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FINANCIAL SERVICES

Quarterly Update

Fourth Quarter 2019

January 6, 2020

Dear Clients and Friends:

We have compiled a list of items for your consideration in your financial reporting and disclosures for the fourth quarter and a summary of recently issued accounting pronouncements (see Appendices for summary of recently issued accounting pronouncements and the related effective dates). Our goal is for you to have up-to-date information available to you prior to finalizing your financial reporting deliverables.

This quarterly update is organized as follows:

Please review and feel free to contact one of your Elliott Davis engagement team members with any questions. We look forward to working with you during the audit and throughout the financial reporting process.

Selected Highlights

FASB Defers Effective Dates of CECL, Leases, and Hedging

On November 15, the FASB issued two ASUs that contain a sweeping set of split deferrals—for a subset of companies—on new accounting rules for CECL, long-term insurance contracts, leases and hedge accounting.

Find out more in the *FASB Update* section.

SEC Staff Issues Guidance on Credit Loss Standard

In November, the SEC published Staff Accounting Bulletin (SAB) 119 to align the commission's guidance with the FASB's new credit loss standard, which is effective in 2020 for large public companies that file with the SEC. SRCs registered with the commission, private companies, and not-for profit organizations have more time to implement the revised accounting rules. SAB 119 updates staff guidance about methodologies and supporting documentation for measuring credit losses.

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

FASB May Tweak Lease Standard to Ease Costs for Private Companies

The FASB would consider amending its newly deferred lease accounting rules for private companies next year if research with public companies reveals areas of more cost-effective reporting solutions, according to remarks made by FASB Chairman Russell Golden at a meeting of the Financial Accounting Foundation (FAF), the body with oversight of FASB and GASB.

Learn more in the *Other Items* section.

FASB Approves Proposed Changes to Facilitate LIBOR Phaseout

The FASB has voted to finalize its proposal that would provide temporary optional guidance to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. The proposal is intended to addresses operational challenges companies raised and ultimately will help simplify the transition process.

More information about this can be found in the *On the Horizon* section.

FASB Update

The following selected Accounting Standards Updates (ASUs) were issued by the Financial Accounting Standards Board (FASB) during the fourth quarter. A complete list of all ASUs issued or effective in 2019 is included in Appendix A.

FASB Simplifies Accounting for Income Taxes

On December 18, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The FASB issued the changes in an effort to simplify accounting for income taxes by removing specific technical exceptions that often produce information investors have a hard time understanding. Specifically the guidance will remove the need for companies to analyze whether (1) the exception to the incremental approach for intra-period tax allocation, (2) exceptions to accounting for basis differences when there are ownership changes in foreign investments, and (3) the exception in interim period income tax accounting for year-to-date losses that exceed anticipated losses apply in a given period.

In addition, the ASU simplifies income tax accounting in the following five areas:

- franchise taxes (or similar taxes)
- step up in the tax basis of goodwill associated with a business combination
- allocation of current and deferred tax expense to a legal entity that is not subject to tax in its separate financial statements
- presentation of the effect of an enacted change in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date
- minor codification improvements for income taxes related to employee stock ownership plans and investments in qualified affordable housing projects accounted for using the equity method

Effective Dates

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

Narrow-Scope Improvements to Credit Losses Standard

On November 26, the FASB issued an ASU that addresses issues raised by stakeholders during the implementation of ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, clarifies certain areas of the guidance to ensure all companies and organizations can make a smoother transition to the standard.

Among other narrow-scope improvements, the new ASU clarifies guidance around how to report expected recoveries. "Expected recoveries" describes a situation in which an organization recognizes a full or partial write-off of the amortized cost basis of a financial asset—but then later determines that the amount written off, or a portion of that amount, will in fact be recovered. While applying the credit losses standard, stakeholders questioned whether expected recoveries were permitted on assets that had already shown credit deterioration at the time of purchase (also known as PCD assets). In response to this question, the ASU permits organizations to record expected recoveries on PCD assets.

In addition to other narrow technical improvements, the ASU also reinforces existing guidance that prohibits organizations from recording negative allowances for available-for-sale debt securities.

Effective Dates

For entities that have not yet adopted the amendments in ASU 2016-13, the effective dates and transition requirements for the amendments are the same as the effective dates and transition requirements in ASU 2016-13.

FASB Update, *continued*

For entities that have adopted the amendments in ASU 2016-13, the amendments in this ASU are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted in any interim period after issuance of this ASU as long as an entity has adopted the amendments in ASU 2016-13.

For entities that have adopted the amendments in ASU 2016-13, the amendments in this ASU should be applied on a modified retrospective basis by means of a cumulative-effect adjustment to the opening retained earnings balance in the statement of financial position as of the date that an entity adopted the amendments in ASU 2016-13.

FASB Delays Effective Dates for Credit Losses, Leases, Hedging, and Long-Duration Insurance Contracts

On November 15, the FASB issued two ASUs that contain a sweeping set of split deferrals—for a subset of companies—on new accounting rules for CECL, long-term insurance contracts, leases and hedge accounting.

- ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, finalizes various effective date delays for private companies, not-for-profit organizations, and certain smaller reporting companies applying the credit losses (CECL), leases, and hedging standards
- ASU 2019-09, *Financial Services—Insurance (Topic 944): Effective Date*, finalizes insurance standard effective date delays for all insurance companies that issue long-duration contracts, such as life insurance and annuities

The decision means the effective date of ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, would change from 2021 to 2023 for smaller reporting companies (SRCs), and from 2022 to 2023 for private companies and nonprofits (these dates refer to calendar-year-end entities). SRCs as defined by the Securities and Exchange Commission (SEC) are those that either have a public float of less than $250 million, or annual revenue of less than $100 million and no public float or public float of less than $700 million.

The FASB also decided that ASU 2016-02, *Leases*, and ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities*, will be deferred one year from 2020 to 2021 for private companies and nonprofits (calendar-year-end). The leases and hedging rules are already in effect for public companies and therefore no date changes can be made for those companies.

In addition, ASU 2018-12, *Targeted Improvements to the Accounting for Long-Duration Contracts*, will be deferred two years from 2022 to 2024 for SRCs, private companies and nonprofits, and one year from 2021 to 2022 for calendar-year-end public companies.

Effective Dates

The graphic below illustrates the new effective dates:

	Public Business Entities		All Other Entities*
	SEC Filers*	All Other Public Business Entities*	
CECL	Jan-2020 (excludes smaller reporting companies as defined by the SEC)	Jan-2023 (includes smaller reporting companies as defined by the SEC)	Jan-2023
Hedging	Jan-2019	Jan-2019	Jan-2021
Leases	Jan-2019	Jan-2019	Jan-2021
Insurance	Jan-2022 (excludes smaller reporting companies as defined by the SEC)	Jan-2024 (includes smaller reporting companies as defined by the SEC)	Jan-2024

** Assumes December 31 fiscal year-end.*

FASB Update, *continued*

Clarification of Share-Based Consideration Payable to a Customer

On November 11, the FASB issued an ASU that simplifies and increases comparability of accounting for nonemployee share-based payments, specifically those made to customers. ASU 2019-08, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements—Share-Based Consideration Payable to a Customer*, is intended to simplify and improve reporting of share-based payments—in this case, those paid to customers.

This ASU will affect companies that issue share-based payments (for example, options or warrants) to their customers. Similar to issuing a cash rebate to a customer, issuing a share-based payment to a customer can incentivize additional purchases. The share-based payments can also serve a strategic purpose by aligning the interests of a supplier and its customer, because the customer's additional purchases increase its investment in the supplier.

In June 2018, the FASB issued an ASU that expanded the scope of Accounting Standards Codification (ASC) 718, *Compensation—Stock Compensation*, to include share-based payments to nonemployees in exchange for goods and services. That ASU substantially aligned the accounting for share-based payments to nonemployees and employees. However, it required share-based payments to nonemployee customers to be accounted for under ASC 606, *Revenue from Contracts with Customers*, as a reduction of revenue, similar to other sales incentives (such as coupons and rebates).

While that ASU provided guidance on the income statement classification of payments to customers (as a reduction of revenue), that ASU did not specify when to measure such awards or how to classify awards on the balance sheet (for example as a liability or as equity). To address diversity in these areas, the new guidance requires companies to measure and classify (on the balance sheet) share-based payments to customers by applying the guidance in ASC 718. As a result, the amount recorded as a reduction in revenue would be measured based on the grant-date fair value of the share-based payment.

Effective Dates

For entities that have not yet adopted the amendments in ASU 2018-07, the amendments in this ASU are effective for (1) public business entities in fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, and (2) other than public business entities in fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.

For entities that have adopted the amendments in ASU 2018-07, the amendments in this ASU are effective in fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.

Regulatory Update

SEC Staff Issues Guidance on Credit Loss Standard

In November, the SEC published Staff Accounting Bulletin (SAB) 119 to align the commission's guidance with the FASB's new credit loss standard, which is effective in 2020 for large public companies that file with the SEC. SRCs registered with the commission, private companies, and not-for profit organizations have more time to implement the revised accounting rules. SAB 119 updates staff guidance about methodologies and supporting documentation for measuring credit losses.

In 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires banks and other lenders to look to the future, make reasonable and supportable estimates, and calculate potential losses on loans and certain securities as soon as they issue them and set aside corresponding loss reserves. This current expected credit loss (CECL) model is different from what banks use today under the incurred loss model, which require them to write down losses after borrowers have essentially defaulted on their payments.

The updated guidance in SAB 119 continues to focus on the documentation the staff would normally expect registrants engaged in lending transactions to prepare and maintain to support estimates of current expected credit losses for loan transactions. SAB 119 is applicable when a company adopts ASU 2016-13.

SAB 119 adds Section M to Topic 6 of the SAB Series which delves into four topics and responds to seven commonly asked questions, including the following:

- Measuring current expected credit losses
- Development, governance, and documentation of a systematic methodology
- Documenting the results of a systematic methodology
- Validating a systematic methodology

House Continues to Scrutinize Private Funds

The full House Financial Services Committee held a hearing in November to examine the practices of private equity funds, as Democrats seek to expand disclosure requirements. In July, Democrats in the House and Senate filed bills that would subject the private equity industry to a host of new disclosures. The sweeping *Stop Wall Street Looting Act* would mandate the SEC to make rules within a year of passage requiring private equity funds to make annual disclosures on general partners, investors, ownerships stakes in companies, and other information.

Funds would also be required to disclose information that includes the total amount of regulatory assets under management, total debt, and fees. Funds would need to file an annual financial statement that includes the income statement, balance sheet, and statement of cash flows.

The measure is part of an ongoing attempt by Democratic lawmakers to crack down on the private equity industry, which they frame as opaque to the public and predatory to target companies.

However, the bill faces long odds in the Republican-controlled Senate, which has long blocked Democratic efforts to expand corporate disclosure requirements, and is opposed by the U.S. Chamber of Commerce. Financial reform groups are widely backing the bill.

Regulatory Update, *continued*

House Bill Would Extend EGC Benefits for Five Years

In October, House Republicans reintroduced a bill to extend certain disclosure benefits afforded to Emerging Growth Companies (EGCs) under the JOBS Act for an additional five years. H.R. 4918, the *Helping Startups Continue to Grow Act*, is part of a broader campaign to extend the benefits of the 2012 JOBS Acts for companies aging out of their EGC status and facing the loss of a series of accounting and disclosure exemptions.

Today, in addition to an exemption from the auditor attestation requirements in Section 404(b) of the Sarbanes-Oxley Act, EGCs are afforded a host of disclosure benefits, including an exemption from the Dodd-Frank Act's pay ratio disclosure rules issued by the SEC in 2015 in Release No. 33-9877, *Pay Ratio Disclosure*, which require companies to disclose a ratio comparing the chief executive's pay to that of the median employee. EGCs are also freed from the "say-on-pay" advisory votes on executive compensation, and can take advantage of other scaled disclosure requirements, among other benefits.

Several conditions can trigger the loss of EGC status. If a company surpasses $1 billion in annual revenue or reaches the five-year anniversary of its initial public offering (IPO) date, it will no longer qualify as an EGC after the end of the fiscal year in which it reached that milestone. A company will also lose its EGC designation if it issues more than $1 billion in non-convertible debt over a three-year period, or reaches a public float of $700 million.

Under the bill, companies that age out of EGC status would gain an additional five years of exemption from pay ratio disclosure and other disclosure requirements on executive compensation and other issues. Industry groups are supporting the bill, which last year advanced out of a GOP-controlled House Financial Services Committee on a 32-24 vote.

Definition of 'Qualified Residential Mortgage' in Credit Risk Retention Rule Being Reviewed

The Treasury Department, SEC, FRB, FDIC, OCC, SEC, HUD, and Federal Housing Finance Agency (FHFA) are asking for public input as part of their periodic review of the securitization credit risk retention regulations and qualified residential mortgages (QRMs).

In response to the Dodd-Frank Act, an interagency final rule was issued that requires a securitizer of asset-backed securities (ABS) must retain not less than five percent of the credit risk of the assets collateralizing the securities. Sponsors of securitizations that issue ABS interests must retain either an eligible horizontal residual interest, vertical interest, or a combination of both. The credit risk retention requirements became effective for securitization transactions collateralized by residential mortgages in 2015, and for other transactions in 2016.

The CFPB is in the process of an in-depth assessment of its QM Rule. The agencies of the credit risk retention regulations committed to reviewing those regulations and the definition of QRM periodically, and in coordination with the CFPB's statutorily mandated assessment of QM. As part of their review of the risk retention/QRM rule, the agencies will consider changes in the mortgage and securitization market conditions and practices, as well as how the QRM definition affects residential mortgage underwriting and securitization of residential mortgage loans under evolving market conditions. The agencies also will review other regulatory changes affecting securitization, and any changes to the structure and framework of the GSEs and those markets. In addition, the agencies will consider any changes the CFPB makes to the QM definition, which would automatically modify the QRM definition. Specifically, the agencies are requesting public input on: (1) the definition of QRM; (2) the community-focused residential mortgage exemption; and (3) the exemption for qualifying three-to-four unit residential mortgage loans.

The proposed rule can be accessed at:

https://www.govinfo.gov/content/pkg/FR-2019-12-20/pdf/2019-27490.pdf

Comments on the review are due by February 3, 2020.

Regulatory Update, *continued*

SEC Moving Forward on Rule to Exempt More Companies From Audits of ICFR

In May, the SEC issued a proposal in Release No. 34-85814, *Amendments to the Accelerated Filer and Larger Accelerated Filer Definitions*. This release would exempt more categories of companies from auditor attestation of management's internal controls over financial reporting required by Section 404(b) of the Sarbanes-Oxley Act of 2002.

In particular, the proposal would exclude smaller reporting companies (SRCs) which are companies that have less than $250 million in public float. A company with no public float or with a public float of less than $700 million also qualifies as an SRC if it had annual revenues of less than $100 million during its most recently completed fiscal year.

Based on the latest rulemaking agenda, the SEC is planning to adopt a final rule by April 2020.

SEC Agenda Includes Plans to Change Quarterly Reports and Earnings Releases

According to the latest rulemaking agenda published in late November 2019, the SEC's Division of Corporation Finance plans to recommend that the SEC propose amendments to change the nature, content, and timing of quarterly reports made by public companies in an effort to ease companies' compliance burdens. This follows the December 2018 publication of Release No. 33-10588, *Request for Comment on Earnings Releases and Quarterly Reports*. The request for comment was driven by a request by President Trump in August 2018 for the SEC to consider a six-month reporting system to replace the three-month quarterly and annual filing requirements that U.S. public companies have followed since 1970. The current timeline indicates that the SEC is planning to issue a proposal by September 2020.

SEC Currently Not Planning to Add XBRL Audit Requirement

The adoption of the SEC's June 2018 requirement to utilize inline eXtensible Business Reporting Language (XBRL) prompted some investors to push for an additional requirement for XBRL tags to be subjected to independent audits as well. Sagar Teotia, the SEC's Chief Accountant noted in a recent speech that currently adding a requirement to audit XBRL data tags is not on the agenda.

Regulatory Guidance Issued Related to Reg O and Part 363 Reporting Requirements (FIL-85-2019)

On December 27, the FRB, FDIC, and the OCC issued an interagency statement to provide temporary relief while the FRB, in consultation with the other federal banking agencies, considers whether to amend Regulation O. As detailed in the statement, the agencies will exercise discretion in not bringing enforcement actions against asset managers and institutions for extensions of credit that would otherwise violate Regulation O, provided the asset managers and institutions satisfy certain conditions designed to ensure that there is a lack of control by the asset manager over the institution. In addition, the agencies would not take action against institutions for failure to report, for purposes of section 363.2 of the FDIC's regulations, extensions of credit that would otherwise violate Regulation O but are covered by this Regulation O no-action position.

FDIC Issues NPR for Revisions to Brokered Deposit Regulations (FIL-83-2019)

On December 13, the FDIC issued a Notice of Proposed Rulemaking (NPR) seeking comment on proposed revisions to its brokered deposit regulations. Through these proposed changes, the FDIC intends to modernize its brokered deposit regulations to reflect recent technological changes and innovations that have occurred. The FDIC recognizes that the definition of "deposit broker," and its corresponding staff interpretations, as originally written may not be as relevant compared to the deposit placement arrangements that exist in the market today and the proposed changes are intended to ensure that the classification of a deposit as brokered appropriately reflects changes in the banking landscape since 1989, when the law on brokered deposits was first enacted.

Regulatory Update, *continued*

Regulators Propose Revisions to the Community Reinvestment Act Regulations (FIL-81-2019)

On December 13, the FDIC and the OCC issued a joint Notice of Proposed Rulemaking (NPR) to amend the Community Reinvestment Act's (CRA) implementing regulations. The proposed revisions are intended to modernize and update CRA regulations to better achieve the law's underlying purpose of encouraging banks to serve communities where there is significant need for credit, more responsible lending, and improvements to critical infrastructure. Specifically, the NPR would:

- Clarify and expand what qualifies for CRA credit
- Expand where CRA activity counts by creating additional "assessment areas" tied to where deposits originate
- Establish activity thresholds as a percentage of domestic deposits
- Revise data collection, recordkeeping, and reporting requirements.

The NPR would allow banks with $500 million or less in total assets to continue to be evaluated under the current CRA small bank test or opt in to the new general performance standards.

Regulators Issue Interagency Statement on Providing Banking Services to Customers Engaged in Hemp Production (FIL-78-2019)

On December 3, the FDIC, the FRB, the OCC, and FinCEN issued a joint statement on providing banking services to customers engaged in hemp production.

Background

The Agriculture Improvement Act of 2018 (2018 Farm Bill), which removed hemp as a Schedule I controlled substance under the Controlled Substances Act was signed into law in 2018. The 2018 Farm Bill directed the USDA, in consultation with the U.S. Attorney General, to regulate hemp production.

On October 31, 2019, the USDA issued an interim final rule establishing the domestic hemp production regulatory program to facilitate the legal production of hemp, as required in the 2018 Farm Bill. Under the interim final rule, state departments of agriculture and tribal governments may submit plans for monitoring and regulating the domestic production of hemp to the USDA for approval.

- Hemp may be grown only with a valid USDA-issued license or under a USDA-approved state or tribal plan. Research and development initiatives authorized under the Agricultural Act of 2014 (2014 Farm Bill) remain in effect until one year after the effective date of the USDA interim final rule.
- A state or tribal government may prohibit the production of hemp, even though it is legal under federal law. The 2018 Farm Bill provisions related to USDA-approved state or tribal plans do not preempt state or tribal laws regarding the production of hemp that are more stringent.
- The 2018 Farm Bill amended the definition of marijuana only to exclude hemp, therefore marijuana is still a controlled substance under federal law.

The interim final rule includes requirements for maintaining information on the land where hemp is produced, testing hemp for tetrahydrocannabinol (THC) levels, disposing of plants with more than 0.3 percent THC, and licensing for hemp producers. The USDA regulations are in effect to accommodate the 2020 planting season.

BSA Considerations

Banks are not required to file a Suspicious Activity Report (SAR) on customers solely because they are engaged in the growth or cultivation of hemp because it is no longer a Schedule I controlled substance under the Controlled Substances Act. Banks are expected to follow standard SAR procedures for hemp-related customers and file a SAR if warranted by indications of suspicious activity. For marijuana-related businesses, banks should continue to follow FinCEN guidance FIN-2014-G001 – *BSA Expectations Regarding Marijuana-Related Businesses*.

Regulatory Update, *continued*

Regulators Revise Definition of a High Volatility Commercial Real Estate (FIL-72-2019)

On November 20, the FDIC, Federal Reserve and OCC jointly revised the definition of a "high volatility commercial real estate" (HVCRE) exposure in the regulatory capital rules in accordance with the *Economic Growth, Regulatory Relief, and Consumer Protection Act*. The final rule provides interpretations of certain aspects of the revised HCVRE exposure definition, including the regulatory capital treatment for land development loans.

- The final rule revises the definition of an HVCRE exposure to conform to the statutory definition of a high volatility commercial real estate acquisition, development, or construction (HVCRE ADC) loan.
- An HVCRE ADC loan includes a credit facility that: is secured by real property; primarily finances, has financed, or refinances acquisition, development, or construction of real property; has the purpose of providing financing to acquire, develop, or improve such real property into income-producing property; and is dependent on future income or sales proceeds from, or refinancing of, such real property for repayment.
- Credit facilities that meet the definition of an HVCRE exposure and do not qualify for an exclusion or other credit risk mitigation receive a 150 percent risk weight.
- The final rule provides exclusions from HVCRE, including loans financing the acquisition, development or construction of the following real properties: one-to-four family residential properties; community development projects; agricultural land; existing income-producing property secured by permanent financings; certain commercial real property projects; real property where the loan has been reclassified as a non-HVCRE ADC loan; and real estate where the loan was made before January 1, 2015.
- The final rule provides interpretations of certain terms generally consistent with the instructions to the Call Report. The final rule will take effect on April 1, 2020. The agencies are not requiring institutions to reevaluate ADC loans made prior to the effective date.

FFIEC Updates FFIEC IT Examination Handbook for Business Continuity Management (FIL-71-2019)

On November 14, the FFIEC issued the *Business Continuity Management* (BCM) booklet, which is part of the *FFIEC Information Technology Examination Handbook*. The booklet replaces the *Business Continuity Planning* booklet issued in February 2015 and the replacement reflects the expanded role information technology (IT) plays in supporting business operations and meeting customer expectations. The BCM booklet:

- Describes principles and practices for managing business continuity.
- Contains updated procedures to help examiners evaluate the adequacy of an entity's business continuity management program.
- Focuses on assessing an entity's resilience through an enterprise risk management (ERM) perspective that considers technology, business operations, communication strategies, training, testing, maintenance, and improvement — issues critical to business continuity.

The changes do not impose new requirements on examined entities.

Other Items

FASB Kicks Off Outreach Effort to Community Banks and Credit Unions

In the fourth quarter, the FASB held a series of conference workshops to help community banks and credit unions implement accounting provisions for credit losses on loans. The workshops focused on credit loss reserve estimation techniques, including the weighted average remaining maturity (WARM) method; answers to frequently asked questions and other common implementation issues banks may face.

The topics featured during the workshops were also addressed in two staff documents issued this year: *FASB Staff Q&A—Topic 326, No. 1: Whether the Weighted-Average Remaining Maturity Method Is an Acceptable Method to Estimate Expected Credit Losses*, issued in January, and *FASB Staff Q&A—Topic 326, No. 2: Developing an Estimate of Expected Credit Losses on Financial Assets*, issued in July. The FASB issued the Q&As to help companies with technical issues arising from implementing ASU 2016-13.

The FASB will also collaborate with the Conference of State Bank Supervisors (CSBS) to hold workshops in 2020 in participating states based on each state's training needs. CSBS is the nationwide organization of financial regulators from all 50 states, plus U.S. territories. The board will announce the venues for those events in the coming months.

FASB May Tweak Lease Standard to Ease Costs for Private Companies

The FASB would consider amending its newly deferred lease accounting rules for private companies next year if research with public companies reveals areas of more cost-effective reporting solutions, according to remarks made by FASB Chairman Russell Golden at a meeting of the Financial Accounting Foundation (FAF), the body with oversight of FASB and GASB.

FASB staff have been instructed to speak with public companies to determine areas in ASC 842, Leases, that could have had more cost-effective solutions, and to bring an analysis back to the board by March. The FASB's outreach will also include ongoing dialogue with its Private Company Council, Small Business Advisory Committee, and Financial Accounting Standards Advisory Council about whether the board is reacting to the right type of information. The board will also look at AICPA studies.

AICPA Publishes Digital Assets Practice Aid

In December, the AICPA published a practice aid to help financial professionals account for and audit digital assets. The guide, *Accounting for and Auditing of Digital Assets*, is non-authoritative and is based on professional literature and experience from members of the Digital Assets Working Group. The practice aid has been reviewed by the AICPA's Financial Reporting Executive Committee (FinREC) and covers six key areas considered important for those who prepare financial statements, auditors, regulators, and those with knowledge of blockchain technology that are listed below:

- Classification and Measurement When an Entity Purchases Crypto Assets
- Recognition and Initial Measurement When an Entity Receives Digital Assets that are Classified as Indefinite-Lived Intangible Assets
- Accounting for Digital Assets Classified as Indefinite-Lived Intangible Assets
- Measurement of Cost Basis of Digital Assets that are Classified as Indefinite-Lived Intangible Assets
- Derecognition of Digital Asset Holdings that are Classified as Indefinite-Lived Intangible Assets
- Recognition of Digital Assets When an Entity Uses a Third-Party Hosted Wallet Service

The AICPA said digital assets are broadly defined as "digital records, made using cryptography for verification and security purposes, on a distributed ledger."

The AICPA has indicated that the guidance will be updated regularly and content related to auditing of digital assets is expected to be added to the Practice Aid in early 2020.

Other Items, *continued*

COSO Publishes Guidance on Management of Cyber Risks

In December, the Committee of Sponsoring Organizations of the Treadway Commission (COSO), published *Managing Cyber Risk in a Digital Age*. The guidance is for boards of directors, audit committee members, executive management, and cyber practitioners. The guidance provides insight into how companies can leverage the five components and 20 principles in COSO's *Enterprise Risk Management–Integrating with Strategy and Performance* (the "ERM Framework") to identify and manage cyber risks.

Because cyber threats evolve quickly, COSO has concluded that it is imperative for boards of directors and audit committees to increase their cyber competencies to better evaluate how well those risks are being addressed. COSO believes the ERM Framework was updated in 2017 to respond to changing times and provides a good framework around which to build those competencies and identify and manage cyber risks.

On the Horizon

The following selected FASB exposure drafts and projects are outstanding as of December 31, 2019.

FASB Proposal Issued to Address Business Combination Accounting for an Assumed Liability in a Revenue Contract

When accounting for a business combination, in applying the acquisition method, the acquirer recognizes identifiable assets acquired and liabilities assumed in the business combination and measures those assets and liabilities at fair value. For business combinations that occur before the adoption of the new revenue recognition standard, entities often use a legal obligation definition for recognition of a liability under Topic 805 for deferred revenue. However, Topic 606 has introduced the performance obligation definition for revenue contracts with customers which has created diversity of opinion regarding which definition should be used for recognition for business combinations after Topic 606 has been adopted.

On February 14, 2019, the FASB issued proposed ASU, *Business Combinations (Topic 805): Revenue from Contracts with Customers—Recognizing an Assumed Liability (a consensus of the FASB Emerging Issues Task Force)*. The EITF reaffirms that the performance obligation definition in Topic 606, *Revenue from Contracts with Customers*, would be used to determine whether a liability assumed for a contract liability from a revenue contract with a customer is recognized by the acquirer in a business combination.

Convertible Instruments and Contracts in an Entity's Own Equity

In July, the FASB issued Proposed ASU No. 2019-730, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*, to make targeted improvements intended to reduce cost and complexity in the financial reporting for convertible instruments and contracts in an entity's own equity. For convertible instruments, the proposed ASU would reduce the number of accounting models for convertible debt instruments and convertible preferred stock. For derivatives, the proposed ASU would amend guidance for derivatives scope exceptions to:

- allow an entity to qualitatively screen out any contingent events that are considered to have a remote likelihood of occurring and disregard these events in the assessment of the derivatives scope exception
- remove three conditions required to qualify for the settlement guidance related to settlement in unregistered shares, collateral requirements and shareholder rights

The proposed ASU would also amend the related disclosure and EPS guidance.

The comment period on the proposed ASU closes closed on October 14, 2019. At its December meeting, the Board directed the staff to continue developing a remote likelihood threshold for purposes of determining the classification of a contract in an entity's own equity when applying the derivatives scope exception. Redeliberations will continue in the first quarter of 2020.

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

On the Horizon, *continued*

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, 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 and through the March 2019 meeting, the FASB redeliberated its proposed ASU and made the following decisions:

- Classification Principle—Unused Long-Term Financing Arrangements—the Board reversed its previous decision that if a long-term financing arrangement is in place as of the balance sheet date (for example, an unused line of credit), the amount of current maturities for any other debt arrangements would be reduced by the unused amount of the long-term financing arrangement up to the amount of the current maturities and classified as a noncurrent liability. Therefore, an unused long-term financing arrangement in place at the balance sheet date should be disregarded in determining the classification of debt unless it is explicitly available to refinance an existing debt. The Board directed the staff to conduct additional outreach, focusing on scenarios in which an entity has a redeemable instrument that is subject to a remarketing agreement and is also secured by a long-term letter of credit.
- Grace Periods—the Board clarified how to apply the debt classification principle when a debt covenant violation exists and the creditor provides a grace period. Specifically, the Board decided that when a borrower violates a provision of a long-term debt agreement and the creditor provides a specified grace period for the borrower to cure the violation, which makes the debt no longer callable at the balance sheet date, the borrower should classify the debt as a noncurrent liability. The Board decided to require an entity to disclose information when a borrower violates a provision of a long-term debt agreement and the creditor provides a specified grace period. That disclosure would be required when (1) the violation has not been cured before the financial statements are issued (or are available to be issued) and (2) the violation would make the long-term obligation callable.
- Effective Date—the Board decided that the effective date should be as follows:
    - For public business entities, for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years
    - For all other entities, for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

In September, the FASB issued Proposed ASU (REVISED) No. 2019-780, Debt (Topic 470): Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent), to solicit feedback on the revised proposed ASU. The comment period closed on October 28, 2019 and the FASB's next steps are to consider comment letter feedback on the revised proposed ASU.

FASB Approves Proposed Changes to Facilitate LIBOR Phaseout

On September 5, the FASB issued an Exposure Draft as Proposed ASU No. 2019-770, *Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The proposal would provide temporary optional guidance to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. The proposal is intended to addresses operational challenges companies raised and ultimately will help simplify the transition process.

On the Horizon, *continued*

The Exposure Draft proposed to simplify the accounting evaluation of a contract modification and allow for that modification to be considered a continuation of the contract for accounting purposes. The proposal would also simplify the assessment of hedge effectiveness and allow hedging relationships affected by reference rate reform to continue. Application of the hedge accounting relief would be optional on a hedge-by-hedge basis. The proposed accounting relief could be applied up until January 1, 2023, a year after the expected discontinuation of the London Interbank Offered Rate (LIBOR).

In November, the FASB voted to finalize its proposal and has directed the staff to draft a final ASU for vote by written ballot. A final standard is expected to be issued early 2020.

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.

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.

On June 27, 2018, the FASB decided to continue its existing project to reorganize ASC 810 and instructed the staff to develop nonauthoritative educational material to address the more difficult parts of consolidation guidance with the goal of supporting and supplementing the reorganized authoritative consolidation guidance.

EITF Agenda Items

At its November 2019 meeting, the FASB's Emerging Issues Task Force (EITF) deliberated the following topics:

- *Issue No. 19-A, Financial Instruments—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815*—The Task Force reached a consensus that an entity should consider observable transactions that would require the investor to either apply or discontinue the equity method of accounting for the purposes of applying the measurement alternative under Topic 321 immediately before applying or upon discontinuing the equity method. The Task Force also reached a consensus that for the purpose of applying paragraph 815-10-15-141(a) an entity should not consider whether, upon the settlement of the forward contract or exercise of the purchased option, individually or with existing investments, the underlying securities would be accounted for under the equity method or the fair value option in accordance with Topic 825, *Financial Instruments*. The Task Force also reached a consensus on other items, including transition, transition disclosures, special consideration for nonpublic entities, effective date, and early adoption.

On the Horizon, *continued*

- *Issue No. 19-B, Issue No. 19-B, "Revenue Recognition—Contract Modifications of Licenses of Intellectual Property*—The Task Force was unable to reach a consensus-for-exposure on (a) the issue related to the accounting for contract modifications under which the contract term for existing rights is extended, while also adding rights, or (b) the issue related to the accounting for the revocation of licensing rights (including conversion of term software licenses to software as a service arrangement). Task Force members requested that the staff perform additional research, which will be discussed at a future EITF meeting.

The next EITF meeting will likely be held on Thursday, January 23, 2020, in Norwalk, Connecticut.

PCC Activities

The Private Company Council (PCC) met on December 16, 2019. Below is a brief summary of issues addressed by the PCC at the meeting, categorized by project:

- *PCC Issue No. 2018-01, "Practical Expedient to Measure Grant-Date Fair Value of Equity-Classified Share-Based Awards":* The PCC and the Board continued their discussion from the September 2019 PCC meeting about a potential practical expedient in which the current price for equity-classified share-option awards could be determined using a valuation that meets the requirements of Section 409A of the U.S. Internal Revenue Code. The PCC and the Board discussed whether and how the practical expedient (1) would differ from current practice and (2) could reduce the cost and complexity associated with determining the current price input. The PCC unanimously voted to move forward with the project and asked the staff to draft an Exposure Draft to be submitted for endorsement by the Board.
- *Identifiable Intangible Assets and Subsequent Accounting for Goodwill:* The PCC and the Board discussed feedback received from the Invitation to Comment, *Identifiable Intangible Assets and Subsequent Accounting for Goodwill*, as well as from the November 2019 public roundtable meetings. The PCC provided insight on questions of comparability and operability, and several PCC members indicated that if there is a change in the subsequent accounting for goodwill for public business entities, the private company goodwill alternative should not be amended.
- *Distinguishing Liabilities from Equity (Including Convertible Debt):* The PCC and the Board discussed feedback received on the proposed Update, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The PCC expressed overall support for the Board's decisions. Several PCC members recommended the Board consider an effective date for private companies that is two years after the effective date for public business entities in its upcoming redeliberations.
- *EITF Issue No. 19-C, "Warrant Modifications: Issuers' Accounting for Modifications of Equity Classified Freestanding Call Options That Are Not within the Scope of Topic 718, Compensation—Stock Compensation, or Topic 815, Derivatives and Hedging":* The FASB staff provided an overview of the project and solicited feedback from PCC members on an issuer's accounting for equity-classified warrant modifications. Certain PCC members discussed their experience in warrant modification transactions, acknowledged the diversity in practice, and provided their views on common analogies made due to the lack of authoritative guidance.
- *Simplifying the Balance Sheet Classification of Debt:* The PCC and the Board discussed feedback received on the revised proposed ASU, *Debt (Topic 470): Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent)*. Certain PCC members noted areas of concern on unused long-term financing arrangements and the potential increase in the cost of debt issuance but, overall, PCC members continued to express general support for the project.

The next PCC meeting will be held on Thursday, April 16, 2020, and Friday, April 17, 2020, in Norwalk, Connecticut.

Appendix A

Important Implementation Dates

The following table contains significant implementation dates and deadlines for standards issued by the FASB and others.

Selected Implementation Dates

Pronouncement	Affects	Effective Date and Transition
ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes	Entities within the scope of ASC 740	For public business entities, the amendments are effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted.
ASU 2019-10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates	All entities	The amendments in this ASU delay the effective dates of ASU 2016-13, ASU 2017-12, and ASU 2016-02, and ASU 2017-04.
ASU 2019-08, Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements—Share-Based Consideration Payable to a Customer	All entities that issue share-based payments to customers	For entities that have not yet adopted the amendments in ASU 2018-07, the amendments in this ASU are effective for (1) public business entities in fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, and (2) other than public business entities in fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. For entities that have adopted the amendments in ASU 2018-07, the amendments in this ASU are effective in fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.
ASU 2019-07, Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates	All entities that are SEC filers	Effective upon issuance.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2019-05, Targeted Transition Relief	All entities	For entities that have not yet adopted ASU 2016-13, the effective date and transition methodology for the amendments in this ASU are the same as in ASU 2016-13. For entities that have adopted ASU 2016-13, the amendments in this ASU are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted in any interim period after the issuance of this ASU as long as an entity has adopted ASU 2016-13.
ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments	Entities that hold financial instruments	The effective date of each of the amendments depends on the effective date and adoption of ASU 2016-01, ASU 2016-13, and ASU 2017-12.
ASU 2019-01, Leases (Topic 842): Codification Improvements	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, 2019, and 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.
ASU 2018-20, Narrow-Scope Improvements for Lessors	Lessor entities	For entities that have not adopted ASC 842 before the issuance of this ASU, the effective date and transition requirements for the amendments in this ASU are the same as the effective date and transition requirements in ASU 2016-02. For entities that have adopted ASC 842, the effective date and transition of the amendments related to the amendments in this ASU are as follows: 1. The amendments should be applied at the original effective date of Topic 842 for the entity or in either the first reporting period ending after the issuance of this ASU (for example, December 31, 2018) or in the first reporting period beginning after the issuance of this ASU (for example, January 1, 2019). 2. The amendments may be applied either retrospectively or prospectively. All entities, including early adopters, must apply the amendments in this ASU to all new and existing leases.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments—Credit Losses	All entities that hold financial assets and net investment in leases that are not accounted for at fair value through net income	The effective date and transition requirements are the same as the effective dates and transition requirements in ASU 2016-13, as amended by this ASU.
ASU 2018-18, Clarifying the Interaction between Topic 808 and Topic 606	All entities	Effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. For all other organizations, the amendments are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early adoption is permitted.
ASU 2018-17, Targeted Improvements to Related Party Guidance for Variable Interest Entities	All entities	Effective for organizations other than private companies for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The amendments in this ASU are effective for a private company for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early adoption is permitted.
ASU 2018-16, Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes	All entities	For entities that have not already adopted ASU 2017-12, the amendments in this ASU are required to be adopted concurrently with the amendments in ASU 2017-12. For public business entities that already have adopted the amendments in ASU 2017-12, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. For all other entities that already have adopted the amendments in ASU 2017-12, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted in any interim period upon issuance of this Update if an entity already has adopted ASU 2017-12.
ASU 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)	All entities	Effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. For all other entities, the amendments in this Update are effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted, including adoption in any interim period, for all entities.
ASU 2018-13, Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement	All entities	Effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2018-11, Leases (Topic 842)—Targeted Improvements	All entities	The amendments related to separating components of a contract affect the amendments in ASU 2016-02, which are not yet effective but can be early-adopted. For entities that have not adopted ASC 842 before the issuance of this ASU, the effective date and transition requirements for the amendments in this ASU related to separating components of a contract are the same as the effective date and transition requirements in ASU 2016-02. For entities that have adopted ASC 842, the effective date and transition of the amendments related to separating components of a contract are as follows: • The practical expedient may be elected either in the first reporting period following the issuance of this ASU or at the original effective date of ASC 842 for that entity. • The practical expedient may be applied either retrospectively or prospectively. All entities, including early adopters, that elect the practical expedient related to separating components of a contract in this ASU must apply the expedient, by class of underlying asset, to all existing lease transactions that qualify for the expedient at the date elected.
ASU 2018-10, Codification Improvements to Topic 842, Leases	All entities	For entities that early-adopted ASC 842, the amendments are effective upon issuance, and the transition requirements are the same as those in ASC 842. For entities that have not adopted ASC 842, the effective date and transition requirements will be the same as the effective date and transition requirements in ASC 842.
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.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2018-03, Recognition and Measurement of Financial Assets and Financial Liabilities	All entities	For public business entities the amendments in this Update are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018. Public business entities with fiscal years beginning between December 15, 2017, and June 15, 2018, are not required to adopt these amendments until the interim period beginning after June 15, 2018, and public business entities with fiscal years beginning between June 15, 2018, and December 15, 2018, are not required to adopt these amendments before adopting the amendments in Update 2016-01. For all other entities, the effective date is the same as the effective date in Update 2016-01. All entities may early adopt these amendments for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted Update 2016-01.
ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	All entities	Effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption of the amendments in this ASU is permitted, including adoption in any interim period, (1) for public business entities for reporting periods for which financial statements have not yet been issued and (2) for all other entities for reporting periods for which financial statements have not yet been made available for issuance.
ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842	All entities	The effective date and transition requirements for ASU 2018-01 are the same as the effective date and transition requirements in ASU 2016-02. An entity that early adopted ASC 842 should apply the amendments in this ASU upon issuance.
ASU 2017-12, Targeted Improvements to Accounting for Hedging Activities	Entities that elect to apply hedge accounting	Effective for public business entities for fiscal years beginning after December 15, 2018, and interim periods therein. Effective for all other entities for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. All entities are permitted to early adopt the new guidance in any interim or annual period after issuance of the ASU.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2017-11, (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception	Entities that issue financial instruments that include down round features	Effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Effective for all other entities for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted.
ASU 2017-10, Determining the Customer of the Operation Services—a consensus of the Emerging Issues Task Force	Operating entities with service concession arrangements within the scope of ASC 853, *Service Concession Arrangements*	Dependent upon the adoption of ASC 606, *Revenue from Contracts with Customers*.
ASU 2017-08, Premium Amortization on Purchased Callable Debt Securities	Entities that hold investments in callable debt securities held at a premium	Effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, including adoption in an interim period.
ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost	Entities that offer defined benefit pension plans, other postretirement benefit plans, or other types of benefits accounted for under ASC 715.	Effective for public business entities for interim and annual periods beginning after December 15, 2017. For other entities, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods in the subsequent annual period. Early adoption is permitted as of the beginning of any annual period for which an entity's financial statements have not been issued or made available for issuance.
ASU 2017-05, Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets	All entities.	See the Effective Date and Transition of ASU 2014-09, below.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2017-04, Simplifying the Test for Goodwill Impairment	All entities.	Effective for public business entities that are SEC filers for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2019. For public business entities that are not SEC filers, the amendments are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2020. For all other entities, including not-for-profit entities, the amendments are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.
ASU 2017-01, Clarifying the Definition of a Business	All entities.	Effective for public business entities for annual periods beginning after December 15, 2017, including interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.
ASU 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers	All entities.	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-18, Restricted Cash (a consensus of the FASB Emerging Issues Task Force)	All entities.	The amendments are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments should be applied using a retrospective transition method to each period presented.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2016-16, Intra-Entity Transfers of Assets Other Than Inventory	All entities.	For public business entities, the amendments are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued or made available for issuance. That is, earlier adoption should be in the first interim period if an entity issues interim financial statements. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption.
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 that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC, the new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other organizations, the new standard is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early application will be permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.
ASU 2016-12, Narrow-Scope Improvements and Practical Expedients	All entities	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-10, Identifying Performance Obligations and Licensing	All entities	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-09, Improvements to Employee Share-Based Payment Accounting	All entities that issue share-based payment awards to their employees.	For public business entities, the amendments are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for any organization in any interim or annual period.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)	All entities.	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2016-04, 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 2016-02, 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, 2020, and interim periods within fiscal years beginning after December 15, 2021. Early application of the amendments is permitted for all entities.
ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities	Entities that hold financial assets or owe financial liabilities.	For public companies the amendments are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For private companies, not-for-profit organizations, and employee benefit plans, the standard becomes effective for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019.
ASU 2015-14, Revenue From Contracts With Customers (ASC 606): Deferral of the Effective Date	All entities.	See the Effective Date and Transition of ASU 2014-09, below.

Appendix A

Important Implementation Dates, *continued*

Pronouncement	Affects	Effective Date and Transition
ASU 2015-14, Revenue From Contracts With Customers (ASC 606): Deferral of the Effective Date	All entities.	See the Effective Date and Transition of ASU 2014-09, below.
ASU 2014-09, Revenue from Contracts with Customers	All entities.	For public business entities, certain not-for-profit entities, and certain employee benefit plans, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early application is permitted only as of annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. For all other entities, the ASU is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. All other entities may apply the ASU early as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance in the ASU early as of an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance in the ASU. An entity should apply the guidance either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying guidance at the date of initial application.

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements

For the Quarter Ended December 31, 2019

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.

{Please give careful consideration to appropriateness of highlighted text.}

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. The Company applied the guidance using a *[full retrospective approach] [modified retrospective approach]*. The Company has performed an assessment of its revenue contracts related to revenue streams that are within the scope of the standard. Our accounting policies *[did not change materially since the principles of revenue recognition from the ASU are largely consistent with existing guidance and current practices applied by our business] [changed related to our ________ revenue stream(s)]*. *[We did not identify material changes to the timing or amount of revenue recognition] [The adoption of this guidance [increased][decreased] our revenues reported for revenues from ________ by $________]-expand this discussion as necessary for each impacted revenue stream.* We have provided qualitative disclosures of our performance obligations related to our revenue recognition and we continue to evaluate disaggregation for significant categories of revenue in the scope of the guidance.

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 was 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 applied the guidance using a *[full retrospective approach] [modified retrospective approach]*.

ASU 2016-01 — Applicable to entities, including not-for-profit organizations and employee benefit plans, 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 were 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 applied 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 were applied prospectively to equity investments that existed as of the date of adoption of the amendments. These amendments did not 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 revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendments will be effective for *[fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.-all other entities]*. Early adoption is permitted.

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

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, 2019 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 2016-08 — 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 were 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]*. These amendments did not 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 were 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]*. These amendments did not 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 were effective for the Company for *[reporting periods beginning after December 15, 2017.-public business entities] [annual reporting periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.-all other entities]*. These amendments did not have a material effect on its financial statements.

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

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 *[fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.-public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC]* *[fiscal years beginning after December 15, 2022 including interim periods within those fiscal years.-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 2016-15 — 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 were 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. These amendments did not 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 were 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. These amendments did not 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 were 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. These amendments did not 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 were 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 applied the guidance using a *[full retrospective approach]* *[modified retrospective approach]*. These amendments did not have a material effect on its financial statements.

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

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 was 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. These amendments did not have a material effect 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 were effective for the Company *[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]*. These amendments did not 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 were effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. These amendments did not have a material effect on its financial statements.

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

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 were 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. These amendments did not 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 2017-10 — 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 were 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}* These amendments did not 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*

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

after December 15, 2018.-public business entities] [fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021.-entities other than public business 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 were effective for fiscal years and first interim periods beginning after December 15, 2018. Early adoption is permitted. These amendments did not 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 were effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. These amendments did not 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 were effective for *[fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018-public business entities] [Public business entities with fiscal years beginning between December 15, 2017, and June 15, 2018, were 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, were not required to adopt these amendments before adopting the amendments in ASU 2016-01] [the same as the effective date in ASU 2016-01–all other entities]*. All entities may early adopt these amendments for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted ASU 2016-01. These amendments did not have a material effect on its 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

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

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.

ASU 2018-10 — Applicable to lessee and lessor entities:

In July 2018, the FASB amended the Leases Topic of the Accounting Standards Codification to make narrow amendments to clarify how to apply certain aspects of the new leases standard. The amendments are effective for *[reporting 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]*. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-11 — Applicable to lessee and lessor entities:

In July 2018, the FASB amended the Leases Topic of the Accounting Standards Codification to give entities another option for transition and to provide lessors with a practical expedient. The amendments will be effective for the Company for *[reporting 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]*. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-12 — Applicable to insurance entities that issue long-duration contracts:

In August 2018, the FASB amended the Financial Services—Insurance Topic of the Accounting Standards Codification to make targeted improvements to the existing recognition, measurement, presentation, and disclosure requirements for long-duration contracts issued by an insurance entity. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.-public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SED] [for fiscal years beginning after December 15, 2023, and interim periods within fiscal year beginning*

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*
For the Quarter Ended December 31, 2019

after December 15, 2024.-all other entities] The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-13 — Applicable to all entities that are required to make disclosures about recurring or nonrecurring fair value measurements:
In August 2018, the FASB amended the Fair Value Measurement Topic of the Accounting Standards Codification. The amendments remove, modify, and add certain fair value disclosure requirements based on the concepts in the FASB Concepts Statement, *Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements*. The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. An entity is permitted to early adopt any removed or modified disclosures upon issuance of this ASU and delay adoption of the additional disclosures until their effective date. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-14 — Applicable to all employers that sponsor defined benefit pension or other postretirement plans:
In August 2018, the FASB amended the Compensation—Retirement Benefits—Defined Benefit Plans Topic of the Accounting Standards Codification. The amendments remove, modify, and add certain disclosure requirements for employers that sponsor defined benefit pension plans or other postretirement plans. The amendments are effective *[fiscal years ending after December 15, 2020.-public business entities] [fiscal years ending after December 15, 2021-all other entities]*. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-15 — Applicable to all:
In August 2018, the FASB amended the Intangibles—Goodwill and Other Topic of the Accounting Standards Codification to align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2019.-public business entities] [fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021-all other entities]*. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-16 — Applicable to all:
In October 2018, the FASB amended the Derivatives and Hedging Topic of the Accounting Standards Codification to expand the list of U.S. benchmark interest rates permitted in the application of hedge accounting. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2018.-public business entities] [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 2018-17 — Applicable to all:
In October 2018, the FASB amended the Consolidation topic of the Accounting Standards Codification for determining whether a decision-making fee is a variable interest. The amendments require organizations to consider indirect interests held through related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety. *[The amendments will be effective for the Company for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.-public business entities] [The amendments also provide a nonpublic entity with the option to exempt itself from applying*

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

the variable interest entity consolidation model to qualifying common control arrangements. The amendments will be effective for the Company for 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. The Company will apply a full retrospective approach in which financial statements for each individual prior period presented and the opening balances of the earliest period presented are adjusted to reflect the period-specific effects of applying the amendments. *[The Company does not expect these amendments to have a material effect on its financial statements.] [The Company is currently evaluating the effect that implementation of the new standard will have on its financial statements.]*

ASU 2018-18 — Applicable to all:
In November 2018, the FASB amended the Collaborative Arrangements Topic of the Accounting Standards Codification to clarify the interaction between the guidance for certain collaborative arrangements and the new revenue recognition financial accounting and reporting standard. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.-all other entities]* Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2018-19 — Applicable to entities that hold financial assets and net investment in leases that are not accounted for at fair value through net income:
In November 2018, the FASB issued guidance to amend the Financial Instruments—Credit Losses topic of the Accounting Standards Codification. The guidance aligns the implementation date of the topic for annual financial statements of nonpublic companies with the implementation date for their interim financial statements. The guidance also clarifies that receivables arising from operating leases are not within the scope of the topic, but rather, should be accounted for in accordance with the leases topic. The amendments will be effective for the Company for *[reporting periods beginning after December 15, 2019, including interim periods within those fiscal years.-SEC filers] [reporting periods beginning after December 15, 2020, including interim periods within those fiscal years.-public business entities that are not SEC filers] [fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.-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 2018-20 — Applicable to all:
In December 2018, the FASB issued guidance that providing narrow-scope improvements for lessors, that provides relief in the accounting for sales, use and similar taxes, the accounting for other costs paid by a lessee that may benefit a lessor, and variable payments when contracts have lease and non-lease components. The amendments will be effective for the Company for *[reporting periods beginning after December 15, 2018, including interim periods within those fiscal years.-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 2019-01 — Applicable to all:
In March 2019, the FASB issued guidance to address concerns companies had raised about an accounting exception they would lose when assessing the fair value of underlying assets under the leases standard and clarify that lessees and lessors are exempt from a certain interim disclosure requirement associated with adopting the new standard. The amendments will be effective for the Company

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

for *[reporting periods beginning after December 15, 2019.-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 2019-02 — Applicable to broadcasters and entities that produce and distribute films and episodic television series:
In March 2019, the FASB issued guidance that helps align the accounting for production costs for films and episodic content produced for television and streaming services. The amendments will be effective for the Company for [reporting periods beginning after December 15, 2019, including interim periods within those fiscal years.-public business entities] [reporting periods beginning after December 15, 2020, including interim periods within those fiscal years.-all other entities]. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2019-03 — Applicable to entities that hold collections:
In March 2019, the FASB issued guidance to clarify the definition of collection in the Master Glossary in order to eliminate the diversity in practice between the application of the Master Glossary's definition compared with the definition that many entities use for accreditation purposes. The amendments will be effective for the Organization for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020 and should be applied on a prospective basis. Early adoption is permitted. The Organization does not expect these amendments to have a material effect on its financial statements.

ASU 2019-04 — Applicable to entities that hold financial instruments:
In April 2019, the FASB issued guidance that clarifies and improves areas of guidance related to the recently issued standards on credit losses, hedging, and recognition and measurement of financial instruments. The amendments related to credit losses 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] [fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.-all other entities]*. The amendments related to hedging 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]*. The amendments related to recognition and measurement of financial instruments will be effective for the Company for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2019-05 — Applicable to entities that hold financial instruments:
In May 2019, the FASB issued guidance to provide entities with an option to irrevocably elect the fair value option, applied on an instrument-by-instrument basis for eligible instruments, upon adoption of ASU 2016-13, Measurement of Credit Losses on Financial Instruments. The amendments will be effective for the Company for *[fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.-entities that have adopted ASU 2016-13] {For entities that have not yet adopted ASU 2016-13: [reporting periods beginning after December 15, 2019.-SEC filers] [reporting periods beginning after December 15, 2020.-public business entities that are not SEC filers] [fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.-all other entities]}*. The Company does not expect these amendments to have a material effect on its financial statements.

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

ASU 2019-06 — Applicable to all not-for-profit entities:

In May 2019, the FASB issued guidance to extend the private company accounting alternatives related to goodwill and business combinations to not-for-profit entities. Under the goodwill accounting alternative, a not-for-profit entity may elect to amortize goodwill on a straight-line basis over a period of ten years or over a shorter period if the entity demonstrates that another useful life is more appropriate. Goodwill would be subject to impairment testing only upon the occurrence of a triggering event. Under the business combination accounting alternative, a not-for-profit entity may elect to not recognize separately from goodwill (1) customer-related intangible assets that are not capable of being sold or licensed independently from the other assets of the business and (2) noncompetition agreements. This alternative generally will result in recognizing fewer intangible assets in a business combination and, correspondingly, more goodwill. The alternative is applied on a prospective basis. In addition, when this alternative is elected, the entity also is required to adopt the alternative accounting related to goodwill. The amendments are effective upon issuance. The Organization does not expect these amendments to have a material effect on its financial statements.

ASU 2019-07 — Applicable to SEC filers:

In July 2019, the FASB updated various Topics of the Accounting Standards Codification to align the guidance in various SEC sections of the Codification with the requirements of certain SEC final rules. The amendments were effective upon issuance and did not have a material effect on the financial statements.

ASU 2019-08 — Applicable to entities that make share-based payments to customers:

In November 2019, the FASB issued guidance to simplify and increase comparability of accounting for nonemployee share-based payments, specifically those made to customers. As a result, the amount recorded as a reduction in revenue will be measured based on the grant-date fair value of the share-based payment. The amendments are effective for *[fiscal years beginning after December 15, 2019, and interim periods within those fiscal years-public business entities that have not yet adopted ASU 2018-07] [fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020-entities other than public business entities that have not yet adopted ASU 2018-07] [fiscal years beginning after December 15, 2019, and interim periods within those fiscal years-all entities that have adopted ASU 2018-07]*. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2019-09 — Applicable to insurance entities that issue long-duration contracts:

In November 2019, the FASB issued guidance to defer the effective date of ASU 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts. The new effective date will be [*for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.-public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC] [for fiscal years beginning after December 15, 2023, and interim periods within fiscal year beginning after December 15, 2024.-all other entities]* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2019-10 — Applicable to all entities:

In November 2019, the FASB issued guidance to defer the effective dates for private companies, not-for-profit organizations, and certain smaller reporting companies applying standards on current expected credit losses (CECL), leases, hedging. The new effective dates will be *CECL: [fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.-public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC] [fiscal years beginning after December 15, 2022 including interim periods within those fiscal years.-all other entities]*; *Hedging: [fiscal years beginning after*

Appendix B

Illustrative Disclosures for Recently Issued Accounting Pronouncements, *continued*

For the Quarter Ended December 31, 2019

December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021.-entities other than public business entities]; *Leases: [fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.-all entities other than public business entities; not-for-profit entities that have issued or are conduit bond obligors for securities that are traded, listed, or quoted on an exchange or an over-the-counter market; and employee benefit plans that file or furnish financial statements with or to the SEC]* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2019-11 — Applicable to all entities:

In November 2019, the FASB issued guidance that addresses issues raised by stakeholders during the implementation of ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments affect a variety of Topics in the Accounting Standards Codification. *[For entities that have adopted the amendments in ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years] [For entities that have not yet adopted the amendments in ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years-public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC] [fiscal years beginning after December 15, 2022 including interim periods within those fiscal years-all other entities]*. Early adoption is permitted in any interim period as long as an entity has adopted the amendments in ASU 2016-13. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2019-12 — Applicable to entities within the scope of Topic 740, Income Taxes:

In December 2019, the FASB issued guidance to simplify accounting for income taxes by removing specific technical exceptions that often produce information investors have a hard time understanding. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. The amendments are effective for *[fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.-public business entities] [fiscal years beginning after December 15, 2021, and interim periods within annual reporting periods beginning after December 15, 2022-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.

Appendix C

Recently Issued Accounting Pronouncements

NOTE: The disclosures in the previous appendix are not intended to be all inclusive. All pronouncements issued during the period should be evaluated to determine whether they are applicable to your Company. Through September 30, 2019, the FASB had issued the following Accounting Standard Updates during the year.

- **ASU 2019-01 –** *Leases (Topic 842): Codification Improvements*
- **ASU 2019-02 –** *Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials (a consensus of the Emerging Issues Task Force)*
- **ASU 2019-03 –** *Not-for-Profit Entities (Topic 958): Updating the Definition of* Collections
- **ASU 2019-04 –** *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*
- **ASU 2019-05 –** *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*
- **ASU 2019-06 –** *Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities*
- **ASU 2019-07 –** *Codification Updates to SEC Sections—Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates (SEC Update)*
- **ASU 2019-08 –** *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements—Share-Based Consideration Payable to a Customer*
- **ASU 2019-09 –** *Financial Services—Insurance (Topic 944): Effective Date*
- **ASU 2019-10 –** *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*
- **ASU 2019-11 –** *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*
- **ASU 2019-12 –** *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*