Adoption of the new standard resulted in the recognition of excess tax benefits in our provision for income taxes rather than paid-in capital of $402 million for the year ended June 30, 2016.

Balance Sheet Classification of Deferred Taxes

In November 2015, the FASB issued guidance that requires companies to classify all deferred tax assets and liabilities as noncurrent on the balance sheet rather than separately disclosing deferred taxes as current and noncurrent. This standard is effective for us beginning July 1, 2017, and can be early adopted and applied either prospectively or retrospectively to all periods presented upon adoption.

We elected to early adopt the new guidance in the fourth quarter of fiscal year 2016 on a retrospective basis. While the guidance changes the manner in which deferred taxes are classified on the balance sheet, we are still required to offset deferred tax assets and liabilities for each taxpaying component within a tax jurisdiction. Adoption of the new standard impacted our previously reported results as follows:

(In millions)		**June 30, 2015**
	As adjusted	**As reported**
Balance sheets:		
Current deferred income tax assets	**$ 0**	$ 1,915
Other long-term assets	**$ 3,117**	$ 2,953
Other current liabilities	**$ 6,555**	$ 6,766
Long-term deferred income tax liabilities	**$ 1,295**	$ 2,835

Recent accounting guidance not yet adopted

Financial Instruments – Credit Losses

In June 2016, the FASB issued a new standard to replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. For trade and other receivables, loans, and other financial instruments, we will be required to use a forward-looking expected loss model rather than the incurred loss model for recognizing credit losses which reflects losses that are probable. Credit losses relating to available-for-sale debt securities will also be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. The new standard will be effective for us beginning July 1, 2020, with early adoption permitted beginning July 1, 2019. Application of the amendments is through a cumulative-effect adjustment to retained earnings as of the effective date. We are currently evaluating the impact of this standard on our consolidated financial statements.

Leases

In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet. Most prominent among the amendments is the recognition of assets and liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. Under the new standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. We will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

The new standard will be effective for us beginning July 1, 2019, with early adoption permitted. We currently anticipate early adoption of the new standard effective July 1, 2017 in conjunction with our adoption of the new revenue standard. Our ability to early adopt is dependent on system readiness, including software procured from third-party providers, and the completion of our analysis of information necessary to restate prior period financial statements.