Working Draft:
Telecommunications Revenue Recognition Implementation Issue

Issue #15-12: Disclosure and Transition

Expected Overall Level of Impact to Industry Accounting:
Significant

Wording to be Included in the Revenue Recognition Guide:

1. FASB ASC 606 requires a number of disclosures intended to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and the related cash flows. The disclosures include qualitative and quantitative information about contracts with customers, significant judgments made in applying the revenue guidance, and assets recognized from the costs to obtain or fulfill a contract.

2. The disclosures are required for each period a statement of comprehensive income is presented and as of each period a statement of financial position is presented. Nonpublic entities (FASB only) are exempt from certain of the disclosure requirements.

3. As explained in FASB ASC 606-10-50-3, disclosures are included for each period for which a statement of comprehensive income is presented and as of each reporting period for which a statement of financial position is presented.

4. Materiality judgments could affect whether certain disclosures are necessary or the extent of the information provided in the disclosure. As explained in FASB ASC 606-10-50-3, entities need not repeat disclosures if the information is already presented as required by other accounting standards.

5. The disclosure requirements for the annual and interim financial statements are extensive under U.S. GAAP. Systems, processes, and internal controls to capture information for financial reporting purposes will evolve as the Telecommunications Industry continues to change. FASB ASC 606 includes several examples that illustrate specific aspects of the disclosure requirements. However, entities should tailor the sample disclosures for their specific facts and circumstances.

<u>Qualitative and Quantitative Disclosures</u>

Disaggregation of Revenue

.

6. FASB ASC 606-10-50-5 requires that entities disclose disaggregated revenue information in categories (such as type of good or service, geography, market, type of contract, etc.) that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. FASB ASC 606-10-55-89 explains that the extent to which an entity's revenue is disaggregated depends on the facts and circumstances that pertain to the entity's contracts with customers and that some entities may need to use more than one type of category to meet the objective for disaggregating revenue. It is import that the disclosures enable a user to understand the relationship between the disaggregated information and the revenue information disclosed for each reportable segment.

7. Telecommunications entities provide a wide range of services to their broad customer base. Entities should consider the needs of investors and other users of the financial statements when deciding what information is most relevant and at what level of disaggregation. Refer to section "Level of disaggregation for disclosure purposes" later in this document for additional information on the disaggregation of revenue.

Reconciliation of Contract Balances

8. As noted in FASB ASC 606-10-50-8, an entity should disclose all of the following:
    a. Opening and closing balances of contract assets and liabilities and provide a qualitative and quantitative description of significant changes in these amounts;
    b. The amount of revenue recognized that was included in the contract liability balance at the beginning of the period;
    c. The amount of revenue recognized in the current period relating to performance obligations satisfied in a prior period (such as from contracts with variable consideration).

FASB ASC 606-10-50-9 requires an entity to explain how the timing of the satisfaction of a performance obligation relates to the typical timing of payment and the effect that those factors have on the contract asset and contract liability balances. Additionally FASB ASC 606-10-50-10 606-10-50-10 requires an entity to provide an explanation of the significant changes in the contract asset and the contract liability balances during the reporting period, which should include qualitative and quantitative information.

9. Telecommunications entities will most likely have material contract balances as the business models within the industry lend to such balances (e.g., installation charges billed up-front that are not considered a separate performance obligation, equipment sold on a subsidized basis and bill cycles that are not complete at month end). Entities should provide information regarding contracts that typically generate a contract asset (e.g., when an entity sells a highly discounted phone with a two year service agreement). Additionally, if contract liabilities are significant, entities should include a description of the type of contracts that generate a liability (e.g. when a customer prepays its promised consideration).

10. Entities sometimes receive consideration from their customers in advance of satisfaction of some performance obligations of the contract and other performance obligations are performed in advance of receiving consideration. FASB/IASB TRG Agenda Ref 11, October 2014 Meeting – Summary of Issues Discussed and Next Steps, paragraph 12 states:

> TRG members generally agreed that:
> (a) A contract is presented as either a contract asset or a contract liability (but not both) depending on the relationship between the entity's performance and the customer's payment. That is, the contract asset or liability is determined at the contract level and not at the performance obligation level.
> (b) When two or more contracts are combined and accounted for as a single contract, the presentation guidance is applied to the combined contract. Accordingly, the combined contract is presented as either a contract asset or a contract liability.
> (c) Entities should refer to other U.S. GAAP or IFRS when determining whether to offset other assets or liabilities against the contract asset or contract liability (for example, IAS 1, Presentation of Financial Statements, IAS 32, Financial Instruments: Presentation, and FASB Accounting Standards Codification® Subtopic 210-20, Balance Sheet—Offsetting).

Performance Obligations

11. As noted in FASB ASC 606-10-50-12, an entity should disclose information about its performance obligations in contracts with customers, including a description of all of the following:
    a. When performance obligations are typically satisfied;
    b. Significant payment terms;
    c. Nature of the goods or services promised to be transferred;
    d. Obligations for returns, refunds, or other similar obligations;
    e. Types of warranties and related obligations.

12. Telecommunications entities often provide multiple services to an individual customer, which may be accounted for as separate performance obligations. Entities will need to provide information regarding their performance obligations to meet the disclosure requirements of the standard. However, entities will need to consider whether the information could be disclosed on a summarized basis as Telecommunications entities have a large volume of similar types of arrangements. Telecommunications entities should consider disclosures regarding the considerations given to certain items and whether or not they represent separate performance obligations (e.g., upfront fees such as activation or installation activities, equipment such as set top boxes). Also refer to the Implementation Issue 15-7, Material renewal rights.

Remaining Performance Obligations

13. In accordance with FASB ASC 606-10-50-13, an entity should disclose the following information about its remaining performance obligations:
    a. The aggregate amount of the transaction price allocated to the performance obligations that are unsatisified as of the end of the reporting period;
    b. An explanation of when the entity expects to recognize revenue associated with the transaction price allocated to the remaining performance obligations (can be qualitative or on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations);

    As required in FASB ASC 606-10-50-15, an entity should qualitatively describe any significant contract renewal and variable consideration not included within the transaction price.

14. Telecommunications entities could have significant amounts of remaining performance obligations at the end of each reporting period. This is due to the cyclical and recurring nature of the business model applicable to the broad customer base, as well as the fact that it is not uncommon for customers to have long term contracts or for customers to prepay for services. The predictable and recurring nature of the Telecommunications industry's broad customer base should provide sufficient information to comply with the disclosure requirements, but entities could find it challenging to track and report on the relevant data if systems are not designed appropriately. However, it is expected there will be situations where telecommunications entities may not need to disclose such information because the unrecognized transaction price will be related to consideration that is subject to the variable consideration constraint (and excluded from disclosure under FASB ASC 606-10-50-15) or because of practical expedients related to disclosure of remaining performance obligations (see paragraph 26).

Costs to Obtain or Fulfill Contracts

15. In accordance with FASB ASC 340-50-50-3, an entity should disclose the closing balances of assets recognized from costs incurred to obtain or fulfill a contract with a customer, by main category of asset and the amount of amortization and any impairment losses recognized in the period.

16. FASB ASC 340-40-50-2 requires that an entity describe the judgments made to determine the amount of costs incurred and the method of amortization for each reporting period.

17. These costs could be significant for the Telecommunications industry and entities. Often Telecommunications entities will have internal cost allocation systems that may be useful in developing the cost data that will be needed for deferral and disclosure requirements, but entities may need to consider enhancing them in order to meet the disclosure requirements. There are a variety of ways to present the costs by main category. For example, entities could consider presenting the costs by major product group such as video, broadband and

traditional telephone service or entities could categorize the costs by the nature of the costs such as center installation, field installation and order processing. The appropriate categories are a matter of judgment by the specific entities as to which may be more informative and useful to the users of their financial statements.

Presentation of Sales and Other Similar Taxes

18. Entities will need to present revenue in consideration of certain types of taxes collected from a customer, including sales, use, value-added and some excise taxes, as well as disclose their policies. Refer to the Implementation Issue 15-10, Miscellaneous Receipts for more information and discussion on the topic.

Other Qualitative Disclosures

19. Telecommunications entities should disclose other qualitative disclosures in accordance with FASB ASC 606-10-50 including:
    a. Significant judgments and changes in judgments that affect the amount and timing of revenue, including (FASB ASC 606-10-50-17):
        i. Timing of satisfaction of performance obligations;
        ii. Transaction price and amount allocated to performance obligations.
    b. For performance obligations satisfied over time (FASB ASC 606-10-50-18):
        i. Methods used to recognize revenue (output or input method used and how they are applied);
        ii. Why the method used faithfully depicts transfer of goods or services.
    c. For performance obligations satisfied at a point in time, significant judgments made in evaluating when the customer obtains control (FASB ASC 606-10-50-19).
    d. Information about the inputs, methods, and assumptions used to determine the transaction price, assess whether variable consideration is constrained, allocate transaction price and determine the standalone selling price for the various types of contracts (FASB ASC 606-10-50-20).
    e. How management determines the minimum amount of revenue not subject to the variable consideration constraint (FASB ASC 606-10-50-21).
    f. Significant assumptions associated with: equipment financing arrangements, establishing standalone selling price for the various types of contracts and estimates of variable consideration - minimum annual revenue commitments and breakage estimates (loyalty programs, gift cards, etc.) (FASB ASC 606-10-50-21).
    g. The practical expedients, including those for transition, used in an entity's revenue accounting policies (FASB ASC 606-10-50-22).

Level of Disaggregation for Disclosure Purposes

20. The disaggregation of revenue disclosure in FASB ASC 606-10-50-5 through 50-7 aims to show how economic factors affect the nature, timing, amount and uncertainty of revenue and cash flows. Although example categories are provided in the implementation guidance, the new standard does not prescribe the disaggregation categories needed to meet this objective. Therefore, management will need to use judgment. The number of categories required to meet the objective will depend on the nature of the entity's business and its contracts. An entity may need to disaggregate revenue by more than one type of category to meet the disclosure objective. Entities should also give consideration to information already included in the financial statement footnotes and avoid duplicative disclosures.

21. When selecting the type of category (or categories) to use to disaggregate revenue, an entity should consider how information about the entity's revenue has been presented for other purposes (e.g., segment reporting). Examples of categories that might be appropriate include, but are not limited to, the following:
    a. Type of good or service,
    b. Geographical region,
    c. Market or type of customer,
    d. Type of contract,
    e. Contract duration,
    f. Timing of transfer of goods or services,
    g. Type of customer, or
    h. Sales channels.

22. Considering the current industry dynamics, telecommunications entities may consider disaggregation of revenues based on the following, or some combination thereof, to be most relevant:
    a. Type of good or service (e.g., equipment vs. service),
    b. Type of customer (e.g., prepaid vs. postpaid, wireline vs. wireless, consumer vs. business),
    c. Type of contract (e.g., month-to-month vs. contractual, individual vs. family plan),
    d. Sales channels (e.g., agent vs. non-agent), or
    e. Geography (e.g., domestic vs. international).

    Often telecommunications entities may look to existing MD&A and investor relations disclosures as a potential guide to the types of disclosures their financial statement users have found useful. However, as previously noted, management will need to exercise judgment in order to determine what should be disclosed. Entities should also consider the interrelationship between customer groups (similar customers under similar circumstances) used for stand-alone selling price and showing disaggregated revenue information at this level. Entities should also consider the disaggregation of revenue related information that is provided in internal management reports, as well as externally available sources such as quarterly earnings discussions, supplemental information and press releases.

23. The revenue standard also requires entities to explain the relationship between the disaggregated revenue required by the revenue standard and the information required by FASB ASC 280, Segment Reporting. Entities should not assume the two disclosures will be disaggregated at the same level, because more disaggregation may be needed due to the revenue disclosure requirements as compared to the existing segment disclosure requirements. However, entities may wish to consider combining the revenue disaggregation and segment disclosures in the same footnote by showing the required revenue disaggregation by segment. If this approach is taken, entities should also consider if there needs to be a reconciliation from the revenue amounts disclosed in the segment disclosures to the requirements of the revenue standard.

<u>*Practical Expedients*</u>

24. Certain practical expedients are permissible in accordance with the guidance. Disclosure is required when these practical expedients are utilized by entities. To the extent possible, entities should also disclose a qualitative assessment of the estimated effect of applying the expedient. Examples of such practical expedients that would need to be disclosed include:
    a. Disclosing which transition approach is utilized;
    b. Whether a significant financing component exists (e.g., amounts are insignificant to the contract as a whole, or payments occur within one year of completion of the performance obligation); and
    c. Expensing of certain costs to obtain or fulfill a contract (e.g., if the deferral period - including expected renewals - is less than one year).

Disclosure of Remaining Performance Obligations

25. As allowed by the practical expedient in FASB ASC 606-10-50-14, entities may omit disclosure of remaining performance obligations (as required by FASB ASC 606-10-50-13) when:
    a. The related contract has an original expected duration of one year or less; or
    b. The entity recognizes revenue equal to what it has the right to invoice when that amount corresponds directly with the value to the customer of the entity's performance to date.

26. An entity that omits the disclosures should explain that it is using the practical expedient and must also disclose whether any amounts have been excluded from the transaction price, such as variable consideration that has been constrained. For further consideration regarding potential implementation issues related to commission arrangements, entities are encouraged to refer to the FASB-IASB Joint Transition Resource Group for Revenue Recognition (TRG) Agenda Item from the July 13, 2015 meeting[1].

---

[1] Refer to TRG Memo No. 40 "Practical Expedient for Measuring Progress toward Complete Satisfaction of a Performance Obligation" for additional information on the topic. The TRG discussion focused broadly on the high-level principles for applying the guidance.

Disclosures by Nonpublic Entities

27. The FASB provided certain relief for nonpublic entities through disclosure practical expedients. To be considered a nonpublic entity and use the practical expedients, an entity cannot be any of the following: (a) a public business entity, (b) a not-for profit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, or (c) an employee benefit plan that files or furnishes financial statements with or to the SEC.

28. According to FASB ASC 606, a nonpublic entity may elect not to provide certain disclosures, including:
    a. The disaggregation of revenue quantitative disclosure (FASB ASC 606-10-50-7),
    b. Disclosures about contract assets and liabilities (including changes in those balances) (FASB ASC 606-10-50-11),
    c. Disclosures about the transaction price allocated to the remaining performance obligations (FASB ASC 606-10-55-16),
    d. Disclosures about its accounting for costs to obtain or fulfill a contract (FASB ASC 340-40-50-6),
    e. Disclosures about its policy decisions as it relates to this standard, and
    f. Disclosures required of public entities on an interim basis (FASB ASC 606-10-65-1).

29. Additionally, a nonpublic entity generally must provide disclosures on the description of the significant judgments, and changes in those judgments, that affect the amount and timing of revenue recognition, but may elect not to provide any or all of the following disclosures (FASB ASC 606-10-50-21):
    a. For performance obligations satisfied over time, an explanation of why the methods used to recognize revenue provide a faithful depiction of the transfer of goods or services to the customer;
    b. For performance obligations satisfied at a point in time, the significant judgments used in evaluating when a customer obtains control;
    c. The methods, inputs, and assumptions used to determine the transaction price, except that an entity must disclose the methods, inputs, and assumptions used to assess whether an estimate of variable consideration is constrained.

<u>*Interim disclosure considerations*</u>

30. During interim periods in accordance with FASB ASC 606-10-50-3, entities are required to disclose the same qualitative disclosures in their interim financial statements as those in their annual financial statements. Therefore, the following is required in accordance with FASB ASC 270:
    a. Disaggregation of revenue disclosure;
    b. Contract balances disclosures;
    c. Revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period;
    d. Remaining performance obligation disclosures; and
    e. Information about the entity's remaining performance obligations as of the end of the reporting period.

31. Additionally, consistent with FASB ASC 270, entities will need to consider disclosing information about significant changes in their financial position and performance since the end of the last annual reporting period.

<u>*Transitional Considerations for Entities*</u>

32. FASB ASC 606-10-65-1 notes that an entity may elect to apply the revenue standard retrospectively to each prior reporting period presented (full retrospective method) or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application in retained earnings (modified retrospective method, also known as the cumulative catch-up method).

33. As explained in FASB ASC 606-10-65-1(f), an entity that elects to apply the standard using the full retrospective method can apply certain practical expedients:
    a. For completed contracts, an entity need not restate contracts that begin and end within the same annual reporting period.
    b. For completed contracts that have variable consideration, an entity can use hindsight and use the transaction price at the date the contract was completed.

c. For all reporting periods presented before the date of initial application (for example, January 1, 2017 for an entity with a December 31 year-end), an entity is not required to disclose the amount of transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognize that amount as revenue.

34. An entity that elects to use the modified retrospective method must disclose this fact in its financial statements. An entity using this method will apply the revenue standard only to contracts that are not completed as of the date of initial application. Entities are also effectively required to maintain the initial transition year results under previous accounting standards in order to disclose the amount by which each financial statement line item is affected by the adoption in the year of initial application.

Contract Modifications at Transition

35. FASB ASU 2016-12, *Revenue from Contracts With Customers – Narrow-Scope Improvements and Practical Expedients*, provides a practical expedient in FASB ASC 606-10-65-1(f)4, that permits an entity to reflect the aggregate effect of all modifications that occur before the beginning of the earliest period presented in accordance with FASB ASC 606 when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations. Thus, an entity would not be required to separately evaluate the effects of each contract modification. An entity that chooses to apply the practical expedient would apply the expedient consistently to similar types of contracts.

Completed Contracts at Transition

36. FASB ASU 2016-12, clarified in FASB ASC 606-10-65-1(C)2, that a completed contract for purposes of transition is a contract for which all (or substantially all) of the revenue was recognized under legacy generally accepted accounting principles (GAAP) before the date of initial application. Accounting for elements of a contract that do not affect revenue under legacy GAAP would be irrelevant to the assessment of whether a contract is complete. In addition, the amendments permit an entity to apply the modified retrospective transition approach either to all contracts or only to contracts that are not completed contracts.

37. Any of the expedients used must be applied consistently to all contracts in all reporting periods presented. Entities that choose to use any practical expedient must disclose that they have used the expedient and provide a qualitative assessment of the estimated effect of applying the expedient to the extent reasonably possible.

38. The following example disclosures are meant to be illustrative, and the actual disclosures should be based on the facts and circumstances of an entity's specific situation.

Example 1: Disaggregation of revenue – quantitative disclosure

39. An entity reports the following segments in accordance with authoritative guidance: wireless and wireline. When the entity prepares its investor presentations, it disaggregates revenue by (a) customer type and (b) product / service type.

40. The entity determines that the categories used in the investor presentations can be used to meet the objective of the disaggregation disclosure requirements of the standard, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The company may present this information in narrative or tabular form, whichever it believes better provides the information to its financial statement users. The following example illustrates a tabular format disaggregating disclosure by (a) customer type and (b) product / service type, including a reconciliation of how the disaggregated revenue reconciles to the wireless and wireline segments, in accordance with FASB ASC 606-10-50-6.

	Wireless		Wireline	Total
Consumer		XXX	XXX	XXX
Business		XXX	XXX	XXX
Total by customer type	$	100	$ 100	$200
Prepaid service		XXX	-	XXX
Postpaid service		XXX	-	XXX
Equipment		XXX	XXX	XXX
Video		-	XXX	XXX
Broadband		-	XXX	XXX
Voice		-	XXX	XXX
<Other>		XXX	XXX	XXX
Total by product / service type *	$	100	$ 100	$200

* Note that there could be various categories and models to consider, therefore disclosures could be diverse and widely vary. Entities should consider disclosing specific attributes about each category. Entities also should consider the disclosure requirements of other standards (e.g., leases).

Example 2: Performance obligations and related allocation of transaction price

41. For contracts that involve more than one product or service (or performance obligation), the transaction price is allocated to the performance obligations based on their relative standalone selling price. Standalone selling price is our market price which, in the case of shared service plans, is the price available to a customer who does not purchase a device when the service is established. When fees are collected in advance of delivery of goods or services, a contract liability is recorded. A contract asset is recorded when revenue is recognized in advance of our right to receive consideration (e.g., we must perform additional services in order to receive additional consideration). Amounts are recorded as receivables when our right to consideration is unconditional. The transaction price can include service activation fees and set up fees, which are allocated to the identifiable performance obligations. Cash incentives given to customers are treated as a reduction of the total transaction price. Discretionary billings to customers for various regulatory fees imposed by governmental authorities are included in the total transaction price allocated to performance obligations, with the exception of pass-through type billings (e.g., sales tax).

42. Receivables and contract balances from contracts with customers for the years ended 2014 and 2013 were as follows:

	Receivables		Contract asset		Contact liability	
	2014	2013	2014	2013	2014	2013
At January 1:	XXX	XXX	XXX	XXX	XXX	XXX
At December 31:	XXX	XXX	XXX	XXX	XXX	XXX

43. Revenue for the periods ending 2014, 2013 and 2012 include the following:

	2014	2013	2012
Amounts included in beginning of period contract liability balance:	XXX	XXX	XXX
Amounts associated with performance obligations satisfied in previous periods:	XXX	XXX	XXX

44. We offer various purchase options to our customers for wireless devices that result in different revenue recognition patterns for the delivery of similar products and services. We offer highly discounted devices when a customer enters into a minimum service agreement term, generally 24 months. For these contracts, we recognize equipment revenue at the point of sale net of imputed interest based on the standalone selling price allocation and a contract asset is recorded for the difference between the amount recognized and the amount received. The contract asset is reduced over the 24 month period, as the Company provides the service and bills the customer.

45. We offer our customers the option to purchase certain wireless devices in installments over a period of up to 24 months, with the right to trade in the original equipment for a new device and have the remaining unpaid balance satisfied. For customers that elect these trade-in programs, we recognize revenue at the point of sale for the entire amount of the customer receivable, net of the fair value of the trade-in right guarantee and imputed interest. As of December 31, 2014, total equipment installment plan receivables of $xxx were included on our consolidated balance sheet.

46. We also offer certain services to customers that require the purchase or use of certain equipment in order for the customer to receive the service, such as cable service. If the equipment does not meet the criteria to be a distinct performance obligation, we allocate the total transaction price to service only and recognize revenue as the service is performed, which could give rise to a contract liability if the customer pays for the equipment up-front.

Example 3: Contract modifications

47. Our contracts allow customers to frequently modify their contracts, without incurring penalties in many cases. Each time a contract is modified, we must evaluate the change in scope or price of the contract to determine if the modification should be treated as a separate contract, if there is a termination of the existing contract and creation of a new contract, or if the modification should be considered a change associated with the existing contract. When a customer adds a distinct service to an existing contract for the standalone selling price of that service, the new service is treated as a separate contract. Adding additional lines to an existing shared data service arrangement is recognized as a termination of the existing contract and the creation of a new contract. We typically do not have significant impacts from contract modifications that are considered a change associated with an existing contract.

Example 4: Remaining performance obligations

48. As of December 31, 2014, the aggregate amount of the transaction price allocated to the remaining performance obligations was $xxx. We will recognize this revenue as service is provided, which will occur over the next xx months.

Example 5: Contract costs

49. We incur certain incremental costs to obtain a contract that we expect to recover, such as sales commissions. We also incur fulfillment costs that we expect to recover from our customers. These costs, such as direct labor or direct materials, generate or enhance resources used in satisfying performance obligations that directly relate to contracts. We record an asset when these costs to obtain or fulfill a contract are incurred and amortize them over the average customer life. Deferred cost balances for the years ended 2014 and 2013 were as follows:

At December 31:	2014	2013
External Commissions	XXX	XXX
Internal Commissions	XXX	XXX
Total Costs to Obtain Contracts *	XXX	XXX
Center Installation	XXX	XXX
Field Installation	XXX	XXX
Order Processing	XXX	XXX
Total Fulfillment Costs *	XXX	XXX

* Note that there could be various categories and models to consider, therefore disclosures could be diverse and widely vary. Entities should consider disclosing specific attributes about each category. Entities also should consider the disclosure requirements of other standards.

50. Amortization of deferred costs was $xxx, $xxx, and $xxx for the years ended 2014, 2013 and 2012.

Comments should be received by December 5, 2016, and sent by electronic mail to Desiré Carroll at dcarroll@aicpa.org.