We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. We evaluate our ability to realize the tax benefits associated with deferred tax assets by assessing the adequacy of future expected taxable income, including the reversal of existing temporary differences, historical and projected operating results, and the availability of prudent and feasible tax planning strategies. The realization of tax benefits is evaluated by jurisdiction and the realizability of these assets can vary based on the character of the tax attribute and the carryforward periods specific to each jurisdiction. In the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of its net recorded amount, an adjustment to the deferred tax asset would decrease income tax expense in the period a determination was made. Likewise, should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be recorded to income tax expense in the period such determination was made.

New Accounting Pronouncements

New Accounting Pronouncements Not Yet Adopted

Leases

In February 2016, the FASB issued authoritative guidance intended to increase transparency and comparability among organizations by requiring the recognition of lease assets and liabilities on the balance sheet and disclosure of key information about leasing arrangements. We will adopt this guidance and all related amendments applying the modified retrospective transition approach to all lease arrangements as of the effective date of adoption, January 1, 2019. Additionally, for existing leases as of the effective date, we will elect the package of practical expedients available at transition to not reassess the historical lease determination, lease classification and initial direct costs.

For operating leases, the adoption of this new guidance is currently expected to result in the recognition of right-of-use ("ROU") assets of between approximately $150 million and $160 million, and aggregate current and non-current lease liabilities of between approximately $160 million and $170 million, as of the effective date of adoption, including immaterial reclassifications of prepaid and deferred rent balances into ROU assets. Additionally, as a result of the cumulative impact of adopting the new guidance, we expect to record a net increase to opening retained earnings of between $30 million and $35 million as of January 1, 2019, with the offsetting impact within other assets, related to our share of the accelerated recognition of deferred gains on non-qualifying and other sale-leaseback transactions by an equity method investment within our Canada segment. We are in the process of finalizing this transition adjustment calculation, which will be completed during the first quarter of 2019. Additionally, while our accounting for finance leases will remain unchanged at adoption, we will prospectively change the presentation of finance lease liabilities within the consolidated balance sheets to be presented within current portion of long-term debt and short-term borrowings and long-term debt, as appropriate. The adoption of this guidance is not expected to impact our cash flows from operating, investing, or financing activities.

Other than the items noted above, there have been no new accounting pronouncements not yet effective that we believe have a significant impact, or potential significant impact, to our consolidated financial statements.

See Part II-Item 8 Financial Statements and Supplementary Data, Note 2, "New Accounting Pronouncements" of the Notes for a description of new accounting pronouncements.