

Company's consolidated income statements. In accordance with ASC 842, the Company determined if an arrangement was a lease at inception based on whether there is an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset and whether the Company has the right to direct the use of the asset. As of December 31, 2019, the Company only has operating leases and does not have any financing leases. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. Lease expense for minimum lease payments was recognized on a straight-line basis over the lease term. See Note 9 for further disclosures regarding the Company's operating leases.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). ASU 2019-12 is intended to simplify the accounting for income taxes by, among other things, eliminating certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. Upon adoption, the Company must apply certain aspects of this standard retrospectively for all periods presented while other aspects are applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 is intended to provide more decision-useful information about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The main provisions include presenting financial assets measured at amortized cost at the amount expected to be collected, which is net of an allowance for expected credit losses, and recording credit losses related to available-for-sale securities through an allowance for credit losses. The amendments in ASU 2016-13 are effective for fiscal years beginning after December 15, 2019, and must be applied using a modified retrospective approach with earlier adoption permitted for fiscal years beginning after December 15, 2018. The Company does not expect the adoption of this amendment to have a material impact on its consolidated financial statements.

4. REVENUE

The Company adopted ASC 606 effective January 1, 2018 using the modified retrospective method. The Company recognized the cumulative effect of initially applying ASC 606, which was immaterial, as an adjustment to the opening balance of retained earnings. The comparative prior period information is accounted for in accordance with the previous revenue guidance, ASC 605, and has not been restated. In accordance with ASC 606, the Company recognizes revenue under the core principle to depict the transfer of control to the Company's customers in an amount reflecting the consideration the Company expects to be entitled. In order to achieve that core principle, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when a performance obligation is satisfied.

Revenue for product sales is recognized at the point in time when control transfers to the Company's customers, which is generally when products are shipped from the Company's manufacturing facilities or when delivered to the customer's named location. When the Company performs shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to delivery), they are considered to be fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. Taxes collected on behalf of customers relating to product sales and remitted to governmental authorities, principally sales taxes, are excluded from revenue.

The opening and closing balances of the Company's accounts receivable and deferred revenue are as follows (in thousands):

	Balance at Beginning of Period (1/1/19)	Increase / (Decrease)	Balance at End of Period
Year Ended December 31, 2019			
Accounts receivable	\$ 90,831	\$ 7,117	\$ 97,948
Deferred revenue (current)	\$ 5,101	\$ (618)	\$ 4,483
Deferred revenue (non-current)	\$ 3,707	\$ (263)	\$ 3,444