



April 2019

Keeping You Informed

First quarter accounting and
financial reporting developments

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First quarter highlights

During the first quarter of the 2019 calendar year, the Financial Accounting Standards Board (FASB) issued new accounting standards on the following topics:

- Clarifications to lease accounting
- Guidance in the film and episodic television series industry
- Updates to the definition of “collections”

The FASB also issued proposals during the quarter to clarify the accounting for share-based payments issued as sales incentives to customers, ease the transition to the credit losses standard, clarify accounting recognition of contract liabilities assumed in a business combination, and improve income tax disclosures.

In addition, the FASB issued a question-and-answer (Q&A) document addressing estimating current expected credit losses.

The Securities and Exchange Commission (SEC) issued a final rule to modernize and simplify disclosures, proposed a new rule to expand the “test-the-waters” provision for securities offerings, and extended the comment period for a variable annuity and variable life insurance contracts proposal.

The Public Company Accounting Oversight Board (PCAOB) released staff guidance on the implementation of critical audit matters requirements and the staff inspection outlook for audit committees for 2019.

The Center for Audit Quality (CAQ) released an audit quality framework.

In addition to these highlights from the quarter, we have included recent developments from the Governmental Accounting Standards Board (GASB).

Checklists for the effective dates of FASB Accounting Standards Updates (ASUs) are provided in the appendix.

From the FASB

Final standards

Lease accounting clarifications

On March 5, 2019, the FASB issued Accounting Standards Update (ASU) 2019-01, "Leases (Topic 842): Codification Improvements" to clarify the following with respect to lease accounting guidance:

- Lessors that are not manufacturers or dealers are allowed to use cost, reflecting any volume or trade discounts that may apply, as the fair value of the underlying asset (similar to the exception allowed in Topic 840). However, if significant time lapses between the acquisition of the underlying asset and lease commencement, those lessors will be required to apply the definition of fair value (exit price) in Topic 820.
- All lessors that are depository and lending entities within the scope of Topic 942 will present all "principal payments received from leases" under sales-type and direct financing leases within investing activities on the statement of cash flows.
- An additional exception is provided to the transition disclosures required by Topic 250, which requires entities to provide in the fiscal year in which a new accounting principle is adopted the identical disclosures for interim periods after the date of adoption.

Effective dates

The amendments clarifying transition disclosures is effective consistent with ASU 2016-02, "Leases (Topic 842)," which generally is first effective for calendar year-end public business entities (PBEs) in the March 31, 2019, interim financial statements, and for calendar year-end non-PBEs in the Dec. 31, 2020, annual financial statements.

The amendments on the fair value exception and on the presentation on the statement of cash flows are effective for PBEs, certain not-for-profit entities, and certain employee benefit plans for fiscal years beginning after Dec. 15, 2019, and interim periods within those fiscal years. For all other entities, the effective date is for fiscal years beginning after Dec. 15, 2019, and interim periods within fiscal years beginning after Dec. 15, 2020. Early application is permitted. An entity should apply the amendments as of the date it first applied Topic 842, using the same transition methodology.

Film industry

On March 6, 2019, the FASB issued 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 FASB Emerging Issues Task Force),” which applies only to those entities in the film and episodic television series industry. This ASU was issued to:

- Align the accounting for production costs of episodic television series with the accounting for production costs of films
- Require that an entity test films and license agreements in the scope of Subtopic 920-350 for impairment at the film group level, when the film is predominantly monetized with other films and/or license agreements
- Add presentation and disclosure requirements

Effective dates

For PBEs, the guidance will be effective for fiscal years beginning after Dec. 15, 2019, and interim periods within. For all other entities, it is effective for annual reporting periods beginning after Dec. 15, 2020, and interim periods within. Early adoption is permitted, including in an interim period.

Definition of collections

On March 21, 2019, the FASB released ASU 2019-03, “Not-for-Profit Entities (Topic 958): Updating the Definition of Collections.”

The amendments modify the definition of the term “collections.” Generally accepted accounting principles state that an entity is not required to recognize contributed works of art, historical treasures, and similar assets if the donated items are added to collections and meet certain criteria. One criterion states that the entity is subject to an organizational policy that requires the proceeds from collection items that are deaccessioned (that is, removed from a collection) to be used to acquire other items for collections. The amendments modify that criterion to allow the proceeds to also be used to support the direct care of existing collections in addition to acquiring other items for collections.

The amendments require an entity that holds collections to disclose its policy for the use of proceeds for collection items that are deaccessioned. If an entity has a policy that allows proceeds from deaccessioned collection items to be used for the direct care of existing collections, the entity should disclose its definition of direct care.

Accounting for collections is an issue primarily for certain not-for-profit entities that hold collections; however, the amendment in this update would apply to all entities, including business entities that maintain collections.

Effective dates

The amendments are effective for annual financial statements issued for fiscal years beginning after Dec. 15, 2019, and for interim periods within fiscal years beginning after Dec. 15, 2020. Early application of the amendments is permitted. The amendments should be applied on a prospective basis.

Proposals

Targeted transition relief of credit losses guidance

On Feb. 6, 2019, the FASB issued a proposed ASU, “[Targeted Transition Relief for Topic 326, Financial Instruments – Credit Losses](#),” to provide clarification and improvement in implementing ASU 2016-13 “Measurement of Credit Losses on Financial Instruments.”

Since the issuance of ASU 2016-13, stakeholders have voiced concerns regarding inconsistencies in accounting for certain financial instruments. For instance, an entity may elect the fair value option under Topic 825-10 for newly originated or purchased assets after adopting ASU 2016-13, while other assets may continue to be measured at amortized cost, requiring entities to maintain dual measurement methodologies that may result in noncomparable financial statement information for users.

The proposed amendments provide an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis (except for held-to-maturity securities). This election would be made on an instrument-by-instrument basis.

For entities that have not yet adopted ASU 2016-13, the amendments in this proposal would align with the transition and effective date requirements in ASU 2016-13. The exposure draft does not yet include an effective date for entities that have already adopted ASU 2016-13.

Comments were due on March 8, 2019.

Recognizing contract liabilities assumed in a business combination

On Feb. 14, 2019, the FASB issued a proposed ASU, “Business Combinations (Topic 805): Revenue From Contracts With Customers – Recognizing an Assumed Liability,” to clarify when contract liabilities should be recognized in a business combination.

The amendments in this proposal would require an entity (the acquirer) to recognize a liability assumed in a business combination from a contract with a customer if that liability represents an unsatisfied performance obligation under Topic 606 when the acquiree has received consideration from the customer or the amount is due from the customer.

The exposure draft does not yet include an effective date.

Comments are due by April 30, 2019.

In addition to this proposal, the FASB also issued an invitation to comment, “Measurement and Other Topics Related to Revenue Contracts With Customers Under Topic 805,” to solicit input about the measurement and other topics related to revenue contracts acquired in a business combination.

Comments are due by April 30, 2019.

Improvements to share-based consideration payable to a customer

On March 4, 2019, the FASB issued a proposed ASU, “Compensation – Stock Compensation (Topic 718) and Revenue From Contracts With Customers (Topic 606): Codification Improvements – Share-Based Consideration Payable to a Customer,” for a 45-day comment period.

In June 2018, ASU 2018-07, “Improvements to Nonemployee Share-Based Payment Accounting,” was issued requiring share-based payments awarded to a customer in conjunction with selling goods or services to be accounted for under Topic 606 “Revenue From Contracts With Customers.” While Topic 606 provides guidance on presentation, it does not provide guidance on measuring share-based payments to a customer. This proposed ASU would require entities to measure and classify share-based payments to a customer by applying the guidance in Topic 718. The amount that would be recorded as a reduction in revenue would be measured on the basis of the grant-date fair value of the share-based payment in accordance with Topic 718. The classification and subsequent measurement of the award would be subject to Topic 718 unless the share-based payment award is subsequently modified and the grantee is no longer a customer.

For entities that have not yet adopted ASU 2018-07, the amendments in this proposal would align with the transition and effective date requirements in ASU 2018-07. The exposure draft does not yet include an effective date for entities that have already adopted ASU 2018-07.

Comments are due by April 18, 2019.

Improvements to income tax disclosures

On March 25, 2019, the FASB issued a revised proposed ASU, “Income Taxes (Topic 740) – Disclosure Framework – Changes to the Disclosure Requirements for Income Taxes – Revision of Exposure Draft Issued July 26, 2016,” which is intended to improve the relevance of current income tax disclosure requirements to financial statement users.

The proposed ASU is an update of an exposure draft issued in July 2016 that included improved disclosure requirements for income taxes as part of the FASB’s broader disclosure framework project to improve the effectiveness of disclosures. The FASB delayed finalizing the original proposal because of pending tax reform, which subsequently was passed in December 2017.

This newly proposed ASU reflects revisions that are a result of changes from tax reform under the *Tax Cuts and Jobs Act* and are a result of input that was received on the original 2016 exposure draft. The proposed ASU would remove disclosures that are not considered cost beneficial or relevant, including disclosure of the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months and the requirement to make a statement that an estimate of the range cannot be made. In addition to removing certain disclosure requirements, these disclosure requirements were added:

For all entities:

- Income (or loss) from continuing operations before income tax expense (or benefit) and before intra-entity eliminations disaggregated between domestic and foreign
- Income tax expense (or benefit) from continuing operations disaggregated between federal, state, and foreign
- Income taxes paid disaggregated between federal, state, and foreign

For public entities:

- Line items in the statement of financial position in which the unrecognized tax benefits are presented, and the related amounts of such unrecognized tax benefits
- Amount and explanation of the valuation allowance recognized and/or released during the reporting period
- Total amount of unrecognized tax benefits that offsets the deferred tax assets for carryforwards

Comments are due by May 31, 2019.

Current expected credit losses Q&As

Estimating current expected credit losses

On Jan. 10, 2019, the FASB staff released a Q&A document, “Topic 326, No. 1, Whether the Weighted-Average Remaining Maturity Method Is an Acceptable Method to Estimate Expected Credit Losses,” to address questions the staff has received about whether the weighted-average remaining maturity (WARM) method is an acceptable method to estimate expected credit losses. The WARM method was first introduced in a Feb. 27, 2018, webinar, “Community Bank Webinar: Implementation Examples for the Current Expected Credit Losses Methodology (CECL),” as an approach for smaller, less complex portfolios.

The Q&A addresses these five questions specific to the WARM method:

1. “Is the WARM method an acceptable method to estimate allowances for credit losses under Subtopic 326-20?”
2. “What factors should an entity consider when determining whether to use the WARM method?”
3. “How can an entity estimate the allowance for credit losses using a WARM method?”
4. “Are there other ways to perform the WARM estimation?”
5. “When an entity implements CECL using a loss rate method such as the WARM method, is it acceptable to adjust historical loss information for current conditions and the reasonable and supportable forecasts through a qualitative approach as was done in the example rather than a quantitative approach?”

From the SEC

Public statements and announcements

Disclosures on complex or uncertain risks

On March 15, 2019, in London, SEC Director of the Division of Corporation Finance (Corp Fin) William Hinman addressed the 18th Annual Institute on Securities Regulation in Europe. He discussed how the largely principles-based U.S. securities disclosure requirements apply in areas where disclosure topics may be complex, related to uncertain risks, and quickly changing, such as those related to Brexit. He reminded the audience that U.S. “disclosure requirements are intended to provide investors with material information they need about companies and their securities offerings to make informed investment and voting decisions.”

Related to Brexit disclosures, Hinman discussed the wide variety of disclosures that Corp Fin has seen in all industries and across the same industries. He said that while some companies have disclosed only that Brexit is a risk that could materially affect the entity and its operations, other companies have included much more robust and thoughtful disclosures. The more simple disclosure is not sufficient to provide investors with meaningful information that will address the risk and impact.

In his speech, Hinman identified questions companies may consider when drafting and evaluating their Brexit disclosures, including:

- “Is the business exposed to new regulatory risk given the uncertainty of which set of laws and regulations will apply and whether transition agreements will be in place?”
- “Are there significant supply chain risks due to the potential disruption to the U.K.’s access to free trade agreements with other nations and any resulting changes in tariffs on exports and imports?”
- “Does the company face a material risk of losing customers, a decrease in sales or revenues or an increase in costs due to tariffs or other factors?”
- “Does the company have exposure to currency devaluation, foreign currency exchange rate risk or other market risk?”
- “What is the company’s exposure to contractual risk in the face of Brexit?”
- “Do Brexit-related issues affect financial statement recognition measurement or disclosure items?”

Additionally, Hinman discussed sustainability disclosures, as another example supporting the importance of flexible, principle-based disclosure requirements. He said, “the market is still evaluating what, if any, additional disclosure on these topics would provide consistently material and useful information. The marketplace evolution of sustainability disclosures is ongoing – companies certainly provide more sustainability information than they did ten years ago – and allowing this evolution to continue should provide market participants with a continued opportunity to sort out the types of information they find useful.”

Office of the Advocate for Small Business Capital Formation

On March 20, 2019, Martha Miller, the SEC’s new advocate for small business capital formation, spoke at the 1 Million Cups of Coffee event in Kansas City, Missouri, to introduce the Office of the Advocate for Small Business Capital Formation, including why it was formed, what its purpose is, and how it will approach its mission. Miller said that small businesses – which include companies from emerging, privately held, and publicly traded companies with public market capitalization of less than \$250 million – are “job creators, generators of economic opportunity, and fundamental to the growth of the country”; however, she added, “absence of access to funding, small businesses cannot create new jobs, foster innovation, and develop into the next generation of publicly traded companies whose growth fuels Main Street investors’ retirement accounts.”

The SEC established this new office to provide a voice to small businesses at the SEC and in the regulatory arena, to advocate for the small businesses and their investors in Washington, D.C., and to assist in accessing capital. According to Miller, this mission will be accomplished by:

- “Working with small businesses to understand their capital formation issues through education and outreach;
- “Helping small businesses resolve issues with the SEC and self-regulatory organizations, including by recommending policy changes; and
- “Analyzing the potential impact of proposed rules and regulations likely to significantly affect small businesses.”

Forum on distributed ledger technology and digital assets

On March 15, 2019, the SEC announced that it will host a live public forum focusing on distributed ledger technology (DLT) and digital assets. The forum, which will be webcast on May 31, 2019, is being organized by the SEC's Strategic Hub for Innovation and Financial Technology (FinHub). The forum is intended to create better communication and understanding of DLT and digital assets issues. Topics to be addressed include initial coin offerings, digital asset platforms, DLT innovations, and impacts of such technologies on investors and the markets.

Staffing updates

On Feb. 28, 2019, the SEC announced that Gabriel Benincasa has been named the SEC's first chief risk officer, a position created by SEC Chairman Jay Clayton. As chief risk officer, Benincasa will coordinate the SEC's efforts to identify, monitor, and mitigate key risks facing the SEC.

On Feb. 4, 2019, the SEC announced that Elizabeth McFadden has been named deputy general counsel for general law and management. McFadden spent more than 15 years at the U.S. Department of Education, where she was deputy general counsel since 2011.

On Jan. 29, 2019, the SEC announced that Manisha Kimmel has been named to the new role of senior policy adviser for regulatory reporting to Chairman Clayton. Responsibilities of this role include coordinating the SEC's oversight of the self-regulatory organizations' creation and implementation of the Consolidated Audit Trail (CAT), as well as working with SEC offices and divisions on other regulatory reporting.

Rules and guidance

Disclosure modernization and simplifications

On March 20, 2019, the SEC approved a final rule, "FAST Act Modernization and Simplification of Regulation S-K," to simplify and modernize disclosure requirements for public companies, investment advisers, and investment companies. The new rule, which stems from the SEC's mandate under the *Fixing America's Surface Transportation Act* (FAST Act), is intended to improve the readability and navigability of disclosures in SEC filings and to discourage repetition and disclosure of immaterial information.

Except as noted below, the rule is effective 30 days after publication in the Federal Register. Highlights include the following:

Disclosure simplification

The final rule includes amendments that reduce administrative and disclosure burden by allowing registrants to:

- Exclude, in most cases, the earliest of three years in Management's Discussion and Analysis (MD&A), if the discussion has appeared in a prior filing
- Provide disclosure about a physical property only to the extent that it is material to the registrant
- Omit from exhibits:
 - Confidential information in material contracts and certain other exhibits without submitting a confidential treatment request to the SEC, if the information a) is not material and b) would likely cause competitive harm to the registrant if publicly disclosed (effective immediately upon publication in the Federal Register)
 - Attachments to material agreements if such attachments do not contain material information or were not otherwise disclosed
 - Any document or part thereof that is incorporated by reference in a filing (Instead, the registrant will be required to provide hyperlinks to documents incorporated by reference.)
 - Material contracts entered into within two years of the applicable registration statement or report, if the registrant is not a newly reporting company

Disclosure modernization

New required revisions to filings include:

- Disclosing on the form cover page the national exchange or principal U.S. market for the registrant's securities, the trading symbol, and the title of each class of securities
- Tagging all cover page data with Inline eXtensible Business Reporting Language (XBRL)

The final rule also includes parallel changes to several rules and forms applicable to investment companies and investment advisers, including amendments that require certain investment company filings to include a hyperlink to each exhibit listed in the exhibit index of the filings.

Proposal to expand “test-the-waters” provision

The SEC, on Feb. 19, 2019, proposed a new rule that would expand the “test-the-waters” reform by allowing all issuers to gauge market interest in registered securities offerings by permitting discussions on potential offerings with certain institutional investors prior to filing a registration statement. The test-the-waters communications are currently allowed only for emerging growth companies (EGCs), as provided for under the *Jumpstart Our Business Startups Act* (JOBS Act).

Under this new proposed rule, all prospective issuers, not just EGCs, would be permitted to assess market interest in a possible initial public offering or other proposed registered securities offering by allowing discussions with potential qualified investors before the filing of a registration statement. The proposed expansion of the “test-the-waters” reform is designed to provide companies more flexibility in determining whether to proceed with a registered offering before incurring the costs of preparing a registration statement.

Comments are due April 29, 2019.

Extended comment period for variable annuity and variable life insurance contracts proposal

The SEC announced on Feb. 14, 2019, the extension of the comment period on the proposed rulemaking regarding updated disclosure requirements and summary prospectus for variable annuity and variable life insurance contracts, which was published in the Federal Register on Nov. 30, 2019. The extended comment period ended on March 15, 2019.

Regulation S-K interpretation updates

The staff in the SEC’s Division of Corporation Finance updated its Compliance and Disclosure Interpretations for Regulation S-K on Feb. 6, 2019. Questions 116.11 and 133.13 were added to provide guidance on preparing Item 401 disclosure relating to director qualifications specifically addressing disclosure of self-identified diversity characteristics.

From the PCAOB

Guidance for CAM implementation

On March 18, 2019, the PCAOB released three staff guidance documents that address implementation of the new critical audit matter (CAM) requirements. These new requirements, which phase in from June 30, 2019, through Dec. 15, 2020, will require auditors to communicate CAMs in the auditor's report under PCAOB AS 3101, "The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion."

The three staff guidance documents cover the following:

- ["Implementation of Critical Audit Matters: The Basics"](#) provides a high-level overview of the CAM requirements.
- ["Implementation of Critical Audit Matters: Staff Observations From Review of Audit Methodologies"](#) includes observations from the PCAOB's chief auditor's review of audit firm methodologies.
- ["Implementation of Critical Audit Matters: A Deeper Dive on the Determination of CAMs"](#) includes answers to frequently asked questions for determining CAMs.

Although the staff developed these documents primarily to offer insights for auditors, "The Basics" document also may be of interest to preparers, audit committees, and investors.

Additionally, the PCAOB created a [webpage](#) addressing implementation of the new auditor's report. This resource provides information, available resources, and training opportunities to auditors and other stakeholders, with a particular emphasis on how auditors are preparing to identify and communicate CAMs. The PCAOB staff also will continue to monitor CAM implementation and determine if additional guidance is needed.

2019 Staff Inspections Outlook for Audit Committees

On March 14, 2019, the PCAOB posted the [“2019 Staff Inspections Outlook for Audit Committees”](#) to its website. The report includes the PCAOB’s plans to communicate with audit committees about their core activities, the key areas of focus for the 2019 inspections, and other important topics for audit committees to address with their auditors during the audit. The primary areas of focus for planned 2019 inspections include the following:

- Technological developments
- Audit firms’ actions to address past inspection findings
- Audit procedures on new accounting standards
- Audit firms’ use of audit quality indicators
- Implementation of new auditor’s reporting model requirements
- Audit firms’ quality control systems
- Auditor independence

From the CAQ

Audit quality reporting framework for audit firms

On Jan. 8, 2019, the CAQ released a framework, ["Audit Quality Disclosure Framework,"](#) to assist audit firms in developing their transparency or audit quality reports.

The framework is voluntary, is flexible, and addresses disclosure of quality control at the firm level. Under these principles, the framework provides "points of focus" for six elements of audit quality and examples of firm-level audit quality indicators (AQIs):

1. Leadership, culture, and firm governance
2. Ethics and independence
3. Acceptance and continuance of clients and engagements
4. Engagement team management
5. Audit engagement performance
6. Monitoring

From the GASB

Proposals

Implementation guide on fiduciary activities

On Jan. 3, 2019, the GASB issued an exposure draft of a proposed implementation guide, “Fiduciary Activities.” The proposal contains questions and answers to clarify, explain, or elaborate on the GASB’s new standards on accounting and financial reporting for fiduciary activities, GASB Statement 84, “Fiduciary Activities.”

The GASB released Statement 84 in January 2017. The statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. It establishes criteria for identifying fiduciary activities of all state and local governments focused on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists.

The exposure draft proposes 53 new questions and answers to address accounting and financial reporting topics for fiduciary activities related to the following areas:

- Identifying fiduciary activities (1-39)
- Reporting fiduciary activities in fiduciary funds (40-46)
- Statement of fiduciary net position (47)
- Statement of changes in fiduciary net position (48-50)
- Reporting fiduciary component units (51-53)

In addition, the exposure draft proposes amendments to five previously issued questions and answers from Implementation Guides 2015-1 and 2017-2.

Comments were due to the GASB on Feb. 28, 2019.

Implementation guide on leases

On Feb. 28, 2019, the GASB issued an exposure draft of a proposed implementation guide, “Leases.” The proposal contains questions and answers to clarify, explain, or elaborate on the GASB’s new standards on accounting and financial reporting for leases, GASB Statement 87, “Leases.”

The GASB released Statement 87 in June 2017. The statement includes guidance that establishes a single approach to accounting for and reporting leases by state and local governments based on the foundational principle that leases are financings of the right to use an underlying asset.

The exposure draft proposes 80 new questions and answers to address accounting and financial reporting topics for leases relative to the following areas:

- Scope and applicability of Statement 87 (1-13)
- Lease term (14-18)
- Short-term leases (19-22)
- Contracts that transfer ownership (23-24)
- Lessee and lessor recognition and measurement for leases other than short-term leases and contracts that transfer ownership (25-39) and (46-56)
- Notes to financial statements – lessees and lessors (40-45) and (57-58)
- Lease incentives (59-60)
- Contracts with multiple components (61-65)
- Contract combinations (66-67)
- Lease modifications and terminations (68-73)
- Sale-leaseback transactions (74-75)
- Lease-leaseback transactions (76-77)
- Intra-entity leases (78)
- Effective date and transition of Statement 87 (79-80)

Comments are due to the GASB by April 30, 2019.

Accounting Standards Updates (ASU) effective dates

Checklist A – ASU effective dates for public business entities (PBEs).....	A-1
Checklist B – ASU effective dates for nonpublic business entities (non-PBEs)	B-1

Checklist A

ASU effective dates for public business entities (PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Codification Improvements (ASU 2018-09) Contains 30 improvements in all, including income taxes for certain quasi reorganizations, fair value option debt extinguishments, financial instruments, excess tax benefits, tax allocation methods, offsetting derivative assets and liabilities, transfer restrictions for fair value measurement, balance sheet offsetting for broker-dealers, and valuation for a stable value common collective trust fund.	Varies by issue (see pages 8 and 9 of the ASU) March 31, 2018 Upon issuance, July 16, 2018 March 31, 2019	Permitted, including in an interim period
Revenue Recognition (ASU 2014-09) For all entities, the transaction- and industry-specific recognition methods are eliminated and revenue is recognized by applying a defined principles-based approach. Clarifying standards: ASU 2015-14 – Deferral of Effective Date ASU 2016-08 – Principal Versus Agent Considerations (Gross Versus Net Reporting) ASU 2016-10 – Identifying Performance Obligations and Licensing ASU 2016-11 – Rescission of Certain SEC Guidance in Topic 605 (Staff Announcements at March 3, 2016, EITF Meeting) ASU 2016-12 – Narrow-Scope Improvements and Practical Expedients ASU 2016-20 – Technical Corrections and Improvements ASU 2017-14 – Rescission of SEC SAB Topics 8 and 13 and bill-and-hold guidance; revision of SAB Topic 11.A and SEC guidance for certain vaccine manufacturers	March 31, 2018¹	Permitted only as of annual periods beginning after Dec. 15, 2016, including interims within
Derecognition and Partial Sales of Nonfinancial Assets (ASU 2017-05) Primarily applies to the real estate industry but can impact other entities. Clarifies the scope of Subtopic 610-20 by defining an “in substance nonfinancial asset” and provides guidance on partial sales, such as when an entity retains an equity interest in the entity that owns the transferred nonfinancial assets.	March 31, 2018, consistent with ASU 2014-09	Permitted only as of annual periods beginning after Dec. 15, 2016, including interims within

¹ As codified in ASU 2017-13, in an SEC staff announcement at the July 20, 2017, EITF meeting specifically related to PBEs that qualify as a PBE solely due to a requirement to include or the inclusion of its financial statements or financial information in another entity's SEC filing (“certain PBEs”), the SEC stated that it will allow certain PBEs to elect to apply the non-PBE effective dates for the revenue recognition and lease accounting standards only. For certain PBEs, the revenue recognition guidance is effective for Dec. 31, 2019, annual financial statements for calendar year-end entities.

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
<p>Leases (ASU 2016-02)</p> <p>Revises recognition and measurement for lease contracts by lessors and lessees; operating leases are recorded on the balance sheet for lessees. Replaces Topic 840 with Topic 842.</p> <p>Clarifying standards:</p> <p>ASU 2018-01 – Provides a practical expedient in transition to not evaluate existing or expired land easements under Topic 842 that were not previously accounted for as leases under Topic 840.</p> <p>ASU 2018-10 – Provides 16 improvements and clarifications to the guidance in Topic 842.</p> <p>ASU 2018-11 – Provides an optional transition method for adopting Topic 842 that will eliminate comparative period reporting under the new guidance in the adoption year. Provides a practical expedient for lessors to not separate nonlease components from the associated lease component in specified circumstances.</p> <p>ASU 2018-20 – Provides improvements specific to lessors for evaluating sales taxes, recording reimbursed costs, and allocating variable payments to lease and nonlease components.</p> <p>ASU 2019-01 – Provides improvements in determining fair value of underlying asset by lessors that are not manufacturers or dealers, presentation of the statement of cash flows for sales-type and direct financing leases, and transition disclosures.</p>	<p>March 31, 2019²</p> <p>For ASU 2019-01, March 31, 2020, except for transition disclosure amendments which are consistent with ASU 2016-02</p>	<p>Permitted</p>
<p>Premium Amortization on Purchased Callable Debt (ASU 2017-08)</p> <p>Shortens the amortization period for premiums on purchased callable debt securities to the earliest call date, instead of to the maturity date.</p>	<p>March 31, 2019</p>	<p>Permitted, including in an interim period</p>
<p>Financial Instruments With Down-Round Features (Part I) and Scope Exception for Certain Mandatorily Redeemable Financial Instruments (Part II) (ASU 2017-11)</p> <p>Part I – Simplifies the accounting for certain financial instruments with down-round features by eliminating the requirement to consider the down-round feature in the liability or equity classification determination. For entities that present earnings per share (EPS), requires the effect of the down-round feature in a warrant or other freestanding equity-classified instrument to be presented as a dividend and an adjustment to EPS when it is triggered. Regardless of whether the entity presents EPS, requires the effect of the down-round feature in a convertible instrument such as debt or preferred stock to follow existing guidance for contingent beneficial conversion features and be presented as a discount to the convertible instrument with an offsetting credit to paid-in capital when it is triggered.</p> <p>Part II – Changes the indefinite deferral available to private companies with mandatorily redeemable financial instruments and certain noncontrolling interests to a scope exception, which does not have an accounting effect.</p>	<p>March 31, 2019</p>	<p>Permitted, including in an interim period</p>

² As codified in ASU 2017-13, in an SEC staff announcement at the July 20, 2017, EITF meeting specifically related to PBEs that qualify as a PBE solely due to a requirement to include or the inclusion of its financial statements or financial information in another entity's SEC filing ("certain PBEs"), the SEC stated that it will allow certain PBEs to elect to apply the non-PBE effective dates for the revenue recognition and lease accounting standards only. For certain PBEs, the lease accounting standard is effective for Dec. 31, 2020, annual financial statements for calendar year-end entities.

Checklist A – ASU effective dates
for public business entities (PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Hedging Activities (ASU 2017-12) Expands the nonfinancial and financial risk components that can qualify for hedge accounting and simplifies financial reporting for hedging activities.	March 31, 2019	Permitted, including in an interim period
Additional Benchmark Interest Rate for Hedging (ASU 2018-16) Expands the number of benchmark interest rates that can be used in accounting hedge designations to include the Overnight Index Swap (OIS) rate based on the Secured Overnight Financing Rate (SOFR) and stems from concerns about the sustainability of the London Interbank Offered Rate (LIBOR).	March 31, 2019 (consistent with ASU 2017-12)	Permitted, including in an interim period, if ASU 2017-12 was early adopted
Certain Deferred Taxes for Steamship Entities (ASU 2017-15) Requires steamship entities to recognize any remaining deferred taxes on certain statutory reserve deposits in accordance with Topic 740.	March 31, 2019	Permitted, including in an interim period
Tax Reform – Reclassification of Stranded Tax Effects in AOCI (ASU 2018-02) An entity may elect to reclassify stranded tax effects in AOCI specifically affected by the <i>Tax Cuts and Jobs Act</i> from AOCI to retained earnings, instead of recognizing those effects in earnings.	March 31, 2019	Permitted, including in an interim period
Nonemployee Stock Compensation Simplifications (ASU 2018-07) Aligns the accounting guidance for nonemployee stock payments with the guidance for employee stock compensation in ASC Topic 718.	March 31, 2019	Permitted, including in an interim period, but no earlier than the adoption of Topic 606
Contributions Received and Made for Not-for-Profit Entities (ASU 2018-08) Improves the guidance on contributions and exchange transactions. Although the ASU primarily affects not-for-profit entities, it applies to all entities, including business entities, that receive or make contributions of cash and other assets.	March 31, 2019 (See the ASU for noncalendar year-end effective dates because they vary for contributions received and contributions made).	Permitted
Goodwill Impairment Testing (ASU 2017-04) Removes step two – the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value – of the goodwill impairment test.	For SEC filers, tests performed on or after Jan. 1, 2020 For PBEs that are not SEC filers, tests performed on or after Jan. 1, 2021	Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017
Credit Losses (ASU 2016-13) Replaces the incurred loss model with the current expected credit loss (CECL) model for financial assets, including trade receivables, debt securities, and loan receivables. Clarifying standards: ASU 2018-19 – Clarifies that impairment of operating lease receivables is in the scope of ASC Topic 842, “Leases,” and not the CECL model.	For SEC filers, March 31, 2020 For PBEs that are not SEC filers, March 31, 2021	Permitted as of the fiscal years beginning after Dec. 15, 2018, including interim periods within

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Fair Value Measurement Disclosure (ASU 2018-13) Removes, modifies, or adds certain fair value measurement disclosures related to financial instrument transfers and Level 3 instruments, among others.	March 31, 2020	Permitted
Implementation Costs for Cloud Computing Arrangements (CCAs) (ASU 2018-15) Aligns accounting for implementation costs of CCAs with or without a license (that is, regardless of whether the CCA is a service contract) by capitalizing implementation costs during the application development stage and amortizing the costs over the term of the arrangement.	March 31, 2020	Permitted, including in an interim period
Variable Interest Entity (VIE) Model – Targeted Improvements for Related Parties (ASU 2018-17) Revises the analysis for determining whether a decision-making fee paid by a VIE is a variable interest such that indirect interests in a VIE held through related parties in common control arrangements would be considered on a proportional basis (instead of as the equivalent to a direct interest).	March 31, 2020	Permitted, including in an interim period
Collaborative Arrangements (Topic 808) (ASU 2018-18) Requires that Topic 606 be applied to collaborative arrangements when the arrangement participant is a customer and aligns the unit-of-account guidance in Topic 808 with Topic 606. Revenue in the scope of Topic 606 should be presented separate from revenue outside its scope.	March 31, 2020	Permitted, including in an interim period
Certain Costs in Media and Entertainment Industry (ASU 2019-02) Applies to broadcasters and entities that produce and distribute films and episodic television series. Aligns the accounting of episodic television series with films, and provides more relevant financial reporting information to users of financial statements.	March 31, 2020	Permitted, including in an interim period
Defined Benefit Plan Disclosure for Sponsors (ASU 2018-14) Removes and clarifies certain disclosures for sponsors of defined benefit plans. Adds disclosure for weighted-average interest credit rates for certain plans and the reasons for significant gains and losses in the benefit obligation.	Dec. 31, 2020	Permitted
Updating the Definition of Collections (ASU 2019-03) Improves the definition of collections. Requires additional disclosure. Although the ASU primarily affects not-for-profits, it applies to all entities that maintain collections.	Dec. 31, 2020	Permitted, including in an interim period
Long-Duration Insurance Contracts (ASU 2018-12) Revises the accounting for life insurance and annuity contracts by eliminating the method of locking in liability assumptions and the premium deficiency test for traditional and limited-payment contracts, among other methodology changes. Requires additional disclosure.	March 31, 2021	Permitted

Checklist B

ASU effective dates for nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Codification Improvements (ASU 2018-09) Contains 30 improvements in all, including income taxes for certain quasi reorganizations, fair value option debt extinguishments, financial instruments, excess tax benefits, tax allocation methods, offsetting derivative assets and liabilities, transfer restrictions for fair value measurement, balance sheet offsetting for broker-dealers, and valuation for a stable value common collective trust fund.	Varies by issue (see pages 8 and 9 of the ASU) Upon issuance, July 16, 2018 Dec. 31, 2019 Dec. 31, 2020	Permitted, including in an interim period
Certain Deferred Taxes for Steamship Entities (ASU 2017-15) Requires steamship entities to recognize any remaining deferred taxes on certain statutory reserve deposits in accordance with Topic 740.	March 31, 2019	Permitted, including in an interim period
Tax Reform – Reclassification of Stranded Tax Effects in AOCI (ASU 2018-02) An entity may elect to reclassify stranded tax effects in AOCI specifically affected by the <i>Tax Cuts and Jobs Act</i> from AOCI to retained earnings, instead of recognizing those effects in earnings.	March 31, 2019	Permitted, including in an interim period
Revenue Recognition (ASU 2014-09) For all entities, the transaction- and industry-specific recognition methods are eliminated and revenue is recognized by applying a defined principles-based approach. Clarifying standards: ASU 2015-14 – Deferral of Effective Date ASU 2016-08 – Principal Versus Agent Considerations (Gross Versus Net Reporting) ASU 2016-10 – Identifying Performance Obligations and Licensing ASU 2016-11 – Rescission of Certain SEC Guidance in Topic 605 (Staff Announcements at March 3, 2016, EITF Meeting) ASU 2016-12 – Narrow-Scope Improvements and Practical Expedients ASU 2016-20 – Technical Corrections and Improvements ASU 2017-14 – Rescission of SEC SAB Topics 8 and 13 and bill-and-hold guidance; revision of SAB Topic 11.A and SEC guidance for certain vaccine manufacturers	Dec. 31, 2019	Permitted only as of annual periods beginning after Dec. 15, 2016, including interims within

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Derecognition and Partial Sales of Nonfinancial Assets (ASU 2017-05) Primarily applies to the real estate industry but can affect other entities. Clarifies the scope of Subtopic 610-20 by defining an “in substance nonfinancial asset” and provides guidance on partial sales, such as when an entity retains an equity interest in the entity that owns the transferred nonfinancial assets.	Dec. 31, 2019, consistent with ASU 2014-09	Permitted only as of annual periods beginning after Dec. 15, 2016, including interims within
Service Concession Arrangements for Operators of Public Infrastructure (ASU 2017-10) In all service concession arrangements between a public sector entity and the operator of the public sector entity’s infrastructure, the public sector entity (or the grantor) should be identified as the customer.	Dec. 31, 2019 (unless ASU 2014-09 has been adopted)	Permitted, including in an interim period
Recognition and Measurement (ASU 2016-01) Applies to the classification and measurement of financial instruments. Removes the available-for-sale category for equities. Equities (excluding equity method and consolidated investments) will be carried at fair value; however, the changes will run through the income statement rather than OCI. Clarifying standards: ASU 2018-03 – Clarifications for equity securities without a readily determinable fair value and fair value option liabilities ASU 2018-04 – (SAB 117) Rescission of SEC guidance on AFS equities	Dec. 31, 2019	Not permitted, except for two provisions For ASU 2018-03, permitted, including in an interim period, if ASU 2016-01 has been adopted
Breakage for Prepaid Cards (ASU 2016-04) Applies to prepaid stored-value products that are redeemable for monetary values of goods or services but also may be redeemable for cash, such as certain prepaid gift cards, prepaid telecommunication cards, and traveler’s checks.	Dec. 31, 2019	Permitted, including in an interim period
Statement of Cash Flows: Certain Clarifications (ASU 2016-15) Provides guidance on how eight specific cash flows should be classified in the statement of cash flows, including debt prepayment or extinguishment costs, settlement of zero-coupon bonds, contingent consideration payments, insurance settlement proceeds, company-owned life insurance (COLI) policy settlements and premiums, equity method investee distributions, beneficial interests in securitization transactions, and predominance principle for receipts and payments.	Dec. 31, 2019	Permitted, including in an interim period

Checklist B – ASU effective dates for
nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Income Taxes for Intra-Entity Asset Transfers (ASU 2016-16) Applies to asset transfers between legal entities, including related parties (e.g., bank and investment subsidiary); transferor recognizes the current and deferred tax effects when the transfers occur.	Dec. 31, 2019	Permitted as of the beginning of an annual period for which financial statements have not been issued or made available for issuance
Statement of Cash Flows: Restricted Cash (ASU 2016-18) Requires that restricted cash and cash equivalents be presented in total cash and cash equivalents in the statement of cash flows, and the nature of restrictions on restricted cash and cash equivalents be disclosed.	Dec. 31, 2019	Permitted, including in an interim period
Definition of a Business (ASU 2017-01) Applies to the analysis of whether an asset or business is acquired (which determines whether goodwill is recognized), as well as asset derecognition and business deconsolidation transactions.	Dec. 31, 2019	Permitted for certain transactions
Employee Benefit Plan Master Trust Reporting (ASU 2017-06) Applies to disclosures of plans that have an interest in a master trust, which is a trust for which a regulated financial institution serves as a trustee or custodian and in which assets of more than one plan sponsored by an employer or employers under common control are held.	Dec. 31, 2019	Permitted
Presentation of Net Periodic Pension and Postretirement Benefit Costs (ASU 2017-07) Rather than reporting pension expense as a net amount, the service cost component will be presented consistent with similar compensation for the same employees, and the other components will be separately presented in the income statement.	Dec. 31, 2019	Permitted as of the beginning of an annual period, in the first interim period if interim financial statements are issued
Contributions Received and Made for Not-for-Profit Entities (ASU 2018-08) Improves the guidance on contributions and exchange transactions. Although the ASU primarily affects not-for-profit entities, it applies to all entities, including business entities, that receive or make contributions of cash and other assets.	For contributions received, Dec. 31, 2019 For contributions made, Dec. 31, 2020	Permitted

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Leases (ASU 2016-02)</p> <p>Revises recognition and measurement for lease contracts by lessors and lessees; operating leases are recorded on the balance sheet for lessees. Replaces Topic 840 with Topic 842.</p> <p>Clarifying standards:</p> <p>ASU 2018-01 – Provides a practical expedient in transition to not evaluate existing or expired land easements under Topic 842 that were not previously accounted for as leases under Topic 840.</p> <p>ASU 2018-10 – Provides 16 improvements and clarifications to the guidance in Topic 842.</p> <p>ASU 2018-11 – Provides an optional transition method for adopting Topic 842 that will eliminate comparative period reporting under the new guidance in the adoption year. Provides a practical expedient for lessors to not separate nonlease components from the associated lease component in specified circumstances.</p> <p>ASU 2018-20 – Provides improvements specific to lessors for evaluating sales taxes, recording reimbursed costs, and allocating variable payments to lease and nonlease components.</p>	Dec. 31, 2020	Permitted
<p>Premium Amortization on Purchased Callable Debt (ASU 2017-08)</p> <p>Shortens the amortization period for premiums on purchased callable debt securities to the earliest call date, instead of to the maturity date.</p>	Dec. 31, 2020	Permitted, including in an interim period
<p>Financial Instruments With Down-Round Features (Part I) and Scope Exception for Certain Mandatorily Redeemable Financial Instruments (Part II) (ASU 2017-11)</p> <p>Part I – Simplifies the accounting for certain financial instruments with down-round features by eliminating the requirement to consider the down-round feature in the liability or equity classification determination. For entities that present EPS, requires the effect of the down-round feature in a warrant or other freestanding equity-classified instrument to be presented as a dividend and an adjustment to EPS when it is triggered. Regardless of whether the entity presents EPS, requires the effect of the down-round feature in a convertible instrument such as debt or preferred stock to follow existing guidance for contingent beneficial conversion features and be presented as a discount to the convertible instrument with an offsetting credit to paid-in capital when it is triggered.</p> <p>Part II – Changes the indefinite deferral available to private companies with mandatorily redeemable financial instruments and certain noncontrolling interests to a scope exception, which does not have an accounting effect.</p>	Dec. 31, 2020	Permitted, including in an interim period

Checklist B – ASU effective dates for
nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Hedging Activities (ASU 2017-12) Expands the nonfinancial and financial risk components that can qualify for hedge accounting and simplifies financial reporting for hedging activities.	Dec. 31, 2020	Permitted, including in an interim period
Additional Benchmark Interest Rate for Hedging (ASU 2018-16) Expands the number of benchmark interest rates that can be used in accounting hedge designations to include the Overnight Index Swap (OIS) rate based on the Secured Overnight Financing Rate (SOFR) and stems from concerns about the sustainability of the London Interbank Offered Rate (LIBOR).	Dec. 31, 2020 (consistent with ASU 2017-12) March 31, 2020, if ASU 2017-12 was early adopted	Permitted, including in an interim period, if ASU 2017-12 was early adopted
Nonemployee Stock Compensation Simplifications (ASU 2018-07) Aligns the accounting guidance for nonemployee stock payments with the guidance for employee stock compensation in ASC Topic 718.	Dec. 31, 2020	Permitted, including in an interim period, but no earlier than the adoption of Topic 606
Fair Value Measurement Disclosure (ASU 2018-13) Removes, modifies, or adds certain fair value measurement disclosures related to financial instrument transfers and Level 3 instruments, among others.	Dec. 31, 2020	Permitted
Updating the Definition of Collections (ASU 2019-03) Improves the definition of collections. Requires additional disclosure. Although the ASU primarily affects not-for-profits, it applies to all entities that maintain collections.	Dec. 31, 2020	Permitted, including in an interim period
Certain Costs in Media and Entertainment Industry (ASU 2019-02) Applies to broadcasters and entities that produce and distribute films and episodic television series. Aligns the accounting of episodic television series with films, and provides more relevant financial reporting information to users of financial statements.	March 31, 2021	Permitted, including in an interim period
Defined Benefit Plan Disclosure for Sponsors (ASU 2018-14) Removes and clarifies certain disclosures for sponsors of defined benefit plans. Adds disclosure for weighted-average interest credit rates for certain plans, and the reasons for significant gains and losses in the benefit obligation.	Dec. 31, 2021	Permitted
Implementation Costs for Cloud Computing Arrangements (CCAs) (ASU 2018-15) Aligns accounting for implementation costs of CCAs with or without a license (that is, regardless of whether the CCA is a service contract) by capitalizing implementation costs during the application development stage and amortizing the costs over the term of the arrangement.	Dec. 31, 2021	Permitted, including in an interim period

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Variable Interest Entity (VIE) Model – Targeted Improvements for Related Parties (ASU 2018-17) Provides a private company accounting alternative not to apply VIE consolidation guidance to any arrangement with legal entities that are under common control if neither the parent nor the legal entity is a PBE (thus expanding the alternative for common control leasing arrangements to all common control arrangements). Also, revises the analysis for determining whether a decision-making fee paid by a VIE is a variable interest such that indirect interests in a VIE held through related parties in common control arrangements would be considered on a proportional basis (instead of as the equivalent to a direct interest).	Dec. 31, 2021	Permitted, including in an interim period
Collaborative Arrangements (Topic 808) (ASU 2018-18) Requires that Topic 606 be applied to collaborative arrangements when the arrangement participant is a customer and aligns the unit-of-account guidance in Topic 808 with Topic 606. Revenue in the scope of Topic 606 should be presented separate from revenue outside its scope.	Dec. 31, 2021	Permitted, including in an interim period
Goodwill Impairment Testing (ASU 2017-04) Removes step two – the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value – of the goodwill impairment test.	Tests performed on or after Jan. 1, 2022	Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017
Credit Losses (ASU 2016-13) Replaces the incurred loss model with the CECL model for financial assets, including trade receivables, debt securities, and loan receivables. Clarifying standards ASU 2018-19 – Clarifies the effective date for non-PBEs and that impairment of operating lease receivables is in the scope of ASC Topic 842, “Leases,” and not the CECL model.	Dec. 31, 2022	Permitted as of the fiscal years beginning after Dec. 15, 2018, including interim periods within
Long-Duration Insurance Contracts (ASU 2018-12) Revises the accounting for life insurance and annuity contracts by eliminating the method of locking in liability assumptions and the premium deficiency test for traditional and limited-payment contracts, among other methodology changes. Requires additional disclosure.	Dec. 31, 2022	Permitted

Governmental Accounting Standards Board (GASB) statement effective dates

Checklist C – Effective dates for all GASB statementsC-1

Checklist C

Effective dates for all GASB statements

GASB statement	Effective dates – reporting periods beginning after	Early adoption
Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB Statement 75) Supersedes the requirements of Statement 45 and now requires governments to report a liability on the face of the financial statements for the other postemployment benefits (OPEB) that they provide along with requiring governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities.	June 15, 2017	Permitted
Omnibus 2017 (GASB Statement 85) Addresses issues found during the application of guidance related to blending a component unit, reporting goodwill, classifying real estate held by insurance entities, measuring certain money market investments and participating interest-earning investment contracts at amortized cost, and various pension and OPEB issues.	June 15, 2017	Permitted
Certain Debt Extinguishment Issues (GASB Statement 86) Provides guidance for transactions in which cash and other monetary assets acquired with only existing resources (that is, resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This guidance generally follows the same requirements as Statement 7, “Advance Refundings Resulting in Defeasance of Debt.” Under Statement 7, government entities must consider debt to be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt.	June 15, 2017	Permitted
Certain Asset Retirement Obligations (GASB Statement 83) Applies when a government has legal obligations to perform future asset retirement activities related to its tangible capital assets. Under this statement, the government is required to recognize a liability and a corresponding deferred outflow of resources related to such obligations. This guidance also identifies the circumstances that trigger recognition of these transactions.	June 15, 2018	Permitted

Checklist C – Effective dates
for all GASB statements

GASB statement	Effective dates – reporting periods beginning after	Early adoption
Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements (GASB Statement 88) Clarifies which liabilities governments should include in their note disclosures related to debt and requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt.	June 15, 2018	Permitted
Fiduciary Activities (GASB Statement 84) Improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Establishes criteria for identifying fiduciary activities of all state and local governments focused on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.	Dec. 15, 2018	Permitted
Majority Equity Interests (GASB Statement 90) Revises and clarifies the guidance for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units.	Dec. 15, 2018	Permitted
Leases (GASB Statement 87) Revises recognition and measurement for lease contracts by lessors and lessees by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.	Dec. 15, 2019	Permitted
Accounting for Interest Cost Incurred Before the End of a Construction Period (GASB Statement 89) Supersedes guidance set forth in Statement 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," which generally required capitalization of interest cost incurred before the end of a construction period. Statement 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus and not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.	Dec. 15, 2019	Permitted



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