BDO KNOWS: FASB

2018 ACCOUNTING YEAR IN REVIEW

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Introduction

Having recently completed several major long-term projects, the Financial Accounting Standards Board (FASB) has continued to assist stakeholders with implementing new standards and resolving practice issues. These efforts reflect the Board's acknowledgement of the recent pace of change in its standard-setting activity. The FASB focused in 2018 on application issues related to the new lease and credit loss standards, resulting in several clarifications to those pronouncements. Currently, preparers and auditors are immersed in efforts to implement these major new standards in the near term. Meanwhile, the FASB has updated its agenda and continues to reduce complexity in U.S. GAAP where possible through its Simplification Initiative.

Our year in review letter summarizes the year's most significant changes in guidance and what to expect in 2019. We've also included a comprehensive list of the effective dates for recently-issued accounting standards in the appendix.

CONTENTS

Final FASB Guidance

All final FASB guidance can be accessed on the FASB website at www.fasb.org located under the **Standards** tab, **Accounting Standards** Updates.

During 2018, the FASB issued 20 Accounting Standards Updates (ASUs), covering the following topics:

ACCOUNTING STANDARDS UPDATE 2018-01, LEASES (TOPIC 842): LAND EASEMENT PRACTICAL EXPEDIENT FOR TRANSITION TO TOPIC 842

Issued: January 2018

Applicable to: All entities.

Summary: ASU 2018-01 eases the adoption of ASU 2016-02[1] for entities with land easements that exist or expire before an entity's adoption of ASC 842. The ASU will benefit entities that do not account for those land easements as leases under existing GAAP (ASC 840).

The amendments are intended to reduce the cost and complexity associated with assessing whether all existing and expired land easements meet the definition of a lease. They allow entities who previously did not account for land easements under ASC 840 to elect a transition practical expedient to not assess those land easements under ASC 842. Once an entity adopts ASC 842, it must apply that ASC prospectively to all new or modified land easements, and may only apply the guidance in Example 10 of ASC 350-30 after concluding that a land easement does not meet the definition of a lease in ASC 842. An entity that currently accounts for land easements under ASC 840 may not elect this practical expedient.

Effective Date and Transition: The effective date and transition requirements for ASU 2018-01 are the same as the effective date and transition requirements in ASU 2016-02, which takes effect in 2019 for public business entities and 2020 for all other entities, but may be early adopted. An entity that early adopted ASC 842 should apply the amendments in ASU 2018-01 upon issuance.

For additional information, refer to BDO's **Alert**.

ACCOUNTING STANDARDS UPDATE 2018-02, INCOME STATEMENT—REPORTING COMPREHENSIVE INCOME (TOPIC 220): RECLASSIFICATION OF CERTAIN TAX EFFECTS FROM ACCUMULATED OTHER COMPREHENSIVE INCOME

Issued: February 2018

Applicable to: All entities.

Summary: ASU 2018-02 provides entities the option to reclassify certain "stranded tax effects" resulting from the 2017 Tax Cuts and Job Act from accumulated other comprehensive income to retained earnings.

Reporting entities will select an accounting policy to either reclassify all stranded tax effects caused by tax reform from AOCI to retained earnings, or continue recycling stranded effects (including those caused by tax reform) through earnings in future periods. Disclosure of either policy is required in all cases. The reclassification from AOCI to retained earnings is presented in the statement of shareholders equity.

Effective Date and Transition: ASU 2018-02 is effective for all entities in fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. Entities have the option to record the reclassification either retrospectively to each period in which the income tax effects of tax reform are recognized, or at the beginning of the annual or interim period in which the amendments are adopted.

For additional information, refer to BDO's **Alert**.

1 Leases (Topic 842)

ACCOUNTING STANDARDS UPDATE 2018-03, FINANCIAL INSTRUMENTS—OVERALL (SUBTOPIC 825-10): RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Issued: February 2018

Applicable to: All entities.

Summary: ASU 2018-03 clarifies certain amendments included in ASU 2016-01[2] on the recognition and measurement of financial instruments.

The amendments address the following specific issues within ASU 2016-01:

1. Under ASU 2016-01, an entity may measure an equity security without a readily determinable fair value at cost, as adjusted for observable price changes and impairment ("the measurement alternative"). An entity measuring an equity security using the measurement alternative may change its measurement approach to a fair value method in accordance with ASC 820[3] through an irrevocable election that would apply to that security and all identical or similar investments of the same issuer. Once an entity makes this election, the entity should measure all future purchases of identical or similar investments of the same issuer using a fair value method in accordance with ASC 820.
2. The adjustments made under the measurement alternative are intended to reflect the fair value of the security as of the date that the observable transaction for a similar security took place.
3. Remeasuring the entire value of forward contracts and purchased options on securities that lack a readily determinable fair value is required when observable transactions occur on the underlying equity securities.
4. When the fair value option is elected for a financial liability, the guidance in paragraph 825-10-45-5 should be applied, regardless of whether the fair value option was elected under either ASC 815-15[4] or 825-10.
5. For financial liabilities for which the fair value option is elected, the amount of change in fair value that relates to the instrument-specific credit risk should first be measured in the currency of denomination when presented separately from the total change in fair value of the financial liability. Then, both components of the change in the fair value of the liability should be remeasured into the functional currency of the reporting entity using end-of-period spot rates.
6. The prospective transition approach for equity securities without a readily determinable fair value in the amendments in Update 2016-01 is meant only for instances in which the measurement alternative is applied. An insurance entity subject to the guidance in ASC 944[5] should apply a prospective transition method when applying the amendments related to equity securities without readily determinable fair values. An insurance entity should apply the selected prospective transition method consistently to the entity's entire population of equity securities for which the measurement alternative is elected.

Effective Date and Transition: ASU 2018-03 is 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 ASU 2016-01. For all other entities, the effective date is the same as the effective date in ASU 2016-01. All entities may early adopt these amendments for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted ASU 2016-01.

For additional information, refer to BDO's **Alert**.

2 Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities

3 Fair Value Measurement

4 Derivatives and Hedging—Embedded Derivatives

5 Financial Services—Insurance

ACCOUNTING STANDARDS UPDATE 2018-04, INVESTMENTS—DEBT SECURITIES (TOPIC 320) AND REGULATED OPERATIONS (TOPIC 980): AMENDMENTS TO SEC PARAGRAPHS PURSUANT TO SEC STAFF ACCOUNTING BULLETIN NO. 117 AND SEC RELEASE NO. 33-9273

Issued: March 2018

Applicable to: Public entities.

Summary: ASU 2018-04 supersedes and amends various SEC paragraphs related to SAB 117 which brings existing SEC guidance into conformity with ASC 321.[6] SAB 117 amends SAB Topic 5[7] to indicate that SAB Topic 5.M is no longer applicable upon adoption of ASC 321. ASC 321 creates new guidance that eliminates the ability to present changes in the fair value of investments in equity securities within other comprehensive income, which eliminates the need for Topic 5.M.

Effective Date: The amendments to the Accounting Standards Codification became effective upon issuance.

ACCOUNTING STANDARDS UPDATE 2018-05, INCOME TAXES (TOPIC 740): AMENDMENTS TO SEC PARAGRAPHS PURSUANT TO SEC STAFF ACCOUNTING BULLETIN NO. 118

Issued: March 2018

Applicable to: Public entities.

Summary: ASU 2018-05 amends SEC paragraphs in ASC 740 to reflect SAB 118. When the 2017 Tax Cuts and Jobs Act (Act) was signed into law, the SEC staff released SAB 118 for applying ASC 740 as it relates to the Act. SAB 118 outlines the approach companies may take if they determine that the necessary information is not available (in reasonable detail) to evaluate, compute, and prepare accounting entries to recognize the effect(s) of the Act by the time the financial statements are required to be filed. Companies may use this approach when the timely determination of some or all of the income tax effect(s) from the Act is incomplete by the due date of the financial statements. SAB 118 also prescribes disclosures that reporting entities must provide in these circumstances.

For additional information, refer to BDO Knows Tax Reform: SEC and Tax Reform, SAB 118.

Effective Date: The amendments to the Accounting Standards Codification became effective upon issuance.

BDO OBSERVATION:
At the 2018 AICPA Conference on SEC and PCAOB Developments, the SEC staff remarked that the issuance of SAB 118 in December 2017 enabled registrants to present useful estimates to investors as soon as possible, while also allowing them the time to fully understand the Act. The staff also reaffirmed that the effects of the Act must be finalized by the end of the measurement period on December 22, 2018. Registrants should follow the guidance in ASC 740 for any adjustments after that date.

ACCOUNTING STANDARDS UPDATE 2018-06, CODIFICATION IMPROVEMENTS TO TOPIC 942, FINANCIAL SERVICES—DEPOSITORY AND LENDING

Issued: May 2018

Applicable to: All entities.

Summary: ASU 2018-06 supersedes the guidance in ASC 942-740[8] related to Office of the Comptroller of the Currency (OCC) Circular 202 because that guidance has been rescinded by the OCC and is no longer relevant.

Effective Date: The amendments to the Accounting Standards Codification became effective upon issuance.

6 Investments—Equity Securities

7 Miscellaneous Accounting

8 Financial Services—Depository and Lending—Income Taxes

ACCOUNTING STANDARDS UPDATE 2018-07, COMPENSATION—STOCK COMPENSATION (TOPIC 718): IMPROVEMENTS TO NONEMPLOYEE SHARE-BASED PAYMENT ACCOUNTING

Issued: June 2018

Applicable to: All entities.

Summary: ASU 2018-07 supersedes most of the prior accounting guidance on nonemployee share-based payments, and instead aligns it with existing guidance on employee share-based payments in ASC 718. As a result, nonemployee share-based payment transactions will be measured by estimating the fair value of the equity instruments that an entity is obligated to issue and the measurement date will be consistent with the measurement date for employee share-based payment awards (i.e., grant date for equity-classified awards). Probability is to be considered on nonemployee awards with performance conditions. The classification will continue to be subject to the requirements of ASC 718, although cost recognition of nonemployee awards will remain unchanged, i.e., as if paid in cash.

The ASU provides certain accounting alternatives to private companies, including the use of the calculated value method and a one-time option to apply intrinsic value to liability-classified awards.

Effective Date and Transition: ASU 2018-07 is effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. For all other entities, 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 ASC 606.

BDO OBSERVATION:
The transition provisions for ASU 2018-07 require an entity to measure nonemployee awards at fair value as of the beginning of the adoption period, reflected in a cumulative-effect adjustment to retained earnings. Due to most nonemployee awards historically being remeasured at the end of each reporting period, adoption of this ASU may not result in a substantial adjustment to retained earnings for many entities.

For additional information, refer to BDO's **Alert**.

ACCOUNTING STANDARDS UPDATE 2018-08, NOT-FOR-PROFIT ENTITIES (TOPIC 958): CLARIFYING THE SCOPE AND THE ACCOUNTING GUIDANCE FOR CONTRIBUTIONS RECEIVED AND CONTRIBUTIONS MADE

Issued: June 2018

Applicable to: All entities.

Summary: ASU 2018-08 clarifies the accounting guidance for making or receiving contributions. This primarily affects not-for-profit (NFP) entities, although it also applies to businesses. The ASU provides a framework for evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC 958, or as exchange (reciprocal) transactions subject to other guidance.

Effective Date and Transition: ASU 2018-08 has various effective dates. For contributions received the amendments become effective for public business entities with annual periods beginning after June 15, 2018, including interim periods within those annual periods. All other entities should apply the amendments to annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

For contributions made the amendments become effective for public business entities with annual periods beginning after December 15, 2018, including interim periods within those annual periods. All other entities should apply the guidance to annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020.

BDO OBSERVATION:
ASU 2018-08 will likely result in more grants and contracts being accounted for as either contributions or conditional contributions (the ASU addresses how to make this distinction) rather than exchange transactions compared to current practice.

For additional information, refer to BDO's **Alert**.

ACCOUNTING STANDARDS UPDATE 2018-09, CODIFICATION IMPROVEMENTS

Issued: July 2018

Applicable to: All entities.

Summary: ASU 2018-09 amendments represent changes to clarify, correct errors in, or make minor improvements to the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. The amendments are not expected to have a notable effect on current accounting practice or create a significant administrative cost to most entities.

Effective Date and Transition: The transition and effective date guidance is based on the facts and circumstances of each amendment. Some of the amendments do not require transition guidance and will be effective upon issuance. However, many of the amendments do have transition guidance with effective dates for annual periods beginning after December 15, 2017 for public business entities.

ACCOUNTING STANDARDS UPDATE 2018-10, CODIFICATION IMPROVEMENTS TO TOPIC 842, LEASES

Issued: July 2018

Applicable to: All entities.

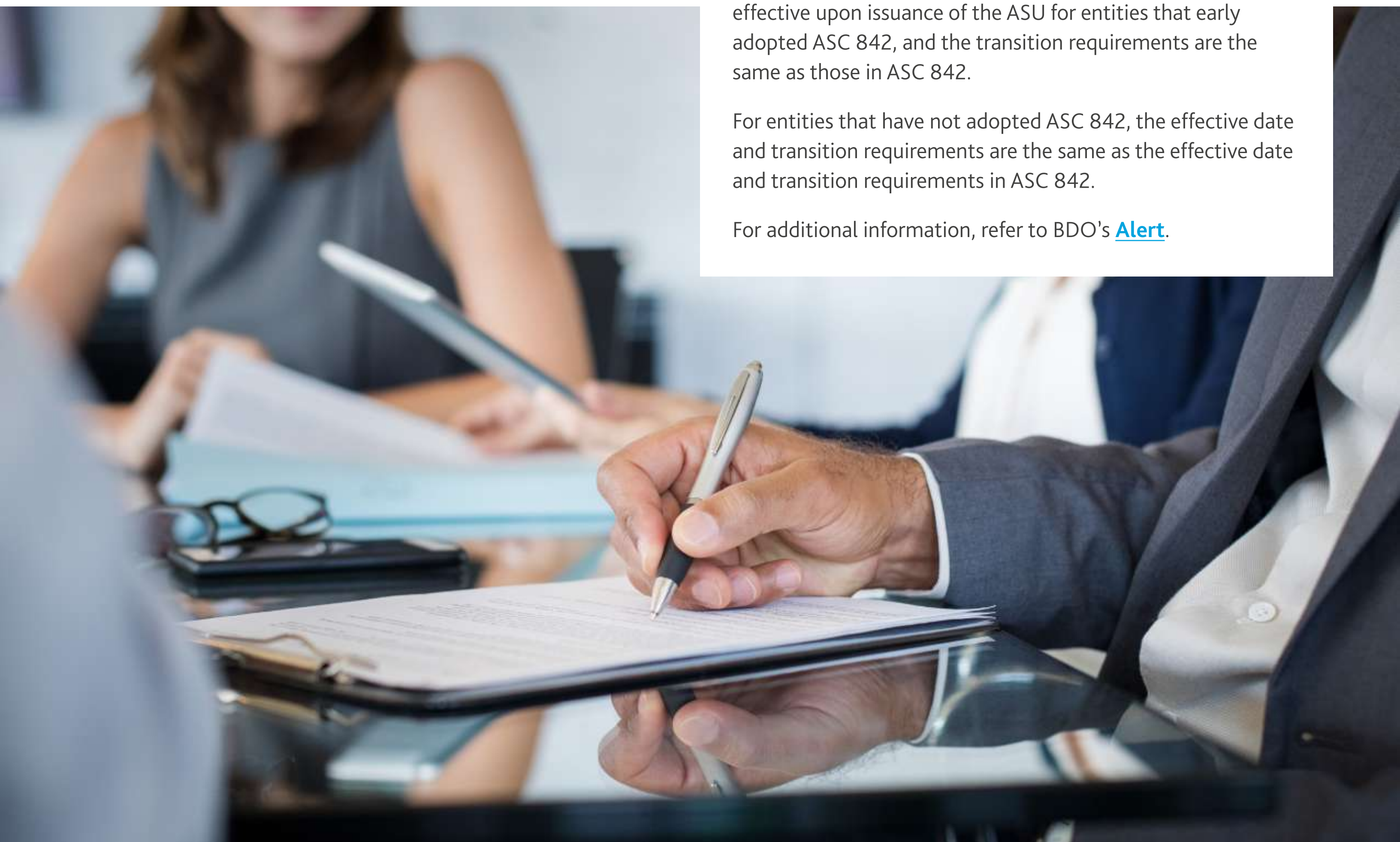
Summary: ASU 2018-10 clarifies the intended application of certain narrow aspects of the guidance in ASU 2016-02. The amendments are similar in nature to those in the FASB's ongoing project to make improvements to clarify the Codification or correct unintended application of the guidance. Key amendments in this ASU include:

- Updating the definition of *Rate Implicit in the Lease* to clarify that the rate cannot be less than zero;
- Clarifying guidance for lessors when determining impairment of net investment in the lease;
- Clarifying whether lessors and lessees should recognize certain transition adjustments to earnings rather than through equity;
- Clarifying certain transition guidance for amounts previously recognized in business combinations.

Effective Date and Transition: The amendments become effective upon issuance of the ASU for entities that early adopted ASC 842, 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 are the same as the effective date and transition requirements in ASC 842.

For additional information, refer to BDO's **Alert**.



ACCOUNTING STANDARDS UPDATE 2018-11, LEASES (TOPIC 842): TARGETED IMPROVEMENTS

Issued: July 2018

Applicable to: All entities.

Summary: ASU 2018-11 provides entities with an additional (and optional) transition method to adopt the new leases standard. Under this new transition method, an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption.

ASU 2018-11 also provides lessors with a practical expedient, by class of underlying asset, to elect not to separate nonlease components from the associated lease component and, instead, to account for those components as a single component if the nonlease components otherwise would be accounted for under the new revenue guidance (ASC 606) and both the timing and pattern of transfer of the nonlease component(s) and associated lease component are the same, and the lease component, if accounted for separately, would be classified as an operating lease. If the nonlease component or components associated with the lease component are the predominant component of the combined component, an entity is required to account for the combined component in accordance with ASC 606. Otherwise, the entity must account for the combined component as an operating lease in accordance with ASC 842.

Effective Date and Transition: The effective date of the amendments in ASU 2018-11 related to the lessor practical expedient depends upon whether an entity has adopted the new leases standard as of the date of application of this ASU.

The effective date of the amendments in ASU 2018-11 related to transition are the same as the effective date for ASU 2016-02.

BDO OBSERVATION:
We believe many entities (including real estate entities and cable companies) will welcome this lessor practical expedient as it generally will enable them to account for their transactions under the new lease or revenue standards in a manner similar to how they have accounted for them in the past.

For additional information, refer to BDO's **Alert**.

ACCOUNTING STANDARDS UPDATE 2018-12, FINANCIAL SERVICES—INSURANCE (TOPIC 944): TARGETED IMPROVEMENTS TO THE ACCOUNTING FOR LONG-DURATION CONTRACTS

Issued: August 2018

Applicable to: Insurance entities.

Summary: ASU 2018-12 introduces targeted improvements to the existing recognition, measurement, presentation, and disclosure requirements for long-duration contracts issued by an insurance entity. The changes apply to insurance companies that issue long-duration contracts such as life insurance, disability income, long-term care and annuities. The changes do not apply to policyholders or noninsurance companies. Amendments affect the following aspects of ASC 944:

- Assumptions used to measure the liability for future policy benefits for traditional and limited-payment contracts
- Measurement of market risk benefits
- Amortization of deferred acquisition costs
- Disclosures

Effective Date and Transition: ASU 2018-12 is effective for public business entities for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted.

For additional information, refer to BDO's **Alert**.

ACCOUNTING STANDARDS UPDATE 2018-13, FAIR VALUE MEASUREMENT (TOPIC 820): DISCLOSURE FRAMEWORK—CHANGES TO THE DISCLOSURE REQUIREMENTS FOR FAIR VALUE MEASUREMENT

Issued: August 2018

Applicable to: All entities.

Summary: ASU 2018-13 modifies the disclosure requirements for fair value measurements required under ASC 820. Those modifications include the removal and addition of disclosure requirements as well as clarifying specific disclosure requirements.

Effective Date and Transition: The amendments become effective for all entities for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted upon issuance of the ASU. An entity is permitted to early adopt all disclosure requirements in the ASU or early adopt only the removed and modified disclosures and delay adoption of the additional disclosures until the effective date.

For additional information, refer to BDO's **Alert**.

ACCOUNTING STANDARDS UPDATE 2018-14, COMPENSATION—RETIREMENT BENEFITS—DEFINED BENEFIT PLANS—GENERAL (TOPIC 715-20): DISCLOSURE FRAMEWORK—CHANGES TO THE DISCLOSURE REQUIREMENTS FOR DEFINED BENEFIT PLANS

Issued: August 2018

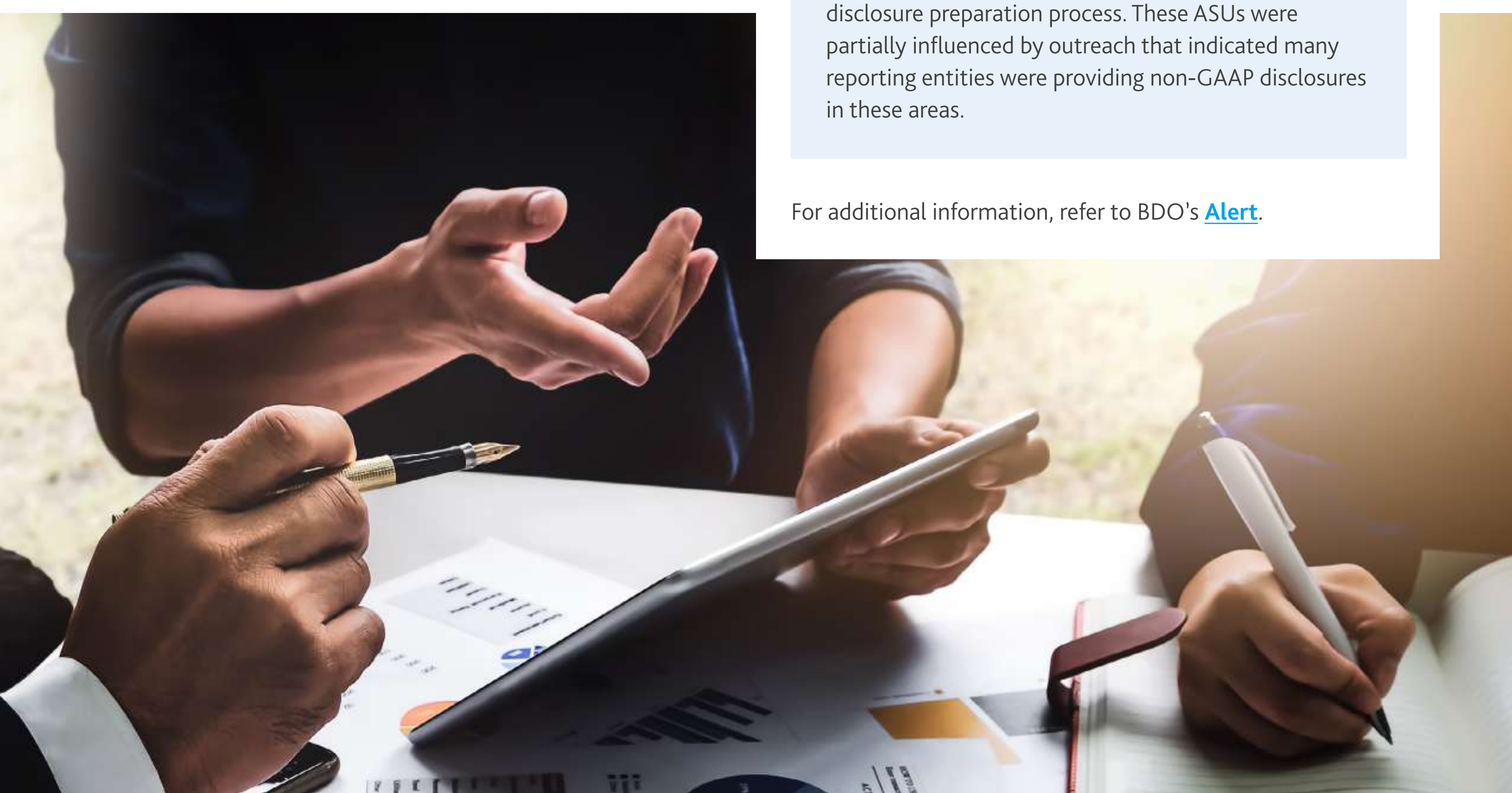
Applicable to: Employers that sponsor defined benefit plans.

Summary: ASU 2018-14 modifies the disclosure requirements under ASC 715-20 for employers that sponsor defined benefit pension or other postretirement plans. Those modifications include the removal and addition of disclosure requirements as well as clarifying specific disclosure requirements.

Effective Date and Transition: The amendments are effective for public business entities for fiscal years ending after December 15, 2020. For all other entities, the amendments are effective for annual reporting periods ending after December 15, 2021. Early adoption is permitted.

BDO OBSERVATION:
At the 2018 AICPA Conference on SEC and PCAOB Developments, panelists remarked that the update to disclosure requirements for fair value and defined benefit plans will provide relief to preparers in the disclosure preparation process. These ASUs were partially influenced by outreach that indicated many reporting entities were providing non-GAAP disclosures in these areas.

For additional information, refer to BDO's **Alert**.



ACCOUNTING STANDARDS UPDATE 2018-15, INTANGIBLES—GOODWILL AND OTHER—INTERNAL-USE SOFTWARE (SUBTOPIC 350-40): CUSTOMER'S ACCOUNTING FOR IMPLEMENTATION COSTS INCURRED IN A CLOUD COMPUTING ARRANGEMENT THAT IS A SERVICE CONTRACT

Issued: August 2018

Applicable to: All entities.

Summary: ASU 2018-15 requires a customer in a hosting arrangement that is a service contract to apply the guidance on internal-use software to determine which implementation costs to recognize as an asset and which costs to expense. Costs to develop or obtain internal-use software that cannot be capitalized under ASC 350-40, such as training costs and certain data conversion costs, also cannot be capitalized for a hosting arrangement that is a service contract. The amendments require a customer in a hosting arrangement that is a service contract to determine whether an implementation activity relates to the preliminary project stage, the application development stage, or the post-implementation stage. Costs for implementation activities in the application development stage will be capitalized depending on the nature of the costs, while costs incurred during the preliminary project and post-implementation stages will be expensed immediately. The amendments also provide guidance on how to assess capitalized costs for impairment and appropriate presentation of capitalized costs and related amortization.

Effective Date and Transition: ASU 2018-15 is 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 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.

BDO OBSERVATION:
ASU 2018-15 aligns the accounting for implementation costs incurred by customers in hosting arrangements with the accounting for costs incurred to develop internal-use software.

For additional information, refer to BDO's **Alert**.

ASU 2018-16, DERIVATIVES AND HEDGING (TOPIC 815): INCLUSION OF THE SECURED OVERNIGHT FINANCING RATE (SOFR) OVERNIGHT INDEX SWAP (OIS) RATE AS A BENCHMARK INTEREST RATE FOR HEDGE ACCOUNTING PURPOSES

Issued: October 2018

Applicable to: All entities.

Summary: ASU 2018-16 permits the use of the OIS based on SOFR as a benchmark interest rate for purposes of applying hedge accounting under ASC 815. This is the fifth U.S. benchmark interest rate eligible for use in hedge accounting in addition to the following:

- Interest rates on direct Treasury obligations of the U.S. government (UST)
- London Interbank Offered Rate (LIBOR) swap rate
- Overnight Index Swap Rate based on the Fed Funds Effective Rate
- Securities Industry and Financial Markets Association (SIFMA) municipal swap rate

The amendments also add to the Master Glossary a definition of the *Secured Overnight Financing Rate Overnight Index Swap Rate*.

Effective Date and Transition: The amendments must be adopted concurrently with the amendments in ASU 2017-12[9] and an entity should apply the amendments in this ASU on a prospective basis for qualifying new or redesignated hedging relationships entered into on or after the date of adoption.

BDO OBSERVATION:
This ASU is the result of recent efforts by the FASB to facilitate a potential transition away from use of LIBOR. The FASB also has on its agenda a **project** to facilitate transition from LIBOR to the SOFR for financial reporting purposes.

For additional information, refer to BDO's **Alert**.

9 Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities

ASU 2018-17, CONSOLIDATION (TOPIC 810): TARGETED IMPROVEMENTS TO RELATED PARTY GUIDANCE FOR VARIABLE INTEREST ENTITIES

Issued: October 2018

Applicable to: The expanded private company accounting alternative is limited to private entities. The amendments related to decision-maker fees apply to all entities.

Summary: ASU 2018-17 expands the private company alternative that allows private companies the election not to apply the variable interest entity guidance to qualifying common control leasing arrangements. The amendments broaden the scope of the alternative to include all common control arrangements that meet specific criteria (not just leasing arrangements).

ASU 2018-17 also eliminates the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest. Instead, the reporting entity will consider such indirect interests on a proportionate basis.

Effective Date and Transition: The amendments are effective for public business entities for fiscal years ending after December 15, 2019. For all other entities, the amendments are effective for annual reporting periods ending after December 15, 2020. Early adoption is permitted.

For additional information, refer to BDO's **Alert**.

ASU 2018-18, COLLABORATIVE ARRANGEMENTS (TOPIC 808): CLARIFYING THE INTERACTION BETWEEN TOPIC 808 AND TOPIC 606

Issued: November 2018

Applicable to: All entities.

Summary: ASU 2018-18 makes targeted improvements for collaborative arrangements as follows:

- Clarify that certain transactions between collaborative arrangement participants are within the scope of ASC 606 when the collaborative arrangement participant is a customer in the context of a unit of account.
- Add unit-of-account (i.e., distinct good or service) guidance to ASC 808 to align with the guidance in ASC 606 to determine whether the collaborative arrangement, or a part of the arrangement, is within the scope of ASC 606.
- Specify that in a transaction with a collaborative arrangement participant that is not directly related to sales to third parties, if the collaborative arrangement participant is not a customer, an entity is precluded from presenting the transaction together with revenue recognized under ASC 606.

Effective Date and Transition: The amendments are effective for public business entities for fiscal years ending after December 15, 2019. For all other entities, the amendments are effective for annual reporting periods ending after December 15, 2020. Early adoption is permitted. The ASU must be applied retrospectively to an entity's date of initial application of ASC 606.

BDO OBSERVATION:
The new revenue standard initially contained a broad scope exclusion for all collaborative arrangements subject to ASC 808. However, after considering stakeholder concerns, the FASB concluded that the two are not necessarily mutually exclusive. That is, a contract may have elements of both a collaborative arrangement and a revenue arrangement. ASU 2018-18 provides guidance for evaluating such arrangements.

For additional information, refer to BDO's **Alert**.

ASU 2018-19, CODIFICATION IMPROVEMENTS TO TOPIC 326, FINANCIAL INSTRUMENTS—CREDIT LOSSES

Issued: November 2018

Applicable to: All entities.

Summary: The FASB issued ASU 2018-19 to defer the implementation date of the new credit loss standard[10] for nonpublic entities by one year, i.e., for fiscal years beginning after December 15, 2021. The ASU also clarifies that operating lease receivables are not within its scope. Rather, operating lease receivables will be tested for impairment under Topic 842, Leases.

Effective Date and Transition: The effective date and transition requirements for the amendments in this ASU are the same as the effective dates and transition requirements in ASU 2016-13, as amended by this ASU.

For additional information, refer to BDO's **Alert**.

ASU 2018-20, LEASES (TOPIC 842): NARROW-SCOPE IMPROVEMENTS FOR LESSORS

Issued: December 2018

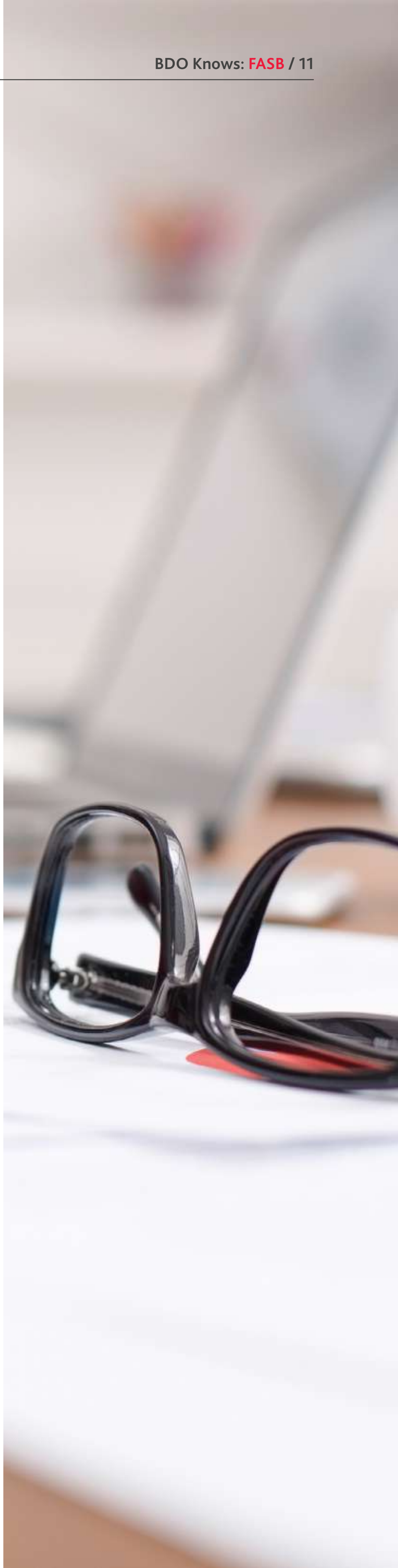
Applicable to: All entities.

Summary: The amendments clarify or simplify certain narrow aspects of ASC 842 for lessors. Specifically:

- The amendments provide an accounting policy election whereby lessors may choose not to evaluate whether certain sales taxes and other similar taxes are lessor costs or lessee costs. Instead, lessors making the election will account for those costs as if they are lessee costs.
- Lessors will exclude from variable payments, and therefore revenue, lessor costs paid by lessees directly to third parties. Conversely, lessors will include in variable payments, and therefore revenue, such costs that are paid by the lessor and reimbursed by the lessee.
- Regarding contracts with lease and nonlease components, lessors will allocate certain variable payments to the lease and nonlease components when the changes in facts and circumstances on which the variable payment is based occur. The amount of variable payments allocated to the lease components will be recognized in profit or loss, while the amount of variable payments allocated to nonlease components will be recognized in accordance with other GAAP.

Effective Date and Transition: If an entity has not yet adopted the new leases standard, it must adopt ASU 2018-20 concurrently with the leases standard. If an entity has previously adopted the new leases standard, specific transition requirements apply.

For additional information, refer to BDO's Alert.



10 Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

Implementation Considerations

Having completed its landmark projects on revenue, leases, financial instruments, and hedging, the FASB has shifted in recent years to a "continuous improvement" approach intended to assist preparers and other stakeholders in their efforts to implement these significant new standards. The Board has developed various resources to help with implementation, including educational webinars, targeted outreach, transition resource groups, and a technical inquiry service. The FASB continued to update its **Implementing New Standards** web portal, which brings together all implementation resources on a given standard.

The staff of the Securities and Exchange Commission have consistently stressed their expectation that registrants will continue to expand disclosures in MD&A regarding the implementation status and the anticipated impact of adopting the new standards. For additional information, refer to BDO's 2018 SEC Year in Review.

In this context, we have summarized some of the more noteworthy developments related to implementing these significant new accounting standards.

LEASES (TOPIC 842)

The FASB did not create a transition resource group for the new leases standard, primarily because many concepts in the new standard are similar to those currently used in ASC 840. However, the FASB has actively engaged with stakeholders on implementation issues. As a result, the FASB issued four ASUs during 2018 to clarify certain areas of the new leases guidance, and to provide additional practical expedients and transition relief. These ASUs are summarized above, in the **Final Guidance** section.

The Board also issued an **exposure draft** late in 2018, *Codification Improvements for Lessors* proposing changes to clarify the determination of fair value of an underlying asset by certain lessors, and to clarify cash flow presentation.

For additional information and insights on the new standard, refer to our publication "*BDO Knows: FASB—Topic 842, Leases*", which is available **here**. See also our publication "Definition of a Lease: What's In and What's Out of ASC 842" which focuses on the definition of a lease and is available **here**.

For end-to-end implementation assistance related to the new lease standard, visit BDO's Accounting Advisory **page**, which includes information about our technology solution **partnership** with CoStar.

FINANCIAL INSTRUMENTS – CREDIT LOSSES (TOPIC 326)

The FASB issued ASU 2016-13 in June 2016 establishing the current expected credit loss (CECL) model. It has tiered effective dates beginning in calendar year 2020. The FASB established the Transition Resource Group (TRG) for Credit Losses to solicit, analyze, and discuss implementation issues that could arise when organizations implement ASU 2016-13. The TRG met twice in 2018 to discuss the following topics: capitalized interest; accrued interest; transfers between classifications; recoveries; refinancing and loan prepayment; contractual term; and certain disclosure requirements.

The FASB issued ASU 2018-19 to clarify certain aspects of the scope and transition guidance in the standard. The FASB also issued an **exposure draft** late in 2018 proposing certain codification improvements throughout the financial instruments guidance, and is expected to issue another exposure draft in early 2019 that would introduce transition relief.

For more information on the credit losses standard, refer to BDO's archived **webinar** and BDO's **Alert**.

On the Horizon

The Board continues to develop narrower improvements and simplifications to accounting standards. The following is a summary of significant ongoing FASB projects. All proposed FASB guidance can be accessed on the FASB website at www.fasb.org located under the **Exposure Documents** tab. In addition, BDO comment letters on proposals can be accessed at www.bdo.com/insights.

BALANCE SHEET CLASSIFICATION OF DEBT

Summary: The FASB is expected to issue final guidance in early 2019 to simplify the classification of debt by introducing a principle for determining whether a debt arrangement or similar instrument should be classified as a noncurrent liability as of the balance sheet date. This guidance will replace a collection of fact-specific rules under current guidance. That principle is that an entity should classify an instrument as noncurrent if either of the following criteria is met as of the balance sheet date:

1. The liability is contractually due to be settled more than one year (or operating cycle, if longer) after the balance sheet date.
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.

Refer to BDO's **comment letter**.

CONSOLIDATION

Summary: The FASB is currently redeliberating its 2017 exposure draft affecting consolidation guidance. *Consolidation (Topic 812)—Reorganization* would update the organization of ASC 810[11] and would clarify certain areas within the consolidation guidance to make the guidance easier to understand without the intent of (a) changing analyses performed or (b) outcomes currently reached. ASC 810 would be reorganized into a new ASC 812, with separate Subtopics 812-20, *Consolidation—Variable Interest Entities* and 812-30, *Consolidation—Voting Interest Entities*. Current ASC 810 guidance for not-for-profit entities, "Consolidation of Entities Controlled by Contract," would be moved to ASC 958. The guidance currently in ASC 810-30 for research and development arrangements would be superseded. Refer to BDO's **comment letter**.

DISCLOSURE FRAMEWORK

Summary: During 2018, the FASB issued updates to the disclosures for defined benefit plans and fair value measurement. It continues to deliberate feedback on its proposed amendments to disclosures for income taxes, inventory, interim reporting, and government assisting. The Board intends to finalize its work on this project in 2019.

EMERGING ISSUES TASK FORCE (EITF)

Summary: The EITF reached several final consensuses that were endorsed by the FASB and issued as ASUs during 2018 (included within the summary of final guidance above). Currently, the Task Force is researching and discussing different alternatives to address recognition of an assumed liability in a revenue contract in the context of purchase accounting, and cost capitalization for episodic television series.

PRIVATE COMPANY COUNCIL

The Private Company Council (PCC) was established by the Financial Accounting Foundation (FAF) in 2013 to evaluate possible alternatives within U.S. GAAP to address the needs of users of private company financial statements, as well as to advise the FASB on private company accounting matters.

During the year, the PCC continued to provide input on several ongoing and completed FASB technical projects and agenda. It will continue to function primarily as an advisor to the FASB moving forward. In 2018, the FASB added a project to its agenda to examine a potential practical expedient for measuring grant date fair value of certain share-based payments.

11 Consolidation

OTHER CURRENT FASB PROJECTS

The FASB currently has two broad projects on its agenda:

Distinguishing Liabilities from Equity (Including Convertible Debt) – During 2018 the Board began deliberations by discussing the direction of the project as it relates to the paths for (1) accounting for convertible instruments and (2) determining whether instruments are indexed to an entity's own stock (referred to as indexation) within the context of the derivative scope exception.

Identifiable Intangible Assets and Subsequent Accounting for Goodwill - FASB staff is currently drafting an Invitation to Comment to obtain formal input from stakeholders on the subsequent accounting for goodwill, the accounting for certain identifiable intangible assets, and the scope of the project on those topics.

The FASB is also conducting initial outreach on the topics of disaggregation of performance information and segment reporting.

A complete list of the FASB's technical agenda and the timeline for each project can be accessed on the FASB's **website**.

AICPA Activities

AICPA FINANCIAL REPORTING EXECUTIVE COMMITTEE

Summary: The Financial Reporting Executive Committee (FinREC) is the senior committee of the AICPA for financial reporting. It is authorized to make public statements on behalf of the AICPA on financial reporting matters. During the year, significant topics discussed by FinREC included:

- **Revenue Recognition –** FinREC has completed the *Audit and Accounting Guide: Revenue Recognition*. This guide addresses general accounting considerations, general auditing considerations, and accounting implementation issues in 16 specific industries, and includes industry-specific illustrative examples of how to apply the new standard.

  Complete details and additional AICPA resources are available **here**.

- **Accounting and Valuation Guide -** FinREC published for comment a draft of the new interpretive practice guide, *Valuation of Portfolio Company Investments of Venture Capital and Private Equity Firms and Other Investment Companies*. The comment period closed August 15, 2018. In addition, drafts of two additional case studies were published for comment, with the comment period ending January 14, 2019.

- **Business Combinations Guide –** FinREC is developing an interpretive guide that will address both accounting and valuation topics relevant to business combinations. A draft of an initial chapter related to the valuation of inventory was published for comment, with the comment period ending February 1, 2019.

- **Credit Losses Guide –** FinREC is developing a guide to address general accounting considerations, general auditing considerations, and certain implementation issues related to the new standard on credit losses. The Depository Institutions and Insurance Expert Panel has identified thirty-eight issues that are expected to be addressed in this guide. Drafts of the first three issues have been published for comment. The comment period for the first two issues closed October 10, 2018, while the comment period for the third issue closed December 31, 2018.

Refer to the **FinREC page** of the AICPA website at for additional information.

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Effective Dates of U.S. Accounting Pronouncements

This appendix was prepared with a calendar year-end company in mind. Therefore standards with an effective date in 2017 have been included since many companies applied them for the first time in 2018, e.g., the first interim or annual period beginning on or after December 15, 2017. Standards that do not require adoption before 2019 (although they may have early adoption provisions) are highlighted in gray.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 220, Income Statement—Reporting Comprehensive Income		
ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*	Effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted for which financial statements have not yet been made available for issuance. Entities have the option to record the reclassification either retrospectively to each period in which the income tax effects of tax reform are recognized, or at the beginning of the annual or interim period in which the amendments are adopted.	Effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted for which financial statements have not yet been made available for issuance. Entities have the option to record the reclassification either retrospectively to each period in which the income tax effects of tax reform are recognized, or at the beginning of the annual or interim period in which the amendments are adopted.
ASC 230, Statement of Cash Flows		
ASU 2016-18, *Restricted Cash*	Effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. 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.	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.
ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 310-20, Receivables—Nonrefundable Fees and Other Costs		
ASU 2017-08, *Premium Amortization on Purchased Callable Debt Securities*	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. 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.	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. 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.
ASC 326, Credit Losses		
ASU 2016-13, *Measurement of Credit Losses on Financial Instruments* **ASU 2018-19,** *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*	For public business entities that are SEC filers, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.	Effective for fiscal years beginning after December 15, 2021, including interim periods within those years.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 350, Intangibles—Goodwill and Other		
ASU 2017-04, *Simplifying the Test for Goodwill Impairment*	A public business entity that is a U.S. Securities and Exchange Commission (SEC) filer should adopt the amendments for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. A public business entity that is not an SEC filer should adopt the amendments for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2020. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.	All other entities, including not-for-profit entities, should adopt the amendments for their annual or any 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 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)*	Effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period.	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.
ASC 405, Liabilities		
ASU 2016-04, *Liabilities—Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products*	Effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 606, Revenue; and ASC 610-20, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets		
ASU 2014-09, *Revenue from Contracts with Customers* **ASU 2015-14,** *Revenue from Contracts with Customers: Deferral of the Effective Date* **ASU 2016-08,** *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* **ASU 2016-10,** *Identifying Performance Obligations and Licensing* **ASU 2016-12,** *Narrow-Scope Improvements and Practical Expedients* **ASU 2016-20,** *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers* **ASU 2017-05,** *Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*	Effective for annual periods beginning after December 15, 2017, including interim periods therein. Entities may adopt using a retrospective approach (with certain optional practical expedients) or a cumulative effect approach. Under the this alternative, an entity would apply the new revenue standard only to contracts that are incomplete under legacy U.S. GAAP at the date of initial application (e.g. January 1, 2018) and recognize the cumulative effect of the new standard as an adjustment to the opening balance of retained earnings. That is, prior years would not be restated and additional disclosures would be required to enable users of the financial statements to understand the impact of adopting the new standard in the current year compared to prior years that are presented under legacy U.S. GAAP. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim periods within that year.	Effective for annual periods beginning after December 15, 2018. In addition, the new standard is effective for interim periods within annual periods that begin after December 15, 2019. The same transition alternatives apply. Early adoption is permitted as of either: ▶ An annual reporting period beginning after December 15, 2016, including interim periods within that year, or ▶ An annual reporting period beginning after December 15, 2016 and interim periods within annual reporting periods beginning one year after the annual period in which the entity first applies the new standard.
ASC 715, Compensation—Retirement Benefits		
ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*	Effective for public business entities for fiscal years beginning after December 15, 2017, including interim periods within those years. Early adoption is permitted as of the beginning of an annual period.	Effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted as of the beginning of an annual period.
ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Topic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*	Effective for fiscal years ending after December 15, 2020. Early adoption is permitted.	Effective for annual reporting periods ending after December 15, 2021. Early adoption is permitted.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 718, Compensation—Stock Compensation		
ASU 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting*	Effective for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. Early adoption is permitted, but no earlier than an entity's adoption date of Topic 606.	Effective for fiscal years beginning after 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.
ASU 2017-09, *Scope of Modification Accounting*	Effective for fiscal years beginning after December 15, 2017, including interim periods within those years. Early adoption is permitted, including adoption in an interim period.	Effective for fiscal years beginning after December 15, 2017, including interim periods within those years. Early adoption is permitted, including adoption in an interim period.
ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting*	Effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted.	Effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted.
ASC 740, Income Taxes		
ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory*	Effective for annual reporting periods beginning after December 15, 2017 and interim reporting periods within those fiscal years. An entity may elect early adoption, but it must do so for the first interim period of an annual period if it issues interim financial statements.	Effective for annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. An entity may elect early adoption, but it must do so for the first interim period of an annual period if it issues interim financial statements.
ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*	Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted as of the beginning of any interim or annual reporting period.	Effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted as of the beginning of any interim or annual reporting period.
ASC 805, Business Combinations		
ASU 2017-01, *Clarifying the Definition of a Business*	Effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted if certain criteria are met.	Effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted if certain criteria are met.
ASC 808, Collaborative Arrangements		
ASU 2018-18, *Clarifying the Interaction between Topic 808 and Topic 606*	Effective for fiscal years ending after December 15, 2019.	Effective for annual reporting periods ending after December 15, 2020.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 810, Consolidation		
ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*	Effective for fiscal years ending after December 15, 2019.	Effective for annual reporting periods ending after December 15, 2020
ASC 815, Derivatives and Hedging		
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*	The amendments must be adopted concurrently with the amendments in ASU 2017-12 and an entity should apply the amendments in this ASU on a prospective basis for qualifying new or redesignated hedging relationships entered into on or after the date of adoption.	The amendments must be adopted concurrently with the amendments in ASU 2017-12 and an entity should apply the amendments in this ASU on a prospective basis for qualifying new or redesignated hedging relationships entered into on or after the date of adoption.
ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities*	Effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early application is permitted in any interim period after issuance of the amendments for existing hedging relationships on the date of adoption.	Effective for fiscal years beginning after December 15, 2019, and interim periods beginning after December 15, 2020. Early application is permitted in any interim period after issuance of the amendments for existing hedging relationships on the date of adoption.
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*	The amendments in Part I of the ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted for all entities, including adoption in an interim period. The amendments in Part II have no accounting impact and therefore do not have an associated effective date.	The amendments in Part I of the ASU 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 for all entities, including adoption in an interim period. The amendments in Part II have no accounting impact and therefore do not have an associated effective date.
ASU 2016-06, *Contingent Put and Call Options in Debt Instruments*	Effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year.	Effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. However, if an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of that fiscal year.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2016-05, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships*	Effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted.
ASC 820, Fair Value Measurement		
ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*	Effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted upon issuance of this ASU. An entity is permitted to early adopt all disclosure requirements in this Update or early adopt only the removed and modified disclosures and delay adoption of the additional disclosures until their effective date.	Effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted upon issuance of this ASU. An entity is permitted to early adopt all disclosure requirements in this Update or early adopt only the removed and modified disclosures and delay adoption of the additional disclosures until their effective date.
ASC 825, Financial Instruments		
ASU 2018-03, *Recognition and Measurement of Financial Assets and Financial Liabilities*	Effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018. 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 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. Early adoption is permitted as long as they have adopted Update 2016-01.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 with early adoption permitted for fiscal years beginning after December 15, 2017 including interim periods within those years. 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 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Certain provisions of the ASU are eligible for early adoption.	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 with early adoption permitted for fiscal years beginning after December 15, 2017 including interim periods within those years. Certain provisions of the ASU are eligible for early adoption prior to December 15, 2017.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 842, Leases		
ASU 2018-20, *Narrow-Scope Improvements for Lessors*	If an entity has not yet adopted the new leases standard, it must adopt ASU 2018-20 concurrently with the leases standard. If an entity has previously adopted the new leases standard, specific transition requirements apply.	If an entity has not yet adopted the new leases standard, it must adopt ASU 2018-20 concurrently with the leases standard. If an entity has previously adopted the new leases standard, specific transition requirements apply.
ASU 2018-11, *Targeted Improvements*	The amendments in ASU 2018-11 related to the lessor practical expedient affect the amendments in ASU 2016-02, which are not yet effective but can be early adopted. For entities that have not adopted ASU 2016-02 before the issuance of this ASU, the effective date and transition requirements for the amendments in this ASU for the practical expedient are the same as the effective date and transition requirements in ASU 2016-02. For entities that have adopted ASU 2016-02 before the issuance of this ASU, the transition and effective date of the amendments in this ASU for the practical expedient are as follows: 1. 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 Topic 842 for that entity. 2. The practical expedient may be applied either retrospectively or prospectively. All entities, including early adopters that elect the lessor practical expedient must apply the expedient by asset class to all existing lease transactions that qualify for the expedient at the date elected.	The amendments in ASU 2018-11 related to the lessor practical expedient affect the amendments in ASU 2016-02, which are not yet effective but can be early adopted. For entities that have not adopted ASU 2016-02 before the issuance of this ASU, the effective date and transition requirements for the amendments in this ASU for the practical expedient are the same as the effective date and transition requirements in ASU 2016-02. For entities that have adopted ASU 2016-02 before the issuance of this ASU, the transition and effective date of the amendments in this ASU for the practical expedient are as follows: 1. 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 Topic 842 for that entity. 2. The practical expedient may be applied either retrospectively or prospectively. All entities, including early adopters that elect the lessor practical expedient must apply the expedient by asset class to all existing lease transactions that qualify for the expedient at the date elected.
ASU 2018-10, *Codification Improvements to Topic 842, Leases*	Effective upon issuance of the ASU for entities that early adopted Topic 842, and the transition requirements are the same as those in Topic 842. For entities that have not adopted Topic 842, the effective date and transition requirements are the same as the effective date and transition requirements in Topic 842.	Effective upon issuance of the ASU for entities that early adopted Topic 842, and the transition requirements are the same as those in Topic 842. For entities that have not adopted Topic 842, the effective date and transition requirements are the same as the effective date and transition requirements in Topic 842

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*	Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. Specific transition requirements apply.	Effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. Specific transition requirements apply.
ASU 2016-02, *Leases*	Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. Specific transition requirements apply.	Effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. Specific transition requirements apply.
ASC 853, Service Concession Arrangements		
ASU 2017-10, *Determining the Customer of the Operation Services*	For an entity that has not adopted Topic 606 before the issuance of this ASU, the effective date and transition requirements for the amendments generally are the same as the effective date and transition requirements for Topic 606. An entity may apply this ASU earlier, including within an interim period, even though the entity has not yet adopted Topic 606, but specific transition requirements apply. For a public business entity that has adopted Topic 606 before the issuance of this ASU, the ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.	For an entity that has not adopted Topic 606 before the issuance of this ASU, the effective date and transition requirements for the amendments generally are the same as the effective date and transition requirements for Topic 606. An entity may apply this ASU earlier, including within an interim period, even though the entity has not yet adopted Topic 606, but specific transition requirements apply. For a nonpublic entity that has adopted Topic 606 before the issuance of this ASU, the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASC 942, Financial Services — Depository and Lending		
ASU 2018-06, *Codification Improvements*	Effective upon issuance.	Effective upon issuance.
ASC 944, Financial Services—Insurance		
ASU 2018-12, *Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*	Effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 958, Not-for-Profit Entities and Topic 954, Health Care Entities		
ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*	**Contributions Received** Effective for annual periods beginning after June 15, 2018, including interim periods within those annual periods. **Contributions Made** Effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods.	**Contributions Received** Effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. **Contributions Made** Effective for annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020.
ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*	Not applicable.	Effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early adoption is permitted.
ASC 958-810, Not-for-Profit Entities—Consolidation		
ASU 2017-02, *Clarifying When a Not-for-Profit Entity That Is a General Partner or a Limited Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity*	Not applicable.	Effective for annual financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. If an NFP 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.
ASC 960, Defined Benefit Pension Plans; ASC 962, Defined Contribution Pension Plans; and ASC 965, Health and Welfare Benefit Plans		
ASU 2017-06, *Employee Benefit Plan Master Trust Reporting (a consensus of the Emerging Issues Task Force)*	Not applicable.	Effective for fiscal years beginning after December 15, 2018, and should be applied retrospectively. Early adoption is permitted.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
Other		
ASU 2018-09, *Codification Improvements*	The effective date guidance is based on the facts and circumstances of each amendment. Some of the amendments do not require transition guidance and will be effective upon issuance. However, many of the amendments do have transition guidance with effective dates for annual periods beginning after December 15, 2017.	The effective date guidance is based on the facts and circumstances of each amendment. Some of the amendments do not require transition guidance and will be effective upon issuance. However, many of the amendments do have transition guidance with effective dates for annual periods beginning after December 15, 2017.
ASU 2018-05, *Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*	The amendments became effective in March 2018.	Not applicable.
ASU 2018-04, *Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 117 and SEC Release No. 33-9273*	The amendments became effective in March 2018.	Not applicable.
ASU 2017-15, *Codification Improvements to Topic 995, U.S. Steamship Entities—Elimination of Topic 995*	Effective for fiscal years beginning after December 15, 2018. Early application is permitted.	Effective for fiscal years beginning after December 15, 2018. Early application is permitted.
ASU 2017-14, *Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 116 and SEC Release No. 33-10403*	The amendments became effective on August 29, 2017.	Not applicable.
ASU 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842), Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments*	The amendments represent guidance related to the effective dates of the standards noted in the title, therefore, the amendments themselves do not have an effective date.	Not applicable.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASU 2017-03, *Accounting Changes and Error Corrections (Topic 250) and Investments—Equity Method and Joint Ventures (Topic 323): Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings*	Effective immediately upon issuance.	Not applicable.
ASU 2016-11, *Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting*	The amendments within Topics 605 and 932 are effective upon adoption of Topic 606. Paragraph 815-10-S99-3 is rescinded to coincide with the effective date of ASU 201416.	The amendments within Topics 605 and 932 are effective upon adoption of Topic 606. Paragraph 815-10-S99-3 is rescinded to coincide with the effective date of ASU 201416.
ASU 2016-11, *Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting*	The amendments within Topics 605 and 932 are effective upon adoption of Topic 606. Paragraph 815-10-S99-3 is rescinded to coincide with the effective date of ASU 2014-16.	The amendments within Topics 605 and 932 are effective upon adoption of Topic 606. Paragraph 815-10-S99-3 is rescinded to coincide with the effective date of ASU 2014-16.

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