

*Proposed Accounting Standards Update*

Issued: April 28, 2016  
Comments Due: June 27, 2016

Statement of Cash Flows (Topic 230)

Restricted Cash

a consensus of the FASB Emerging Issues Task Force

The Board issued this Exposure Draft to solicit public comment on proposed changes to Topic 230 of the *FASB Accounting Standards Codification*<sup>®</sup>. Individuals can submit comments in one of three ways: using the electronic feedback form on the FASB website, emailing comments to [director@fasb.org](mailto:director@fasb.org), or sending a letter to “Technical Director, File Reference No. EITF-16A, FASB, 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116.”

## Notice to Recipients of This Exposure Draft of a Proposed Accounting Standards Update

The Board invites comments on all matters in this Exposure Draft until June 27, 2016. Interested parties may submit comments in one of three ways:

- Using the electronic feedback form available on the FASB website at [Exposure Documents Open for Comment](#)
- Emailing comments to [director@fasb.org](mailto:director@fasb.org), File Reference No. EITF-16A
- Sending a letter to “Technical Director, File Reference No. EITF-16A, FASB, 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116.”

All comments received are part of the FASB’s public file and are available at [www.fasb.org](http://www.fasb.org).

The *FASB Accounting Standards Codification*<sup>®</sup> is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. An Accounting Standards Update is not authoritative; rather, it is a document that communicates how the Accounting Standards Codification is being amended. It also provides other information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective. A copy of this Exposure Draft is available at [www.fasb.org](http://www.fasb.org).

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# Summary and Questions for Respondents

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## Why Is the FASB Issuing This Proposed Accounting Standards Update (Update)?

Stakeholders have indicated that diversity exists in the classification and presentation of changes in restricted cash on the statement of cash flows under Topic 230, Statement of Cash Flows. Entities classify transfers between cash and restricted cash as operating, investing, or financing activities, or as a combination of those activities, on the statement of cash flows. Also, some entities present direct cash receipts into, and direct cash payments made from, a bank account that holds restricted cash as cash inflows and cash outflows, while others disclose those cash flows as noncash investing or financing activities.

## Who Would Be Affected by the Amendments in This Proposed Update?

The amendments in this proposed Update would apply to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230.

## What Are the Main Provisions?

The amendments in this proposed Update would require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents would be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

## How Would the Main Provisions Differ from Current Generally Accepted Accounting Principles (GAAP) and Why Would They Be an Improvement?

Current GAAP does not include specific guidance on the cash flow classification and presentation of changes in restricted cash or restricted cash equivalents other than limited guidance for not-for-profit entities. Specifically, there is no guidance to address how to classify and present changes in restricted cash or restricted cash equivalents that occur when there are transfers between cash,

cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents and when there are direct cash receipts into restricted cash or restricted cash equivalents or direct cash payments made from restricted cash or restricted cash equivalents. The amendments in this proposed Update would be an improvement to GAAP because they would provide guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows, thereby reducing the diversity in practice described above.

## When Would the Amendments Be Effective?

The amendments in this proposed Update would be applied retrospectively to all periods presented. The effective date and the ability to early adopt will be determined after the Task Force considers stakeholder feedback on this proposed Update.

## Questions for Respondents

The Board invites individuals and organizations to comment on all matters in this proposed Update, particularly on the issues and questions below. Comments are requested from those who agree with the proposed guidance as well as from those who do not agree. Comments are most helpful if they identify and clearly explain the issue or question to which they relate. Those who disagree with the proposed guidance are asked to describe their suggested alternatives, supported by specific reasoning.

**Question 1:** Do you agree that the statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents? If not, please explain what presentation is more appropriate and why.

**Question 2:** Do you agree that if the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents at the beginning and end of the period shown on the statement of cash flows cannot be reconciled to the amounts of similarly titled line items on the statement of financial position, an entity should disclose on the face of the statement of cash flows or in the notes to the financial statements, the amounts and line items in which such amounts are reported within the statement of financial position? If not, please explain why that information would not be useful.

**Question 3:** Do you agree that an entity should be required to disclose information about the nature of restrictions on its cash and cash equivalents? If not, please explain why that information would not be useful.

**Question 4:** Would disclosures of the amounts of gross transfers between cash, cash equivalents, and amounts generally described as restricted cash or

restricted cash equivalents (excluding transfers, constructive or actual, that result in a concurrent cash receipt from or a concurrent cash payment to an outside source) provide meaningful information to financial statement users? Please explain why.

**Question 5:** Should any other disclosures be provided? If so, please explain what disclosures should be provided and why that information would be useful.

**Question 6:** Do you agree that the proposed amendments should be applied using a retrospective transition method? If not, please explain what transition method would be more appropriate and why.

**Question 7:** Do you agree that an entity should be required to provide the transition disclosures specified in the proposed Update? Should any other transition disclosures be required? If so, please explain what transition disclosures should be required and why.

**Question 8:** How much time will be necessary to implement the proposed amendments? Do entities other than public business entities need additional time to apply the proposed amendments? Why or why not?

**Question 9:** Should early adoption be allowed? Why or why not?



# Amendments to the *FASB Accounting Standards Codification*<sup>®</sup>

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## Introduction

1. The Accounting Standards Codification is amended as described in paragraphs 2–8. In some cases, to put the change in context, not only are the amended paragraphs shown but also the preceding and following paragraphs. Terms from the Master Glossary are in **bold** type. Added text is underlined, and deleted text is ~~struck out~~.

## Amendments to Subtopic 230-10

2. Amend paragraphs 230-10-45-4 through 45-5, and 230-10-45-24, with a link to transition paragraph 230-10-65-3, as follows:

### Statement of Cash Flows—Overall

#### Other Presentation Matters

##### > Form and Content

##### > > Cash and Cash Equivalents

**230-10-45-4** A statement of cash flows shall explain the change during the period in the total of cash, cash and cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The statement shall use descriptive terms such as cash or cash and cash equivalents rather than ambiguous terms such as funds. ~~The total amounts of cash and cash equivalents at the beginning and end of the period shown in the statement of cash flows shall be the same amounts as similarly titled line items or subtotals shown in the statements of financial position as of those dates.~~ If the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents at the beginning and end of the period shown on the statement of cash flows cannot be reconciled to the amounts of similarly titled line items on the statement of financial position, an entity shall provide the disclosures required in paragraph 230-10-50-8.

**230-10-45-5** Cash purchases and sales of items commonly considered to be cash equivalents generally are part of the entity's cash management activities

rather than part of its operating, investing, and **financing activities**, and details of those transactions need not be reported in a statement of cash flows. In addition, transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents are not part of the entity's operating, investing, and financing activities, and details of those transfers are not reported in a statement of cash flows.

## > Classification

### >> Reporting Operating, Investing, and Financing Activities

**230-10-45-24** A statement of cash flows for a period shall report net cash provided or used by operating, investing, and financing activities and the net effect of those flows on the total of cash, ~~cash~~ and cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents during the period. The statement of cash flows shall report that information in a manner that reconciles beginning and ending totals of cash, ~~cash~~ and cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

3. Add paragraphs 230-10-50-7 through 50-8 and their related heading, with a link to transition paragraph 230-10-65-3, as follows:

## Disclosure

### > Restrictions on Cash and Cash Equivalents

**230-10-50-7** An entity shall disclose information about the nature of restrictions on its cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities within the scope of Topic 958 also shall provide the disclosures required in paragraph 958-210-50-3.

**230-10-50-8** If the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents at the beginning and end of the period shown on the statement of cash flows cannot be reconciled to the amounts of similarly titled line items on the statement of financial position (see paragraph 230-10-45-4), an entity shall disclose on the face of the statement of cash flows or in the notes to the financial statements the amounts and line items in which such amounts are reported within the statement of financial position.

4. Amend paragraphs 230-10-55-10, 230-10-55-13, 230-10-55-19 through 55-20 and their pending content and add paragraphs 230-10-55-12A and 230-10-55-18A, with a link to transition paragraph 230-10-65-3, as follows:

## **Implementation Guidance and Illustrations**

### **> Illustrations**

#### **> > Example 1: Direct and Indirect Method for a Manufacturing Entity**

**230-10-55-10** The following is a statement of cash flows for the year ended December 31, 19X1, for Entity A, a U.S. corporation engaged principally in manufacturing activities. This statement of cash flows illustrates the direct method of presenting cash flows from operating activities, as encouraged in paragraph 230-10-45-25.

**Entity A**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 19X1**  
**Increase (Decrease) in Cash and Cash Equivalents**

Cash flows from operating activities:		
Cash received from customers	\$ 13,850	
Cash paid to suppliers and employees	(12,000)	
Dividend received from affiliate	20	
Interest received	55	
Interest paid (net of amount capitalized)	(220)	
Income taxes paid	(325)	
Insurance proceeds received	15	
Cash paid to settle lawsuit for patent infringement	<u>(30)</u>	
Net cash provided by operating activities		\$ 1,365
Cash flows from investing activities:		
Proceeds from sale of facility	600	
Payment received on note for sale of plant	150	
Capital expenditures	(1,000)	
Payment for purchase of Entity B, net of cash acquired	<u>(925)</u>	
Net cash used in investing activities		(1,175)
Cash flows from financing activities:		
Net borrowings under line-of-credit agreement	300	
Principal payments under capital lease obligation	(125)	
Proceeds from issuance of long-term debt	400	
Proceeds from issuance of common stock	500	
Dividends paid	<u>(200)</u>	
Net cash provided by financing activities		<u>875</u>
Net increase in cash and cash equivalents, cash equivalents, and restricted cash		<u>1,065</u>
Cash and cash equivalents, cash equivalents, and restricted cash at beginning of year		<u>600</u>
Cash and cash equivalents, cash equivalents, and restricted cash at end of year		<u>\$ 1,665</u>
<b>Reconciliation of net income to net cash provided by operating activities:</b>		
Net income		\$ 760
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	\$ 445	
Provision for losses on accounts receivable	200	
Gain on sale of facility	(80)	
Undistributed earnings of affiliate	(25)	
Payment received on installment note receivable for sale of inventory	100	
Change in assets and liabilities net of effects from purchase of Entity B:		
Increase in accounts receivable	(215)	
Decrease in inventory	205	
Increase in prepaid expenses	(25)	
Decrease in accounts payable and accrued expenses	(250)	
Increase in interest and income taxes payable	50	
Increase in deferred taxes	150	
Increase in other liabilities	<u>50</u>	
Total adjustments		<u>605</u>
Net cash provided by operating activities		<u>\$ 1,365</u>

**Pending Content:**

**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** 842-10-65-1

**230-10-55-10** The following is a statement of cash flows for the year ended December 31, 19X1, for Entity A, a U.S. corporation engaged principally in manufacturing activities. This statement of cash flows illustrates the direct

method of presenting cash flows from operating activities, as encouraged in paragraph 230-10-45-25.

Entity A		
Consolidated Statement of Cash Flows		
For the Year Ended December 31, 19X1		
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
Cash flows from operating activities:		
Cash received from customers	\$ 13,850	
Cash paid to suppliers and employees	(12,000)	
Dividend received from affiliate	20	
Interest received	55	
Interest paid (net of amount capitalized)	(220)	
Income taxes paid	(325)	
Insurance proceeds received	15	
Cash paid to settle lawsuit for patent infringement	(30)	
Net cash provided by operating activities		\$ 1,365
Cash flows from investing activities:		
Proceeds from sale of facility	600	
Payment received on note for sale of plant	150	
Capital expenditures	(1,000)	
Payment for purchase of Entity B, net of cash acquired	(925)	
Net cash used in investing activities		(1,175)
Cash flows from financing activities:		
Net borrowings under line-of-credit agreement	300	
Principal payments under finance lease obligation	(125)	
Proceeds from issuance of long-term debt	400	
Proceeds from issuance of common stock	500	
Dividends paid	(200)	
Net cash provided by financing activities		875
Net increase in cash and cash equivalents, cash equivalents, and restricted cash		1,065
Cash and cash equivalents, cash equivalents, and restricted cash at beginning of year		600
Cash and cash equivalents, cash equivalents, and restricted cash at end of year		<u>\$ 1,665</u>
<b>Reconciliation of net income to net cash provided by operating activities:</b>		
Net income		\$ 760
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	\$ 445	
Provision for losses on accounts receivable	200	
Gain on sale of facility	(80)	
Undistributed earnings of affiliate	(25)	
Payment received on installment note receivable for sale of inventory	100	
Change in assets and liabilities net of effects from purchase of Entity B:		
Increase in accounts receivable	(215)	
Decrease in inventory	205	
Increase in prepaid expenses	(25)	
Decrease in accounts payable and accrued expenses	(250)	
Increase in interest and income taxes payable	50	
Increase in deferred taxes	150	
Increase in other liabilities	50	
Total adjustments		605
Net cash provided by operating activities		<u>\$ 1,365</u>

**230-10-55-12A** Illustrative disclosures of the nature of restrictions on cash and cash equivalents required by paragraph 230-10-50-7 and the amounts of restricted cash and the line items in which such amounts are reported in the statement of financial position as required by paragraph 230-10-50-8 are as follows. (In this illustrative example, Entity A has no restricted cash equivalents.)

Restricted cash represents amounts required to be set aside by an insurer for the payment of specific workers' compensation claims. Other long-term assets on the statement of financial position included restricted cash of \$100 as of 1/1/19X1 and 12/31/19X1 that is pledged as collateral for long-term financing arrangements.

**230-10-55-13** The following is Entity A's statement of cash flows for the year ended December 31, 19X1, prepared using the indirect method, as described in paragraph 230-10-45-28.

<b>Entity A</b>		
<b>Consolidated Statement of Cash Flows</b>		
<b>For the Year Ended December 31, 19X1</b>		
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
Cash flows from operating activities:		
Net income		\$ 760
Depreciation and amortization	\$ 445	
Provision for losses on accounts receivable	200	
Gain on sale of facility	(80)	
Undistributed earnings of affiliate	(25)	
Payment received on installment note receivable for sale of inventory	100	
Change in assets and liabilities net of effects from purchase of Entity B:		
Increase in accounts receivable	(215)	
Decrease in inventory	205	
Increase in prepaid expenses	(25)	
Decrease in accounts payable and accrued expenses	(250)	
Increase in interest and income taxes payable	50	
Increase in deferred taxes	150	
Increase in other liabilities	50	
Total adjustments	<u>605</u>	
Net cash provided by operating activities		<u>1,365</u>
Cash flows from investing activities:		
Proceeds from sale of facility	600	
Payment received on note for sale of plant	150	
Capital expenditures	(1,000)	
Payment for purchase of Entity B, net of cash acquired	<u>(925)</u>	
Net cash used in investing activities		(1,175)
Cash flows from financing activities:		
Net borrowings under line-of-credit agreement	300	
Principal payments under capital lease obligation	(125)	
Proceeds from issuance of long-term debt	400	
Proceeds from issuance of common stock	500	
Dividends paid	<u>(200)</u>	
Net cash provided by financing activities		<u>875</u>
Net increase in cash and cash equivalents, cash equivalents, and restricted cash		1,065
Cash and cash equivalents, cash equivalents, and restricted cash, at beginning of year		<u>600</u>
Cash and cash equivalents, cash equivalents, and restricted cash, at end of year		<u>\$1,665</u>

**Pending Content:**

**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** 842-10-65-1

**230-10-55-13** The following is Entity A's statement of cash flows for the year ended December 31, 19X1, prepared using the indirect method, as described in paragraph 230-10-45-28.

<b>Entity A</b>		
<b>Consolidated Statement of Cash Flows</b>		
<b>For the Year Ended December 31, 19X1</b>		
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
Cash flows from operating activities:		
Net income		\$ 760
Depreciation and amortization	\$ 445	
Provision for losses on accounts receivable	200	
Gain on sale of facility	(80)	
Undistributed earnings of affiliate	(25)	
Payment received on installment note receivable for sale of inventory	100	
Change in assets and liabilities net of effects from purchase of Entity B:		
Increase in accounts receivable	(215)	
Decrease in inventory	205	
Increase in prepaid expenses	(25)	
Decrease in accounts payable and accrued expenses	(250)	
Increase in interest and income taxes payable	50	
Increase in deferred taxes	150	
Increase in other liabilities	50	
Total adjustments	<u>605</u>	
Net cash provided by operating activities		<u>1,365</u>
Cash flows from investing activities:		
Proceeds from sale of facility	600	
Payment received on note for sale of plant	150	
Capital expenditures	(1,000)	
Payment for purchase of Entity B, net of cash acquired	<u>(925)</u>	
Net cash used in investing activities		(1,175)
Cash flows from financing activities:		
Net borrowings under line-of-credit agreement	300	
Principal payments under finance lease obligation	(125)	
Proceeds from issuance of long-term debt	400	
Proceeds from issuance of common stock	500	
Dividends paid	<u>(200)</u>	
Net cash provided by financing activities		<u>875</u>
Net increase in cash and cash equivalents, cash equivalents, and restricted cash		1,065
Cash and cash equivalents, cash equivalents, and restricted cash at beginning of year		<u>600</u>
Cash and cash equivalents, cash equivalents, and restricted cash at end of year		<u>\$1,665</u>

**230-10-55-18A** Illustrative disclosures of the nature of restrictions on cash and cash equivalents required by paragraph 230-10-50-7 and the amounts of restricted cash and the line items in which such amounts are reported in the statement of financial position as required by paragraph 230-10-50-8 are as follows. (In this illustrative example, Entity A has no restricted cash equivalents.)

Restricted cash represents amounts required to be set aside by an insurer for the payment of workers' compensation claims. Other long-term assets on the statement of financial position included restricted cash of \$100 as of 1/1/19X1 and 12/31/19X1 that is pledged as collateral for long-term financing arrangements.

**230-10-55-19** The following summarizes financial information for the current year for Entity A, which provides the basis for the statements of cash flows presented in paragraphs 230-10-55-10 through 55-18.

Entity A  
Consolidated Statement of Financial Position

	1/1/X1	12/31/X1	Change
<b>Assets:</b>			
Cash and cash equivalents	\$ 600300	\$ 4,6651,465	\$ 4,0651,165
<u>Restricted cash</u>	200	100	(100)
Accounts receivable (net of allowance for losses of \$600 and \$450)	1,770	1,940	170
Notes receivable	400	150	(250)
Inventory	1,230	1,375	145
Prepaid expenses	110	135	25
<u>Total current assets</u>	<u>4,010</u>	<u>5,165</u>	<u>1,155</u>
Investments	250	275	25
Property, plant, and equipment, at cost	6,460	8,460	2,000
Accumulated depreciation	(2,100)	(2,300)	(200)
Property, plant, and equipment, net	4,360	6,160	1,800
Intangible assets	40	175	135
<u>Other long-term assets</u>	<u>430</u>	<u>430</u>	<u>0</u>
<u>Total noncurrent assets</u>	<u>5,080</u>	<u>7,040</u>	<u>1,960</u>
<b>Total assets</b>	<b><u>\$ 8,769,090</u></b>	<b><u>\$ 14,875,205</u></b>	<b><u>\$ 3,115</u></b>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 1,085	\$ 1,090	\$ 5
Interest payable	30	45	15
Income taxes payable	50	85	35
Short-term debt	450	750	300
<u>Current portion of lease obligation</u>	<u>0</u>	<u>125</u>	<u>125</u>
<u>Total current liabilities</u>	<u>1,615</u>	<u>2,095</u>	<u>480</u>
Lease obligation	-	726600	726600
Long-term debt	2,150	2,425	275
Deferred taxes	375	525	150
Other liabilities	225	275	50
<u>Total noncurrent liabilities</u>	<u>2,750</u>	<u>3,825</u>	<u>1,075</u>
<b>Total liabilities</b>	<b><u>4,365</u></b>	<b><u>5,920</u></b>	<b><u>1,555</u></b>
<b>Stockholders' equity:</b>			
Capital stock	2,000	3,000	1,000
Retained earnings	2,3952,725	2,9553,285	560
<u>Total stockholders' equity</u>	<u>4,3954,725</u>	<u>5,9556,285</u>	<u>1,560</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 8,769,090</u></b>	<b><u>\$ 14,875,205</u></b>	<b><u>\$ 3,115</u></b>

**Entity A**  
**Consolidated Statement of Income**  
**For the Year Ended December 31, 19X1**

Sales	\$ 13,965
Cost of sales	(10,290)
Depreciation and amortization	(445)
Selling, general, and administrative expenses	(1,890)
Interest expense	(235)
Equity in earnings of affiliate	45
Gain on sale of facility	80
Interest income	55
Insurance proceeds	15
Loss from patent infringement lawsuit	<u>(30)</u>
Income before income taxes	1,270
Provision for income taxes	<u>(510)</u>
Net income	<u><u>\$ 760</u></u>

**Pending Content:**

**Transition Date:** *(P) December 16, 2018; (N) December 16, 2019* | **Transition Guidance:** 842-10-65-1

**230-10-55-19** The following summarizes financial information for the current year for Entity A, which provides the basis for the statements of cash flows presented in paragraphs 230-10-55-10 through 55-18.

**Entity A**  
**Consolidated Statement of Financial Position**

	<u>1/1/X1</u>	<u>12/31/X1</u>	<u>Change</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 609,300	\$ 4,665,146	\$ 4,055,846
<u>Restricted cash</u>	<u>200</u>	<u>100</u>	<u>(100)</u>
Accounts receivable (net of allowance for losses of \$600 and \$450)	1,770	1,940	170
Notes receivable	400	150	(250)
Inventory	1,230	1,375	145
Prepaid expenses	110	135	25
<u>Total current assets</u>	<u>4,010</u>	<u>5,165</u>	<u>1,155</u>
Investments	250	275	25
Property, plant, and equipment, at cost	6,460	8,460	2,000
Accumulated depreciation	(2,100)	(2,300)	(200)
Property, plant, and equipment, net	4,360	6,160	1,800
Intangible assets	40	175	135
<u>Other long-term assets</u>	<u>430</u>	<u>430</u>	<u>0</u>
<u>Total noncurrent assets</u>	<u>5,080</u>	<u>7,040</u>	<u>1,960</u>
<b>Total assets</b>	<b><u>\$ 8,769,090</u></b>	<b><u>\$ 44,875,12,205</u></b>	<b><u>\$ 3,115</u></b>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 1,085	\$ 1,090	\$ 5
Interest payable	30	45	15
Income taxes payable	50	85	35
Short-term debt	450	750	300
<u>Current portion of finance lease obligation</u>	<u>0</u>	<u>125</u>	<u>125</u>
<u>Total current liabilities</u>	<u>1,615</u>	<u>2,095</u>	<u>480</u>
Finance lease obligation	-	725,600	725,600
Long-term debt	2,150	2,425	275
Deferred taxes	375	525	150
Other liabilities	225	275	50
<u>Total noncurrent liabilities</u>	<u>2,750</u>	<u>3,825</u>	<u>1,075</u>
<u>Total liabilities</u>	<u>4,365</u>	<u>5,920</u>	<u>1,555</u>
<b>Stockholders' equity:</b>			
Capital stock	2,000	3,000	1,000
Retained earnings	<u>2,395,725</u>	<u>2,955,285</u>	<u>560</u>
<u>Total stockholders' equity</u>	<u>4,395,725</u>	<u>5,955,285</u>	<u>1,560</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 8,769,090</u></b>	<b><u>\$ 44,875,12,205</u></b>	<b><u>\$ 3,115</u></b>

**Entity A**  
**Consolidated Statement of Income**  
**For the Year Ended December 31, 19X1**

Sales	\$ 13,965
Cost of sales	(10,290)
Depreciation and amortization	(445)
Selling, general, and administrative expenses	(1,890)
Interest expense	(235)
Equity in earnings of affiliate	45
Gain on sale of facility	80
Interest income	55
Insurance proceeds	15
Loss from patent infringement lawsuit	(30)
Income before income taxes	1,270
Provision for income taxes	(510)
Net income	<u>\$ 760</u>

**230-10-55-20** The following transactions were entered into by Entity A during 19X1 and are reflected in the preceding financial statements:

- g. Entity A paid \$100 from its restricted cash for workers' compensation claims accrued before 1/1/19X1. Before 1/1/19X1, Entity A's insurer required \$200 to be set aside for the payment of specific workers' compensation claims.

**Pending Content:**

**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** 842-10-65-1

**230-10-55-20** The following transactions were entered into by Entity A during 19X1 and are reflected in the preceding financial statements:

- g. Entity A paid \$100 from its restricted cash for workers' compensation claims accrued before 1/1/19X1. Before 1/1/19X1, Entity A's insurer required \$200 to be set aside for the payment of specific workers' compensation claims.

## Amendments to Subtopic 830-230

5. Amend paragraph 830-230-45-1, with a link to transition paragraph 230-10-65-3, as follows:

### Foreign Currency Matters—Statement of Cash Flows

## Other Presentation Matters

**830-230-45-1** A statement of cash flows of an entity with **foreign currency transactions** or foreign operations shall report the **reporting currency** equivalent of **foreign currency** cash flows using the exchange rates in effect at the time of the cash flows. An appropriately weighted average **exchange rate** for the period may be used for **translation** if the result is substantially the same as if the rates at the dates of the cash flows were used. (That is, paragraph 830-30-45-3 applies to cash receipts and cash payments.) The statement of cash flows shall report the effect of exchange rate changes on cash balances held in foreign currencies as a separate part of the reconciliation of the change in the total of cash, cash and cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents, during the period. See Example 1 (paragraph 830-230-55-1) for an illustration of this guidance.

## Amendments to Subtopic 958-205

6. Amend paragraphs 958-205-55-19 through 55-21, with a link to transition paragraph 230-10-65-3, as follows:

### Not-for-Profit Entities—Presentation of Financial Statements

#### Implementation Guidance and Illustrations

##### > Illustrations

##### > > Example 1: Illustrative Financial Statements

##### > > > Statement of Financial Position

**958-205-55-6** The following illustrates the requirements of Subtopic 958-210. Comparative statements of financial position are provided to facilitate understanding of the statement of cash flows.

**958-205-55-9** The following illustrates a statement of financial position for Not-for-Profit Entity A.

**Not-for-Profit Entity A**  
**Statements of Financial Position**  
**June 30, 19X1 and 19X0**  
(in thousands)

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
<b>Total assets</b>	<b>\$ 292,220</b>	<b>\$ 278,480</b>
<b>Liabilities and net assets:</b>		
Accounts payable	\$ 2,570	\$ 1,050
Refundable advance		650
Grants payable	875	1,300
Notes payable		1,140
Annuity obligations	1,685	1,700
Long-term debt	5,500	6,500
<b>Total liabilities</b>	<b>10,630</b>	<b>12,340</b>
<b>Net assets:</b>		
Unrestricted	115,228	103,670
Temporarily restricted (Note B)	24,342	25,470
Permanently restricted (Note C)	142,020	137,000
<b>Total net assets</b>	<b>281,590</b>	<b>266,140</b>
<b>Total liabilities and net assets</b>	<b>\$ 292,220</b>	<b>\$ 278,480</b>

**Note:** See paragraph 958-205-55-21 for the notes to financial statements.

## > > Statement of Cash Flows

**958-205-55-18** The following illustrates the requirements of Subtopic 958-230. Statements of cash flows are illustrated using both the direct and indirect methods of reporting cash flow from operating activities.

**958-205-55-19** The direct method is as follows.

**Not-for-Profit Entity A**  
**Statement of Cash Flows**  
**Year Ended June 30, 19X1**  
(in thousands)

Cash flows from operating activities:	
Cash received from service recipients	\$ 5,220
Cash received from contributors	8,030
Cash collected on contributions receivable	2,615
Interest and dividends received	8,570
Miscellaneous receipts <del>payments</del>	<u>460(140)</u>
Interest paid	(382)
Cash paid to employees and suppliers	(23,808)
Grants paid	(425)
<b>Net cash used by operating activities</b>	<b><u>(30)(320)</u></b>
Cash flows from investing activities:	
Insurance proceeds from fire loss on building	250
Purchase of equipment	(1,500)
Proceeds from sale of investments	76,100
Purchase of investments	(74,900)
<b>Net cash used by investing activities</b>	<b><u>(50)</u></b>
Cash flows from financing activities:	
Proceeds from contributions restricted for:	
Investment in endowment	200
Investment in term endowment	70
Investment in plant	1,210
Investment subject to annuity agreements	200
	<u>1,680</u>
Other financing activities:	
Interest and dividends restricted for reinvestment	300
Payments of annuity obligations	(145)
Payments on notes payable	(1,140)
Payments on long-term debt	(1,000)
	<u>(1,985)</u>
<b>Net cash used by financing activities</b>	<b><u>(305)</u></b>
<b>Net decrease in cash and cash equivalents, cash equivalents, and restricted cash</b>	<b><u>(385)(675)</u></b>
<b>Cash and cash equivalents, cash equivalents, and restricted cash at beginning of year</b>	<b><u>4602,460</u></b>
<b>Cash and cash equivalents, cash equivalents, and restricted cash at end of year</b>	<b><u>\$ 751,785</u></b>
Reconciliation of change in net assets to net cash used by operating activities:	
<b>Change in net assets</b>	<b>\$ 15,450</b>
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	3,200
Fire loss	80
Actuarial loss on annuity obligations	30
Increase in accounts and interest receivable	(460)
Decrease in inventories and prepaid expenses	390
Increase in contributions receivable	(325)
Increase in accounts payable	1,520
Decrease in refundable advance	(650)
Decrease in grants payable	(425)
Contributions restricted for long-term investment	(2,740)(3,030)
Interest and dividends restricted for long-term investment	(300)
Net unrealized and realized gains on long-term investments	(15,800)
<b>Net cash used by operating activities</b>	<b><u>\$ (30)(320)</u></b>
Supplemental data for noncash investing and financing activities:	
Gifts of equipment	\$ 140
Gift of paid-up life insurance, cash surrender value	80

958-205-55-20 The indirect method is as follows.

**Not-for-Profit Entity A**  
**Statement of Cash Flows**  
**Year Ended June 30, 19X1**  
(in thousands)

Cash flows from operating activities:	
<b>Change in net assets</b>	<b>\$ 15,450</b>
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	3,200
Fire loss	80
Actuarial loss on annuity obligations	30
Increase in accounts and interest receivable	(460)
Decrease in inventories and prepaid expenses	390
Increase in contributions receivable	(325)
Increase in accounts payable	1,520
Decrease in refundable advance	(650)
Decrease in grants payable	(425)
Contributions restricted for long-term investment	(2,749)(3,030)
Interest and dividends restricted for long-term investment	(300)
Net unrealized and realized gains long-term investments	(15,800)
<b>Net cash used by operating activities</b>	<b>(36)(320)</b>
Cash flows from investing activities:	
Insurance proceeds from fire loss on building	250
Purchase of equipment	(1,500)
Proceeds from sale of investments	76,100
Purchase of investments	(74,900)
<b>Net cash used by investing activities</b>	<b>(50)</b>
Cash flows from financing activities:	
Proceeds from contributions restricted for:	
Investment in endowment	200
Investment in term endowment	70
Investment in plant	1,210
Investment subject to annuity agreements	200
	<u>1,680</u>
Other financing activities:	
Interest and dividends restricted for reinvestment	300
Payments of annuity obligations	(145)
Payments on notes payable	(1,140)
Payments on long-term debt	(1,000)
	<u>(1,985)</u>
<b>Net cash used by financing activities</b>	<b>(305)</b>
<b>Net decrease in cash and cash equivalents, cash equivalents, and restricted cash</b>	<b>(385)(675)</b>
<b>Cash and cash equivalents, cash equivalents, and restricted cash, at beginning of year</b>	<b>4602,460</b>
<b>Cash and cash equivalents, cash equivalents, and restricted cash, at end of year</b>	<b>\$ 751,785</b>
Supplemental data:	
Noncash investing and financing activities:	
Gifts of equipment	\$ 140
Gift of paid-up life insurance, cash surrender value	80
Interest paid	382

> > > **Notes to Financial Statements**

958-205-55-21 The following are illustrative notes to financial statements. Illustrative Note A provides policy disclosures required by paragraph 958-605-50-2 that bear on the illustrated statements. Notes B and C provide information

required by paragraph 958-210-45-9. Notes D through F provide information that NFPs are encouraged to disclose. Note G provides information required by paragraphs 230-10-50-7 through 50-8. However, paragraph 958-720-45-15 requires voluntary health and welfare entities to provide the information in Note F in a statement of functional expenses. All amounts are in thousands. **[Note: Only the new note disclosure is shown here.]**

#### Note G

Assets restricted to investment in land, buildings, and equipment on the statement of financial position represent cash received with a donor-imposed restriction that limits use of that cash to long-term purposes. Assets restricted to investment in land, buildings, and equipment on the statement of financial position included restricted cash of \$1,710 and \$2,000 at June 30, 19X1, and 19X0, respectively.

## Amendments to Subtopic 958-230

7. Amend paragraph 958-230-55-3, with a link to transition paragraph 230-10-65-3, as follows:

### **Not-for-Profit Entities—Statement of Cash Flows**

#### **Implementation Guidance and Illustrations**

##### **> Implementation Guidance**

##### **> > Cash Received with a Donor-Imposed Restriction That Limits Its Use to Long-Term Purposes**

**958-230-55-3** When an NFP reports cash received (or cash receipts from the sale of donated **financial assets** that upon receipt were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash as discussed in paragraph 230-10-45-21A) with a **donor-imposed restriction** that limits its use to long-term purposes in conformity with paragraph 958-210-45-6, an adjustment to the change in net assets to reconcile to net cash flow from operating activities is necessary when using the indirect method of reporting cash flows in order to present those cash receipts as cash inflows from financing activities as required by paragraph 230-10-45-14(c). ~~for the statement of cash flows to reconcile beginning and ending cash and cash equivalents. For instance, in accordance with Topic 230, such a cash receipt that is restricted for the purchase of equipment shall be reported as a cash flow from financing activities (using a caption such as **contributions** restricted for purchasing equipment), and it shall be simultaneously reported as a cash outflow from investing activities (using a caption such as purchase of assets restricted to~~

investment in property and equipment or, if the equipment was purchased in the same period, purchase of equipment). An adjustment to reconcile the change in net assets to net cash used or provided by operating activities would also be needed if the contributed asset is not classified as cash or cash equivalents on the statement of financial position. When the equipment is purchased in a subsequent period, both the proceeds from the sale of assets restricted to investment in the equipment and the purchase of the equipment shall be reported as cash flows from investing activities.

## Transition and Open Effective Date Information

8. Add paragraph 230-10-65-3 and its related heading as follows:

**> Transition Related to Accounting Standards Update No. 2016-XX,  
Statement of Cash Flows (Topic 230): Restricted Cash**

**230-10-65-3** The following represents the transition and effective date information related to Accounting Standards Update No. 2016-XX, *Statement of Cash Flows (Topic 230): Restricted Cash*:

- a. The pending content that links to this paragraph shall be effective for fiscal years beginning after [date to be inserted after exposure], and interim periods within or after those fiscal years [timing of interim period adoption to be inserted after exposure].
- b. An entity shall apply the pending content that links to this paragraph retrospectively to all periods presented.
- c. An entity shall provide the disclosures in paragraphs 250-10-50-1(a) and (b)(1) and 250-10-50-2, as applicable, in the first interim and annual period in which the entity adopts the pending content that links to this paragraph.

*The amendments in this proposed Update were approved for publication by the unanimous vote of the seven members of the Financial Accounting Standards Board:*

Russell G. Golden, *Chairman*  
James L. Kroeker, *Vice Chairman*  
Daryl E. Buck  
Thomas J. Linsmeier  
R. Harold Schroeder  
Marc A. Siegel  
Lawrence W. Smith

# Background Information and Basis for Conclusions

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## Introduction

BC1. The following summarizes the Task Force's considerations in reaching the conclusions in this proposed Update. It includes the Board's basis for ratifying the Task Force conclusions when needed to supplement the Task Force's considerations. It also includes reasons for accepting certain approaches and rejecting others. Individual Task Force and Board members gave greater weight to some factors than to others.

## Background Information

BC2. Stakeholders have indicated that diversity exists in the classification and presentation of changes in restricted cash on the statement of cash flows under Topic 230, Statement of Cash Flows. Entities classify transfers between cash and restricted cash as operating, investing, or financing activities, or as a combination of those activities, on the statement of cash flows. Also, some entities present direct cash receipts into, and direct cash payments made from, a bank account that holds restricted cash as cash inflows and cash outflows, while others disclose those cash flows as noncash investing or financing activities.

## Statement of Cash Flows Presentation

BC3. The Task Force reached a consensus-for-exposure that a statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. That is, amounts generally described as restricted cash and restricted cash equivalents would be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows under the amendments in this proposed Update. The Task Force recognizes that some entities present cash and cash equivalents with restrictions in multiple line items on the statement of financial position and that in some cases those line items are titled something other than restricted cash or restricted cash equivalents. This consensus-for-exposure would require that those amounts also be included in the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

BC4. The Task Force believes that a primary objective of a statement of cash flows is to provide relevant information about the sources and uses of cash of an

entity during a period and, therefore, it is most meaningful to present the ultimate cash inflows and outflows of an entity, irrespective of whether those cash flows are from restricted cash accounts. Some entities disclose the ultimate cash flows of a segregated restricted cash or restricted cash equivalents account as noncash investing or financing activities. For example, some entities disclose in the body of the statement of cash flows repayments of amounts borrowed that are directly paid from a segregated restricted cash account as noncash financing activities rather than as cash outflows from financing activities. Including amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents on the statement of cash flows would result in presenting the ultimate cash inflows and outflows of the entity in the body of the statement of cash flows.

BC5. The Task Force believes that including amounts generally described as restricted cash and restricted cash equivalents in the beginning-of-period and end-of-period reconciliation of total cash and cash equivalents on the statement of cash flows would resolve the diversity in practice about how to present cash flows that directly affect restricted cash because those direct cash flows would be presented in the body of the statement of cash flows regardless of whether restricted cash or restricted cash equivalents are in a segregated account or commingled with unrestricted cash and cash equivalents and regardless of the timing of when the restrictions are established or released.

BC6. The Task Force considered, but rejected, classifying changes in restricted cash or restricted cash equivalents that result from transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents on the basis of either the nature of the restriction (that is, investing activities) or the purpose for the restriction. The Task Force believes that internal transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents do not represent a cash inflow or outflow of the entity because there is no cash receipt or cash payment with a source outside of the entity. Some Task Force members noted that internal transfers do not faithfully represent an entity's investing activities. Furthermore, some Task Force members noted that classification of changes in restricted cash or restricted cash equivalents based on the purpose for the restriction could result in a duplicate cash flow classification. For example, if an entity is required by its lender to establish a restricted cash account for the future payment of debt, the entity establishes the restricted cash account by transferring cash from cash to restricted cash and classifies the change in restricted cash as a cash outflow for financing activities although the change does not represent repayments of amounts borrowed. When the restriction is released, the following occurs: (a) cash is transferred from restricted cash to cash and the change in restricted cash is classified as a cash inflow from financing activities, and (b) a cash payment is made to the lender to pay down the debt and is classified as a cash outflow for financing activities. In this example, the statement of cash flows presents a financing outflow twice even though there was only one repayment of

amounts borrowed. For those reasons, the Task Force noted that presenting internal transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents in the body of the statement of cash flows, whether presented as gross or net, does not provide meaningful information to a financial statement user.

BC7. While there is not a specific definition of restricted cash or restricted cash equivalents in GAAP, some Task Force members believe that only those financial instruments that first meet the definition of cash or cash equivalents before considering the restrictions that exist in a separate provision outside those financial instruments should be included in the beginning-of-period and end-of-period reconciliation of the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents on the statement of cash flows. Other Task Force members believe that the nature of the restrictions on cash or cash equivalents should be considered and that in certain cases the restrictions could be so severe that the financial instrument would not meet the definition of cash or cash equivalents, thereby preventing those balances from being included in the beginning-of-period and end-of-period reconciliation of total cash on the statement of cash flows. The Task Force considered defining restricted cash; however, it ultimately decided that the issue resulting in diversity in practice is the presentation of changes in restricted cash on the statement of cash flows. The Task Force's intent is not to change practice for what an entity reports as restricted cash or restricted cash equivalents.

## Disclosures

BC8. The Task Force reached a consensus-for-exposure that certain disclosures should be required to supplement the statement of cash flows. Specifically, an entity should disclose (a) the nature of the restrictions on cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents and (b) on the face of the statement of cash flows or in the notes to the financial statements, if the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents at the beginning and end of the period shown on the statement of cash flows cannot be reconciled to the amounts of similarly titled line items on the statement of financial position, the amounts and line items in which such amounts are reported within the statement of financial position.

BC9. The Task Force believes that disclosing the nature of restrictions on cash and cash equivalents would provide insight into the availability of amounts generally described as restricted cash and restricted cash equivalents on the statement of financial position and would help provide information about the sources and uses of restricted cash and restricted cash equivalents during a reporting period.

BC10. Some Task Force members expressed concern that a financial statement user might be unable to relate the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents at the beginning and at the end of a period on the statement of cash flows to line items on the statement of financial position when restricted cash and restricted cash equivalents are not separately presented on the statement of financial position. The Task Force agreed that being able to trace the beginning-of-period and end-of-period cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents on the statement of cash flows to related amounts on the statement of financial position is desirable. Therefore, the Task Force decided that entities should be required to provide information that would allow a user to identify which line items other than restricted cash or restricted cash equivalents on the statement of financial position include restricted cash and restricted cash equivalents and the amounts of restricted cash and restricted cash equivalents included in those line items. Reporting entities would be given flexibility to disclose that information in the notes to the financial statements or to present it on the statement of cash flows.

BC11. The Task Force discussed whether to require disclosures about the gross transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents but did not reach a consensus-for-exposure. However, the Task Force decided to ask a question of respondents about whether such disclosures would provide meaningful information to financial statement users. Some Task Force members believe that disclosing gross transfers could provide information to users about internal transfers between cash that is available (that is, cash and cash equivalents) and cash with restrictions (that is, amounts generally described as restricted cash and restricted cash equivalents). However, other Task Force members believe that requiring disclosures of gross transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents does not provide useful information about an entity's operating, investing, and financing activities because there is no cash receipt or cash payment with a source outside of the entity. In other words, the gross transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents on the statement of financial position do not provide information about an entity's sources and uses of cash.

BC12. Some Task Force members also expressed concerns that it is unclear whether direct cash receipts deposited into amounts generally described as restricted cash and restricted cash equivalents and direct cash payments made from amounts generally described as restricted cash and restricted cash equivalents would be included in the disclosures of gross transfers between cash and restricted cash. For example, if some entities present direct cash receipts into, and direct cash payments from, a segregated cash account with restrictions as direct cash flows of amounts generally described as restricted cash and restricted cash equivalents and other entities present the same cash flows as if

there was a transfer, whether constructive or actual, between cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents at the establishment of or release of the restriction, there would be diversity in the amounts included in the disclosures of gross transfers. Similar concerns exist about direct cash receipts into, and direct cash payments from, restricted cash and restricted cash equivalents that are commingled with unrestricted cash and cash equivalents in the same bank account. As such, the question for respondents excludes constructive or actual transfers between cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents that result in a concurrent cash flow with a third party.

## Effective Date and Transition

BC13. The Task Force reached a consensus-for-exposure that the amendments in this proposed Update should be applied retrospectively to all periods presented. The Task Force believes that there would be a significant benefit to retrospective transition because it would enhance the interperiod consistency and comparability of financial information.

BC14. The Task Force reached a consensus-for-exposure to require the transition disclosures in paragraphs 250-10-50-1(a) and (b)(1) and 250-10-50-2, as applicable, in the interim and annual period in which the amendments in this proposed Update are adopted.

BC15. The Task Force will determine the effective date and whether early adoption should be allowed after it considers stakeholder feedback on this proposed Update.

## Benefits and Costs

BC16. The objective of financial reporting is to provide information that is useful to present and potential investors, creditors, donors, and other capital market participants in making rational investment, credit, and similar resource allocation decisions. However, the benefits of providing information for that purpose should justify the related costs. Present and potential investors, creditors, donors, and other users of financial information benefit from improvements in financial reporting, while the costs to implement new guidance are borne primarily by present investors. The Task Force's assessment of the costs and benefits of issuing new guidance is unavoidably more qualitative than quantitative because there is no method to objectively measure the costs to implement new guidance or to quantify the value of improved information on financial statements.

BC17. The Task Force does not anticipate that entities would incur significant costs as a result of the amendments in this proposed Update. The proposed amendments would provide the benefit of improving consistent application of

GAAP and would benefit financial statement users by reducing diversity in practice. Thus, on balance, the Task Force concluded that those benefits would justify the costs that entities are expected to incur as a result of the application of the proposed amendments.

## Amendments to the XBRL Taxonomy

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The provisions of this Exposure Draft, if finalized as proposed, would require changes to the U.S. GAAP Financial Reporting Taxonomy (Taxonomy). We welcome comments on these proposed changes to the Taxonomy through [ASU Taxonomy Changes](#) provided at [www.fasb.org](http://www.fasb.org). After the FASB has completed its deliberations and issued a final Accounting Standards Update, proposed amendments to the Taxonomy will be made available for public comment at [www.fasb.org](http://www.fasb.org) and finalized as part of the annual release process.