Welcome to the First Quarter issue of our *Quarterly Accounting Update*. Each quarter, we will provide you with up-to-date information for consideration in your financial reporting and disclosures. Our goal is for you to have current, relevant information available prior to finalizing your financial reporting deliverables. This update is organized as follows:

Selected Highlights

This section includes an executive summary of selected items and hot topics covered in this update.

FASB Update

This section includes an overview of selected Accounting Standards Updates (ASUs) issued during the period.

U.S. Tax Reform Impacts

This section includes special guidance addressing the impact of recently passed tax reform.

Rev Rec Implementation

This section includes special guidance on preparing for implementation of the new revenue recognition standard.

Regulatory Update

This section includes an overview of selected updates, releases, rules and actions during the period that might impact financial information, operations and/or governance.

Other Developments

This section includes an overview of other developments, actions, and projects of the FASB, PCC, EITF and/or other rulemaking organizations.

On the Horizon

This section includes an overview of selected projects and exposure drafts of the FASB.

Appendices

- A – Important Implementation Dates
- B – Illustrative Disclosures for Recently Issued Accounting Pronouncements

Quarterly Accounting Update: Selected Highlights

FASB Addresses U.S. Tax Reform

On February 14, 2018, the FASB issued Accounting Standards Update (ASU) 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The amendments in this ASU address a narrow-scope financial reporting issue related to the tax effects that may become "stranded" in accumulated other comprehensive income (AOCI) as a result of the Tax Cuts and Jobs Act (TCJA).

More information on its impacts can be found in the *FASB Update* section.

U.S. Tax Reform will Impact Financial Reporting

At its January 10, 2018 board meeting, the FASB discussed several topics related to income tax accounting for tax reform. Conclusions reached and next steps vary depending on the topic.

More information on the FASB's decisions can be found in the *U.S. Tax Reform Impacts* section.

Rev Rec—Are You Ready?

The new revenue recognition standard is historic in its breadth and impact across industries. It is urgent that management start assessing the impact of the new revenue recognition standard and forging a successful path to its implementation.

Find out more in the *Rev Rec Implementation* section.

Deregulation Efforts Continue

The House and Senate are both considering a variety of bills that would revise the Dodd-Frank Act, the JOBs Act, and expand SOX 404(b) exemptions.

Read more about these issues in the *Regulatory Update* section.

Webcast

Join us on Wednesday, April 11, for a one-hour webcast designed to provide insight into recent discussions, actions and pronouncements from the FASB and other accounting regulatory bodies. For more information and registration, Click Here.

Quarterly Accounting Update: FASB Update

The following selected Accounting Standards Updates (ASUs) were issued by the Financial Accounting Standards Board (FASB) during the first quarter. A complete list of all ASUs issued or effective in 2018 is included in Appendix A.

FASB Addresses Stranded Tax Effects Resulting from U.S. Tax Reform

On February 14, 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The amendments in this ASU address a narrow-scope financial reporting issue related to the tax effects that may become "stranded" in accumulated other comprehensive income (AOCI) as a result of the change in the Federal corporate income tax rate in the Tax Cuts and Jobs Act (TCJA).

Accounting Standards Codification (ASC) 740, *Income Taxes*, requires deferred tax liabilities and assets to be adjusted for the effect of a change in tax laws or rates. Under ASC 740-20-45-15, the impact of the rate reduction applied to temporary differences (including those related to other comprehensive income [OCI] or acquisition accounting still within the measurement period) is recorded in income from continuing operations. In the case of unrealized gains or losses in OCI, this presentation could result in a disproportionate effect (dangling debits or credits, or stranded tax effects) left in AOCI as a result of the prohibition of the backwards tracing of unrealized gains and losses on available-for-sale securities, pursuant to ASC 740- 20-45-3 (i.e., an entity wouldn't consider where the previous tax effects were allocated in the financial statements).

Under the amendments in ASU 2018-02, an entity may elect to reclassify the income tax effects of the TCJA on items within AOCI to retained earnings. If an entity elects to reclassify the income tax effects of the TCJA, the amount of that reclassification should include the following:

- The effect of the change in the U.S. federal corporate income tax rate on the gross deferred tax amounts and related valuation allowances, if any, at the date of enactment of the TCJA related to items remaining in AOCI. The effect of the change in the U.S. federal corporate income tax rate on gross valuation allowances that were originally charged to income from continuing operations should not be included in the amount reclassified
- Other income tax effects of the TCJA on items remaining in AOCI that an entity elects to reclassify.

If an entity does not elect to reclassify the income tax effects of the TCJA, it should provide certain disclosures, as indicated below.

Elliott Davis Observation: The amendments in ASU 2018-02 only relate to the reclassification of the income tax effects of the TCJA. The underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected.

The amendments in ASU 2018-02 add the following disclosure requirements:

- An entity should disclose a description of the accounting policy for releasing income tax effects from AOCI
- An entity that elects to reclassify the income tax effects of the TCJA should disclose, in the period of adoption, both of the following:
    - A statement that an election was made to reclassify the income tax effects of the TCJA from AOCI to retained earnings
    - A description of other income tax effects related to the application of the TCJA that are reclassified from AOCI to retained earnings, if any
- An entity that does not elect to reclassify the income tax effects of the TCJA should disclose, in the period of adoption, a statement that an election was not made to reclassify the income tax effects of the TCJA from AOCI to retained earnings

Effective Dates

The amendments in ASU 2018-02 are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period, (1) for public business entities for reporting periods for which financial statements have not yet been issued and (2) for all other entities for reporting periods for which financial statements have not yet been made available for issuance.

The amendments in ASU 2018-02 should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized.

Quarterly Accounting Update: U.S. Tax Reform Impacts

The Tax Cuts and Jobs Act (TCJA) was signed into law by the President on Friday December 22, 2017. The TCJA makes sweeping changes to many parts of the tax law for both individuals and businesses. The changes that most affect businesses include the reduction in the corporate tax rate, changes in business deductions, and many international provisions. Certain technical implementation questions arose after the December 22, 2017 enactment date for those elements of the TCJA that will require inclusion in soon-to-be-released financial statements. At its January 10, 2018, board meeting, the FASB discussed several topics related to the impact of the TCJA on income tax accounting. At the meeting, the FASB Staff provided the Board with its preliminary views on various implementation issues. Conclusions reached and next steps vary depending on the topic, as discussed in the following sections. Companies should monitor developments because any actions by the FASB or FASB Staff could affect their implementation efforts.

Reclassification of Stranded Amounts in Accumulated Other Comprehensive Income ("AOCI")

Under ASC 740-20-45-15, the impact of the rate reduction applied to temporary differences (including those related to other comprehensive income [OCI] or acquisition accounting still within the measurement period) is recorded in income from continuing operations. In the case of unrealized gains or losses in OCI, this could result in a disproportionate effect ("dangling debits or credits) left in AOCI as a result of the prohibition of the backwards tracing of unrealized gains and losses on available-for-sale securities, pursuant to FASB ASC 740-20-45-3 (i.e., an entity wouldn't consider where the previous tax effects were allocated in the financial statements). However, at its January 10th meeting, the FASB voted to add a narrow scope project to its agenda to address the accounting related to the tax effects that may become "stranded" in AOCI as a result of tax reform. See the discussion of ASU 2018-02 in the *FASB Update* section, above.

Application of SAB 118 to Private Companies and Not-for-Profit Entities

Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) 118 was issued as guidance for public companies, permitting an election for a company to create a measurement period (akin to ASC 805, *Business Combinations*) to account for the tax effects of the TCJA. The bulletin provides guidance for how to report the impact of taxes under the TCJA, when a registrant does not have all the available information in order to properly account for all elements of the TCJA. The bulletin also offers disclosure guidelines for companies that elect to take advantage of the measurement period.

The question arose as to whether private companies and not-for-profit entities could also follow the elective guidance under SAB 118. At the January 10th meeting, the FASB Staff stated, and the Board concurred, that it would not object to private companies electing to apply the guidance in SAB 118. This view was informed by discussions with members of the Private Company Council and the fact that there is precedent for nonpublic entities to apply SEC Staff guidance. Since that meeting, the FASB has published a Staff Q&A document on its website, supporting this position.

Discounting of the Deemed Repatriation Tax

One of the hallmark mechanisms to transition the U.S. taxation system to a territorial system is through the deemed repatriation tax. The tax will be computed based on amounts from specified dates in 2017, and is payable in eight installments (if an installment period is elected). Taxes payable will then be bifurcated between current and noncurrent liabilities, depending on the installation payment date.

The question arose as to whether it would be appropriate to discount the long-term tax liabilities created by the deemed repatriation tax, pursuant to ASC 835-30. The FASB Staff indicated that they do not believe it is appropriate to discount any deemed repatriation taxes payable, based on existing ASC 740 guidance that prohibits the discounting of deferred taxes (which the FASB Staff indicated should also be applied to this unique tax). Additionally, the Staff indicated that there is likely to be some uncertainty as to the amount payable, since certain underlying elements of the tax are subject to revision and audit. Because the liability is not necessarily a fixed amount, discounting of the long-term tax payable would not be appropriate. The Board members agreed and the Staff issued a Q&A document to summarize this position.

Discounting Alternative Minimum Tax (“AMT”) Receivables

With the repeal of corporate AMT, coupled with new refundable nature of AMT credits, many companies will reclassify their AMT credits from deferred tax assets to current or noncurrent taxes receivable, based on anticipated refund timing. The question arose as to whether it would be appropriate to discount any receivables recorded. The FASB Staff indicated that AMT receivables should not be discounted based on existing ASC 740 guidance that prohibits discounting of deferred taxes. The Board members agreed and the Staff issued a Q&A document to summarize this position.

Accounting for the Base Erosion Anti-Abuse Tax (“BEAT”)

The BEAT is a minimum tax that applies to companies meeting certain revenue thresholds and making payments to foreign related companies. Questions have arisen as to whether the BEAT should be accounted for as a separate, parallel US tax system (since there is no interplay between regular tax and BEAT), or if it should be accounted for as a component of the regular tax system. The FASB Staff indicated that the BEAT should be accounted for as a component of the regular US tax system. Their position is that the BEAT is analogous to AMT, and that accordingly, the tax accounting for BEAT should be based on the framework outlined for accounting for AMT. Accordingly, the Staff believes it is appropriate to account for the BEAT as an income tax expense in the period in which a company is actually subject to it, and that it would not be appropriate for companies to record deferred taxes at the BEAT rates. The Board members agreed and the Staff issued a Q&A document to summarize this position.

Accounting for Global Intangible Low-Taxed Income ("GILTI")

U.S. shareholders of controlled foreign corporations are subject to current U.S. tax on their GILTI. The GILTI provisions operate comparably to existing Subpart F rules, meaning that a US parent entity can be taxed on its share of a subsidiary's GILTI. Questions have arisen as to how to appropriately account for GILTI under ASC 740. The FASB Staff described two common alternatives that have been presented by constituents:

- Account for GILTI as a component of current tax expense in the period in which a company is subject to it (comparable to BEAT/AMT), or
- Account for the effects of GILTI on deferred taxes, including basis differences, that are expected to reverse as GILTI

The FASB Staff indicated that they do not believe any existing ASC 740 literature addresses the accounting for GILTI. Accordingly, their position is that either methodology, disclosed and consistently applied, is both reasonable and acceptable at this time. The Board members agreed and the Staff issued a Q&A document to summarize this position.

Quarterly Accounting Update: Rev Rec Implementation

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The guidance in ASU 2014-09 is codified primarily in ASC 606, with the same title. The new revenue recognition standard affects all entities—public, private, and not-for-profit—that have contracts with customers. It is broad reaching across an organization and impacts many functional areas: accounting, tax, financial reporting, financial planning and analysis, investor relations, treasury (e.g., debt covenants), sales, legal, information technology, and human resources (e.g., employee compensation plans). It involves significant judgments and estimates, thoughtful revision of accounting policies, and new required disclosures. Implementation is a significant effort. If companies have not begun the process already, it is imperative to start preparing immediately. For many companies, the new standard will require evaluation of 2018 financial information under the new guidance.

The scope of the new standard applies to revenue arising from contracts with customers, except for the following: lease contracts, insurance contracts, contractual rights and obligations within the scope of other guidance, and non-monetary exchanges between entities in the same line of business to facilitate sales to customers; in other words, 99 percent of all revenue transactions. As a result, there are potentially significant changes ahead for certain industries, and some level of change for almost all entities.

The 5-Step Model

The core principle of the new guidance is that a company should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration that the company receives or expects to receive. To apply that principle, the seller will need to:

1. Identify the contract with a customer.
2. Identify the separate performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the separate performance obligations.
5. Recognize revenue as each performance obligation is satisfied.

Contract - The first step is to identify the contract with a customer. In order to meet the definition of a contract, it must meet the following requirements: the parties have approved the contract and are committed to satisfying their respective obligations; the seller can identify each party's rights regarding goods and services; the seller can identify the payment terms for the goods or services; the contract has commercial substance; and it is probable that the seller will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Performance Obligations - The second step is to identify the separate performance obligations in the contract. A performance obligation is a promise (whether explicit, implicit, or implied by the seller's customary business practice) in a contract with a customer to transfer a good or service to the customer. Identifying the separate performance obligations in a contract is essential to applying the revenue recognition model. Separate performance obligations are the units of account to which the transaction price is allocated, and satisfaction of those separate performance obligations determines the timing of revenue recognition.

Transaction Price - The third step is to determine the transaction price. The transaction price is the amount of consideration that the seller expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party (for example, sales taxes). Determining the transaction price can be straightforward in many arrangements, but might be more complex if the arrangement involves variable consideration or a significant financing component (which requires adjustment for the time value of money).

Allocate - The fourth step is to allocate the transaction price to the performance obligations based on relative standalone selling prices. The best estimate for standalone selling price is an observable price. If an observable price is not available, management will need to estimate the selling price. This concept is very similar to the current guidance on multiple element arrangements.

Recognize - The fifth and final step is to recognize revenue when a performance obligation is satisfied. If the obligation is satisfied over time, revenue is recognized using the method that best depicts the transfer of goods and services to the customer. If the obligation is satisfied at a point in time, revenue is recognized when control transfers to the customer. This is basically consistent with current guidance, although there are some circumstances when the timing of transfer of control might be different.

Implementation Plan

All entities need to develop a plan for implementation of the revenue recognition standard. Even when there are minimal or no changes in the amount or timing of recognized revenue, most entities will have expanded disclosure requirements. These requirements will, in many cases, require certain financial data that is not readily available from the entity's current systems. Accordingly, all entities will need to evaluate the impact of the new standard on their financial reporting, internal controls systems, data and information technology (IT) needs, and disclosure requirements. While a particular entity's implementation plan will vary according to its circumstances, a plan should generally address the following:

- Technical accounting application and implementation
- Development of relevant accounting policies
- Changes to internal controls systems
- IT and data needs
- Compliance with disclosure requirements
- Transition calculations, including transition method choice
- Educational requirements of accounting personnel
- Educational requirements of other groups such as management, board of directors, sales force, and tax department
- Consideration of impacts to other contracts, such as debt covenant requirements
- Consideration of tax impacts

Elliott Davis Observation: Some entities may be delaying implementation efforts because they are under the impression that their accounting results are not going to change significantly under the new standard. However, it is extremely important to understand that it is not always possible to determine the complete impact of the standard until beginning to apply the standard to actual contracts and transactions. While some entities may not ultimately see a difference in the timing or amount of revenue recognized, the route that must be taken under the new standard to get to a conclusion will be different. In addition, disclosure requirements are likely to create the need for new or different processes and controls.

Contract Assessment

In order to develop a plan for implementation, management will need to perform an assessment of contracts to identify the significant changes that may occur to their revenue recognition and cost policies as a result of adopting the new standard. This assessment should allow management to:

- Identify the various revenue streams
- Identify the various contract types and related terms and provisions
- Determine the significant accounting changes under the new standard
- Determine the significant disclosure requirements and related data needs
- Identify potential impact to current practices throughout the entity
- Identify potential impacts to current IT and internal controls systems
- Obtain sufficient information to enable management to develop an adequate implementation plan

Once management has identified the various contracts within each revenue stream, they should compare those contract terms and provisions to the guidance in the new standard to determine the significant impacts. This assessment will vary by entity. For example, an entity that has numerous customized contracts may have to perform an individual analysis of each of those contracts to determine the anticipated effects. On the other hand, an entity that has only standardized contracts may only need to perform one analysis for each type of standard contract. In addition, the information obtained during this assessment will help management identify other impacts to the entity. For example, many entities will require new or different internal controls, IT applications and data resources; departments and personnel outside of accounting may need to be trained on particular aspects of the standard; and there may be significant tax implications to be considered.

Transition

Part of implementation of the new standard includes the recording of actual adjustments to financial statements to reflect the adoption as prescribed by the standard. Entities can choose to adopt the new standard using either the full retrospective method or the modified retrospective method. Under the full retrospective method, prior periods would be recast in accordance with ASC 250, *Accounting Changes and Error Corrections*, as a result of applying the new standard to all contracts, including those completed at the beginning of the earliest period presented. The cumulative effect of the change will be reflected in the carrying amounts of assets and liabilities as of the beginning of the first period presented. An offsetting adjustment, if any, will be made to the opening balance of retained earnings (or net assets, as appropriate) for that period. Under the modified retrospective method, entities would apply ASC 606 to contracts, whether completed or not, as of the effective date and record a cumulative catch-up adjustment to the opening balance of retained earnings (or net assets, as appropriate) of the annual reporting period that includes the date of initial application.

What's Next?

The new revenue recognition guidance was effective for public entities for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. For nonpublic entities, the standard is effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

Elliott Davis Observation: If you have questions or need more information related to the new revenue recognition standard, please contact your Elliott Davis adviser. We have a questionnaire designed to help clients identify the significant changes that may occur to their revenue recognition and cost policies as a result of ASC 606. In addition, we have a checklist to assist clients in their transition to and initial application of ASC 606.

Quarterly Accounting Update: Regulatory Update

Senate Passes Dodd-Frank Rollback – Scope More Limited than Dodd-Frank Reform Passed by House

On March 14, 2018, in a rare bipartisan vote, the Senate passed S. 2155, the *Economic Growth, Regulatory Relief, and Consumer Protection Act*. The bill is the most comprehensive reform to the Dodd-Frank Act that has passed the Senate, although it is more limited in scope than H.R. 10, the *Financial CHOICE Act of 2017*, the Dodd-Frank Act reform bill passed by the House of Representatives in June 2017.

The centerpiece of the Senate bill would raise the asset threshold under which a bank is automatically designated as a Systemically Important Financial Institution (SIFI) from $50 billion to $250 billion. SIFIs, under Dodd-Frank, are subject to tougher capital and liquidity requirements, more stringent Federal Reserve oversight, regular stress testing, and "living will" resolution planning.

There are a number of other notable provisions in the Senate Bill:

- Provisions to reduce the applicability of certain regulations to, and to simplify the capital requirements for, smaller financial institutions or community banks (generally defined as banks with less than $10 billion in total consolidated assets), including removing the applicability of the Volcker Rule to financial institutions with less than $10 billion in total consolidated assets
- A number of consumer-focused provisions, including provisions for credit report security freezes, identity verification for online banking, and immunity from civil or administrative lawsuits for banks, broker-dealers, investment advisers, insurance companies, and other financial institutions that voluntarily report suspected elder financial exploitation
- A provision creating a qualified mortgage "safe harbor" for financial institutions with less than $10 billion in total consolidated assets
- A provision allowing a licensed residential mortgage loan originator to temporarily act as a residential mortgage loan originator in a new state, pending approval of the originator's license application in that state
- A provision modifying the Volcker Rule's name restrictions for covered funds sponsored by a banking entity

The *Financial Choice Act*, on the other hand, would eliminate several provisions of the Dodd-Frank Act and weaken many more, as well as ease corporate disclosure and accounting requirements. The Senate refused to consider the *Financial Choice Act*, which advanced out of the House on a party-line vote and would have been subject to a Democratic filibuster. As a response, the House separated the *Financial Choice Act's* many provisions into smaller bills and passed them individually.

House Passes Bill to Increase Regulation A Limits

The House of Representatives passed H.R. 4263, the *Regulation A+ Improvement Act*, on March 15, 2018, that will increase the Regulation A+ cap to $75 million from the current $50 million amount. Regulation A+ is the creation of the *JOBS Act of 2012* and one of three securities crowdfunding exemptions which have been enacted. Regulation A from the Securities Act of 1933 allows an issuer to conduct a public offering of up to $50 million without full SEC registration. H.R. 4263 would raise that limit by $25 million, adjusted for inflation every two years. Prior to the JOBS Act revamp, Regulation A offerings were capped at $5 million, and all were subject to blue sky state securities regulations.

Simplified Disclosure Rules Required by FAST Act May Be Finalized in 2018

The SEC plans to finish some rule changes in 2018 to simplify the public company disclosure requirements for regulatory filings. The anticipated rule changes are based on the October 2017 proposals in Release No. 33-10425, *FAST Act Modernization and Simplification of Regulation S-K*. The proposals would make specific revisions to a limited group of items in Regulation S-K and is intended to streamline and improve disclosures. Regulation S-K requirements, which are the central repository for nonfinancial statement disclosures in SEC registration statements and periodic filings, were established more than 30 years ago, and the modernization of these requirements has been called for as a result of evolving business models, new technology, and changing investor needs.

The most significant of the SEC's proposed changes to the selected group of Regulation S-K disclosure requirements are as follows:

- MD&A—registrants that present three years of audited financial statements are currently required to address their changes in financial conditions and results of operations for each year, typically by providing year-to-year comparisons between each period. The proposed rule would permit registrants to forgo discussion of the comparison of the earliest prior years (year 2 to year 3) if information is no longer material and was previously disclosed in the prior year's Form 10-K.
- Description of property—Regulation S-K currently requires disclosure of information related to the location and general character of the principal plants, mines and other materially important physical properties of the registrant. The SEC has observed that this requirement may have prompted disclosures about physical property that is not material to the operations of the registrant. The proposed rule would clarify that disclosure about properties is required only to the extent that the physical properties are material and may be provided on a collective basis, if appropriate.
- Risk factors—current guidance in Regulation S-K requires disclosure of the most significant risk factors related to a registrant's offering or business and includes specific examples of factors that a company may consider for such disclosure. Although the current requirement is intended to be principles-based, the inclusion of risk factor examples led certain

registrants to disclose information that was generic or not specific to those registrants. The proposed rule would eliminate the examples from the risk factor disclosure requirements to encourage registrants to revisit their risk assessment and disclose the risks that are most significant to them.

- Redaction of confidential information—registrants are currently able to request approval from the SEC to redact information in exhibits that is not material and would cause competitive harm to the registrant. The proposed amendments would streamline this process by allowing registrants to omit such information, as well as personally identifiable information, without having to first request confidential treatment from the SEC. Registrants would instead need to mark the exhibits from which information has been omitted and include a statement prominently on the first page of each exhibit to indicate that the redacted information has been omitted.
- Schedules and attachments to exhibits—the current requirement to include all schedules and attachments has been viewed by some registrants as burdensome and unnecessary. The proposed amendments would permit schedules and attachments to exhibits to be omitted unless they contain information that is material and not otherwise disclosed. A registrant would still be required to identify any omitted schedules and attachments in the exhibit list.
- Hyperlinks and cross-referencing—the proposal includes requirements for the use of hyperlinks to documents incorporated by reference to other SEC filings. Cross-referencing from elsewhere within a filing, including from the financial statements to other locations in a Form 10-K, would generally be permitted but would not be required. However, the proposed rule would specifically prohibit financial statements from cross-referencing or incorporating information from outside the financial statements, unless specifically permitted by SEC rules, to prevent confusion about whether such information is or has been subject to audit or review by the registrant's external auditor.

Comment letters from businesses and investors largely supported the proposed changes in Release No. 33-10425, which are mandated by the *Fixing America's Surface Transportation (FAST) Act*. The FAST Act directed the agency to modernize and simplify the requirements in Regulation S-K to lower public companies' compliance costs.

House Bills to Amend Regulations on Financial Institutions

The House of Representatives passed four bills in March that amend or update regulations on financial institutions:

- *The Comprehensive Regulatory Review Act* (H.R. 4607), amends the *Economic Growth and Regulatory Paperwork Reduction Act of 1996* (EGRPRA) to include the Consumer Financial Protection Bureau (CFPB) and the National Credit Union Administration (NCUA). *The*

Economic Growth and Regulatory Paperwork Reduction Act requires financial agencies to review regulations every ten years. This new legislation requires these reviews to be performed every seven years.

- The *Portfolio Lending and Mortgage Access Act* (H.R. 2226), amends the *Truth in Lending Act* to allow certain mortgage loans from a bank or credit union with less than $10 billion in total consolidated assets to be considered qualified mortgages.
- The *Community Bank Reporting Relief Act* (H.R. 4725), directs federal banking agencies to issue regulations that allow reduced reporting requirements for banks with $5 billion or less in consolidated assets.
- The *Strategy for Combating the Financing of Transnational Criminal Organizations Act* (H.R 4768), requires the president, through the Secretary of the Treasury, to develop a national strategy to combat the financial networks of transnational criminal organizations (TCOs). It is designed to assess the most significant TCO threats and the individuals or groups that provide financial support or help those TCOs.

SEC Issues Interpretive Guidance on Public Company Cybersecurity Disclosures

On February 21, 2018, the SEC issued an interpretive release numbers 33-10459 and 34-82746 to provide the SEC's views about public companies' disclosure obligations with respect to matters involving cybersecurity risk and incidents as well as to assist public companies in preparing disclosures about cybersecurity risks and incidents.

In 2011, the Division of Corporation Finance ("CorpFin") issued *CF Disclosure Guidance: Topic No. 2, Cybersecurity* providing its views regarding disclosure obligations relating to cybersecurity risks and incidents.

The recent February release reinforces CorpFin's views originally published in *CF Disclosure Guidance: Topic No. 2, Cybersecurity* and expands upon that guidance to address two topics not developed in the original 2011 guidance, namely the importance of cybersecurity policies and procedures and the application of insider trading prohibitions, and Regulation FD and selective disclosure prohibitions in the cybersecurity context.

For the February release, Click Here

For the 2011 guidance, Click Here

Quarterly Accounting Update: Other Developments

Major Accounting Changes for Not-for-Profit Groups in 2018

Not-for-profit organizations with fiscal years that end after December 31, 2017, need to be ready to change how they prepare their financial statements because of the changes in ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, issued in August 2016. Under the new ASU, net asset reporting will be streamlined and clarified. The existing three-category classification of net assets (i.e., unrestricted, temporarily restricted, and permanently restricted) will be replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." Differences in the nature of donor restrictions will be disclosed in the notes, with an emphasis on how and when the resources can be used. The guidance for classifying deficiencies in endowment funds ("underwater endowments") and on accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment have also been simplified and clarified.

New disclosures will highlight restrictions on the use of resources that make otherwise liquid assets unavailable for meeting near-term financial requirements. Entities will be required to disclose (on the face of the statement or in notes) the extent to which the balance sheet comprises financial assets, the extent to which those assets can be converted to cash within one year, and any limitations that would preclude their current use.

NFPs will continue to have flexibility to decide whether to report an operating subtotal and if so, to self-define what is included or excluded. However, if the operating subtotal includes internal transfers made by the governing board, transparent disclosure must be provided.

The ASU also imposes several new requirements related to reporting expenses. In addition to reporting expenses by functional classifications (i.e., programs and supporting activities) as is required today, NFPs will be required to provide information about expenses by their nature. All NFPs must provide an analysis showing how the nature of their expenses relates to their programs and supporting activities. Enhanced disclosures about the methods used to allocate costs among program and support functions will also be required.

Investment return will continue to be presented net of investment expenses. However, the expenses that can be netted will be limited to external investment expenses and direct internal investment expenses, which is narrower than what is permitted today. Disclosure of netted expenses is no longer required.

AICPA Requests Private Company Relief from Revenue Standard

A January 17, 2018, letter from the AICPA's Private Companies Practice Section (PCPS) asked that private companies be allowed to employ less restrictive interpretations for five aspects of ASC 606*, Revenue From Contracts With Customers*. Public companies had to begin applying the standard with their first-quarter 2018 SEC filings. Other organizations, including private companies, must adopt it in 2019.

The new standard defines a contract as "an agreement between two or more parties that creates enforceable rights and obligations. Enforceability of the rights and obligations in a contract is a matter of law." In ASC 605, *Revenue Recognition*, which is being replaced by ASC 606, a contract must be "realizable," which is a lower barrier. The new definition could result in delayed recognition of revenue if a deal does not satisfy the formal definition of a contract.

The PCPS also asked the FASB to clarify a piece of the new revenue recognition model which requires that customer options for additional goods and services that are a material right be considered distinct performance obligations. Identifying and quantifying the new units of account will require a level of internal controls not typically found at many private companies. The PCPS asked that private companies be allowed to continue to apply, by accounting policy election, the incremental cost method for customer options for additional goods and services that are a material right.

The PCPS also asked that private, short-cycle manufacturing companies be allowed to recognize revenue when their products are shipped, rather than having to assess contracts to determine if the revenue should be recognized over time.

In addition, the group asked for a practical expedient that would let private companies recognize revenue for out-of-pocket costs that are reimbursed by the customer, based on the amount to be reimbursed when the costs are incurred. ASC 606 states that out-of-pocket costs need to be estimated as part of the contract's transaction price and recognized as revenue.

Finally, the PCPS asked that not-for-profit groups that are conduit debt obligors be allowed to follow the new accounting standard as of the 2019 effective date for private companies.

Quarterly Accounting Update: On the Horizon

The following selected FASB exposure drafts and projects are outstanding as of March 31, 2018.

Targeted Improvements to the Lease Accounting Standard

In January, the FASB issued a proposal to make the lease accounting standard easier to apply. The proposed ASU, would make the following changes:

- Add an option for transition to ASU 2016-02, *Leases*, that would permit an organization to apply the transition provisions of the new standard at its adoption date instead of at the earliest comparative period presented in its financial statements
- Add a practical expedient that would permit lessors to not separate non-lease components from the associated lease components if certain conditions are met. This practical expedient could be elected by class of underlying assets; if elected, certain disclosures would be required.

Balance Sheet Classification of Debt

The purpose of this project is to reduce cost and complexity by replacing the fact-pattern specific guidance in U.S. GAAP with a principle to classify debt as current or noncurrent based on the contractual terms of a debt arrangement and an entity's current compliance with debt covenants.

On January 10, 2017, the FASB issued a proposed ASU on determining whether debt should be classified as current or noncurrent in a classified balance sheet. In place of the current, fact-specific guidance in ASC 470-10, the proposed ASU would introduce a classification principle under which a debt arrangement would be classified as noncurrent if either (1) the "liability is contractually due to be settled more than one year (or operating cycle, if longer) after the balance sheet date" or (2) the "entity has a contractual right to defer settlement of the liability for at least one year (or operating cycle, if longer) after the balance sheet date." Under an exception to the classification principle, an entity would not classify debt as current solely because of the occurrence of a debt covenant violation that gives the lender the right to demand repayment of the debt, as long as the lender waives its right before the financial statements are issued (or are available to be issued).

Many businesses, professional groups, and some auditors criticized the proposal in their comment letters. But others, including a majority of the FASB's Private Company Council (PCC) at a meeting in July, stated the FASB's proposal made sense and would simplify U.S. GAAP's myriad, fact-specific rules about debt classification. Proponents of the changes also said that by the time the updated guidance became effective, the public would have a better idea about the principles behind the changes. Regulators also potentially could adapt their rules so companies that reported higher short-term debt solely because of the accounting change would not be disqualified from projects.

On September 13, 2017, the FASB approved the update 6-1. The FASB agreed that public companies would have to comply with the new guidance for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Private companies and other organizations would not have to follow the revised guidance until their fiscal years that begin after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. All organizations can apply the amendments early.

The FASB is expected to issue the final standard during the second quarter of 2018.

GASB Proposal to Require More Disclosures about Debts

On July 12, 2017, the GASB released a proposal to require state and local governments to disclose more information in their financial statement footnotes about their debts. Specifically, the proposal calls for state and local governments to provide more information about the amounts of their lines of credit they have not yet used, the collateral pledged to secure debt, and the specific terms in debt agreements among other things. The proposal also includes proposed guidance that would clarify which liabilities governments should include in their footnote disclosures related to debt.

The GASB is expected to issue the final standard during the second quarter of 2018.

Clarification for Not-for-Profits' Accounting for Contributions

On August 3, 2017, the FASB is issued a proposed ASU to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this proposed ASU would assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) distinguishing between conditional contributions and unconditional contributions.

The amendments in this proposed ASU would clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The proposed amendments would clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred on the basis of the following:

1. A resource provider (including a private foundation, a government agency, or other) is not synonymous with the general public. Indirect benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider.
2. Execution of a resource providers' mission or the positive sentiment from acting as a donor would not constitute commensurate value received by a resource provider for purposes of determining whether a transfer of assets is a contribution or an exchange.

The amendments in this proposed ASU would require that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

The FASB is currently redeliberating the proposed ASU in light of the comments received.

Expanded Inventory Disclosures Proposed

On January 10, 2017, the FASB issued a proposed ASU, *Disclosure Framework—Changes to the Disclosure Requirements for Inventory*, which calls on businesses to provide more detailed disclosures about their raw materials and finished goods.

The proposed ASU would require business to disclose their inventory by component, such as by raw materials, finished goods, supplies, and works-in-process. Businesses also would have to break down how their inventory is measured. Businesses use a variety of measurement techniques for inventory, including last-in, first-out (LIFO), first-in, first-out (FIFO), LIFO retail inventory method, or weighted average. Significant shrinkage, spoilage, damage or other unusual transactions or circumstances affecting inventory balances also would have to be disclosed. Additionally, businesses would have to describe the types of costs capitalized into inventory, the effect of LIFO liquidations on income, and the replacement cost of LIFO inventory.

The FASB is currently redeliberating the proposed ASU in light of the comments received.

Nonemployee Share-Based Payment Accounting Improvements

The purpose of this project is to reduce cost and complexity and improve the accounting for nonemployee share-based payment awards issued by public and private companies.

On March 7, 2017, the FASB issued a proposed ASU that would simplify the accounting for share-based payments granted to nonemployees for goods and services. Under the proposal, most of the guidance on such payments would be aligned with the requirements for share-based payments granted to employees.

The FASB is expected to issue the final standard during the second quarter of 2018.

Disclosure Framework

The disclosure framework project consists of two phases: (1) the FASB's decision process and (2) the entity's decision process. The overall objective of the project is to improve the effectiveness of disclosures in notes to financial statements by clearly communicating the information that is most important to users of each entity's financial statements. Although reducing the volume of the notes to financial statements is not the primary focus, the FASB hopes that a sharper focus on important information will result in reduced volume in most cases.

In March 2014, the FASB issued an Exposure Draft, *Conceptual Framework for Financial Reporting:*

Chapter 8 Notes to Financial Statements, intended to improve its process for evaluating existing and future disclosure requirements in notes to financial statements. Specifically, it addresses the FASB's process for identifying relevant information and the limits on information that should be included in notes to financial statements. If approved, it would become part of the FASB's Conceptual Framework, which provides the foundation for making standard-setting decisions.

In September 2015, the FASB issued two proposals—one about the use of materiality by reporting entities, *Assessing Whether Disclosures Are Material*, and the other amending the Conceptual Framework's definition of materiality, *Conceptual Framework for Financial Reporting Chapter 3: Qualitative Characteristics of Useful Financial Information*. These two proposals were issued to help entities decide what information should be included in their footnotes without bogging them down with extra details.

The main provisions would draw attention to the role materiality plays in making decisions about disclosures. More specifically, the proposed ASU explains that: (a) materiality would be applied to quantitative and qualitative disclosures individually and in the aggregate in the context of the financial statements as a whole; therefore, some, all, or none of the requirements in a disclosure Section may be material; (b) materiality would be identified as a legal concept; and (c) omitting a disclosure of immaterial information would not be an accounting error.

At its November 2017 meeting, the FASB decided that the concepts on the notes to financial statements, subject to any new/revised decisions made in redeliberations, are substantially complete, however redeliberations are ongoing in response to the comments received.

Consolidation Reorganization

On November 2, 2016, the Board added this project to its technical agenda. Further, it tentatively decided to (1) clarify the consolidation guidance in ASC 810, *Consolidation*, by dividing it into separate Codification subtopics for voting interest entities and variable interest entities (VIEs); (2) develop a new Codification topic that would include those reorganized subtopics and would completely supersede ASC 810; (3) rescind the subsections on consolidation of entities controlled by contract in ASC 810-10-15 and in ASC 810-30 on research and development arrangements; (4) further clarify that power over a VIE is obtained through a variable interest; and (5) provide further clarification of the application of the concept of "expected," which is used throughout the VIE consolidation guidance.

At its March 8, 2017, meeting, the FASB discussed the feedback received at its December 16, 2016, public roundtable and voted to move forward with a proposed ASU that reorganizes the consolidation guidance. On September 20, 2017, the FASB issued Proposed ASU, *Consolidation (Topic 812): Reorganization* and the comment period has closed. The proposed ASU is now in the redeliberation phase related to comment responses received.

Targeted Improvements to VIE Guidance

At its March 8, 2017, meeting, the FASB decided to add to its agenda a project on an elective private-company scope exception to the VIE guidance for entities under common control and certain targeted improvements to the existing related-party guidance in the VIE model. On May 18, 2017, the FASB directed the Staff to draft a proposed ASU for a vote by written ballot. The exposure draft, *Consolidations (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* was issued in June and the comment period has closed. The proposed ASU is now in the redeliberation phase related to comment responses received.

EITF Agenda Items

At its January 2018 meeting, the FASB's Emerging Issues Task Force (EITF) reached a consensus-for-exposure that certain implementation costs associated with a cloud computing arrangement that is considered a service contract should be capitalized as deferred costs. Costs will need to be evaluated for capitalization using the same model as implementation costs associated with arrangements that include a software license.

EITF Discussion

In May 2017, the FASB asked the EITF to address the customer's accounting for implementation costs in a cloud computing arrangement that is considered a service contract. The objective of this issue is to reduce diversity in practice.

At the October 12, 2017 Task Force meeting, the Task Force tentatively decided that a customer should account for a cloud computing arrangement in the same manner as internal-use software. That is, an entity would record an asset (similar to a right-of-use asset) and a liability measured at the present value of the unpaid hosting fees related to the software element, similar to the new leases guidance. An entity would capitalize or expense implementation costs pursuant to ASC 350-40. Most Task Force members supported this alternative because it would align the accounting for all cloud computing arrangements, regardless of whether they contain a license. The FASB Staff was directed to research whether the guidance in ASC 842, *Leases*, could be leveraged to address various issues.

In conjunction with their research, the Staff sought feedback from various advisory groups. Some stakeholders supported the decision to capitalize the software element because these arrangements are similar to leases, and there is no economic difference between a cloud computing arrangement and on-premise software. Others disagreed with capitalizing the software element because the customer does not control the hosted software. Rather, they thought only implementation cost accounting should be aligned for all cloud computing arrangements. Still, others stated that a cloud computing arrangement is a service contract, and all associated costs should be expensed.

At the January 18 meeting, the Task Force discussion focused on two alternatives, referred to as Alternative C (revised) and Alternative C (original). Alternative C (revised) was the Task Force's tentative decision described above. Under alternative C (original), only implementation costs would be capitalized, using the same model as if the cloud computing arrangement included a software license.

Members who supported Alternative C (revised) believe that the customer in a cloud computing arrangement has an economic resource irrespective of the ownership or location of the software, and it should therefore be accounted for in the same manner as internal-use software. They believe there is no conceptual basis to capitalize implementation costs if the arrangement were to be considered a service contract. Members who supported Alternative C (original) stated that implementation costs enhance the value of the contract and should therefore be accounted for as an asset. Additionally, this alternative avoids the complexities and potential unintended consequences of applying lease accounting.

The Task Force reached consensus-for-exposure on Alternative C (original) with a slight revision. As a result of concerns that implementation costs would be treated differently than the hosting fees to which they relate (e.g., implementation costs would be considered an intangible asset that would be amortized), the Task Force decided that the nature of the implementation costs should be aligned with the service contract to which it relates and should be considered a deferred cost. That is, preparers would utilize ASC 350-40 to determine which implementation costs are eligible to be deferred and ASC 340-10, *Other Assets and Deferred Costs*, to determine recognition, measurement and disclosure. The Task Force also concluded that the amortization period of the deferred costs should be the non-cancellable term of the contract plus any reasonably certain renewal periods.

The Task Force decided that a company can choose between a retrospective or prospective transition method of adoption. Prospective transition would require application to only cloud computing arrangements that are service contracts entered into or modified after the effective date. Retrospective transition would require entities to restate all arrangements through a cumulative-effect adjustment to retained earnings for arrangements entered into before the beginning of the earliest period presented.

The Task Force also recommended specific disclosures for these arrangements. Disclosures would include a general description of the terms and conditions of the arrangement, significant judgments and estimates made in applying the amendments, and a qualitative and quantitative description of the costs capitalized and expensed.

The FASB has issued an exposure draft for the proposed ASU on Issue 17-A for public comment.

PCC Activities

The Private Company Council (PCC) did not meet during the first quarter. The next PCC meeting will be held on Friday, April 20, 2018.

APPENDIX A

Important Implementation Dates

The following table contains significant implementation dates and deadlines for FASB/EITF/PCC and GASB standards.

FASB/EITF/PCC Implementation Dates

Pronouncement	Affects	Effective Date and Transition
ASU 2018-05, *Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*	All entities that are SEC filers.	Effective upon issuance.
ASU 2018-04, *Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 117 and SEC Release No. 33-9273*	All entities that are SEC filers.	Effective upon issuance.
ASU 2018-03, *Recognition and Measurement of Financial Assets and Financial Liabilities*	All entities	For public business entities the amendments in this Update are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018. Public business entities with fiscal years beginning between December 15, 2017, and June 15, 2018, are not required to adopt these amendments until the interim period beginning after June 15, 2018, and public business entities with fiscal years beginning between June 15, 2018, and December 15, 2018, are not required to adopt these amendments before adopting the amendments in Update 2016-01. For all other entities, the effective date is the same as the effective date in Update 2016-01. All entities may early adopt these amendments for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted Update 2016-01.

Pronouncement	Affects	Effective Date and Transition
ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*	All entities	Effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption of the amendments in this ASU is permitted, including adoption in any interim period, (1) for public business entities for reporting periods for which financial statements have not yet been issued and (2) for all other entities for reporting periods for which financial statements have not yet been made available for issuance.
ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*	All entities	The effective date and transition requirements for ASU 2018-01 are the same as the effective date and transition requirements in ASU 2016-02. An entity that early adopted ASC 842 should apply the amendments in this ASU upon issuance.
ASU 2017-15, *Elimination of Topic 995*	Steamship entities that have unrecognized deferred taxes related to statutory reserve deposits that were made on or before December 15, 1992	Effective for fiscal years and first interim periods beginning after December 15, 2018. Early adoption is permitted for all entities, including adoption in an interim period.
ASU 2017-14, *Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 116 and SEC Release No. 33-10403*	All entities that are SEC filers.	Effective upon issuance.
ASU 2017-13, *Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments (SEC Update)*	All entities that are SEC filers.	Effective upon issuance.

Pronouncement	Affects	Effective Date and Transition
ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities*	Entities that elect to apply hedge accounting	Effective for public business entities for fiscal years beginning after December 15, 2018, and interim periods therein. Effective for all other entities for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. All entities are permitted to early adopt the new guidance in any interim or annual period after issuance of the ASU.
ASU 2017-11, *(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*	Entities that issue financial instruments that include down round features	Effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Effective for all other entities for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted.
ASU 2017-10, *Determining the Customer of the Operation Services—a consensus of the Emerging Issues Task Force*	Operating entities with service concession arrangements within the scope of ASC 853, *Service Concession Arrangements*	Dependent upon the adoption of ASC 606, *Revenue from Contracts with Customers*.
ASU 2017-09, *Scope of Modification Accounting*	Entities that provide share-based payment awards.	Effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period. The amendments should be applied prospectively to an award modified on or after the adoption date.
ASU 2017-08, *Premium Amortization on Purchased Callable Debt Securities*	Entities that hold investments in callable debt securities held at a premium	Effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, including adoption in an interim period.

Pronouncement	Affects	Effective Date and Transition
ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*	Entities that offer defined benefit pension plans, other postretirement benefit plans, or other types of benefits accounted for under ASC 715.	Effective for public business entities for interim and annual periods beginning after December 15, 2017. For other entities, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods in the subsequent annual period. Early adoption is permitted as of the beginning of any annual period for which an entity's financial statements have not been issued or made available for issuance.
ASU 2017-06, *Employee Benefit Plan Master Trust Reporting—a consensus of the Emerging Issues Task Force*	Entities within the scope of ASC 960, ASC 962, or ASC 965.	Effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. An entity should apply the amendments retrospectively to each period for which financial statements are presented.
ASU 2017-05, *Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*	All entities.	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2017-04, *Simplifying the Test for Goodwill Impairment*	All entities.	Effective for public business entities that are SEC filers for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2019. For public business entities that are not SEC filers, the amendments are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2020. For all other entities, including not-for-profit entities, the amendments are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.
ASU 2017-03, *Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings*	All entities.	Effective upon issuance.

Pronouncement	Affects	Effective Date and Transition
ASU 2017-02, *Clarifying When a Not-for-Profit Entity That Is a General Partner or a Limited Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity*	Not-for-profit entities.	Effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period.
ASU 2017-01, *Clarifying the Definition of a Business*	All entities.	Effective for public business entities for annual periods beginning after December 15, 2017, including interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.
ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*	All entities.	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-19, *Technical Corrections and Improvements*	All entities.	Effective upon issuance (December 14, 2016) for amendments that do not have transition guidance. Amendments that are subject to transition guidance: effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted.
ASU 2016-18, *Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*	All entities.	The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments should be applied using a retrospective transition method to each period presented.

Pronouncement	Affects	Effective Date and Transition
ASU 2016-17, *Interests Held through Related Parties That Are under Common Control*	All entities.	The amendments are effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. Entities that have not yet adopted the amendments in ASU 2015-02 are required to adopt the amendments at the same time they adopt the amendments in ASU 2015-02 and should apply the same transition method elected for the application of ASU 2015-02. Entities that already have adopted the amendments in ASU 2015-02 are required to apply the amendments retrospectively to all relevant prior periods beginning with the fiscal year in which the amendments in ASU 2015-02 initially were applied.
ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory*	All entities.	For public business entities, the amendments are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued or made available for issuance. That is, earlier adoption should be in the first interim period if an entity issues interim financial statements. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption.

Pronouncement	Affects	Effective Date and Transition
ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)*	All entities.	The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The amendments should be applied using a retrospective transition method to each period presented. If it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable.
ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*	All not-for-profit entities.	The amendments are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments is permitted.
ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*	All entities that hold financial assets and net investment in leases that are not accounted for at fair value through net income.	For public business entities (PBE) that are Securities and Exchange Commission (SEC) filers, the new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 (for a calendar-year entity, it would be effective January 1, 2020). For PBEs that are not SEC filers, the new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other organizations, the new standard is effective for fiscal years beginning after December 15, 2020, and for interim periods within fiscal years beginning after December 15, 2021. Early application will be permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.

Pronouncement	Affects	Effective Date and Transition
ASU 2016-12, *Narrow-Scope Improvements and Practical Expedients*	All entities	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-11, *Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting (SEC Update)*	None.	None.
ASU 2016-10, *Identifying Performance Obligations and Licensing*	All entities	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting*	All entities that issue share-based payment awards to their employees.	For public business entities, the amendments are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for any organization in any interim or annual period.
ASU 2016-08, *Principal versus Agent Considerations* ***(Reporting Revenue Gross versus Net)***	All entities.	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-07, *Simplifying the Transition to the Equity Method of Accounting*	Entities that have an investment that becomes qualified for the equity method of accounting as a result of an increase in the level of ownership interest or degree of influence.	The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Earlier application is permitted.

Pronouncement	Affects	Effective Date and Transition
ASU 2016-06, *Contingent Put and Call Options in Debt Instruments (a consensus of the Emerging Issues Task Force)*	Entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options.	For public business entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For entities other than public business entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. An entity should apply the amendments on a modified retrospective basis to existing debt instruments as of the beginning of the fiscal year for which the amendments are effective. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period.
ASU 2016-05, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships (a consensus of the Emerging Issues Task Force)*	Entities for which there is a change in the counterparty to a derivative instrument that has been designated as a hedging instrument.	For public business entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. An entity has an option to apply the amendments on either a prospective basis or a modified retrospective basis. Early adoption is permitted, including adoption in an interim period.

Pronouncement	Affects	Effective Date and Transition
ASU 2016-04, *Recognition of Breakage for Certain Prepaid Stored-Value Products (a consensus of the Emerging Issues Task Force)*	Entities that offer certain prepaid stored-value products.	For public business entities, certain not-for-profit entities, and certain employee benefit plans, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The amendments should be applied either using a modified retrospective transition method by means of a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year in which the guidance is effective or retrospectively to each period presented. Earlier application is permitted, including adoption in an interim period.
ASU 2016-03, *Effective Date and Transition Guidance (a consensus of the Private Company Council)*	All entities except public business entities, as defined in the Master Glossary of the FASB Accounting Standards Codification, not-for-profit entities, and employee benefit plans.	The amendments are effective immediately.
ASU 2016-02, *Leases*	All lessee and lessor entities.	For public business entities, NFPs that have issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an OTC market, or an employee benefit plan that files financial statements with the SEC, the amendments are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application of the amendments is permitted for all entities.

Pronouncement	Affects	Effective Date and Transition
ASU 2016-01, ***Recognition and Measurement of Financial Assets and Financial Liabilities***	Entities that hold financial assets or owe financial liabilities.	For public companies the amendments are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For private companies, not-for-profit organizations, and employee benefit plans, the standard becomes effective for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019.
ASU 2015-17, ***Balance Sheet Classification of Deferred Taxes***	Entities that have deferred tax assets and/or deferred tax liabilities.	For public business entities, the amendments are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018.
ASU 2015-16, ***Simplifying the Accounting for Measurement-Period Adjustments***	Entities that have reported provisional amounts for items in a business combination for which the accounting is incomplete.	For public business entities, the amendments are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. All other entities are required to apply the new requirements for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. All entities are required to apply the amendments prospectively to adjustments to provisional amounts that occur after the effective date, with earlier application permitted for financial statements that have not been issued.
ASU 2015-14, ***Revenue From Contracts With Customers (ASC 606): Deferral of the Effective Date***	All entities.	See the Effective Date and Transition of ASU 2014-09, below.

Pronouncement	Affects	Effective Date and Transition
ASU 2015-11, *Simplifying the Measurement of Inventory*	Entities that have inventory.	For public business entities, the amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period.
ASU 2015-09, *Disclosures about Short-Duration Contracts*	Insurance entities that issue short-duration contracts as defined in FASB ASC 944, *Financial Services—Insurance*.	For public business entities, the amendments are effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. For all other entities, the amendments are effective for annual periods beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017.
ASU 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*	All entities.	For public business entities, the amendments will be effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments will be effective for annual periods beginning after December 15, 2015, and interim periods in annual periods beginning after December 15, 2016. Early adoption is permitted for all entities.
ASU 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*	All entities.	The amendments are effective for public business entities for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Earlier application is permitted.
ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*	All entities.	For public business entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued.

Pronouncement	Affects	Effective Date and Transition
ASU 2015-02, *Amendments to the Consolidation Analysis*	All entities.	Effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. A reporting entity may apply the amendments using a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption. A reporting entity also may apply the amendments retrospectively.
ASU 2014-18, *Accounting for Identifiable Intangible Assets in a Business Combination—a consensus of the Private Company Council*	All entities except public business entities, as defined in the Master Glossary of the FASB Accounting Standards Codification, not-for-profit entities, and employee benefit plans.	Effective prospectively to the first in-scope transaction after the adoption of the accounting alternative.
ASU 2014-16, *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*	All entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share.	Effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. Entities should apply the guidance on a modified retrospective basis (cumulative-effect retained earnings adjustment as of the beginning of the year of adoption) to existing hybrid instruments issued in the form of a share as of the beginning of the fiscal year for which this ASU is effective. Retrospective application is permitted to all relevant prior periods.

Pronouncement	Affects	Effective Date and Transition
ASU 2014-15, *Disclosure of Uncertainties About and an Entity's Ability to Continue as a Going Concern*	All entities.	Effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted.
ASU 2014-13, *Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity—a Consensus of the Emerging Issues Task Force*	A reporting entity that is required to consolidate a collateralized financing entity.	Effective for public business entities for annual periods and interim periods within those annual periods beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods ending after December 15, 2016, and interim periods beginning after December 15, 2016. Early adoption is permitted as of the beginning of an annual period.
ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*	All entities.	Except for the amendments to ASC 810, the guidance is effective for public business entities for reporting periods (including interim periods) beginning after December 15, 2014. For other entities, the amendments are effective for annual periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. The amendments to ASC 810 are effective one year later for public business entities and two years later for other entities. The guidance should be applied retrospectively, except for the clarification to ASC 275, which applied prospectively. Early adoption of the amendments is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued.

Pronouncement	Affects	Effective Date and Transition
ASU 2014-09, *Revenue from Contracts with Customers*	All entities.	For public business entities, certain not-for-profit entities, and certain employee benefit plans, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early application is permitted only as of annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. For all other entities, the ASU is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. All other entities may apply the ASU early as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance in the ASU early as of an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance in the ASU. An entity should apply the guidance either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying guidance at the date of initial application.

GASB Implementation Dates

Pronouncement	Affects	Effective Date and Transition
Statement 87, *Leases*	Governmental entities.	Effective for reporting periods beginning after December 15, 2019.
Statement 86, *Certain Debt Extinguishment Issues*	Governmental entities.	Effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.
Statement 85, *Omnibus 2017*	Governmental entities.	Effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.
Statement 84, *Fiduciary Activities*	Governmental entities.	Effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
Statement 83, *Certain Asset Retirement Obligations*	Governmental entities.	Effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

Pronouncement	Affects	Effective Date and Transition
Statement 82, *Pension Issues*	Governmental entities.	Effective for reporting periods beginning after June 15, 2016, except for the requirements for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.
Statement 81, *Irrevocable Split-Interest Agreements*	Governmental entities.	Effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.
Statement 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*	Governmental entities.	Effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.
Statement 79, *Certain External Investment Pools and Pool Participants*	Governmental entities.	Effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.
Statement 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*	Governmental entities.	Effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.
Statement 77, *Tax Abatement Disclosures*	Governmental entities.	Effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.
Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*	Governmental entities.	Effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged.
Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*	Governmental entities.	Effective for fiscal years beginning after June 15, 2017. Early adoption is encouraged.

Pronouncement	Affects	Effective Date and Transition
Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*	Governmental entities.	Effective for financial statements for periods beginning after June 15, 2016. Early adoption is encouraged.
Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*	Governmental entities.	Effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. Early adoption is encouraged.
Statement 72, *Fair Value Measurement and Application*	Governmental entities.	Effective for financial statements for periods beginning after June 15, 2015. Early adoption is encouraged.

APPENDIX B

Illustrative Disclosures for Recently Issued Accounting Pronouncements

For the Quarter Ended March 31, 2018

The illustrative disclosures below are presented in plain English. Please review each disclosure for its applicability to your organization and the need for disclosure in your organization's financial statements.

ASU 2014-09 — Applicable to all:

In May 2014, the FASB issued guidance to change the recognition of revenue from contracts with customers. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. This guidance also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The guidance will be effective for the Company for *[reporting periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities]* The Company will apply the guidance using a *[full retrospective approach] [modified retrospective approach]*. The Company is currently in the process of evaluating the impact of adoption of this guidance on the financial statements.

ASU 2015-02 — Applicable to all:

In February 2015, the FASB issued guidance which amends the consolidation requirements and significantly changes the consolidation analysis required under U.S. GAAP. Although the amendments are expected to result in the deconsolidation of many entities, the Company will need to reevaluate all its previous consolidation conclusions. The amendments will be effective for *[fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015-public business entities] [fiscal years beginning after December 15, 2016, and interim periods beginning after December 15, 2017-all other entities]*, with early adoption permitted (including during an interim period), provided that the guidance is applied as of the beginning of the annual period containing the adoption date. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2015-04 — Applicable to entities with defined benefit pension plans:

In April 2015, the FASB issued guidance which provides a practical expedient that permits the Company to measure defined benefit plan assets and obligations using the month-end that is closest to the Company's fiscal year-end. The amendments will be effective for *[fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015-public business entities] [fiscal years beginning after December 15, 2016, and interim periods beginning after December 15, 2017-all other entities]*, with early adoption permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2015-09 — Applicable to insurance entities that issue short-duration contracts:

In May 2015, the FASB issued guidance which requires insurance entities to disclose for annual reporting periods certain information about the liability for unpaid claims and claim adjustment expenses. The amendments will be effective for *[fiscal years beginning after December 15, 2015 and interim periods beginning after December 15, 2016-public business entities] [fiscal years beginning after December 15, 2016, and interim periods beginning after December 15, 2017-all other entities]*, with early adoption permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2015-11 — Applicable to entities that have inventory:

In July 2015, the FASB issued amendments to the Inventory topic of the Accounting Standards Codification to require inventory other than inventory measured at LIFO or retail methods to be measured at the lower of cost and net realizable value. Other than the change in the subsequent measurement guidance from the lower of cost or market to the lower of cost and net realizable value for inventory, there are no other substantive changes to the guidance on measurement of inventory. The amendments will be effective for *[fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016-public business entities] [fiscal years beginning after December 15, 2016, and interim periods beginning after December 15, 2017-all other entities]*, with early adoption permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2015-14 — Applicable to all:

In August 2015, the FASB deferred the effective date of ASU 2014-09, *Revenue from Contracts with Customers.* As a result of the deferral, the guidance in ASU 2014-09 will be effective for the Company for *[reporting periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities]* The Company will apply the guidance using a [*full retrospective approach] [modified retrospective approach]*. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2015-16 — Applicable to all entities that have reported provisional amounts for items in a business combination for which the accounting is incomplete:

In September 2015, the FASB amended the Business Combinations topic of the Accounting Standards Codification to simplify the accounting for adjustments made to provisional amounts recognized in a business combination by eliminating the requirement to retrospectively account for those adjustments. The amendments will be effective for *[fiscal years, and interim periods within those fiscal years,* *beginning after December 15, 2015-public business entities] [fiscal years beginning after December 15, 2016, and interim periods beginning after December 15, 2017-all other entities]*, with early adoption permitted for financial statements that have not been issued. All entities are required to apply the amendments prospectively to adjustments to provisional amounts that occur after the effective date. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2015-17 — Applicable to entities that have deferred tax assets and/or deferred tax liabilities:

In November 2015, the FASB amended the Income Taxes topic of the Accounting Standards Codification to simplify the presentation of deferred income taxes by requiring that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments will be effective for *[financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods-public business entities] [financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018-all other entities]*, with early adoption permitted as of the beginning of an interim or annual reporting period. The Company will apply the guidance *[prospectively] [retrospectively]*. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-01 — Applicable to entities that hold financial assets or owe financial liabilities:

In January 2016, the FASB amended the Financial Instruments topic of the Accounting Standards Codification to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments will be effective for *[fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.-all other entities, including not-for-profit organizations and employee benefit plans]* The Company will apply the guidance by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values will be applied prospectively to equity investments that exist as of the date of adoption of the amendments. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-02 — Applicable to lessee and lessor entities:

In February 2016, the FASB amended the Leases topic of the Accounting Standards Codification to require all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the income statement. The amendments will be effective for *[fiscal years beginning after December*

15, 2018, including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.-all other entities] Early adoption is permitted. The Company is currently in the process of evaluating the impact of adoption of this guidance on the financial statements.

We expect to adopt the guidance using the modified retrospective method and practical expedients for transition. The practical expedients allow us to largely account for our existing leases consistent with current guidance except for the incremental balance sheet recognition for lessees. We have started an initial evaluation of our leasing contracts and activities. We have also started developing our methodology to estimate the right-of use assets and lease liabilities, which is based on the present value of lease payments (the December 31, 2017 future minimum lease payments were $____ million). We do not expect a material change to the timing of expense recognition, but we are early in the implementation process and will continue to evaluate the impact. We are evaluating our existing disclosures and may need to provide additional information as a result of adoption of the ASU.

ASU 2016-04 — Applicable to entities that offer certain prepaid stored-value products:

In March 2016, the FASB amended the Liabilities topic of the Accounting Standards Codification to address the current and potential future diversity in practice related to the derecognition of a prepaid stored-value product liability. The amendments will be effective for *[financial statements issued for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.-public business entities] [financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.-all other entities]* Early adoption is permitted. The Company will apply the guidance *[using a modified retrospective transition method by means of a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year in which the guidance is effective] [retrospectively]* to each period presented. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-05 — Applicable to entities for which there is a change in the counterparty to a derivative instrument that has been designated as a hedging instrument:

In March 2016, the FASB amended the Derivatives and Hedging topic of the Accounting Standards Codification to clarify that a change in the counterparty to a derivative instrument that has been designated as the hedging instrument does not, in and of itself, require dedesignation of that hedging relationship provided that all other hedge accounting criteria continue to be met. The amendments will be effective for *[financial statements issued for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.-public companies] [financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018.-all other entities]* Early adoption is permitted. The Company will apply the guidance *[using a modified retrospective transition] [prospectively]* to each period presented. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-06 — Applicable to entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options:

In March 2016, the FASB amended the Derivatives and Hedging topic of the Accounting Standards Codification to clarify the requirements for assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts. The amendments will be effective for *[financial statements issued for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.-public business entities] [financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018.-all other entities]* Early adoption is permitted. The Company will apply the guidance using a modified retrospective transition to existing debt instruments as of the beginning of the fiscal year for which the amendments are effective. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-08 — Applicable to all:

In March 2016, the FASB amended the Revenue from Contracts with Customers topic of the Accounting Standards Codification to clarify the implementation guidance on principal versus agent considerations and address how an entity should assess whether it is the principal or the agent in contracts that include three or more parties. The amendments will be effective for the Company for *[reporting periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities]* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-09 — Applicable to all:

In March 2016, the FASB issued guidance to simplify several aspects of the accounting for share-based payment award transactions including the income tax consequences, the classification of awards as either equity or liabilities, and the classification on the statement of cash flows. Additionally, the guidance simplifies two areas specific to entities other than public business entities allowing them apply a practical expedient to estimate the expected term for all awards with performance or service conditions that have certain characteristics and also allowing them to make a one-time election to switch from measuring all liability-classified awards at fair value to measuring them at intrinsic value. The amendments will be effective for the Company for *[annual periods beginning after December 15, 2016 and interim periods within those annual periods.-public business entities] [annual periods beginning after December 15, 2017, and interim periods within annual reporting periods beginning after December 15, 2018.-all other entities]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-10 — Applicable to all:

In April 2016, the FASB amended the Revenue from Contracts with Customers topic of the Accounting Standards Codification to clarify guidance related to identifying performance obligations and accounting for licenses of intellectual property. The amendments will be effective for the Company for *[reporting periods beginning after December 15, 2017.-<u>public business entities</u>] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-<u>all other entities</u>]* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-12 — Applicable to all:

In May 2016, the FASB amended the Revenue from Contracts with Customers topic of the Accounting Standards Codification to clarify guidance related to collectability, noncash consideration, presentation of sales tax, and transition. The amendments will be effective for the Company for *[reporting periods beginning after December 15, 2017.-<u>public business entities</u>] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-<u>all other entities</u>]* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-13 — Applicable to entities that hold financial assets and net investment in leases that are not accounted for at fair value through net income:

In June 2016, the FASB issued guidance to change the accounting for credit losses and modify the impairment model for certain debt securities. The guidance requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. The amendments will be effective for the Company for *[reporting periods beginning after December 15, 2019.-<u>SEC filers</u>]* [*reporting periods beginning after December 15, 2020.-<u>public business entities that are not SEC filers</u>] [annual periods beginning after December 15, 2020, and interim periods within annual reporting periods beginning after December 15, 2021.-<u>all other entities</u>]* Early adoption is permitted for all organizations for periods beginning after December 15, 2018. The Company is currently in the process of evaluating the impact of adoption of this guidance on the financial statements.

ASU 2016-14 — Applicable to all not-for-profit entities:

In August 2016, the FASB issued guidance to make targeted improvements to the not-for-profit financial reporting model, including changes in how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. The amendments will be effective for the Organization for fiscal years beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently evaluating the effect that implementation of the new guidance will have on its financial statements.

ASU 2016-15 — Applicable to all:

In August 2016, the FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2017 including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.-all other entities]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-16 — Applicable to all:

In October 2016, the FASB amended the Income Taxes topic of the Accounting Standards Codification to modify the accounting for intra-entity transfers of assets other than inventory. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2017 including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.-all other entities]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-17 — Applicable to all:

In October 2016, the FASB amended the Consolidation topic of the Accounting Standards Codification to revise the consolidation guidance on how a reporting entity that is the single decision maker of a variable interest entity (VIE) should treat indirect interests in the entity held through related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that VIE. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2016 including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017.-all other entities]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-18 — Applicable to all:

In November 2016, the FASB amended the Statement of Cash Flows topic of the Accounting Standards Codification to clarify how restricted cash is presented and classified in the statement of cash flows. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2017 including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.-all other* *entities]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2016-20 — Applicable to all:

In December 2016, the FASB issued technical corrections and improvements to the Revenue from Contracts with Customers Topic. These corrections make a limited number of revisions to several pieces of the revenue recognition standard issued in 2014. The effective date and transition requirements for the technical corrections will be effective for the Company for *[reporting periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities]* The Company will apply the guidance using a *[full retrospective approach] [modified retrospective approach]*. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-01 — Applicable to all:

In January 2017, the FASB issued guidance to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendment to the Business Combinations Topic is intended to address concerns that the existing definition of a business has been applied too broadly and has resulted in many transactions being recorded as business acquisitions that in substance are more akin to asset acquisitions. The guidance will be effective for the Company for *[reporting periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-02 — Applicable to all not-for-profit entities:

In January 2017, the FASB amended the Not-for-Profit Entities Topic of the Accounting Standards Codification to clarify consolidation guidance for not-for-profit entities. The amendments will be effective for the Organization for fiscal years beginning after December 15, 2016 and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial statements.

ASU 2017-04 — Applicable to all:

In January 2017, the FASB amended the Goodwill and Other Topic of the Accounting Standards Codification to simplify the accounting for goodwill impairment for public business entities and other entities that have goodwill reported in their financial statements and have not elected the private company alternative for the subsequent measurement of goodwill. The amendment removes Step 2 of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The effective date and transition requirements for the technical corrections will be effective for the Company for *[reporting periods beginning after December 15, 2019.-public business entities that are SEC filers] [reporting periods beginning after December 15, 2020.-public business entities that are not SEC filers] [reporting periods beginning after December 15, 2021.-all other entities]* Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-05 — Applicable to all:

In February 2017, the FASB amended the Other Income Topic of the Accounting Standards Codification to clarify the scope of the guidance on nonfinancial asset derecognition as well as the accounting for partial sales of nonfinancial assets. The amendments conform the derecognition guidance on nonfinancial assets with the model for transactions in the new revenue standard. The amendments will be effective for the Company for *[reporting periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities]* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-06 — Applicable to employee benefit plans with a master trust:

In February 2017, the FASB amended the guidance related to employee benefit plan master trust reporting. The new guidance provides for presentation within the plan's financial statements of its interest in a master trust as a single line item; disclosure of the master trust's investments by general type as well as by the dollar amount of the plan's interest in each type; disclosure of the master trust's other assets and liabilities and the balances related to the plan; and elimination of required disclosures for Section 401(h) accounts that are already provided by the associated defined benefit plan. The amendments are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Plan does not expect these amendments to have a material effect on its financial statements.

ASU 2017-07 — Applicable to entities that offer defined benefit pension plans, other postretirement benefit plans, or other types of benefits accounted for under ASC 715:

In March 2017, the FASB amended the requirements in the Compensation—Retirement Benefits Topic of the Accounting Standards Codification related to the income statement presentation of the components of net periodic benefit cost for an entity's sponsored defined benefit pension and other postretirement plans. The amendments will be effective for the Company for *[interim and annual periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15,* *2019.-<u>all other entities</u>]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-08 — Applicable to entities that hold investments in callable debt securities held at a premium

In March 2017, the FASB amended the requirements in the Receivables—Nonrefundable Fees and Other Costs Topic of the Accounting Standards Codification related to the amortization period for certain purchased callable debt securities held at a premium. The amendments shorten the amortization period for the premium to the earliest call date. The amendments will be effective for the Company for *[interim and annual periods beginning after December 15, 2018.-<u>public business entities</u>] [annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020.-<u>all other entities</u>]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-09 — Applicable to entities with stock compensation plans

In May 2017, the FASB amended the requirements in the Compensation—Stock Compensation Topic of the Accounting Standards Codification related to changes to the terms or conditions of a share-based payment award. The amendments provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. The amendments will be effective for the Company for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-10 — Applicable to entities with service concession arrangements

In May 2017, the FASB amended the requirements in the Service Concession Arrangements Topic of the Accounting Standards Codification to clarify how an operating entity determines the customer of the operation services for service concession arrangements. The amendments will be effective for the Company for *{[reporting periods beginning after December 15, 2017.-public business entities] [annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities] -<u>entities that have **not** adopted ASU 2014-09</u>} {[fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.-public business entity, a not-for-profit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and an employee benefit plan that files or furnishes financial statements with or to the SEC] [fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.-all other entities]-<u>entities that have adopted ASU 2014-09</u>}* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-11 — Applicable to entities that issue financial instruments that include down round features

In July 2017, the FASB amended the requirements in the Earnings per Share, Distinguishing Liabilities from Equity, and Derivatives and Hedging Topics of the Accounting Standards Codification to address the complexity of accounting for certain financial instruments with down round features. The amendments will be effective for the Company for *[interim and annual periods beginning after December 15, 2018.-<u>public business entities</u>] [annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020.-<u>all other entities</u>]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-12 — Applicable to entities that elect to apply hedge accounting

In August 2017, the FASB amended the requirements of the Derivatives and Hedging Topic of the Accounting Standards Codification to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. The amendments will be effective for the Company for *[interim and annual periods beginning after December 15, 2018.-<u>public business entities</u>] [annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020.-<u>all other entities</u>]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-15 — Applicable to U.S. Steamship Entities:

In December 2017, the FASB removed the U.S. Steamship Entities Topic of the Accounting Standards Codification. The amendments remove the guidance for steamship entities with respect to unrecognized deferred taxes related to certain statutory reserve deposits. The amendments are effective for fiscal years and first interim periods beginning after December 15, 2018. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-01 — Applicable to entities with land easements:

In January 2018, the FASB amended the requirements of the Leases Topic of the Accounting Standards Codification. The amendments permit an entity to elect an optional transition practical expedient to not evaluate under the new lease accounting guidance land easements that exist or expired before the entity's adoption of the new lease accounting guidance and that were not previously accounted for as leases under previous lease accounting guidance. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements in ASU 2016-02. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-02 — Applicable to entities with items of other comprehensive income for which the related tax effects are presented in other comprehensive income:

In February 2018, the FASB amended the Income Statement—Reporting Comprehensive Income Topic of the Accounting Standards Codification. The amendments allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. The amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-03 — Applicable to all:

In February 2018, the FASB amended the Financial Instruments Topic of the Accounting Standards Codification. The amendments clarify certain aspects of the guidance issued in ASU 2016-01. The amendments are effective for [*fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018 -public business entities*] *[Public business entities with fiscal years beginning between December 15, 2017, and June 15, 2018, are not required to adopt these amendments until the interim period beginning after June 15, 2018, and public business entities with fiscal years beginning between June 15, 2018, and December 15, 2018, are not required to adopt these amendments before adopting the amendments in ASU 2016-01] [the same as the effective date in ASU 2016-01 –all other entities]*. All entities may early adopt these amendments for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted ASU 2016-01. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-04 — Applicable to SEC filers:

In March 2018, the FASB updated the Debt Securities and the Regulated Operations Topics of the Accounting Standards Codification. The amendments incorporate into the Accounting Standards Codification recent SEC guidance which was issued in order to make the relevant interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The amendments were effective upon issuance. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-05 — Applicable to SEC filers:

In March 2018, the FASB updated the Income Taxes Topic of the Accounting Standards Codification. The amendments incorporate into the Accounting Standards Codification recent SEC guidance related to the income tax accounting implications of the Tax Cuts and Jobs Act. The amendments were effective upon issuance. The Company does not expect these amendments to have a material effect on its financial statements.

Applicable to all:

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.