MEALS ON WHEELS
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CHANGES IN NONPROFIT FINANCIAL STATEMENTS

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Speaker Bio

Jeff Mechanick is Assistant Director for Nonpublic Entities at the FASB, where he provides strategic and technical oversight of all activities involving not-for-profit (NFP) organizations and private companies, chairs the FASB's NFP Advisory Committee, oversees support of the Private Company Council, and participates in some of the FASB's broader outreach activities. He also represents the FASB on the International Forum of Accounting Standard Setters' NFP Issues Working Group.

Prior to joining the FASB staff, Jeff spent 20 years working in and with the NFP sector, as the CFO of Planned Parenthood Federation of America, Inc., and before that, as a senior manager with KPMG, LLP, in the firm's New York office. From 1992 to 1994, he also served as the National Technical Senior Manager for the firm's Higher Education, Research, and Other NFP Organizations (HERON) practice.

Jeff is a CPA in New York, a member of the AICPA and the New York State Society of CPAs, and a past member of the AICPA NFP Expert Panel. He is also a lecturer at Columbia University's School for Professional Studies in their Non-Profit Management program.

Agenda

Today we will discuss:

Presentation of Financial Statements of NFP Entities (ASU 2016-14)

- ASU Requirements
- Implementation Ideas
- Lessons Learned from Early Adoption

Other Important Standards on the Horizon (a brief heads-up)

- Revenue Recognition (Topic 606)
- Grants and Contracts to NFPs (ASU 2018-08)
- Leases (Topic 842)

Upcoming Effective Dates for NFPs of Major Standards

NFP Financial Statement Presentation	Revenue Recognition/ Grants & Contracts	Leases
CY 2018 (FY 2018-19)	CY 2019* (FY 2019-20)	CY 2020* (FY 2020-21)

* For NFPs with public debt (conduit or direct), these standards are effective one year earlier than the year indicated.

Presentation of Financial Statements of NFP Entities (ASU 2016-14)

NFP Financial Statements ASU—Key Objectives (recommended by FASB's NFP Advisory Committee (NAC))

- Update, not overhaul, the current model
- Improve net asset classification scheme
- Improve information in financial statements and notes about: financial performance, cash flows, and liquidity
- Better enable NFPs to "tell their financial story"

Issued ASU No. 2016-14, in August 2016

ASU 2016-14: Targeted Improvements

- Liquidity & Availability
- Net Asset Classification
- Expenses
- Statement of Cash Flows
- Investment Return

Didn't finalize proposals on operating measures and related realignment of cash flow statement line items.

Net Assets

Current GAAP	Unrestricted	Temp. Restricted	Perm. Restricted
Revised GAAP +	Without Donor Restrictions*	With Donor Restrictions*	
Disclosures	Amount, purpose, and type of board designations **	Nature and amount of donor restrictions	

* NFPs may choose to disaggregate further
** New disclosure requirement

Implementation – Balance Sheet

Net assets:	
Without donor restrictions	125,056
With donor restrictions	162,268
Total net assets	287,324

Minimum presentation required

Alternative disaggregation allowed

Net assets:		
Without donor restrictions -		
Undesignated	24,931	
Operating reserve	25,000	
Designated by the Board for capital projects	75,125	
		125,056
With donor restrictions -		
Time restricted for future periods	2,783	
Purpose restricted	11,066	
Endowment fund	148,419	
		162,268
Total net assets		287,324

Implementation – Statement of Activities
EXAMPLE 1

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions	11,989	15,531	27,520
Fees	7,083		7,083
Investment return, net	113	(3,618)	(3,505)
Net assets released from restrictions	6,913	(6,913)	-
Total revenues and other support	26,098	5,000	31,098
Expenses:			
Program A	13,960		13,960
Program B	5,497		5,497
Management and general	4,609		4,609
Fundraising	1,441		1,441
Total expenses	25,507	-	25,507
Change in net assets	591	5,000	5,591
Net assets at beginning of year	124,465	157,268	281,733
Net assets at end of year	125,056	162,268	287,324

Implementation – Statement of Activities
EXAMPLE 2

		With Donor Restrictions			
	Without Donor Restrictions	Program Restrictions	Endowment Funds	Total	Total
Revenues and other support:					
Contributions	11,989	3,487	12,044	15,531	27,520
Fees	7,083			-	7,083
Investment return, net	113		(3,618)	(3,618)	(3,505)
Net assets released from restrictions	6,913	(1,112)	(5,801)	(6,913)	-
Total revenues and other support	26,098	2,375	2,625	5,000	31,098
Expenses:					
Program A	13,960			-	13,960
Program B	5,497			-	5,497
Management and general	4,609			-	4,609
Fundraising	1,441			-	1,441
Total expenses	25,507	-	-	-	25,507
Change in net assets	591	2,375	2,625	5,000	5,591
Net assets at beginning of year	124,465	11,474	145,794	157,268	281,733
Net assets at end of year	125,056	13,849	148,419	162,268	287,324

Implementation – Statement of Activities

EXAMPLE 3*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Contributions -			
Without donor restrictions	11,989		11,989
Program and time restrictions		3,487	3,487
Endowment fund		12,044	12,044
Fees	7,083		7,083
Investment return, net -			
Endowment fund		(3,618)	(3,618)
Other	113		113
Net assets released from restrictions -			
Program and time	1,112	(1,112)	-
Endowment fund	5,801	(5,801)	-
Total revenues and other support	19,185	11,913	31,098
Expenses:			
Program A	13,960		13,960
Program B	5,497		5,497
Management and general	4,609		4,609
Fundraising	1,441		1,441
Total expenses	25,507	-	25,507
Change in net assets	(6,322)	11,913	5,591
Net assets at beginning of year	124,465	157,268	281,733
Net assets at end of year	118,143	169,181	287,324

** GAAP still allows flexibility in presentation of NFP financials, examples in slide deck are not all inclusive*

Example Disclosure – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purpose:		
Program A activities:		
Purchase of equipment	$	3,060
Research		950
Educational seminars and publications		240
Program B activities:		
Disaster relief		745
Educational seminars and publications		280
Program C activities: general		210
Buildings and equipment		2,150
Annuity trust agreements for research		2,815
		10,450
Subject to the passage of time:		
For periods after June 30, 20X1		3,140
Subject to NFP's spending policy and appropriation:		
Investment in perpetuity (including amounts above original gift amount of $122,3370, the income from which is expendable to support:		
Program A activities		33,300
Program B activities		15,820
Program C activities		16,480
Any activities of the organization		109,100
		174,700
Subject to appropriation and expenditure when a specified event occurs:		
Endowment requiring income to be added to original gift until fund's value is $2,500		2,120
Paid-up life insurance policy that will provide proceeds upon death of insured for an endowment to support general activities		80
		2,200
Not subject to appropriation or expenditure:		
Land required to be used as a recreation area		3,000
Total Net Assets with Donor Restrictions	**$**	**193,490**

Board-Designated Net Assets

- New required disclosure of nature and amounts of board-designations of net assets
- New FASB ASC Master Glossary definition
  - Net assets without donor restrictions subject to self-imposed limits by action of the governing board. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses. Some governing boards may delegate designation decisions to internal management. Such designations are considered to be included in board-designated net assets.
- Likely need policies and/or practices regarding board-designations on net assets; even if no designations

Example Disclosures – Board-Designations

Net assets without donor restrictions:	
Undesignated	56,377
Quasi-endowment	35,000
Operating reserve	1,300
Total	92,677

Tabular disclosure or on face of balance sheet

Text disclosure in notes

Note 13 - Net Assets Without Donor Restrictions

The Board of Directors of XYZ Organization has several standing board policies that affect the presentation of board designations on net assets. Bequests without donor restrictions are designated for long-term investment (quasi-endowment). The quasi-endowment fund balance totaled $35,000 at December 31, 20XX. Additionally, the Board of Directors has established an operating reserve with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The operating reserve balance totaled $1,300 at December 31, 20XX.

"Underwater" Endowments

Revised net asset classification

- To be reflected in net assets with donor restrictions rather than in net assets without donor restrictions

Enhanced disclosures

- In addition to aggregate amounts by which funds are underwater (current GAAP), also disclose aggregate of original gift amounts (or level required by donor or law) for such funds, fair value, and any governing board policy, or actions taken, concerning appropriation from such funds.

Example Disclosures

Underwater Endowment Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or the State Prudent Management of Institutional Funds Act requires NFP to retain as a fund of perpetual duration.

Deficiencies of this nature exist in three donor-restricted endowment funds, which together have an original gift value of $14,500, a current fair value of $13,416, and a deficiency of $1,084 as of December 31, 20X1.

These deficiencies resulted from unfavorable market fluctuations that occured shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

Liquidity and Availability of Resources

NFPs required to provide:

- **Qualitative** information on how an NFP manages its liquid available resources and its liquidity risk (in the notes)
- **Quantitative** information that communicates the availability of an NFP's financial assets at the balance sheet date to meet cash needs for general expenditures within one year (on the face and/or in the notes)

Two New Required Disclosures

1. **"Liquidity" Disclosure:**

   Qualitative information in the notes to financial statements that is useful in assessing an entity's liquidity and that communicates how an NFP **manages its liquid resources** available to meet cash needs for general expenditures within one year of the date of the statement of financial position.

Example Liquidity Disclosure

Note 5 – Continued

The Organization has an operating reserve that had a balance of $2.7 million and $2.8 million at June 30, 2015 and 2014, respectively. This is a governing board-designated reserve with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. The Organization's target for this reserve is a total of $3.0 million, which was determined based on management's judgment about the appropriate amount of funds to have set aside in addition to working capital. The operating reserve funds are held in lower-risk cash and fixed-income securities. The operating reserve balance is included in the cash and cash equivalents and investments lines on the statement of financial position (2015 - $1.21M in cash and cash equivalents and $1.74M in investments; 2014 - $1.26M in cash and cash equivalents and $1.70M in investments).

In the event of an unanticipated liquidity need, the Organization also could draw upon $2,500,000 of an available line of credit (as further discussed in Note 8).

Two New Required Disclosures

2. "Availability" Disclosure:

Quantitative information either on the face of the statement of financial position or in the notes, and additional qualitative information in the notes as necessary, that communicates the **availability of an NFP's financial assets** at the date of the statement of financial position to meet cash needs for **general expenditures within one year** of the date of the statement of financial position

Availability of a financial asset may be affected by

- Its **nature**
- **External limits** imposed by donors, laws, and contracts with others
- **Internal limits** imposed by governing board decisions.

Example Availability Disclosure

Note 6 - Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for long-term investing in the operating and capital reserves that could be drawn upon if the governing board approves that action.

	12/31/X1	12/31/X0
Cash	$ 9,210	$ 8,750
Investments	185,100	190,100
Receivables	4,100	3,509
Total financial assets	198,410	202,359
Receivables scheduled to be collected in more than one year	(2,200)	(2,050)
Contractual or donor-imposed restrictions:		
Endowment funds	(180,600)	(185,610)
Other donor restrictions	(1,940)	(1,010)
Investments held in charitable remainder trust	(4,500)	(4,490)
Funds restricted by lender	(150)	(150)
Board designations:		
Capital reserves	(2,500)	(2,500)
Operating reserves	(1,300)	(1,300)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,220	$ 5,249

Example of Combined Disclosure

Note X – Liquidity and Availability of Financial Assets

The Theater's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts for subscriptions and a concentration of contributions received near calendar year end. To manage liquidity the Theater maintains a line of credit of $3 million with a bank that is drawn upon as needed during the year to manage cash flow and is then repaid in full by the end of the fiscal year. See Note Y for further description of this line.

The following reflects the Theater's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Directors approves that action.

	2016	2015
Current assets, excluding non-financial assets	$ 3,183,318	$ 2,710,890
Add: endowment fund appropriation for following year	547,700	591,554
Subtract: cash restricted by lessor to specific uses	(942,941)	(823,430)
Subtract: donor restrictions for specific purposes	(250,000)	
Subtract: board-designated operating reserves and other	(225,129)	(299,011)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,312,948	$ 2,180,003

Example – NFP with Deficiency in the Composition of Assets to Comply with Donor-Imposed Restrictions

	Option 1	Option 2
Cash	$ 1,050	$ 1,050
Receivables	3,210	3,210
Total financial assets	4,260	4,260
Receivables scheduled to be collected in more than one year	(2,200)	(2,200)
Contractual or donor-imposed restrictions:		
Donor contributions restricted to specific purposes	(3,750) *	(1,910) *
Funds restricted by lender	(150)	(150)
Financial assets available to meet cash needs for general expenditures within one year	$ (1,840)	$ -

* Donations restricted for purposes more limited than general expenditures total $3,750.

Codification references:

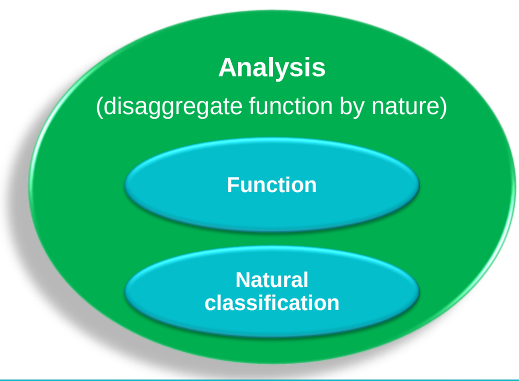
958-210-50-2 An NFP shall disclose the following, if applicable, in the notes to the financial statements and may include that information in qualitative disclosures on the availability of an NFP's financial assets in accordance with paragraph 958-210-50-1A(b):

b. The fact that the NFP has not maintained appropriate amounts of cash and cash equivalents to comply with donor-imposed restrictions (see paragraph 958-450-50-3)

958-450-50-3 If the noncompliance results from a not-for-profit entity's (NFP's) failure to maintain an appropriate composition of assets in amounts needed to comply with all donor restrictions, the amounts and circumstances shall be disclosed.

Expense Reporting

Report expenses, either on the face of financial statements or in the notes, by:



NOTE: MOW organizations already report this information via a Statement of Functional Expenses.

Example –
Analysis of Expenses

Presentation in the notes or in a separate statement

	Program Services			Supporting Activities			
	Program A	Program B	Program Subtotal	Management & General	Fund-raising	Supporting Subtotal	Total Expenses
Salaries, benefits, and taxes	$ 7,400	$ 5,625	$ 13,025	$ 1,130	$ 960	$ 2,090	$ 15,115
Grants to other organizations	2,075	2,675	4,750				4,750
Supplies and travel	890	1,512	2,402	213	540	753	3,155
Services and professional fees	160	2,090	2,250	200	390	590	2,840
Office and occupancy	1,160	1,050	2,210	218	100	318	2,528
Depreciation	1,440	1,370	2,810	250	140	390	3,200
Interest	171	164	335	27	20	47	382
Total expenses	$ 13,296	$ 14,486	$ 27,782	$ 2,038	$ 2,150	$ 4,188	$ 31,970

Expense Reporting (cont'd.)

NFPs required to provide qualitative disclosures about methods used to allocate costs among program and support functions

ASU also provides enhanced guidance on allocations from M&G expenses

- Key concept: ***direct conduct*** or ***direct supervision***

Example Disclosures of Allocation Methods

Note 5 - Methods Used for Allocation of Expenses Among Program and Supporting Services

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Those expenses include depreciation, the Executive Director's office, communications department, and information technology department. Depreciation is allocated based on a square footage basis, the Executive Director's office is allocated based on a time and cost study of where efforts are made, certain costs of the communications department are allocated based on the benefit received, and the information technology department is allocated based on a cost study of specific technology utilized.

Reporting of Investment Return

How to present?

- **Net presentation** of investment expenses against investment return on the face of the statement of activities
  - Netting limited to external and **direct** internal expenses
  - May report net return in **multiple**, appropriately labeled lines (e.g., from different portfolios, in different net asset classes, or in operating versus nonoperating)

What to disclose?

- Disclosure of investment expenses **no longer required**
  - If reported, carefully label and don't include in expense analysis
- No longer require disclosure of investment return **components**

Reporting of Investment Return – Examples

Direct internal investment expenses involve the *direct conduct* or *direct supervision* of the strategic and tactical activities involved in generating investment return. The following are some examples:

- **CFO's Compensation:** Potentially a partial allocation of expense
- **Investment Accountant's Compensation:** Potentially a partial allocation of expense
- **Accountant Performing Endowment Allocations:** None

Operating Measure: Improved Disclosures

Reinforcing current GAAP requirement about transparency of components of any operating measures presented:

- *NFPs utilizing an operating measure that reflects governing board designations, appropriations, and similar actions (internal transfers) must report these types of internal transfers appropriately disaggregated and described by type (either on the face of the statement of activities or in the notes)*

Operating Measure Example

- Two Approaches:

  1. Define specifically what is in the operating measure
  2. Start with the change in net assets without donor restrictions (unrestricted) and say what is not included in the operating measure

"Operating results in the consolidated statements of activities reflect all transactions increasing or decreasing unrestricted net assets except those items associated with long-term investment, actuarial adjustments to self-insurance liabilities, changes in postretirement benefit obligations, changes in the fair value of the derivative instruments, and other infrequent gains and losses."

Cash Flow Statement

Continue to allow choice between the Direct Method and the Indirect Method in presenting operating cash flows

- However, indirect reconciliation no longer required for Direct Method

Operating Cash Flows

	2016	2015
Cash received from donors for operations	$ 1,756,001	$ 1,390,824
Cash received from program fees and other	700,622	645,201
Cash payments to employees	(1,257,765)	(1,319,769)
Cash payments to vendors and others	(1,046,017)	(983,776)
Cash paid for interest	(47,878)	(32,922)
Net Cash From Operating Activities	**104,963**	**(300,442)**

Direct Method

Indirect Method

	2016	2015
Change in net assets	$ (97,821)	$ (540,070)
Adjustments to reconcile change in net assets to		
net cash from operating activities-		
Depreciation and amortization	269,584	254,559
Contributions restricted for property purchases	(60,582)	
(Gains) losses on investments	(22,060)	2,574
Changes in operating assets and liabilities:		
Grants and pledges receivable	(125,862)	27,305
Prepaid expenses and other assets	26,615	(2,300)
Accounts payable and accrued expenses	59,108	(44,825)
Deferred revenue	55,981	2,315
Net Cash From Operating Activities	**104,963**	**(300,442)**

Transition

- **In year of transition:**
  - If implementation causes material changes to the financials, then:
    - Include “change in accounting principle” footnote
    - Include emphasis-of-matter paragraph in auditor’s report
  - If present comparative financials for the prior year, retroactively apply all of the new ASU provisions to the prior year, except can choose:
    - To present the prior year Statement of Functional Expenses as a schedule in the notes instead.
    - Not to present, for the prior year, disclosures about liquidity and availability of financial assets.

Other Important Standards on the Horizon

Revenue from Contracts with Customers

(Topic 606; ASU 2014-09 and follow-up ASUs)

Objective: To develop a single, principle-based revenue standard for generally accepted accounting principles (GAAP) and international financial reporting standards (IFRS)

The revenue standard aims to improve accounting for contracts with customers by:

- Providing a robust framework for addressing revenue issues as they arise
- Increasing comparability across industries and capital markets
- Requiring better disclosure

Substantially converged with IFRS on major provisions

Revenue Recognition—Scope

All contracts with customers, except

- × Lease contracts
- × Insurance contracts
- × Financial instruments
- × Guarantees
- × Nonmonetary exchanges in the same line of business to facilitate sales to customers

Contracts not with customers are excluded:

- Contributions
- Collaborative arrangements

Revenue Recognition—Model

Core Principle:

Recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services

Steps to apply the core principle:

1. Identify contract(s) with the customer
2. Identify performance obligations
3. Determine transaction price
4. Allocate transaction price
5. Recognize revenue when (or as) a performance obligation is satisfied

Possible Areas of Focus for MOW Organizations

- Various grants and contracts (also see slides on ASU 2018-08)
- Licenses of intellectual property
- Membership dues received (MOW America)

Revenue Recognition—Disclosures

Disaggregation of revenue

- Qualitative and quantitative* disaggregation of revenue into categories that depict how revenue and cash flows are affected by economic factors

Information about contract balances

- Opening and closing balances *
- Amount of revenue recognized from contract liabilities *
- Explanation of significant changes in contract balances *

Remaining performance obligations

- Transaction price allocated to remaining performance obligations *
- Quantitative or qualitative explanation of when amounts will be recognized as revenue *

Interim requirements

- Quantitative disclosures *

* for public entities only

Grants and Contracts to NFPs (ASU 2018-08)—Background

Project added to FASB's Technical Agenda to <u>improve and clarify</u> existing guidance

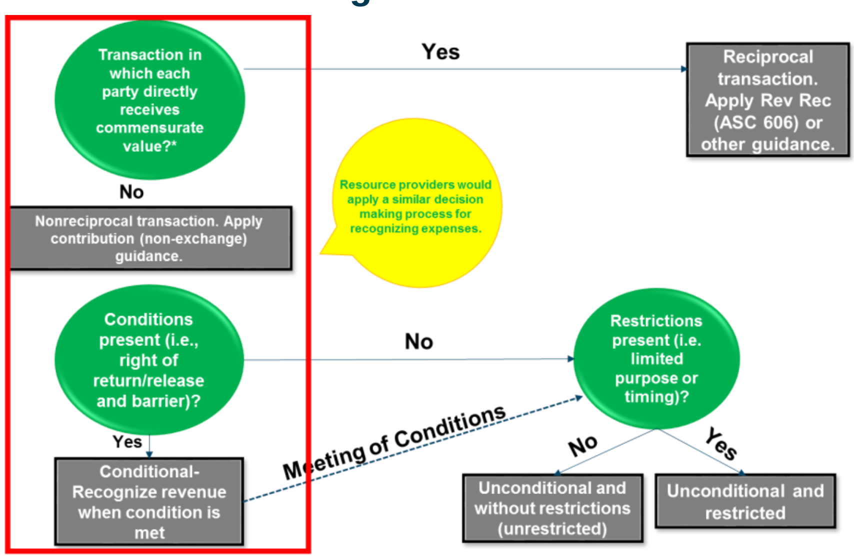
ASU 2014-09, *Revenue from Contracts with Customers*, including related disclosures, heightened the issue

Raised question as to whether grants and contracts are in scope of that guidance (reciprocal or nonreciprocal)

Long-standing diversity in practice in classifying grants and contracts, particularly from governmental entities

Issue 1: Reciprocal Versus Nonreciprocal	Issue 2: Conditional Versus Unconditional

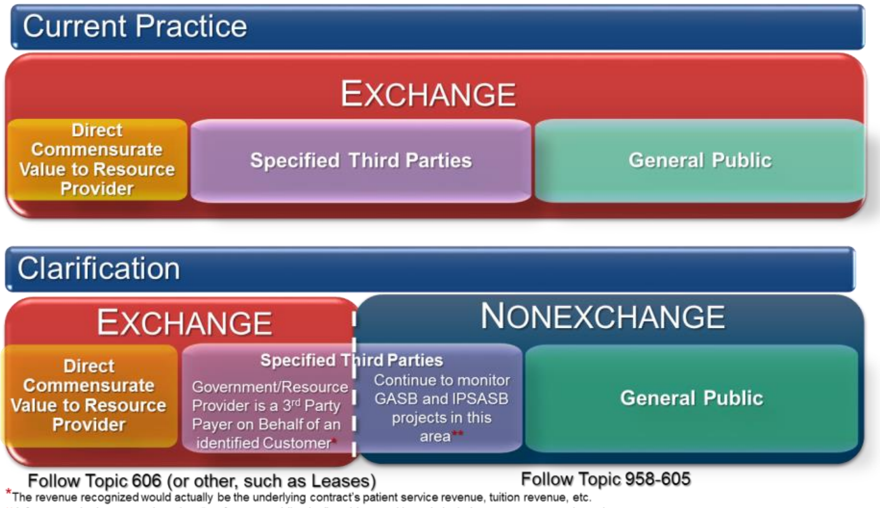
NFP Revenue Recognition Decision Process



*Includes third-party payments on behalf of identified customers. These do not create new revenue.

Issue 1: Reciprocal (Exchange) vs. Nonreciprocal (Nonexchange/Contribution) Transactions

Who Receives the Benefit?



*The revenue recognized would actually be the underlying contract's patient service revenue, tuition revenue, etc.

**A focus on whether or not there is a "performance obligation" could even ultimately include some contracts where the general public is the primary beneficiary.

Issue 1: Reciprocal vs. Nonreciprocal Transactions: Key Clarifications to the Scope of Subtopic 958-605

The final ASU clarifies and refines existing guidance in Subtopic 958-605 by adding paragraphs that clarify the scope of the Subtopic as well as illustrative examples.

- The resource provider is **not** synonymous with the general public, even a governmental entity. If a resource provider receives value indirectly by providing a societal benefit, this would be considered a nonreciprocal transaction.
- If the primary beneficiary of a grant or contract is a third party, an NFP must use judgment to determine if the transaction is reciprocal or nonreciprocal.
- Furthering a resource provider's mission or "feel good" sentiment does not constitute commensurate value received.
- The type of resource provider should not override the substance of the transaction.

Issue 2: Conditional vs. Unconditional Contributions

For a *Donor-Imposed Condition* to Exist:

Final ASU

-A right of return/release must exist; and

-The agreement must include a barrier

- Indicators and examples to help in determination

Alternative Rejected

-A right of return/release must exist.

-Would have required a probability assessment about whether it is likely a recipient NFP will fulfill the stipulations.

Indicators to Determine a Barrier

To determine what is a barrier, an NFP will consider indicators, which will include, but are not limited to, the following:

The inclusion of a measurable performance-related barrier or other measurable barrier.

The extent to which a stipulation limits discretion by the recipient on the conduct of an activity.

The extent to which a stipulation is related to the purpose of the agreement.

Likely Reporting Impact on Funding from…

- Government Agencies
- Individuals & Corporations
- Foundations

Leases (Topic 842; ASU 2016-02 and follow-up ASUs) – Lessee Accounting Overview

	Balance Sheet	Income Statement	Cash Flow Statement
Financing Lease	Right-of-use (ROU) asset Lease liability	Amortization expense Interest expense	Cash paid for principal and interest payments
Operating Lease	Right-of-use (ROU) asset Lease liability	Single lease expense on a straight-line basis	Cash paid for lease payments

Classification is similar to that in Topic 840, *Leases*

Recognition and measurement exemption for short-term leases

Other than public business entities may use risk-free rates as practical expedient for measurement of all lease liabilities

Leases – Getting Ready

Inventory of leases – *What's out there? Know your leases.*

Materiality – *How modern is your capitalization policy?*

Debt covenants – *To what extent will capitalizing your operating leases affect covenants based on leverage ratios?*

Questions?