clarify whether to recognize a transition adjustment to earnings rather than through equity when an entity initially applies Topic 842 retrospectively to each prior reporting period. (See discussion of ASU 2018-11 below.) If an entity does not elect the package of practical expedients, it is required to write off any unamortized initial direct costs that do not meet the definition of initial direct costs under Topic 842 for leases previously classified as operating leases under Topic 840. The amendments clarify that if those costs were incurred before the beginning of the earliest period presented, the adjustment should be an adjustment to equity. Otherwise, the adjustment would be recognized in earnings in the period incurred.
- **Impairment of net investment in the lease** – The amendment clarifies the application of the guidance for determining the loss allowance of the net investment in the lease, including the cash flows to consider in that assessment. The cash flows from the unguaranteed residual asset should be included.

The amendments have the same effective date and transition requirements as ASC 842. See discussion under ASU 2018-11 and *New Lease Standard – Effective Calendar Year 2020*.

Targeted Improvements – Leases

ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, provides entities with relief implementing certain aspects of the new leasing standard. Under the amendments, entities may elect not to recast the comparative periods presented when transitioning to Topic 842, and lessors may elect not to separate lease and nonlease components when certain conditions are met.

Under Topic 842 (before this amendment), entities were required to apply a modified retrospective transition approach



for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. These amendments provide entities with an additional (and optional) transition method to adopt the new leases standard. Under this new transition method, an entity would initially apply the new leases standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. An entity's reporting for the comparative periods presented in the financial statements in which it adopts the new leases standard will continue to be in accordance with Topic 840 and provide the required Topic 840 disclosures for all periods that continue to be in accordance with Topic 840.

The amendments also provide lessors with a practical expedient, by class of underlying asset, to not separate nonlease components from the associated lease component. Instead, those components will be accounted for as a single component if the nonlease components otherwise would be accounted for under the new revenue guidance (Topic 606) and both of the following are met:

- The timing and pattern of transfer of the nonlease component(s) and associated lease component are the same; and
- The lease component, if accounted for separately, would be classified as an operating lease.

If the nonlease component or components associated with the lease component are the predominant component of the combined component, an entity is required to account for the combined component in accordance with Topic 606. Otherwise, the entity must account for the combined component as an operating lease in accordance with Topic 842.

If this practical expedient is elected (including an entity that accounts for the combined component entirely in Topic 606), an entity is required to disclose the following by class of underlying asset:

- Fact that it elected the expedient;
- Class(es) of underlying asset the lessor made the election to;
- Nature of (a) the lease component and nonlease component(s) that were combined as a result of applying the practical expedient and (b) any nonlease components that were not eligible for the practical expedient and, thus, not combined; and
- Topic the entity applies to the combined component (Topic 606 or Topic 842).

The amendments related to separating components of a contract affect the amendments in ASU 2016-02 (Topic 842), which are not yet effective but can be early adopted.

For entities that have not adopted Topic 842, the effective date and transition requirements for the amendments related to separating components of a contract are the same as the effective date and transition requirements in Topic 842.

For entities that have early adopted Topic 842, the transition and effective date of the amendments related to separating components of a contract are as follows:

- The practical expedient may be elected either in the first reporting period following the issuance of this Update or at the original effective date of Topic 842 for that entity.
- The practical expedient may be applied either retrospectively or prospectively.

All entities, including early adopters, that elect the practical expedient related to separating components of a contract in these amendments must apply the expedient, by class of underlying asset, to all existing lease transactions that qualify for the expedient at the date elected.

See additional discussion under *New Lease Standard — Effective Calendar Year 2020*.

Targeted Improvements to Accounting for Long-Duration Contracts Issued by Insurance Companies

ASU 2018-12, *Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*, makes improvements to the existing recognition, measurement, presentation, and disclosure requirements for long-duration contracts issued by an insurance entity. The new guidance affects all insurance companies that issue long-duration contracts as defined in Topic 944, but it does not apply to (1) holders (or policyholders) of long-duration contracts or (2) noninsurance entities.

The amendments improve the accounting and financial reporting of long-term duration contracts as follows:

- Improving the timeliness of recognizing changes in the liability for future policy benefits and modifying the rate used to discount future cash flows;
- Simplifying and improving the accounting for certain market-based options or guarantees associated with deposit (or account balance) contracts;



- Simplifying the amortization of deferred acquisition costs; and
- Improving the effectiveness of disclosures.

The amendments are effective for public business entities, for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted.

Changes to the liability for future policy benefits and deferred acquisition costs will apply to all outstanding contracts on the basis of their existing carrying amounts at the beginning of the earliest period presented, adjusted for the removal of any related amounts in accumulated other comprehensive income. An insurance company will have the option to apply the changes retrospectively (with a cumulative catch-up adjustment to the opening balance of retained earnings), using actual historical experience information as of contract inception. This option will be elected at the issue-year contract aggregation level and applied to all contract groups for that issue year and all subsequent issue years.

Market risk benefits will be measured at fair value at the beginning of the earliest period presented. A cumulative catch-up adjustment will be recognized for the change from contract inception to the earliest period presented in two pieces:

- The cumulative effect of changes in the instrument-specific credit risk will be recognized in the opening balance of accumulated other comprehensive income; and
- The difference between fair value and carrying value, excluding the effect of credit risk changes, will be recognized in the opening balance of retained earnings.

Changes to Disclosure Requirements for Fair Value Measurement

ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*, modifies the disclosure requirements on fair value measurements. Certain targeted disclosures are removed, modified, and added.

DISCLOSURES REMOVED

- Amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy;
- Policy for timing of transfers between levels;

- Valuation processes for Level 3 fair value measurements; and
- For nonpublic entities (note this includes not-for-profit organizations and nonpublic employee benefit plans), the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period.

DISCLOSURES MODIFIED

- Nonpublic entities will now be required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issuances of Level 3 assets and liabilities instead of a rollforward for Level 3 value measurements;
- Entities using the practical expedient to measure certain investments at net asset value will now be required to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly as opposed to the current requirement to estimate and disclose the timing of liquidity events; and
- Amendments clarify that the measurement uncertainty disclosure is to communicate information about the uncertainty in fair value measurement as of the reporting date not sensitivity to future changes.

DISCLOSURES ADDED (NONPUBLIC ENTITIES ARE EXCLUDED)

- Changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period; and
- Range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The amendments do not provide calculation guidance but do require an explanation of how the weighted average was calculated. For certain unobservable inputs, an entity may disclose other quantitative information (such as the median or arithmetic average) in lieu of the weighted average if the entity determines that other quantitative information would be a more reasonable and rational method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements.

In addition to the above changes, the amendments eliminate at a minimum from the phrase “an entity shall disclose at a minimum” to promote the appropriate exercise of discretion by entities when considering fair value measurement disclosures and to clarify that materiality is an appropriate consideration of entities and their auditors when evaluating disclosure requirements.



The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective dates.

It is important to note that an entity can only early adopt all provisions related to the “removed” or “modified” disclosures, and it is not required to adopt the “added” disclosures if the entity does elect to early adopt the “removed” and “modified” disclosure provisions.

Changes to Disclosure Requirements for Defined Benefit Plans

ASU 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans*, modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans.

Certain disclosures are removed, added, and clarified.

DISCLOSURES REMOVED

- Amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year;
- Amount and timing of plan assets expected to be returned to the employer;
- Disclosures related to the June 2001 amendments to the Japanese Welfare Pension Insurance Law;
- Related party disclosures about the amount of future annual benefits covered by insurance and annuity contracts and significant transactions between the employer or related parties and the plan;
- For nonpublic entities, the reconciliation of the opening balances to the closing balances of plan assets measured on a recurring basis in Level 3 of the fair value hierarchy. However, nonpublic entities will be required to disclose separately the amounts of transfers into and out of Level 3 of the fair value hierarchy and purchases of Level 3 plan assets; and

- For public entities, the effects of a one-percentage-point change in assumed health care cost trend rates on the (a) aggregate of the service and interest cost components of net periodic benefit costs and (b) benefit obligation for postretirement health care benefits.

DISCLOSURES ADDED

- Weighted-average interest crediting rates for cash balance plans and other plans with promised interest crediting rates; and
- Explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period.

DISCLOSURES CLARIFIED

- Projected benefit obligation (PBO) and fair value of plan assets for plans with PBOs in excess of plan assets; and
- Accumulated benefit obligation (ABO) and fair value of plan assets for plans with ABOs in excess of plan assets.

The amendments are effective for public business entities for fiscal years ending after December 15, 2020, and for fiscal years ending after December 15, 2021, for all other entities. Early adoption is permitted. An entity should apply the amendments on a retrospective basis to all periods presented.

Guidance on Cloud Computing Arrangements Amended

ASU 2018-15, *Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, aligns the accounting for implementation costs of hosting arrangements — regardless of whether they convey a license to the hosted software.

The amendments specifically align the following requirements for capitalizing implementation costs:

- Those incurred in a hosting arrangement that is a service contract; and
- Those incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license).

Accordingly, costs incurred for these service contracts will be expensed if related to the preliminary project and post-implementation operation stages. Applicable costs incurred during the application development stage should be capitalized. Management will need to determine the project stage in order to properly expense or capitalize costs.



The amendments are effective for public business entities, for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. Amendments should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption.

FASB Conceptual Framework

The FASB issued two changes to the Conceptual Framework to help the Board identify and evaluate disclosure requirements in accounting standards and clarify the concept of materiality. The changes are discussed below:

- A new chapter on disclosures will aid the Board in identifying disclosures to be considered when setting disclosure requirements. It explains what information the Board should consider including in notes to financial statements by describing the purpose of notes, the nature of appropriate content, and general limitations. It also addresses the Board's considerations specific to interim reporting disclosure requirements. This chapter will help the FASB improve its procedures and promote consistent decision making when determining disclosure requirements.
- The definition of materiality was amended to align the FASB's definition of materiality with other definitions in the financial reporting system. The materiality concepts will now be consistent with the definition of materiality used by the SEC, the auditing standards of the PCAOB and AICPA, and the U.S. judicial system.

New Revenue Recognition Rules — Effective Calendar Year 2019

As a reminder, the new standard, as amended, is effective year-end 2019 for calendar-year private companies (interim period in 2020), and companies can adopt using a full retrospective adoption or cumulative effect adoption method (modified retrospective option).

As discussed in previous newsletters, the TRG was formed to review implementation issues and bring issues to the FASB's attention if further amendments to the guidance were deemed necessary. The TRG has issued numerous whitepapers addressing implementation issues. Additionally, the AICPA

formed sixteen industry task forces to help develop a new Accounting Guide on Revenue Recognition that will provide helpful hints and illustrative examples for how to apply the new revenue standard. The industry task forces continue to discuss industry-specific implementation issues, and FinRec released various working drafts of industry guidance, some of which are still available for public comment on the AICPA website.

Companies should consider the TRG and FinRec whitepapers in implementing ASC 606. Calendar year-end public companies were required to adopt the standard January 1, 2018. Private companies should consider reviewing disclosures made by public companies in their industry sector.

New Lease Standard — Effective Calendar Year 2020

The new lease standard is effective year-end 2020 for calendar-year private companies. See our [2016 First Quarter Update](#) for discussion of the new guidance.

Under the new guidance, including amendments, lessees will be required to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with terms of more than 12 months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a capital or operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the balance sheet, the guidance in this ASU will require both types of leases to be recognized on the balance sheet.

Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) may apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, or may apply the practical expedient in ASU 2018-11, if elected, to apply the cumulative effect in the period of adoption. The modified retrospective approach does not require any transition accounting for leases that expired before the date of adoption, and provides for certain other practical expedients. Lessees and lessors may not apply a full retrospective transition approach.



See earlier discussion of amendments in ASU 2018-11 and ASU 2018-10.

The FASB has issued a proposed ASU that addresses the following issues facing lessors when applying the standard:

- **Sales taxes and other similar taxes collected from lessees** – would permit lessors to make an accounting policy election to not evaluate whether these taxes are costs of the lessor or costs of the lessee. Instead, the lessor would account for them as costs of the lessee and exclude the amounts from lease revenue and the associated expense.
- **Certain lessor costs paid directly by lessees** – would require lessors to exclude those costs from variable payments, and, therefore, from variable (lease) revenue and the associated expense when the amount of those costs is not readily determinable by the lessor.
- **Recognition of variable payments for contracts with lease and nonlease components** – would require lessors to allocate (rather than recognize as currently required in the new lease standard) certain variable payments to the lease and nonlease components when the changes in facts and circumstances on which the variable payment is based occur. After the allocation, the amount of variable payments allocated to the lease component would be recognized in accordance with the new lease standard, while the amount allocated to nonlease components would be recognized in accordance with other accounting guidance (such as revenue from contracts with customers in Topic 606).

Measurement of Credit Losses on Financial Instruments

As a reminder, ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, changes the impairment model to a current expected credit loss model and will require an entity to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. As a result, entities will need to incorporate forward-looking information to better form their credit loss estimates, and credit losses will generally be recognized earlier when a

current expected credit loss exists. The new guidance also permits the restoration of prior credit losses on available-for-sale-debt securities in circumstances where the estimate of credit losses has declined. Entities will continue to use judgment to determine loss estimation for their circumstances. This ASU was discussed in our [2016 Second Quarter Update Newsletter](#).

This ASU is effective for SEC filers for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 (i.e., January 1, 2020, for calendar-year entities). For public business entities that are not SEC filers, this ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. For all other entities, this ASU will take effect for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2021. Early application is permitted for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.

The FASB has also issued a proposed ASU that would extend the effective date for entities, other than public business entities, to fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. In addition, the proposed ASU would clarify that receivables arising from operating leases are not within the scope of the credit losses standard, but are instead within the scope of Topic 842, *Leases*.

The FASB established a transition resource group (TRG) to solicit, analyze, and discuss implementation issues related to the new credit impairment standard. The group has discussed various topics of interest, and the meeting materials can be accessed on the FASB website.

The AIPCA's Financial Reporting Executive Committee issued two working drafts of accounting issues related to implementation of Topic 326 as follows:

- Zero Expected Credit Losses
- Reversion Method: Estimation vs. Accounting Policy



Standards Issued in 2018

Final ASU	Early Adoption	Effective Date
2018-15: <i>Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract</i>	Yes	Nonpublic: annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Public business entities: fiscal years beginning after December 15, 2019, and interim periods within those fiscal years
2018-14: <i>Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans</i>	Yes	Nonpublic: fiscal years ending after December 15, 2021. Public business entities: fiscal years ending after December 15, 2020.
2018-13: <i>Fair Value Measurement (Topic 820): Disclosure Framework: Changes to the Disclosure Requirements for Fair Value Measurement</i>	Yes	Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.
2018-12: <i>Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts</i>	Yes	Nonpublic: fiscal years beginning after December 15, 2021, and interim periods beginning after December 15, 2022. Public business entities: fiscal years beginning after December 15, 2020, and interim periods within those fiscal years.
2018-11: <i>Leases (Topic 842): Targeted Improvements</i>	Yes, if ASU 2016-02 adopted	See ASU 2016-02
2018-10: <i>Codification Improvements to Topic 842, Leases</i>	Yes, if ASU 2016-02 adopted	See ASU 2016-02
Update 2018-09: <i>Codification Improvements</i>	N/A	See ASU



<p>Update 2018-08: <i>Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made</i></p>	<p>Yes</p>	<p>Nonpublic entities that serve as a resource recipient: annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</p> <p>Nonpublic entities that serve as a resource provider; annual periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.</p> <p>Public business entities that serve as a resource recipient: annual periods beginning after June 15, 2018, and interim periods within those fiscal years.*</p> <p>Public business entities that serve as a resource provider: annual periods beginning after December 15, 2018, and interim periods within those fiscal years.</p>
<p>Update 2018-07: <i>Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting</i></p>	<p>Yes, if ASU 2014-09 adopted</p>	<p>Nonpublic: fiscal years beginning after December 15, 2019, and interim periods beginning after December 15, 2020.</p> <p>Public business entities: fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.</p>
<p>Update 2018-06: <i>Codification Improvements to Topic 942, Financial Services – Depository and Lending</i></p>	<p>N/A</p>	<p>Upon addition to FASB codification*, **</p>
<p>Update 2018-05: <i>Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (SEC Update)</i></p>	<p>N/A</p>	<p>Upon addition to FASB codification**</p>
<p>Update 2018-04: <i>Investments – Debt Securities (Topic 320) and Regulated Operations (Topic 980): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 117 and SEC Release No. 33-9273 (SEC Update)</i></p>	<p>N/A</p>	<p>Upon addition to FASB codification*, **</p>
<p>Update 2018-03: <i>Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities</i></p>	<p>Yes, if ASU 2016-01 adopted</p>	<p>See ASU 2016-01 **</p>

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Update 2018-02: <i>Income Statement – Reporting Comprehensive Income (Topic 220) – Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income</i>	Yes	Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.
Update 2018-01: <i>Leases (Topic 842) – Land Easement Practical Expedient for Transition to Topic 842</i>	Yes	See ASU 2016-02

Standards Issued in Prior Years Effective 2018 or After

Final ASU	Early Adoption	Effective Date
Update 2017-15: <i>Codification Improvements to Topic 995, U.S. Steamship Entities: Elimination of Topic 995</i>	Yes	Fiscal years and first interim periods beginning after December 15, 2018
Update 2017-13: <i>Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)</i>	See ASU 2015-14	See ASU 2015-14 **
Update 2017-12: <i>Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities</i>	Yes	Nonpublic: fiscal years beginning after December 15, 2019, and interim periods beginning after December 15, 2020. Public business entities: fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.
Update 2017-11: <i>Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception</i>	Yes	Part I: Nonpublic: fiscal years beginning after December 15, 2019, and interim periods beginning after December 15, 2020. Public business entities: fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Part II: No transition guidance is required as no accounting impact exists.

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Update 2017-10: <i>Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services</i>	See ASU 2015-14	See ASU 2015-14 **
Update 2017-09: <i>Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting</i>	Yes	Fiscal years beginning after December 15, 2017. *, **
Update 2017-08: <i>Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities</i>	Yes	Nonpublic: fiscal years beginning after December 15, 2019, and interim periods beginning after December 15, 2020. Public business entities: fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.
Update 2017-07: <i>Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Cost and Net Periodic Postretirement Benefit Cost</i>	Yes	Nonpublic: fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Public business entities: fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. **
Update 2017-06: <i>Plan Accounting: Defined Benefit Pension Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting</i>	Yes	Fiscal years beginning after December 15, 2018.
Update 2017-05: <i>Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</i>	See ASU 2015-14	See ASU 2015-14 **
Update 2017-04: <i>Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment</i>	Yes	Nonpublic: fiscal years beginning after December 15, 2021. Public business entities that are SEC filers: fiscal years beginning after December 15, 2019. All other public business entities: fiscal years beginning after December 15, 2020.

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<p>Update 2017-01 – <i>Business Combinations (Topic 805): Clarifying the Definition of a Business</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</p> <p>Public business entities: fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. **</p>
<p>Update 2016-20 – <i>Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</i></p>	<p>See ASU 2015-14</p>	<p>See ASU 2015-14 **</p>
<p>Update 2016-18 – <i>Statement of Cash Flows (Topic 230): Restricted Cash</i> (a consensus of the FASB Emerging Issues Task Force)</p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</p> <p>Public business entities: fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. **</p>
<p>Update 2016-16 – <i>Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</p> <p>Public business entities: fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. **</p>
<p>Update 2016-15 – <i>Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments</i> (a consensus of the Emerging Issues Task Force)</p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</p> <p>Public business entities: fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. **</p>
<p>Update 2016-14 – <i>Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities</i></p>	<p>Yes</p>	<p>Nonpublic only: annual financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. *</p>

(Cont.)



<p>Update No. 2016-13 – <i>Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</i></p>	<p>Yes, as of fiscal years beginning after December 15, 2018, including interim periods within those fiscal years</p>	<p>Nonpublic (including not-for-profit entities and employee benefit plans): fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.</p> <p>Public business entities that are SEC filers: fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p> <p>All other public business entities: fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.</p>
<p>Update No. 2016-12 – <i>Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients</i></p>	<p>See ASU 2015-14</p>	<p>See ASU 2015-14 **</p>
<p>Update No. 2016-11 – <i>Rescission of SEC Guidance Because of Accounting Standards</i></p>	<p>See ASUs 2014-09 and 2014-06</p>	<p>See ASUs 2014-09 and 2014-06 **</p>
<p>Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at March 3, 2016 EITF meeting</p>		
<p>Update No. 2016-10 – <i>Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing</i></p>	<p>See ASU 2015-14</p>	<p>See ASU 2015-14 **</p>
<p>Update No. 2016-09 – <i>Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2017, and interim periods within fiscal periods beginning after December 15, 2018. *</p> <p>Public business entities: fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.</p>
<p>Update No. 2016-08 – <i>Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)</i></p>	<p>See ASU 2015-14</p>	<p>See ASU 2015-14 **</p>

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<p>Update No. 2016-06 – <i>Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2017, and interim periods within fiscal periods beginning after December 15, 2018. *</p> <p>Public business entities: fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.</p>
<p>Update No. 2016-05 – <i>Derivatives and Hedging (Topic 815): Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2017, and interim periods within fiscal periods beginning after December 15, 2018. *</p> <p>Public business entities: fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.</p>
<p>Update No. 2016-04 – <i>Liabilities – Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2018, and interim periods within fiscal periods beginning after December 15, 2019.</p> <p>Public business entities, certain not-for-profit entities and certain employee benefit plans: Fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. **</p>
<p>Update No. 2016-02 – <i>Leases (Topic 842)</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2019, and interim periods within fiscal periods beginning after December 15, 2020.</p> <p>Public business entities: fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.</p>
<p>Update No. 2016-01 – <i>Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities</i></p>	<p>Yes, for certain amendments</p>	<p>Nonpublic: fiscal years beginning after December 15, 2018, and interim periods within fiscal periods beginning after December 15, 2019.</p> <p>Public business entities: fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. **</p>
<p>Update No. 2015-17 – <i>Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes</i></p>	<p>Yes</p>	<p>Nonpublic: fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. *</p> <p>Public business entities: fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.</p>

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Update No. 2015-14 – <i>Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date</i>	Yes, under certain circumstances	Nonpublic: apply the guidance in ASU 2014-09 to fiscal years beginning after December 15, 2018, and interim periods after December 15, 2019. Public business entities, certain not-for-profit entities, and certain employee benefit plans: apply the guidance in ASU 2014-09 to fiscal years beginning after December 15, 2017, including interim reporting periods within those fiscal years.**
Update No. 2014-09 – <i>Revenue from Contracts with Customers (Topic 606)</i>	See ASU 2015-14	See ASU 2015-14 **

*Effective 2018 for nonpublic companies

**Effective 2018 for public business entities