Issue Paper No. 146

Share-Based Payments With Non-Employees

STATUS
Adopted November 12, 2013

Original SSAP and Current Authoritative Guidance: SSAP No. 104R

Type of Issue:
Common Area

SUMMARY OF ISSUE

1. *SSAP No. 104—Share-Based Payments* provides statutory accounting principles for transactions in which an entity exchanges its equity instruments with employees in share-based payment transactions. SSAP No. 104 (effective Jan. 1. 2013), adopts with

statutory review. Under the guidance in this issue paper, and the adoption of a substantively revised SSAP to adopt with modification ASC 505-50, the GAAP Cross-Reference to SAP (Appendix D) will be revised to identify that EITF 00-18 is adopted with modification in SSAP No.104R.

SUMMARY CONCLUSION

5. This issue paper provides statutory accounting principles for transactions in which an entity exchanges its equity instruments to non-employees in share-based payment transactions. It incorporates the GAAP objective for these transactions, requiring recognition in the financial statements of the most reliably measurable fair values of such transactions. Furthermore, it indicates that the accounting for these share-based payment transactions shall reflect the rights conveyed to the holder of the instruments and the obligations imposed on the issuer of the instruments, regardless of how the transactions are structured.

6. The adoption, with modification, of ASC 505-50 will be reflected in a substantively revised SSAP No. 104R. The tracked changes to reflect this guidance are in Illustration A.

DISCUSSION

7. Per information received from industry representatives, share-based payments with non-employees are conducted by insurers, and consideration of related GAAP guidance should occur, with expansion of SSAP No. 104 for these transactions.

8. Similar to the conclusions reached in *Issue Paper No. 129, Share-Based Payment, A Replacement of SSAP No. 13—Stock Options and Stock Purchase Plans*, which are adopted in SSAP No. 104, the statutory accounting revisions predominantly adopt GAAP guidance for share-based payments with limited modifications to reflect existing statutory accounting concepts. As such, this issue paper adopts the GAAP guidance in ASC 505-50 with modifications as follows:

a. To reduce variations from the GAAP guidance, this issue paper does not restrict a reporting entity from recognizing a prepaid asset to reflect the cost for the exchange of share-based payment before the receipt of goods or services. However, consistent with statutory accounting principles in *SSAP No. 29—Prepaid Expenses*, these assets are nonadmitted as they are not readily available to satisfy policyholder obligations.

b. Pursuant to the statutory accounting concept of consistency, this issue paper clarifies that the minimum value method is not an acceptable method for determining the fair value of non-employee awards for all (public/non-public) entities.

c. Consistent with guidance in *SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets* for recognition of loss contingency estimates, the recognition of expected costs based on different possible outcomes, the amount recognized should reflect management's best estimate. If an amount within a range of possible outcomes cannot be deemed a better estimate, the midpoint of the range shall be recognized. This is different from the GAAP guidance that allows recognition of the lowest aggregate amount within a range.

d. GAAP references are revised to reflect applicable statutory accounting guidance.

EFFECTIVE DATE

9. Upon adoption of this issue paper, the NAIC will release a Statement of Statutory Accounting Principles (SSAP) for comment. The SSAP will contain the adopted Summary Conclusion of this issue paper. Users of the Accounting Practices and Procedures Manual should note that issue papers are not represented in the Statutory Hierarchy (see Section IV of the Preamble) and therefore the conclusions

reached in this issue paper should not be applied until the corresponding SSAP has been adopted by the Plenary of the NAIC. It is expected that the SSAP will contain an effective date of reporting periods beginning on or after January 1, 2014, with early adoption permitted.

RELEVANT STATUTORY ACCOUNTING AND GAAP GUIDANCE

Statutory Accounting

- *SSAP No. 104—Share-Based Payments*

Generally Accepted Accounting Principles

- *Accounting Standards Codification Topic 505-50, Equity, Equity Payments to Non-Employees*

The GAAP guidance in the ASC 505-50 has not been duplicated within this issue paper. This is similar to the process reflected in Issue Paper No. 129—Share-Based Payments, A Replacement of SSAP No. 13—Stock Options and Stock Purchase Plans (Issue Paper No. 129) as the GAAP guidance reflected the bulk of the proposed statutory guidance. (A similar process was also followed for Issue Paper No. 132—Accounting for Pensions, A Replacement of SSAP No. 89, Issue Paper No. 133—Accounting for Postretirement Benefits Other Than Pensions, A Replacement of SSAP No. 14, and Issue Paper No. 134—Servicing Assets/Liabilities, An Amendment of SSAP No. 91.) The tracked changes to reflect ASC 505-50 in SSAP No. 104R are shown in illustration A.

ILLUSTRATION A – SSAP NO. 104 - REVISED

SCOPE OF STATEMENT

1. This statement provides statutory accounting principles for transactions in which an entity exchanges its equity instruments to employees and non-employees in share-based payment transactions. This statement does not provide statutory accounting principles for employee share ownership plans;~~,~~ those transactions are addressed in *SSAP No. 12—Employee Stock Ownership Plans*.

SUMMARY OF ISSUE

2. The objective of accounting for transactions under share-based payment arrangements with employees is to recognize in the financial statements the employee services received in exchange for equity instruments issued or liabilities incurred and the related cost to the entity as those services are consumed. The objective of accounting for share-based payment transactions with non-employees is to recognize in the financial statements the most reliably measurable fair values of such transactions. This statement uses the terms compensation and payment in their broadest senses to refer to the consideration paid for employee services and goods and services regardless of whether the supplier is an employee.

3. The accounting for all share-based payment transactions shall reflect the rights conveyed to the holder of the instruments and the obligations imposed

5. Share-based payments awarded to an employee of the reporting entity by a related party or other holder of an economic interest in the entity as compensation for services provided to the entity are share-based payment transactions to be accounted for under this statement unless the transfer is clearly for a purpose other than compensation for services to the reporting entity. The substance of such a transaction is that the economic interest holder makes a capital contribution to the reporting entity, and that entity

than the shares) are substantially the same as those embodied in a grant of equity share options. Thus, that transaction shall be accounted for as a substantive grant of equity share options.

12.

a. The repurchase feature permits the employee to avoid bearing the risks and rewards normally associated with equity share ownership for a reasonable period of time from the date the requisite service is rendered and the share is issued. An employee begins to bear the risks and rewards normally associated with equity share ownership when all the requisite service has been rendered. A repurchase feature that can be exercised only upon the occurrence of a contingent event that is cash on demand if the choice is the employee's, and the entity thus incurs a liability to the employee. In contrast, if the choice is the entity's, it can avoid transferring its assets by choosing to settle in stock, and the award qualifies as an equity instrument. However, if an entity that nominally has the choice of settling awards by issuing stock predominately settles in cash or if the entity usually settles in cash whenever an employee asks for cash settlement, the entity is settling a substantive liability rather than repurchasing an equity instrument. In determining whether an entity that has the choice of settling an award by issuing equity shares has a substantive liability, the entity also shall consider whether:

a. It has the ability to deliver the shares. (Federal securities law generally requires that transactions involving offerings of shares under employee share option arrangements be registered, unless there is an available exemption. For purposes of this statement, such requirements do not, by themselves, imply that an entity does not have the ability to deliver shares and thus do not require an award that otherwise qualifies as equity to be classified as a liability.)

Performance of Service Conditions

41. Awards of share-based employee compensation ordinarily specify a performance condition or a service condition (or both) that must be satisfied for an employee to earn the right to benefit from the award. No compensation cost is recognized for instruments that employees forfeit because a service condition or a performance condition is not satisfied (that is, instruments for which the requisite service is not rendered).

42. The fair-value-based method described in paragraphs 36 and 39-43 uses fair value measurement techniques, and the grant-date share price and other pertinent factors are used in applying those techniques. However, the effects on the grant-date fair value of service and performance conditions that apply only during the requisite service period are reflected based on the outcomes of those conditions. This statement refers to the required measure as fair value.

Market Conditions

43. Some awards contain a market condition. The effect of a market condition is reflected in the grant-date fair value of an award. (Valuation techniques have been developed to value path-dependent options as well as other options with complex terms. Awards with market conditions, as defined in this statement, are path-dependent options.) Compensation cost thus is recognized for an award with a market condition provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied.

Market, Performance, and Service Conditions That

Difficulty of Estimation

49. It should be possible to reasonably estimate the fair value of most equity share options and other equity instruments at the date they are granted. However, in rare circumstances, it may not be possible to reasonably estimate the fair value of an equity share option or other equity instrument at the grant date because of the complexity of its terms.

50. An equity instrument for which it is not possible to reasonably estimate fair value at the grant date shall be accounted for based on its intrinsic valu

Recognition of Compensation Costs Over the Requisite Service

57. The compensation cost for an award of share-based employee compensation classified as equity shall be recognized over the requisite service period, with a corresponding credit to equity (generally, paid-in capital). The requisite service period is the period during which an employee is required to provide service in exchange for an award, which often is the vesting period. The requisite service period is estimated based on an analysis of the terms of the share-based payment award.

58. The total amount of compensation cost recognized at the end of the requisite service period for an award of share-based compensation shall be based on

b. On a straight-line basis over the requisite service period for the entire award (that is, over the requisite service period of the last separately vesting portion of the award).

However, the amount of compensation cost recognized at any date must at least equal the portion of the grant-date value of the award that is vested at that date.

Awards May Become Subject to Other Guidance

64. Paragraphs 65-68 are intended to apply to those instruments issued in share-based payment transactions with employees accounted for under this statement, and to instruments exchanged in a business combination for share-based payment awards of the acquired business that were originally granted to employees of the acquired business and are outstanding as of the date of the business combination. Instruments issued, in whole or in part, as consideration for goods or services other than employee service shall not be considered to have been issued in exchange for employee service when applying the guidance in those paragraphs, irrespective of the employment status of the recipient of the award on the grant date.

65. A freestanding financial instrument issued to an employee in exchange for past or future employee services that is subject to initial recognition and measurement guidance within this statement shall continue to be subject to the recognition and measurement provisions of this statement throughout the life of the instrument, unless its terms are modified when the holder is no longer an employee. Only for purposes of this paragraph, a modification does not include a change to the terms of an award if that change is made solely to reflect an equity restructuring provided that both of the following conditions are met:

a. There is no increase in fair value of the award (or the ratio of intrinsic value to the exercise price of the award is preserved, that is, the holder is made whole) or the antidilution provision is not added to the terms of the award in contemplation of an equity restructuring.

b. All holders of the same class of equity instruments (for example, stock options) are treated in the same manner.

66. Other modifications of that instrument that take place when the holder is no longer an employee shall be subject to the modification guidance in paragraph 68. Following modification, recognition and measurement of the instrument should be determined through reference to other applicable statutory accounting principles.

67. Once the classification of an instrument is determined, the recognition and measurement provisions of this statement shall be applied until the instrument ceases to be subject to the requirements discussed in paragraph 65. Other applicable statutory accounting principles applies to a freestanding financial instrument that was issued under a share-based payment arrangement but that is no longer subject to this statement.

68. An entity may modify (including cancel and replace) or settle a fully vested, freestanding financial instrument after it becomes subject to other applicable statutory accounting principles. Such a modification or settlement shall be accounted for under the provisions of this statement unless it applies equally to all financial instruments of the same class regardless of whether the holder is (or was) an employee (or an employee's beneficiary). Following the modification, the instrument continues to be accounted for under other applicable statutory accounting principles. A modification or settlement of a class of financial instrument that is designed exclusively for and held only by current or former employees (or their beneficiaries) may stem from the employment relationship depending on the terms of the modification or settlement. Thus, such a modification or settlement may be subject to the

requirements of this statement. See paragraph 65 for a discussion of changes to awards made solely to reflect an equity restructuring.

Change in Classification Due to Change in Probable Settlement Outcome

69. An option or similar instrument that is classified as equity, but subsequently becomes a liability because the contingent cash settlement event is probable of occurring, shall be accounted for similar to a modification from an equity to liability award. That is, on the date the contingent event becomes probable of occurring (and therefore the award must be recognized as a liability), the entity recognizes a share-based liability equal to the portion of the award attributed to past service (which reflects any provision for acceleration of vesting) multiplied by the award's fair value on that date. To the extent the liability equals or is less than the amount previously recognized in equity, the offsetting debit is a charge to equity. To the extent that the liability exceeds the amount previously recognized in equity, the excess is recognized as compensation cost. The total recognized compensation cost for an award with a contingent cash settlement feature shall at least equal the fair value of the award at the grant date. The guidance in this paragraph is applicable only for options or similar instruments issued as part of employee compensation arrangements. That is, the guidance included in this paragraph is not applicable, by analogy or otherwise, to instruments outside employee share-based payment arrangements.

Subsequent Measurement - Awards Classified as Equity

Fair Value Not Reasonably Estimable

70. An equity instrument for which it is not possible to reasonably estimate fair value at the grant date shall be remeasured at each reporting date through the date of exercise or other settlement. The final measure of compensation cost shall be the intrinsic value of the instrument at the date it is settled. Compensation cost for each period until settlement shall be based on the change (or a portion of the change, depending on the percentage of the requisite service that has been rendered at the reporting date) in the intrinsic value of the instrument in each reporting period. The entity shall continue to use the intrinsic value method for those instruments even if it subsequently concludes that it is possible to reasonably estimate their fair value.

Contingent Features

71. A contingent feature of an award that might cause an employee to return to the entity either equity instruments earned or realized gains from the sale of equity instruments earned for consideration that is less than fair value on the date of transfer (including no consideration), such as a clawback feature, shall be accounted for if and when the contingent event occurs.

Modification of An Award

72. A modification of the terms or conditions of an equity award shall be treated as an exchange of the original award for a new award. In substance, the entity repurchases the original instrument by issuing a new instrument of equal or greater value, incurring additional compensation cost for any incremental value. The effects of a modification shall be measured as follows:

a. Incremental compensation cost shall be measured as the excess, if any, of the fair value of the modified award determined in accordance with the provisions of this statement over the fair value of the original award immediately before its terms are modified,

compensation cost measured at the grant date but not yet recognized shall be recognized at the repurchase date.

Cancellation and Replacement

77. Cancellation of an award accompanied by the concurrent grant of (or offer to grant) a replacement award or other valuable consideration sh

pool of excess tax benefits available to absorb potenti corresponding charge (or credit) to compensation cost, to reflect the changes in the fair value of the amount owed to the employee.

c. For Plan D, assets held by the rabbi trust should be accounted for in accordance with statutory accounting principles for the particular asset (for example, if the diversified asset is a marketable equity security, that security would be accounted for in accordance ii.

compensation cost associated with the award by the grant date fair value associated with the incremental number of shares that may be purchased with the additional withholdings during the period. The incremental number of shares that may be purchased is calculated by dividing the incremental amount withheld by the exercise price as of the grant date (for example, 85 percent of the grant date stock price).

111. Any decreases in the withholding amounts (or percentages) shall be disregarded for purposes of recognizing compensation cost unless the employee services that were valued at the grant date will no longer be provided to the employer due to a termination. However, no compensation cost shall be recognized for awards that an employee forfeits because of failure to satisfy a service requirement for vesting. The accounting for decreases in withholdings is consistent with the requirement in paragraph 58 that the total amount of compensation cost that must be recognized for an award be based on the number of instruments for which the requisite service has been rendered (that is, for which the requisite service period has been completed).

a. The date at which a commitment for performance by the counterparty to earn the equity instruments is reached (a performance commitment[4])

b. The date at which the counterparty's performance is complete.

125. The counterparty's performance is complete when the counterparty has delivered or, in the case of sales incentives, purchased the goods or services, despite the fact that at that date the quantity or all the terms of the equity instruments may yet depend on other events (this would occur, for example, if a target stock price requirement has not been met when the counterparty has delivered the goods or services).

126. Situations may arise in which counterparty performance may be required over a period of time but the equity award granted to the party performing the services is fully vested and nonforfeitable on the date the parties enter into the contract. While this type of arrangement may be rare, because, typically, vesting provisions do exist, the measurement date for an award that is nonforfeitable and that vests immediately could be the date the parties enter into the contract, even though services have not yet been performed.

127. If fully vested, nonforfeitable equity instruments are issued at the date the grantor and grantee enter into an agreement for goods or services (no specific performance is required by the grantee to retain those equity instruments), then, because of the elimination of any obligation on the part of the counterparty to earn the equity instruments, a measurement date has been reached.

128. If an entity grants fully vested, nonforfeitable equity instruments that are exercisable by the grantee only after a specified period of time and the terms of the agreement provide for earlier exercisability if the grantee achieves specified performance conditions, the grantor shall measure the fair value of the equity instruments at the date of grant and shall recognize that measured cost in the same period(s) and in the same manner as if the grantor had paid cash.

Initial Measurement – Reporting Entity Grantee/Provider

129. An entity (the grantee or provider) may enter into transactions to provide goods or services in exchange for equity instruments. The grantee shall measure the fair value of the equity instruments in these transactions using the stock price and other measurement assumptions as of the earlier of either of the following dates referred to as the measurement date:

a. The date the parties come to a mutual understanding of the terms of the equity-based compensation arrangement and a commitment for performance by the grantee to earn the equity instruments (a performance commitment[5]) is reached, or

b. The date at which the grantee's performance necessary to earn the equity instruments is complete (that is, the vesting date).

[4] A performance commitment is a commitment under which performance by the grantee to earn the equity instruments is probable because of sufficiently large disincentives for nonperformance. The disincentives must result from the relationship between the grantor and the grantee. Forfeiture of the equity instruments as the sole remedy in the event of the grantee's nonp

Measurement Before the Measurement Date

130. In accordance with other accounting guidance, it may be appropriate for an issuer to recognize

adjustment to the instrument upon the achievement of a performance condition shall be measured as additional revenue from the transaction using a methodology consistent with modification accounting described in paragraphs 72-73. That is, the adjustment shall be measured at the date of the revision of the quantity or terms of the equity instrument as the difference between the then-current fair value of the revised instruments utilizing the then-known quantity and terms and the then-current fair value of the old equity instruments immediately before the adjustment.

140. Changes in fair value of the equity instruments after the measurement date unrelated to the achievement of performance conditions shall be accounted for in accordance with any relevant guidance on the accounting and reporting for investments in equity instruments.

Disclosures - Non-Employee Share Based Payment

141. An entity (grantor) that acquires goods or services other than employee services in share-based payment transactions shall provide disclosures similar to those required by paragraphs 103-104 to the extent that those disclosures are important to an understanding of the effects of those transactions on the financial statements. These disclosures, if applicable, are for annual audited statutory financial statements only.

142. An entity (grantee) shall disclose, in each period's financial statements, the amount of gross operating revenue recognized as a result of nonmonetary transactions addressed within this statement. These disclosures, if applicable, are for annual audited statutory financial statements only.

Relevant Literature

~~115.~~143. This statement adopts, with modification, GAAP guidance regarding stock options and stock purchase plans reflected in *Topic 718: Compensation – Stock Compensation, as amended by ASU*

a. Prepaid assets are nonadmitted.

b. Costs for goods and services shall be recognized when the goods or services are received consistent with other statutory accounting principles.

c. Minimum value method for determining fair value is rejected for all entities.

d. Estimates of expected costs for the exchange of equity instruments dependent on market conditions or performance obliga

l. *FASB Emerging Issues Task Force 00-18: Accounting Recognition for Certain Transactions Involving Equity Instruments Granted to Other Than Employees*; and~~.~~

~~j.~~m. *FASB Technical Bulletin 97-01, Accounting under Statement 123 for Certain Employee Stock Purchase Plans with a Look-Back Option* (TB 97-01).

~~117.~~146. The adoption, with modification of FASB Codification Topic 718 in this statement reflects rejection of the following pre-codification GAAP standards:

a. *FASB Staff Position (FSP) FAS 123(R)-3: Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards* (FSP FAS 123R-3); and

b. *FASB Staff Position (FSP) EITF 03-6-1; Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* (FSP EITF 03-6-1),.

Effective Date and Transition

~~118.~~147. This statement shall be effective prospectively (paragraph 119) for years beginning January 1, 2013, with interim and annual financial reporting thereafter. The cumulative effect of initially applying this statement, if any, shall be recognized as of the required effective date as a change in accounting principle under SSAP No. 3. Early adoption is permitted for December 31, 2012, financial statements, with interim and annual reporting thereafter.

~~119.~~148. Reporting entities with existing share-based payment instruments that applied the guidance contained in *SSAP No. 13—Stock Options and Stock Purchase Plans* (SSAP No. 13) shall apply the requirements of the adopted SSAP No. 104 prospectively to new awards and to awards modified, repurchased, or cancelled after the required effective date. Those reporting entities shall continue to account for any portion of awards outstanding at the date of initial application using the accounting principles originally applied to those awards (SSAP No. 13).

149. The substantive revisions to this statement to incorporate guidance for share-based payment transactions for non-employees, reflected predominantly in paragraphs 115-142, are effective prospectively initially for years ending December 31, 2014. The cumulative effect of initially applying this statement, if any, shall be recognized as of the required effective date as a change in accounting

unconditionally obligate the issuer to transfer assets. If the obligation is conditional, the number of conditions leading up to the transfer of assets is irrelevant.

9. Examples of financial instruments that meet the criteria in paragraph 7 of Appendix A include forward purchase contracts or written put options on the issuer's equity shares that are to be physically settled or net cash settled.

10. All obligations that permit the holder to require the issuer to transfer assets result in liabilities,

Distinguishing Liability from Equity – Scope and Scope Exclusions

15. The guidance in paragraphs 14-27 of this statement applies to any freestanding financial instrument, including one that has any of the following attributes:

a. Comprises more than one option or forward contract, or

b. Has characteristics of both a liability and equity and, in some circumstances, also has characteristics of an asset (for example, a forward contract to purchase the issuer's equity shares that is to be net cash settled). Accordingly, this statement does not address an instrument that has only characteristics of an asset.

For example, an instrument that consists of a written put option for an issuer's equity shares and a purchased call option and nothing else is a freestanding financial instrument. That freestanding financial instrument embodies an obligation to repurchase the issuer's equity shares and is subject to the requirements of this statement.

APPENDIX B: Disclosure Information

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(c)

appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index.

(c) Expected dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends.

(d) Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used.

(e) Discount for post-vesting restrictions and the method for estimating it.

g. An entity that grants equity or liability instruments under multiple share-based payment arrangements with employees shall provide the information specified in paragraph (a) through (f) separately for different types of awards to the extent that the differences in the characteristics of the awards make separate disclosure important to an understanding of the entity's use of share-based compensation. For example, separate disclosure of weighted-average exercise prices (or conversion ratios) at the end of the year for options (or share units) with a fixed exercise price (or conversion ratio) and those with an indexed exercise price (or conversion ratio) could be important. It also could be important to segregate the number of options (or share units) not yet exercisable into those that will become exercisable (or convertible) based solely on fulfilling a service condition and those for which a performance condition must be met for the options (share units) to become exercisable (convertible). It could be equally important to provide separate disclosures for awards that are classified as equity and those classified as liabilities. In addition, an entity that has multiple share-based payment arrangements with employees shall disclose information separately for different types of awards under those arrangements to the extent that differences in the characteristics of the awards make separate disclosure important to an understanding of the entity's use of share-based compensation.

h. For each year for which an income statement is presented, both of the following:

i. Total compensation cost for share-based payment arrangements

(a) Recognized in income as well as the total recognized tax benefit related thereto

(b) Capitalized as part of the cost of an asset.

ii. A description of significant modifications, including:

(a) The terms of the modifications,

(b) The number of employees affected,

(c) The total incremental compensation cost resulting from the modifications.

i. As of the latest balance sheet date presented, the total compensation cost related to

j. If not separately disclosed elsewhere, the amount of cash received from exercise of share options and similar instruments granted under share-based payment arrangements and the tax benefit realized from stock options exercised during the annual period.

k. If not separately disclosed elsewhere, the amount of cash used to settle equity instruments granted under share-based payment arrangements.

l. A description of the entity's policy, if any, for issuing shares upon share option exercise (or share unit conversion), including the source of those shares (that is, new shares or treasury shares). If as a result of its policy, an entity expects to repurchase shares in the following annual period, the entity shall disclose an estimate of the amount (or a range, if more appropriate) of shares to be repurchased during that period.

2. In addition to the information required by this statement, an entity may disclose supplemental information that it believes would be useful to investors and creditors, such as a range of values calculated on the basis of different assumptions, provided that the supplemental information is reasonable and does not lessen the prominence and credibility of the information required by this statement. The alternative assumptions shall be described to enable users of the financial statements to understand the basis for the supplemental information.

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