

FASB Accounting Standards Codification®

Editorial and Maintenance Update 2018-02

Released: February 2, 2018

Maintenance Updates provide nonsubstantive corrections to the Codification, such as editorial corrections, various types of link-related changes, and changes to source fragment information (used for Cross Reference and the Printer Friendly with sources). This Maintenance Update includes nonsubstantive visual corrections, which are reflected in the relevant Status tables.

Editorial and other corrections that affect versioning of Sections for archive purposes and are reflected in the corresponding Status tables:

1. Paragraph 205-20-55-80 was superseded by Accounting Standards Update No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. This amendment supersedes paragraph 275-10-60-1, which includes the reference to paragraph 205-20-55-80.

Paragraph/Glossary Term	Deleted/Amended/Added
275-10-60-1	>Presentation of Financial Statements Paragraph superseded by Maintenance Update 2018-02. See Example 10 (paragraph 205-20-55-80) for an illustration of the kinds of disclosures required for risks and uncertainties related to discontinued operations.

2. Paragraph 325-30-30-1B belongs in the General Subsection. This amendment moves paragraph 325-30-30-1B from the Life Settlement Contracts Subsection into the General Subsection.

Paragraph/Glossary Term	Deleted/Amended/Added
325-30-30-1AA	General >Exchange of Mutual Membership Interests for Stock in a Demutualization Stock received from a demutualization shall be measured initially at fair value. [Content moved from paragraph 325-30-30-1B.]
325-30-30-1B	>Exchange of Mutual Membership Interests for Stock in a Demutualization Paragraph superseded by Maintenance Update 2018-02. Stock received from a demutualization shall be measured initially at fair value. [Content moved to paragraph 325-30-30-1AA.]

3. This amendment makes the first sentence in paragraph 410-20-25-10 clearer and consistent with the structure of the example in the next sentence.

Paragraph/Glossary Term	Deleted/Amended/Added
410-20-25-10	Instances may occur in which insufficient sufficient information to estimate the fair value of an asset retirement obligation is available unavailable . For example, if an asset has an indeterminate useful life, sufficient information to estimate a range of potential settlement dates for the obligation might not be available. In such cases, the liability would be initially recognized in the period in which sufficient information exists to estimate a range of potential settlement dates that is needed to employ a present value technique to estimate fair value.

4. This amendment changes “shall” to “should” in the Section 55, Implementation Guidance and Illustrations, paragraphs below, to adhere to Codification guidelines.

Paragraph/Glossary Term	Deleted/Amended/Added
450-20-55-4	The absence of insurance against losses from risks of those types constitutes an existing condition involving uncertainty about the amount and timing of any losses that may occur, in which case a loss contingency exists. Uninsured risks may arise in a number of ways, including the following: a. Noninsurance of certain risks b. Co-insurance or deductible clauses in an insurance contract c. Insurance through a subsidiary or investee to the extent not reinsured with an independent insurer. (The effects of transactions between a parent or other investor and a subsidiary or investee insurance entity shall should be eliminated from an entity's financial statements in accordance with paragraphs 810-10-45-1 and 323-10-35-7.)
805-10-55-10	Paragraph 805-10-25-5 provides that the guidance in the General Subsections of Subtopic 810-10 related to determining the existence of a controlling financial interest shall should be used to identify the acquirer in a business combination, except when a variable interest entity (VIE) is acquired. If a business combination has occurred but applying that guidance does not clearly indicate which of the combining entities is the acquirer, paragraph 805-10-25-5 requires the factors in paragraphs 805-10-55-11 through 55-15 to be considered in making that determination.
860-10-55-22	Other securitizations use multiple transfers intended to isolate transferred financial assets beyond the reach of the transferor, its consolidated affiliates (that are not bankruptcy-remote entities) included in the financial statements being presented, and its creditors, even in bankruptcy. The series of transactions in a typical two-tier structure taken as a whole may satisfy the isolation test because the design of the structure achieves isolation. The two-step securitizations, taken as a whole, generally would be judged under present U.S. law as having isolated the financial assets beyond the reach of the transferor, its consolidated affiliates (that are not bankruptcy-remote entities) included in the financial statements being presented, and its creditors, even in bankruptcy or other receivership. However, each entity involved in a transfer shall should be evaluated under the consolidation guidance in Topic 810. Accordingly, a transferor could be required to consolidate the trust or other legal vehicle used in the second step of the securitization, notwithstanding the isolation analysis of the transfer.

5. This amendment updates the reference in the Master Glossary term, *primary beneficiary*, for paragraphs 810-10-25-38H through 25-38J that were added as a result of the amendments in Accounting Standards Update No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*.

Paragraph/Glossary Term	Deleted/Amended/Added
Primary Beneficiary	Note: The following definition is Pending Content; see Transition Guidance in 810-10-65-7. An entity that consolidates a variable interest entity (VIE). See paragraphs 810-10-25-38 through 25-38J for guidance on determining the primary beneficiary.

6. For Accounting Standards Update No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810*, Consolidation, the decision of the Board requires a nonpublic entity to apply the new guidance first for an annual reporting period and then in each interim period within annual periods thereafter. This amendment clarifies that the interim periods beginning after the effective date are the interim periods within annual periods after initial application.

Paragraph/Glossary Term	Deleted/Amended/Added
810-10-65-5(b)	For all other entities, the pending content that links to this paragraph shall be effective for annual reporting periods beginning after December 15, 2016, and for interim reporting periods <u>within annual periods</u> beginning after December 15, 2017.

7. This amendment corrects a typographical error in the description of lease incentives in the last sentence of paragraph 842-10-55-30(b).

Paragraph/Glossary Term	Deleted/Amended/Added
842-10-55-30(b)	Transition Date: (P) December 16, 2018; (N) December 16, 2019 Transition Guidance: 842-10-65-1 Losses incurred by the lessor as a result of assuming a lessee's preexisting lease with a third party. In that circumstance, the lessor and the lessee should independently estimate any loss attributable to that assumption. For example, the lessee's estimate of the lease incentive could be based on a comparison of the new lease with the market rental rate available for similar underlying assets or the market rental rate from the same lessor without the lease assumption. The lessor should estimate any loss on the basis of the total remaining costs reduced by the expected benefits from the sublease effor use of the assumed underlying asset.

8. Paragraph 842-10-65-1(f) states that the package of practical expedients applies to all leases, "including those for which the entity is a lessee or a lessor." However, the explanatory language in paragraph 842-10-65-1(f)(2) states that "that is, all existing leases that were classified as operating leases in accordance with Topic 840 will be classified as operating leases, and all existing leases that were classified as capital leases in accordance with Topic 840 will be classified as finance leases," implying that the lease classification expedient applies only to lessees. Therefore, to avoid confusion, this amendment changes "that is" to "for example," in paragraph 842-10-65-1(f)(2).

Paragraph/Glossary Term	Deleted/Amended/Added
842-10-65-1(f)(2)	An entity need not reassess the lease classification for any expired or existing leases (that is for example, all existing leases that were classified as operating leases in accordance with Topic 840 will be classified as operating leases, and all existing leases that were classified as capital leases in accordance with Topic 840 will be classified as finance leases)).

9. The amendments in Accounting Standards Update No. 2009-16, *Transfers and Servicing (Topic 860)*, *Accounting for Transfers of Financial Assets*, superseded Example 2 on Disclosures Related to the Activity in the Balance of Servicing Assets and Servicing Liabilities by Class in paragraph 860-50-55-27. This amendment removes the reference to paragraph 860-50-55-27 in paragraph 860-50-50-4.

Paragraph/Glossary Term	Deleted/Amended/Added
860-50-50-4	For servicing assets and servicing liabilities measured subsequently under the amortization method in paragraph 860-50-35-1(a), all of the following shall be disclosed: a. For each class of servicing assets and servicing liabilities, the activity in the balance of servicing assets and the activity in the balance of servicing liabilities (including a description of where changes in the carrying amount are reported in the statement of income for each period for which results of operations are presented), including, but not limited to, the following: 1. The beginning and ending balances 2. Additions through any of the following: i. Purchases of servicing assets ii. Assumptions of servicing obligations iii. Recognition of servicing obligations that result from transfers of financial assets. 3. Disposals 4. Amortization 5. Application of valuation allowance to adjust carrying value of servicing assets 6. Other-than-temporary impairments

	7. Other changes that affect the balance and a description of those changes. See Example 2 (paragraph 860-50-55-27) for an illustration of the disclosure requirement in paragraph 860-50-50-4(a).
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10. This amendment changes the language in paragraph 942-405-50-1(a), to “insured limit” from “FDIC insurance limit” because the guidance applies to all insurance limits, not just the FDIC insurance limit.

Paragraph/Glossary Term	Deleted/Amended/Added
942-405-50-1(a)	The aggregate amount of time deposit accounts (including certificates of deposit) in denominations that meet or exceed the FDIC insurance insured limit at the balance sheet date

11. This amendment adds the subheading “Liabilities:” before the detailed listing of liabilities in the illustration of a statement of financial position in paragraph 958-205-55-9 to make the illustration headings consistent.

Paragraph/Glossary Term	Deleted/Amended/Added																																																					
958-205-55-9	Not-for-Profit Entity A Statements of Financial Position June 30, 19X1 and 19X0 (in thousands) <table><tr><td>Assets:</td><td>19X1</td><td>19X0</td></tr><tr><td>Cash and cash equivalents</td><td>\$ 75</td><td>\$ 460</td></tr><tr><td>Accounts and interest receivable</td><td>2,130</td><td>1,670</td></tr><tr><td>Inventories and prepaid expenses</td><td>610</td><td>1,000</td></tr><tr><td>Contributions receivable</td><td>3,025</td><td>2,700</td></tr><tr><td>Short-term investments</td><td>1,400</td><td>1,000</td></tr><tr><td>Assets restricted to investment in land, buildings, and equipment</td><td>5,210</td><td>4,560</td></tr><tr><td>Land, buildings, and equipment</td><td>61,700</td><td>63,590</td></tr><tr><td>Long-term investments</td><td>218,070</td><td>203,500</td></tr><tr><td></td><td>\$</td><td>\$</td></tr><tr><td>Total assets</td><td>292,220</td><td>278,480</td></tr><tr><td>Liabilities and net assets:</td><td></td><td></td></tr><tr><td>Liabilities:</td><td></td><td></td></tr><tr><td>Accounts payable</td><td>\$ 2,570</td><td>\$ 1,050</td></tr><tr><td>Refundable advance</td><td></td><td>650</td></tr><tr><td>Grants payable</td><td>875</td><td>1,300</td></tr><tr><td>Notes payable</td><td></td><td>1,140</td></tr></table>			Assets:	19X1	19X0	Cash and cash equivalents	\$ 75	\$ 460	Accounts and interest receivable	2,130	1,670	Inventories and prepaid expenses	610	1,000	Contributions receivable	3,025	2,700	Short-term investments	1,400	1,000	Assets restricted to investment in land, buildings, and equipment	5,210	4,560	Land, buildings, and equipment	61,700	63,590	Long-term investments	218,070	203,500		\$	\$	Total assets	292,220	278,480	Liabilities and net assets:			Liabilities:			Accounts payable	\$ 2,570	\$ 1,050	Refundable advance		650	Grants payable	875	1,300	Notes payable		1,140
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	Annuity obligations	1,685	1,700
	Long-term debt	5,500	6,500
	Total liabilities	10,630	12,340
	Net assets:		
	Unrestricted	115,228	103,670
	Temporarily restricted (Note B)	24,342	25,470
	Permanently restricted (Note C)	142,020	137,000
	Total net assets	281,590	266,140
	Total liabilities and net assets	\$ 292,220	\$ 278,480
	Note: See paragraph 958-205-55-21 for the notes to financial statements.		
958-205-55-9 Pending	Transition Date: (P) December 16, 2017; (N) December 16, 2017 Transition Guidance: 958-10-65-1		
	Not-for-Profit Entity A Statements of Financial Position June 30, 20X1 and 20X0 (in thousands)		
	Assets:	20X1	20X0
	Cash and cash equivalents	\$4,575	\$4,960
	Accounts and interest receivable	2,130	1,670
	Inventories and prepaid expenses	610	1,000
	Contributions receivable	3,025	2,700
	Short-term investments	1,400	1,000
	Assets restricted to investment in land, buildings, and equipment	5,210	4,560
	Land, buildings, and equipment	61,700	63,590
	Long-term investments	218,070	203,500
	Total assets	\$296,720	\$282,980
	Liabilities and net assets:		
	Liabilities:		
	Accounts payable	\$ 2,570	\$ 1,050
	Refundable advance		650
	Grants payable	875	1,300
	Notes payable		1,140

Annuity trust obligations	1,685	1,700
Long-term debt	5,500	6,500
Total liabilities	10,630	12,340
Net assets:		
Without donor restrictions (Note DD)	92,600	84,570
With donor restrictions (Note B)	193,490	186,070
Total net assets	286,090	270,640
Total liabilities and net assets	\$296,720	\$282,980
Note: See paragraph 958-205-55-21 for the notes to financial statements.		

12. This amendment corrects the transition date for paragraphs 321-10-50-2A and 958-321-50-2 and the pending content for 958-321-50-2. These paragraphs were added by the amendments in Accounting Standards Update No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, amended paragraphs 321-10-50-2A and 958-321-50-2 in error. Those paragraphs should still follow the effective date and transition guidance in paragraph 825-10-65-2.

Paragraph/Glossary Term	Deleted/Amended/Added
321-10-50-2A Pending	Transition Date: (P) December 16, 2017; (N) December 16, 2017 Transition Guidance: 958-10-65-1 825-10-65-2 The disclosure guidance in paragraph 321-10-50-4 is not required for entities that are within the scope of Topic 958 on not-for-profit entities.
958-321-50-2 Pending	Transition Date: (P) December 16, 2017; (N) December 16, 2017 Transition Guidance: 958-10-65-1 The disclosure guidance in Section 321-10-50, except for paragraph 321-10-50-4, applies to investments in equity securities held by NFPs.
958-321-50-2 Pending	Transition Date: (P) December 16, 2017; (N) December 16, 2018 Transition Guidance: 825-10-65-2 The disclosure guidance in Section 321-10-50, except for paragraph 321-10-50-4, applies to investments in equity securities held by NFPs.

13. The amendments from Accounting Standards Update No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, added paragraph 805-10-55-3A under the heading, Definition of a Business. This amendment adds paragraph 805-10-55-3A to the range of paragraphs, 805-10-55-4 through 55-9, which are referenced in paragraph 958-805-55-40, with a link to transition paragraph, 805-10-65-4.

Paragraph/Glossary Term	Deleted/Amended/Added
<u>958-805-55-40</u> <u>Pending</u>	Transition Date: (P) December 16, 2017; (N) December 16, 2018 Transition Guidance: 805-10-65-4 Paragraph 805-10-15-4 uses the term <i>business</i> to differentiate an acquisition of an integrated set of activities and assets that is within the scope of Topic 805 from an acquisition of a group of assets that is outside its scope. This Subtopic uses that same definition. In addition to the term <i>business</i> , this Subtopic also uses the term <i>nonprofit activity</i> to differentiate an acquisition of an integrated set of activities and assets that is within its scope from an acquisition of a group of assets that is

	outside its scope. It builds on the definition of a <i>business</i> in defining a <i>nonprofit activity</i> ; each is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing benefits. The nature of the benefits provided distinguishes a business from a nonprofit activity. Thus, in applying the guidance in paragraphs 805-10-55-3A 805-10-55-4 through 55-9, references to a <i>business</i> or <i>businesses</i> also refer to a <i>not-for-profit activity</i> or <i>not-for-profit activities</i> , and references to the three elements of <i>input</i> , <i>process</i> , and <i>output</i> also include outputs that provide or have the ability to provide goods or services to beneficiaries, customers, or members that fulfill the purpose or mission for which a not-for-profit entity (NFP) exists.
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14. Updates to the Status (00) Sections in the Subtopics amended by paragraphs 1–13 of this Maintenance Update.

Paragraph/Glossary Term	Amended	Action	Accounting Standards Update	Date
275-10-00-1	<u>275-10-60-1</u>	<u>Superseded</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
321-10-00-1	<u>321-10-50-2A</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
325-30-00-1	<u>325-30-30-1AA</u>	<u>Added</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
	<u>325-30-30-1B</u>	<u>Superseded</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
410-20-00-1	<u>410-20-25-10</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
450-20-00-1	<u>450-20-55-4</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
805-10-00-1	<u>805-10-55-10</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
810-10-00-1	Primary Beneficiary	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
	<u>810-10-65-5</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
842-10-00-1	<u>842-10-55-30</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
	<u>842-10-65-1</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
860-10-00-1	<u>860-10-55-22</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
860-50-00-1	<u>860-50-50-4</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
942-405-00-1	<u>942-405-50-1</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>

958-205-00-1	<u>958-205-55-9</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
958-321-00-1	<u>958-321-50-2</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>
958-805-00-1	<u>958-805-55-40</u>	<u>Amended</u>	<u>Maintenance Update 2018-02</u>	<u>02/02/2018</u>