Welcome to the Second 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.

**Rev Rec Implementation**
This section includes special guidance addressing the impact of recently passed tax reform.

**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 Clarifies Not-for-Profit Guidance

In June, the FASB issued Accounting Standards Update (ASU) 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. While this ASU specifically addresses issues prevalent within Not-for-Profit entities, it could impact all other entities, including business entities, that receive or make contributions of cash and other assets, including promises to give within the scope of Subtopic 958-605 and contributions made within the scope of Subtopic 720-25, Other Expenses—Contributions Made.

See the FASB Update section for additional details.

FASB Updates Stock Compensation Guidance

In June, the FASB issued Accounting Standards Update (ASU) 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting. The amendments in this ASU expand the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees.

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

SEC Updates Smaller Reporting Company Definition

In June, the SEC increased the threshold of the public float for a smaller reporting company to $250 million from $75 million.

More information on can be found in the Regulatory Update section.

SEC Adopts Inline XBRL Rule

In June, the SEC adopted a rule that will require companies to embed interactive data tags directly into their financial statements using inline XBRL.

See the Regulatory Update section for additional information.
Deregulation Efforts Continue

In May, the President signed the *Economic Growth, Regulatory Relief, and Consumer Protection Act*, which rolls back portions of the Dodd-Frank Act.

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

GASB Issues New Guidance

In April, the Governmental Accounting Standards Board (GASB) issued new guidance designed to enhance debt-related disclosures.

Learn more in the *Other Developments* section.

Join us on Wednesday, July 11, for a one-hour webcast designed to provide insight into recent discussions, actions and pronouncements from the FASB and other accounting regulatory bodies. Find more information and register at: [http://www.elliottdavis.com/events](http://www.elliottdavis.com/events)
Quarterly Accounting Update: FASB Update

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

FASB Clarifies Not-for-Profit Guidance for Contributions Received and Contributions Made

Affects: Not-for-Profit entities and all other entities, including business entities, that receive or make contributions of cash and other assets, including promises to give within the scope of Subtopic 958-605 and contributions made within the scope of Subtopic 720-25, Other Expenses—Contributions Made

On June 21, 2018, the FASB issued ASU 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made.

It can be difficult under current guidance to characterize grants and similar contracts with resource providers as either exchange transactions or contributions and to determine whether a contribution is conditional when applying the guidance in Subtopic 958-605, Not-for-Profit Entities—Revenue Recognition. Distinguishing between contributions and exchange transactions determines which guidance is applied. In addition, once a transaction is deemed to be a contribution, it can be difficult in practice to determine when a contribution is conditional, particularly when an entity receives assets accompanied by certain stipulations but with no specified return requirement for when the stipulations are not met. Diversity also exists in assessments of whether the likelihood of failing to meet a condition is remote and in evaluating whether and how remote provisions affect the timing of when a contribution is recognized. Differences in these conclusions can affect the timing of revenue recognized.

This guidance was issued in response to these challenges and is intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

Effective Dates

For contributions received, public business entities or an NFP 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 serves as a resource recipient will have to apply the amendments for annual periods beginning after June 15, 2018, including interim periods within those annual periods and all other entities will have to apply the amendments for annual periods beginning after December 15, 2018, and interim periods within those annual periods beginning after December 15, 2019.
For contributions made, public business entities or an NFP 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 serves as a resource provider will have to apply the amendments for annual periods beginning after December 15, 2018, including interim periods within those annual periods and all other entities will have to apply the amendments for annual periods beginning after December 15, 2019, and interim periods within those annual periods beginning after December 15, 2020.

Early adoption is permitted.

**FASB Updates Stock Compensation Guidance to Include Payments to Nonemployees for Goods and Services**

**Affects: Entities that enter into share-based payment transactions for acquiring goods and services from nonemployees**

On June 20, 2018, the FASB issued ASU 2018-07, Compensation—*Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*, which expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of Topic 718 to nonemployee awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The ASU is intended to simplify U.S. GAAP and is part of the FASB’s Simplification Initiative.

**Effective Dates**

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, but no earlier than an entity’s adoption date of Topic 606.
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.

**Transition Requirements**

The transition alternatives that an entity must choose between when initially applying the new guidance include the full retrospective transition method and the modified retrospective transition method. For purposes of both transition methods, a completed contract is one for which all or substantially all of the revenue has already been recognized under legacy U.S. GAAP. In addition, the date of initial application is the beginning of the reporting period in which the new guidance is first applied by the entity.

**Full Retrospective Approach**

An entity may adopt the new standard on a full retrospective basis. Entities electing full retrospective adoption will apply the standard to each period presented in the financial statements. This means entities will have to apply the new guidance as if it had been in effect since the inception of all its contracts with customers presented in the financial statements. However, the following practical expedients are available:

- For contracts completed before the initial application date, an entity need not restate contracts that begin and end within the same annual reporting period;
- For contracts with variable consideration that are completed on or before the initial application date, an entity can use the transaction price at the date of completion rather than estimating the amount of variable consideration; and
- For periods presented before the initial application date, an entity can elect not to disclose the amount of the transaction price allocated to the remaining performance obligations or an explanation of when that revenue will be recognized.
- For contracts modified prior to the beginning of the earliest reporting period presented, an entity can reflect the aggregate effect of all modifications that occur before the beginning of the earliest period presented under the new standard when identifying the satisfied and unsatisfied performance obligations, determining the transaction price and allocating the transaction price to the satisfied and unsatisfied performance obligations for the modified contract at transition.

If an entity applies one or more practical expedients, then it needs to do so consistently for all applicable periods and provide disclosures about the options it has elected.

If an entity applies the full retrospective approach, then it is required to provide the relevant disclosures under current U.S. GAAP for a change in accounting principle or policies.

**Modified Retrospective Approach**

An entity may choose not to retrospectively adjust comparative periods, and instead adopt the new
standard as of the application date. Entities that elect the modified retrospective approach will apply the guidance retrospectively only to the most current period presented in the financial statements. To do so, the entity will have to recognize the cumulative effect of initially applying the new standard as an adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets) at the date of initial application.

An entity may elect to apply the modified retrospective method to either all contracts as of the date of initial application or only to contracts that are not completed as of this date. Depending on how an entity elects to apply the modified retrospective method, it will have to evaluate either all contracts or only those that are not completed before the date of initial application as if the entity had applied the new standard to them since inception. An entity will be required to disclose how it has applied the modified retrospective method (i.e., either to all contracts or only to contracts that are not completed at the date of initial application).

Under this approach, an entity will:

- Present comparative periods under legacy U.S. GAAP
- Apply the new revenue standard to new and existing contracts (either all existing contracts or only to contracts that are not completed contracts) as of the date of initial application
- Recognize a cumulative catch-up adjustment to the opening balance of retained earnings at the effective date for all contracts or only contracts that are not completed
- In the year of adoption, disclose the amount by which each financial statement line item was affected as a result of applying the new standard and an explanation of significant changes

**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

SEC Update to Smaller Reporting Company Definition Modifies Reporting Requirement Thresholds

In June, the SEC issued Release No. 33-10513, *Amendments to Smaller Reporting Company Definition*, which increases the threshold of the public float for a smaller reporting company to $250 million from $75 million. A company with no public float or with a public float of less than $700 million will also qualify as a smaller reporting company if it had annual revenues of less than $100 million during its most recently completed fiscal year. Previously companies could provide scaled disclosure if they had no public float and less than $50 million in annual revenues, the SEC said.

Registrants that fall within the smaller reporting company classification are exempted from several disclosures required by Regulation S-K and Regulation S-X. Examples include Regulation S-K’s requirement to prepare stock performance graphs, ratios of earnings to fixed charges, and compensation committee reports. Additionally, smaller reporting companies can provide executive compensation data for three named executive officers instead of the five executives that large companies have to report, include only two years of comparison information in the management’s discussion and analysis (MD&A) section of a regulatory filing instead of three and provide only two years of income and cash flow statements, instead of three, according to Regulation S-X.

*Elliott Davis Observation:* In issuing Release No. 33-10513, the SEC decided not to raise the public float thresholds for when a company qualifies as an accelerated filer, which is currently set between $75 million to $700 million. Thus, there is no modification in the thresholds determining whether or not a registrant is exempt from the auditor attestation on internal control over financial reporting as required by Section 404(b) of the Sarbanes-Oxley Act of 2002.

SEC Adopts Inline XBRL Rule

In June, the SEC issued Release No. 33-10514, *Inline XBRL Filing of Tagged Data*, which will require public companies to embed interactive data tags directly into their financial statements using a process called the inline eXtensible Business Reporting Language (iXBRL). Investment companies will be required to provide risk-and-return summaries using iXBRL.

Companies have been required to submit XBRL statements as separate exhibits to financial statements since a rule was adopted in January 2009 in Release No. 33-9002, *Interactive Data to Improve Financial Reporting*. Investment companies have been required to use XBRL tags in separate exhibits since the publication of Release No. 33-9006, *Interactive Data for Mutual Fund Risk/Return Summary*, in May 2009.

iXBRL allows organizations to incorporate XBRL tags into their HTML-formatted financial statements, rather than filing a separate XBRL instance document. Historically, many filers have used a stand-alone
software solution, sometimes called a “bolt-on” approach, to create their XBRL instance documents. This approach requires creating and maintaining a separate version of their financial information in XBRL format, and then manually transferring any changes from the HTML version into the XBRL version. This can be particularly challenging when changes to the document occur late in the reporting process.

The amended rules will eliminate the requirements for operating companies and funds to post XBRL data on their websites. The rules eliminate the 15 business-day filing period for risk/return summary XBRL data, making the information available to investors more quickly.

iXBRL is set to go into effect in phases as follows:

- **Large accelerated filers**: effective for periods ending on or after June 15, 2019.
- **Accelerated filers**: effective for periods ending on or after June 15, 2020.
- **Smaller reporting companies**: effective for periods ending on or after June 15, 2021.

Companies will be required to comply beginning with their first Form 10-Q filed for a fiscal period ending on or after the applicable compliance date.

The SEC has indicated that operating companies are permitted to adopt the rule ahead of the effective date, but they will not be able to use iXBRL until March 2019 because the SEC needs to modify Electronic Data Gathering, Analysis and Retrieval (EDGAR) system to accommodate the change.

Large funds with net assets of $1 billion or more will be required to comply two years from the effective date. All other funds will get an extra year.

**SEC Plans to Discuss Expanding Sarbanes-Oxley 404(b) Exemption**

In a statement at the SEC’s open meeting on June 28, 2018, Chairman Jay Clayton noted that he has “directed the staff to formulate recommendations to the Commission for possible additional changes to the ‘accelerated filer’ definition that, if adopted, would have the effect of reducing the number of registrants that qualify as accelerated filers.” One of the primary items impacted by any modification to the definition is the requirement for a registrant to have an external audit of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002. While public sentiment appears to support conforming the minimum threshold to the new smaller reporting company definition ($250 million market cap) noted above, there are no indications regarding what the SEC staff will actually recommend. We will continue to monitor this issue for further developments.

**Bank Regulators to Phase in Capital Treatment of Credit Losses**

In April, bank regulators issued a proposal that would improve the consistency between bank regulation and the FASB’s loan loss accounting standard. The Federal Reserve, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency issued a joint proposal to revise their rules in response to the new method for recognizing credit losses under ASU 2016-13, *Financial Instruments—Credit Losses*. The new accounting standard, which takes effect in 2020 for public business
entities, will require banks to take a more forward-looking approach in recognizing credit losses, likely bringing loss recognition onto the books sooner than under current rules. The transition to the new accounting is generally expected to create a spike in the regulatory capital requirements banks must meet to demonstrate solvency under banking rules. Banks are having a hard time determining exactly how they will comply with the new the current expected credit loss (CECL) model, required by ASU 2016-13, in part out of concern for what will happen to their regulatory capital requirements.

The banking regulators are proposing to revise their regulatory capital rules to identify which credit loss allowances under the new accounting are eligible for inclusion in regulatory capital, and to give banking organizations an option to phase in the day-one hit to capital requirements over three years upon adopting the new accounting. The proposal also would revise certain regulatory disclosure requirements to reflect the changes in U.S. GAAP under the new credit loss model.

The proposal also contains amendments to the agencies’ stress testing regulations so that the new accounting would not hit stress testing until the 2020 testing cycle. And the agencies are proposing conforming amendments to various regulations that make reference to credit loss allowances. The proposal will be open for comment for 60 days.

The CECL model required under U.S. GAAP beginning in 2020 for public business entities replaces an “incurred loss” approach that has been in place for many years. The CECL model requires financial institutions to estimate the losses that might be incurred on a particular instrument at its inception and book an allowance for losses expected at inception, even when the instrument is fully performing. The new rules do not prescribe an exact method for banks to follow in arriving at such estimates, leaving them to determine for themselves how they will comply with the new accounting.

**IRS Issues New Guidance to Address Accounting Changes Related to the New Revenue Recognition Standard**

In May, the Internal Revenue Service (IRS) released an advance version of Revenue Procedure 2018-29 that provides new procedures for taxpayers changing their method of accounting for the recognition of income for federal income tax purposes to a method for recognizing revenues described in the new revenue recognition standard. Under the new FASB accounting standard, an entity must recognize revenue, for financial statement purposes, for goods and services promised to customers in an amount that reflects what the entity expects to receive in exchange for those goods and services.

Revenue Procedure 2018-29 provides procedures under Internal Revenue Code Section 446 and Regulation Section 1.446-1(e) to obtain automatic consent of the IRS Commissioner to change to an otherwise permissible method of accounting for federal income tax purposes that uses the new revenue recognition accounting standard to identify performance obligations, allocate the transaction price to performance obligations, and/or consider performance obligations satisfied, if that method change is made for the tax year in which the taxpayer adopts the new accounting standard.
Dodd-Frank Rollback

In May, the President signed into law the Economic Growth, Regulatory Relief, and Consumer Protection Act (the “Act”), a partial rollback of the Dodd-Frank Act, after the proposed changes cleared legislative hurdles in the Senate and the House. The Act dilutes some of the stringent regulations imposed by the Dodd-Frank Act on the U.S. financial system, and is primarily aimed at making things easier for small- and medium-sized U.S. banks, which were seen as being affected by the tougher rules in a disproportionate manner compared to their larger rivals.

The Act introduces changes on several aspects of the U.S. financial industry. The following is a summary of changes that target the bank holding companies:

- **Increase in SIFI threshold**—current regulations label all banks with more than $50 billion in assets as systemically important financial institutions (SIFIs), and subject them to higher regulatory scrutiny, in addition to stricter capital requirements. The Act increases the SIFI threshold to $100 billion, and will raise the threshold further to $250 billion after 18 months. The Federal Reserve Board currently includes 38 banks with assets worth more than $50 billion in its rigorous annual stress tests. This figure will fall to just 12 given the new threshold, as nearly all regional banks will now be exempt from stricter regulatory oversight.

- **Volker Rule exemption**—the Act creates an exemption from prohibitions on propriety trading, which is the owning and trading of securities for a bank’s own portfolio with the aim of profiting from price changes, and relationships with certain investment funds for banking entities with 1) less than $10 billion in total consolidated assets, and 2) trading assets and trading liabilities of less than 5 percent of its total consolidated assets. Currently, all banks are subject to these prohibitions pursuant to the Dodd-Frank Act. Any insured depository institution that is controlled by a company that itself exceeds these $10 billion and 5 percent thresholds would not qualify for the exemption. In addition, the Act eases certain Volcker Rule restrictions on all bank entities, regardless of size, for simply sharing a name with hedge funds and private equity funds they organize.

- **Boost to supplementary leverage ratio figure of custody banks**—existing regulations require that banks include any deposits they have with central banks of developed nations (like the Federal Reserve and the European Central Bank among others) while calculating their supplementary leverage ratio. Overall, this requirement has an adverse impact on the key ratio figure. However, under the Act, only the diversified banking giants will need to include these deposits in their supplementary leverage ratio calculation, while the custody banks will be able to exclude them, resulting in a boost to the figures for the custody banks.

- **Change in treatment of certain municipal obligations**—the current classification of securities held by banks does not allow U.S. Municipal Securities to be included as a part of high-quality liquid assets. The Act makes these securities admissible as a level 2B liquid asset
(which can be included as a part of the Tier 2 capital ratio figure, with a haircut of 25-50%) provided they are investment grade and are marketable.

A number of provisions in the Act will have a favorable impact on smaller community banks, as summarized below:

- **Elimination of company-run stress tests**—the Act exempts all banking organizations with less than $250 billion in total consolidated assets from the current requirement to conduct company-run stress tests. Banking organizations with $250 billion or more in total consolidated assets are still required to conduct company-run stress tests on a periodic basis but are no longer be required to do so on a semi-annual or annual basis.

- **Increase in small bank holding company policy threshold**—the threshold for qualifying for the Federal Reserve’s “Small Bank Holding Company Policy Statement” is increased by the Act from $1 billion to $3 billion, provided the organization not engaged in significant non-banking activities, is not engaged in significant off-balance sheet activities and does not have a material amount of debt or equity registered with the U.S. Securities and Exchange Commission (SEC). The Federal Reserve retains the authority to exclude any organization from the policy if such action is warranted for supervisory purposes.

- **Savings association election to operate as a national bank**—federal savings associations with total consolidated assets of $20 billion or less have the option to operate as national banks and to have the same privileges and duties as national banks without converting their charters.

- **Increase in asset threshold for requirement to establish a risk committee**—the Act raises the asset threshold for the requirement that a publicly traded bank holding company establish a risk committee from $10 billion to $50 billion or more in total consolidated assets.

- **Increase in asset threshold for qualifying for an 18-month examination cycle**—the Act increases the asset threshold for institutions qualifying for an 18-month, on-site examination cycle from $1 billion to $3 billion in total consolidated assets.

- **Short form call reports**—the Act requires the federal banking agencies to promulgate regulations allowing an insured depository institution with less than $5 billion in total consolidated assets (and that satisfies such other criteria as determined to be appropriate by the agencies) to submit a short-form call report for its first and third quarters.

- **Lower risk weight for certain high-risk commercial real estate loans**—the Act prohibits federal banking agencies from assigning heightened risk weights to high-volatility commercial real estate (HVCRE) exposures, unless the exposures are classified as HVCRE acquisition, development and construction loans. Currently, a 150 percent risk weight applies to loans classified as HVCRE under the existing regulatory capital rules. The federal banking agencies issued a proposal in September 2017 to simplify the treatment of HVCRE...
and to create a new category of commercial real estate loans—“high-volatility acquisition, development or construction” (HVADC) exposures—with a lower risk weight of 130 percent. The most significant difference between the Act and the agencies’ HVADC proposal arises from the Act’s preservation of the exemption for projects where the borrower has contributed at least 15 percent of the real property’s appraised “as completed” value.
Quarterly Accounting Update: Other Developments

Implementing the New Leasing Standard

In 2016, the FASB issued ASU 2016-02, Leases (codified in ASC 842). ASC 842 brings most leases onto the balance sheet creating a right-to-use asset and a lease liability. The new standard will also require additional disclosures. Unlike the upcoming standard on revenue recognition, the new lease standard is not difficult to understand. However, “the devil is in the detail.”

Collecting the data necessary to implement the standard is going to be an enormous task that each entity must tackle. Initially, entities will need to identify the complete population of their leases, which may be easier said than done especially for identifying embedded leases in service contracts. Another challenge will be selecting the proper software vendor. For entities choosing early adoption of the new standard, the software may still be in the development stage. Entities should select software that is compatible with their current systems and will be adaptable for the entities’ future needs.

* Elliott Davis Observation: Need help with collecting lease data or choosing lease software? Just contact your Elliott Davis adviser.

GASB Issues New Guidance on Debt Disclosures

In April, the Governmental Accounting Standards Board (GASB) issued new guidance designed to enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard, GASB Statement 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, clarifies which liabilities governments should include in their note disclosures related to debt. Statement 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

Statement 88 requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. The policy underlying this requirement is that direct borrowings and direct placements may expose a government to risks that are different from or additional to risks related to other types of debt.

Statement 88 also requires governments to disclose additional essential debt-related information for all types of debt, including:

- Amounts of unused lines of credit;
- Assets pledged as collateral for debt; and
- Terms specified in debt agreements related to significant: (a) events of default with finance-related consequences, (b) termination events with finance-related consequences, and (c)
subjective acceleration clauses.

The provisions of Statement 88 are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

**AICPA Gets Response to Concern about the New Revenue Standard**

The FASB has agreed to research one of the problems identified by the AICPA in a January 17, 2018, letter from the AICPA’s Private Companies Practice Section (PCPS). That letter 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 FASB will conduct outreach and examine whether it can help private companies with accounting for out-of-pocket costs to be reimbursed when calculating revenue. In the January letter, the PCPS 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.

Other issues raised in the January letter include:

- 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 an arrangement does not satisfy the formal definition of a contract.
- The PCPS 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 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.
- 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 June 30, 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.

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

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 third quarter of 2018.

**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 businesses 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.

**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. On May 16, 2018, the FASB agreed to finalize the guidance and a final standard is expected in the third quarter of 2018.

EITF Agenda Items

At its June 2018 meeting, the FASB’s Emerging Issues Task Force (EITF) reached a final consensus on accounting for implementation costs in a cloud computing arrangement and discussed several other issues.

Final Consensus

- **Issue 17-A: Customer’s Accounting for Implementation, Setup, and Other Upfront Costs (Implementation Costs) Incurred in a Cloud Computing Arrangement That Is Considered a Service Contract**—Under current guidance, a cloud computing arrangement that contains a license is accounted for consistent with other licenses of internal-use software in accordance with ASC 350-40, Internal-Use Software. Under ASC 350-40, implementation costs incurred in the preliminary and post-implementation phases are expensed, while costs incurred in the application development phase are either expensed or capitalized, depending upon the type of cost. If the cloud computing arrangement does not include a software license, it is accounted for as a service contract. However, if it is a service contract, guidance is unclear as to how to account for the related implementation costs. At the June 2018 meeting, the EITF reached a final consensus that implementation costs should be capitalized using the same model as if the cloud computing arrangement included a software license. The final consensus is in line, for the most part, with the proposed ASU on the topic issued in March 2018. The EITF affirmed that preparers should utilize ASC 350-40 to determine which implementation costs are eligible to be deferred based on the project stage and nature of the cost.

The FASB is expected to issue the final standard during the third quarter of 2018 and will be effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2019 for public business entities and annual periods beginning after December 15, 2020, and interim periods beginning after December 15, 2021, for entities other-than-public business entities.

Consensus for Exposure

- **Issue 18-A: Recognition under Topic 805 for an Assumed Liability in a Revenue Contract**—the EITF reached a consensus-for-exposure that an acquirer should recognize a liability for a performance obligation in a revenue contract acquired in a business combination using the definition in ASC 606. The exposure document will also include specific examples.
EITF Discussion

- **ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments**—the EITF discussed unsolicited feedback on ASU 2016-15, related to the classification of cash flows from beneficial interests in securitization transactions.

PCC Activities

The Private Company Council (PCC) held its regular quarterly meeting on Friday, April 20, 2018. At the meeting, PCC members provided input on the following topics:

- **Collaborative Arrangements**: PCC members generally supported a proposed Update that would clarify the interaction between Topic 808, *Collaborative Arrangements*, and Topic 606, Revenue from Contracts with Customers. PCC members noted that differences do not exist between public and private companies in this area, and private companies would welcome a standard to decrease diversity in practice.

- **Consolidations—Targeted Improvements to Related Party Guidance for Variable Interest Entities**: PCC members reaffirmed their support for a private company alternative proposed in Update on Topic 810. The PCC stated that progress on the private company alternative to VIE guidance should not be delayed by further research on the other amendments in the proposed Update.

- **Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is Considered a Service Contract**: The PCC discussed the proposed Update resulting from the consensus-for-exposure reached at the January 18, 2018 EITF meeting. PCC Members supported the proposed Update.

- **Share-Based Payments**: PCC members discussed potential private company accounting alternatives for recognizing and measuring equity-classified share-based payment awards. The discussion focused on whether the current accounting for equity-classified awards provides users of private company financial statements with relevant information. The PCC directed the FASB staff to conduct outreach regarding this issue.

- **Revenue Recognition**: The PCC provided input on two of the private company-specific revenue recognition issues outlined in a comment letter submitted by the AICPA Technical Issues Committee (TIC) and Center for Plain English Accounting (CPEA). The PCC requested that the FASB staff conduct outreach regarding the cost and complexity of applying the new revenue guidance to out-of-pocket costs. The PCC and FASB staff also discussed potential changes to the pattern of revenue recognition in some short-cycle manufacturing contracts.
# 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

<table>
<thead>
<tr>
<th>Pronouncement</th>
<th>Affects</th>
<th>Effective Date and Transition</th>
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</thead>
</table>
| ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made | All entities, including business entities, that receive or make contributions of cash and other assets, including promises to give within the scope of Subtopic 958-605 and contributions made within the scope of Subtopic 720-25, Other Expenses—Contributions Made. | **Contributions Received:**
> For an entity that is either a public business entity or an NFP 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 serves as a resource recipient, the entity should apply the amendments to annual periods beginning after June 15, 2018, including interim periods within those annual periods. All other entities should apply the amendments to annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

**Contributions Made:**
> For an entity that is either a public business entity or an NFP 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 serves as a resource provider, the entity should apply the amendments to annual periods beginning after December 15, 2018, including interim periods within those annual periods. All other entities should apply the amendments to annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020.

  Early adoption of the amendments is permitted.                                                                                                                               |
<p>| ASU 2018-07, Improvements to Nonemployee Share-Based Payment Accounting                                                                 | All entities that enter into share-based payment transactions for acquiring goods and services from nonemployees.                                                                                                                                             | For public business entities, the amendments are effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. 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, but no earlier than an entity’s adoption date of Topic 606. |</p>
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<tr>
<th>Pronouncement</th>
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<th>Effective Date and Transition</th>
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<tbody>
<tr>
<td>ASU 2018-06, Codification Improvements to Topic 942, Financial Services—Depository and Lending</td>
<td>The amendments in this ASU remove outdated guidance related to Circular 202 and should have no effect on reporting entities.</td>
<td>Effective upon issuance.</td>
</tr>
<tr>
<td>ASU 2018-05, Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118</td>
<td>All entities that are SEC filers.</td>
<td>Effective upon issuance.</td>
</tr>
<tr>
<td>ASU 2018-04, Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 117 and SEC Release No. 33-9273</td>
<td>All entities that are SEC filers.</td>
<td>Effective upon issuance.</td>
</tr>
<tr>
<td>ASU 2018-03, Recognition and Measurement of Financial Assets and Financial Liabilities</td>
<td>All entities</td>
<td>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.</td>
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<tr>
<td>ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other</td>
<td>All entities</td>
<td>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.</td>
</tr>
<tr>
<td>Comprehensive Income</td>
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<tr>
<td>ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842</td>
<td>All entities</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2017-15, Elimination of Topic 995</td>
<td>Steamship entities that have unrecognized deferred taxes related to statutory reserve deposits that were made on or before December 15, 1992</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2017-14, Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 116 and SEC Release No. 33-10403</td>
<td>All entities that are SEC filers.</td>
<td>Effective upon issuance.</td>
</tr>
<tr>
<td>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)</td>
<td>All entities that are SEC filers.</td>
<td>Effective upon issuance.</td>
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<td>Pronouncement</td>
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<tr>
<td><strong>ASU 2017-12, Targeted Improvements to Accounting for Hedging Activities</strong></td>
<td>Entities that elect to apply hedge accounting</td>
<td>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.</td>
</tr>
<tr>
<td><strong>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</strong></td>
<td>Entities that issue financial instruments that include down round features</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2017-10, Determining the Customer of the Operation Services—a consensus of the Emerging Issues Task Force</strong></td>
<td>Operating entities with service concession arrangements within the scope of ASC 853, Service Concession Arrangements</td>
<td>Dependent upon the adoption of ASC 606, Revenue from Contracts with Customers.</td>
</tr>
<tr>
<td><strong>ASU 2017-09, Scope of Modification Accounting</strong></td>
<td>Entities that provide share-based payment awards.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2017-08, Premium Amortization on Purchased Callable Debt Securities</strong></td>
<td>Entities that hold investments in callable debt securities held at a premium</td>
<td>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.</td>
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<tr>
<td><strong>ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost</strong></td>
<td>Entities that offer defined benefit pension plans, other postretirement benefit plans, or other types of benefits accounted for under ASC 715.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2017-06, Employee Benefit Plan Master Trust Reporting—a consensus of the Emerging Issues Task Force</strong></td>
<td>Entities within the scope of ASC 960, ASC 962, or ASC 965.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2017-05, Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</strong></td>
<td>All entities.</td>
<td>See the Effective Date and Transition of ASU 2014-09, below.</td>
</tr>
<tr>
<td><strong>ASU 2017-04, Simplifying the Test for Goodwill Impairment</strong></td>
<td>All entities.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2017-03, Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings</strong></td>
<td>All entities.</td>
<td>Effective upon issuance.</td>
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<tr>
<td>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</td>
<td>Not-for-profit entities.</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2017-01, Clarifying the Definition of a Business</td>
<td>All entities.</td>
<td>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.</td>
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<tr>
<td>ASU 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</td>
<td>All entities.</td>
<td>See the Effective Date and Transition of ASU 2014-09, below.</td>
</tr>
<tr>
<td>ASU 2016-19, Technical Corrections and Improvements</td>
<td>All entities.</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2016-18, Restricted Cash (a consensus of the FASB Emerging Issues Task Force)</td>
<td>All entities.</td>
<td>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.</td>
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<tr>
<td><strong>ASU 2016-17, Interests Held through Related Parties That Are under Common Control</strong></td>
<td>All entities.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2016-16, Intra-Entity Transfers of Assets Other Than Inventory</strong></td>
<td>All entities.</td>
<td>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.</td>
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<td>Pronouncement</td>
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<tr>
<td><strong>ASU 2016-15, <em>Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)</em></strong></td>
<td>All entities.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2016-14, <em>Presentation of Financial Statements of Not-for-Profit Entities</em></strong></td>
<td>All not-for-profit entities.</td>
<td>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.</td>
</tr>
</tbody>
</table>
| **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. |
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<tbody>
<tr>
<td>ASU 2016-12, <em>Narrow-Scope Improvements and Practical Expedients</em></td>
<td>All entities</td>
<td>See the Effective Date and Transition of ASU 2014-09, below.</td>
</tr>
<tr>
<td><strong>ASU 2016-11, Rescission of SEC Guidance Because of Accounting Standards</strong></td>
<td>None.</td>
<td>None.</td>
</tr>
<tr>
<td>Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting (SEC Update)</td>
<td></td>
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</tr>
<tr>
<td><strong>ASU 2016-10, Identifying Performance Obligations and Licensing</strong></td>
<td>All entities</td>
<td>See the Effective Date and Transition of ASU 2014-09, below.</td>
</tr>
<tr>
<td><strong>ASU 2016-09, Improvements to Employee Share-Based Payment Accounting</strong></td>
<td>All entities that issue share-based payment awards to their employees.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)</strong></td>
<td>All entities.</td>
<td>See the Effective Date and Transition of ASU 2014-09, below.</td>
</tr>
<tr>
<td><strong>ASU 2016-07, Simplifying the Transition to the Equity Method of Accounting</strong></td>
<td>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.</td>
<td>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.</td>
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<td>Pronouncement</td>
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<td>Effective Date and Transition</td>
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</table>
| **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. |
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<th>Pronouncement</th>
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</table>
| **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.                                                            |
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<th>Pronouncement</th>
<th>Affects</th>
<th>Effective Date and Transition</th>
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<tr>
<td>ASU 2016-01, Recognition and Measurement of Financial Assets and</td>
<td>Entities that hold financial assets or owe financial liabilities.</td>
<td>For public companies the amendments are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.</td>
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<td>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.</td>
</tr>
<tr>
<td>ASU 2015-17, Balance Sheet Classification of Deferred Taxes</td>
<td>Entities that have deferred tax assets and/or deferred tax liabilities.</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2015-16, Simplifying the Accounting for Measurement-Period</td>
<td>Entities that have reported provisional amounts for items in a business combination for which the accounting is</td>
<td>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.</td>
</tr>
<tr>
<td>Adjustments</td>
<td>incomplete.</td>
<td></td>
</tr>
<tr>
<td>ASU 2015-14, Revenue From Contracts With Customers (ASC 606):</td>
<td>All entities.</td>
<td>See the Effective Date and Transition of ASU 2014-09, below.</td>
</tr>
<tr>
<td>Pronouncement</td>
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<tr>
<td><strong>ASU 2015-11, Simplifying the Measurement of Inventory</strong></td>
<td>Entities that have inventory.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2015-09, Disclosures about Short-Duration Contracts</strong></td>
<td>Insurance entities that issue short-duration contracts as defined in FASB ASC 944, Financial Services—Insurance.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2015-05, Customer's Accounting for Fees Paid in a Cloud Computing Arrangement</strong></td>
<td>All entities.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2015-04, Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets</strong></td>
<td>All entities.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs</strong></td>
<td>All entities.</td>
<td>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.</td>
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<td>Pronouncement</td>
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<td>Effective Date and Transition</td>
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<tr>
<td><strong>ASU 2015-02, Amendments to the Consolidation Analysis</strong></td>
<td>All entities.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>ASU 2014-18, Accounting for Identifiable Intangible Assets in a Business Combination—a consensus of the Private Company Council</strong></td>
<td>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.</td>
<td>Effective prospectively to the first in-scope transaction after the adoption of the accounting alternative.</td>
</tr>
<tr>
<td><strong>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</strong></td>
<td>All entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share.</td>
<td>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.</td>
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<td>Pronouncement</td>
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<tr>
<td>ASU 2014-15, Disclosure of Uncertainties About and an Entity’s Ability to Continue as a Going Concern</td>
<td>All entities.</td>
<td>Effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted.</td>
</tr>
<tr>
<td>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</td>
<td>A reporting entity that is required to consolidate a collateralized financing entity.</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2014-10, Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation</td>
<td>All entities.</td>
<td>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.</td>
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<tr>
<td><strong>ASU 2014-09, Revenue from Contracts with Customers</strong></td>
<td>All entities.</td>
<td>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.</td>
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**GASB Implementation Dates**

<table>
<thead>
<tr>
<th>Pronouncement</th>
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<th>Effective Date and Transition</th>
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</thead>
<tbody>
<tr>
<td><strong>Statement 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</strong></td>
<td>Governmental entities.</td>
<td>Effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Pronouncement</td>
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<td>Effective Date and Transition</td>
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<tr>
<td>Statement 82, <em>Pension Issues</em></td>
<td>Governmental entities</td>
<td>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.</td>
</tr>
<tr>
<td>Statement 81, <em>Irrevocable Split-Interest Agreements</em></td>
<td>Governmental entities</td>
<td>Effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Pronouncement</td>
<td>Affects</td>
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<tr>
<td><strong>Statement 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</strong></td>
<td>Governmental entities.</td>
<td>Effective for financial statements for periods beginning after June 15, 2016. Early adoption is encouraged.</td>
</tr>
<tr>
<td><strong>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</strong></td>
<td>Governmental entities.</td>
<td>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.</td>
</tr>
<tr>
<td><strong>Statement 72, Fair Value Measurement and Application</strong></td>
<td>Governmental entities.</td>
<td>Effective for financial statements for periods beginning after June 15, 2015. Early adoption is encouraged.</td>
</tr>
</tbody>
</table>
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; and 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 redesignation of that hedging instrument.
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—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 2016-12 — 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—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 2016-13 — 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—SEC filers reporting periods beginning after December 15, 2020—public business entities that are not SEC filers annual periods beginning after December 15, 2020,
and interim periods within annual reporting periods beginning after December 15, 2021.-all other entities] 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.-all other entities] Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

**ASU 2017-08 — 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.-public business entities] [annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020.-all other entities] Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

**ASU 2017-09 — 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] -entities that have not adopted ASU 2014-09] [(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]-entities that have adopted ASU 2014-09] 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.-public business entities] [annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020.-all other entities] Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2017-12 — 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.-public business entities] [annual periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020.-all other entities] Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.
ASU 2017-15 — 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, with the exception of 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. 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 and did not have a material effect on the 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 and did not have a material effect on the financial statements.

**ASU 2018-06 — Applicable to depository and lending institutions:**

In May 2018, the FASB amended the Financial Services—Depository and Lending Topic of the Accounting Standards Codification to remove outdated guidance related to Circular 202. The amendments were effective upon issuance and did not have a material effect on the financial statements.

**ASU 2018-07 — Applicable to all entities that enter into share-based payment transactions for acquiring goods and services from nonemployees:**

In June 2018, the FASB amended the Compensation—Stock Compensation Topic of the Accounting Standards Codification. The amendments expand the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The amendments are effective for [fiscal years beginning after December 15, 2018, including interim periods within that fiscal year—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, but no earlier than an entity’s adoption date of Topic 606. The Company does not expect these amendments to have a material effect on its financial statements.

**ASU 2018-08 — Applicable to Not-for-Profit entities and all other entities, including business entities, that receive or make contributions of cash and other assets, including promises to give within the scope of Subtopic 958-605 and contributions made within the scope of Subtopic 720-25, Other Expenses—Contributions Made:**
In June 2018, the FASB updated the Not-for-Profit Entities Topic of the Accounting Standards Codification. The amendments clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. For contributions received, the amendments are effective for [annual periods beginning after June 15, 2018, including interim periods within those annual periods—public business entities or an NFP 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 serves as a resource recipient] [annual periods beginning after December 15, 2018, and interim periods within those annual periods beginning after December 15, 2019—all other entities]. For contributions made, the amendments are effective for [annual periods beginning after December 15, 2018, including interim periods within those annual periods—public business entities or an NFP 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 serves as a resource provider] [annual periods beginning after December 15, 2019, and interim periods within those annual periods beginning after December 15, 2020—all other entities]. Early adoption is permitted. 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.