

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-35814

Imprimis Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

45-0567010

(I.R.S. Employer
Identification No.)

**12264 El Camino Real, Suite 350
San Diego, CA**
(Address of principal executive offices)

92130
(Zip code)

(858) 704-4040

(Registrant's telephone number, including area code)

In February 2016, the FASB issued new lease accounting guidance in ASU No. 2016-02, Leases (Topic 842). This new guidance was initiated as a joint project with the International Accounting Standards Board to simplify lease accounting and improve the quality of and comparability of financial information for users. This new guidance would eliminate the concept of off-balance sheet treatment for "operating leases" for lessees for the vast majority of lease contracts. Under ASU No. 2016-02, at inception, a lessee must classify all leases with a term of over one year as either finance or operating, with both classifications resulting in the recognition of a defined "right-of-use" asset and a lease liability on the balance sheet. However, recognition in the income statement will differ depending on the lease classification, with finance leases recognizing the amortization of the right-of-use asset separate from the interest on the lease liability and operating leases recognizing a single total lease expense. Lessor accounting under ASU No. 2016-02 would be substantially unchanged from the previous lease requirements under GAAP. ASU No. 2016-02 will take effect for public companies in fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted and for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, lessees and lessors must apply a modified retrospective transition approach. During the year ended December 31, 2017, **the Company evaluated this new accounting standard and engaged professionals in the new lease accounting implementation to assist in determining the effect of the new standard as of January 1, 2018 with respect to the Company's real estate leases.**

The Company currently has three real estate leases and evaluated each of these leases in accordance with the new lease accounting standard under ASC Topic 842. As of June 30, 2018, the Company estimates that the **right of use asset to be recorded on its consolidated balance sheet would be approximately \$2,300 and that the related lease liability would be approximately \$2,800 related to operating leases.** The difference between the right of use asset and related lease liability is predominantly deferred rent and other related lease expenses under the new lease accounting standard. The Company will continue this effort with respect to equipment leases and any other leases contemplated under Topic 842 in a manner to be appropriately prepared for its implementation on or before January 1, 2019.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended June 30, 2018

OR

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TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-32845

GeneralFINANCE
C O R P O R A T I O N
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of Incorporation or
Organization)

32-0163571

(I.R.S. Employer Identification No.)

**39 East Union Street
Pasadena, California 91103**
(Address of Principal Executive Offices)

(626) 584-9722

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, \$0.0001 par value
9.00% Series C Cumulative Redeemable Perpetual
Preferred Stock (Liquidation Preference \$100 per share)
8.125% Senior Notes due 2021

Name of Each Exchange On Which Registered

NASDAQ Global Market

NASDAQ Global Market

NASDAQ Global Market

Securities registered pursuant to Section 12(g) of the Act:

None

In February 2016, the FASB issued new lease accounting guidance in ASU No. 2016-02, Leases (Topic 842). This new guidance was initiated as a joint project with the International Accounting Standards Board to simplify lease accounting and improve the quality of and comparability of financial information for users. This new guidance, as updated by ASU No. 2018-01 (January 2018), ASU No. 2018-10 (July 2018) and ASU No. 2018-11 (July 2018), would eliminate the concept of off-balance sheet treatment for "operating leases" for lessees for the vast majority of lease contracts. Under ASU No. 2016-02, at inception, a lessee must classify all leases with a term of over one year as either finance or operating, with both classifications resulting in the recognition of a defined "right-of-use" asset and a lease liability on the balance sheet. However, recognition in the income statement will differ depending on the lease classification, with finance leases recognizing the amortization of the right-of-use asset separate from the interest on the lease liability and operating leases recognizing a single total lease expense. Lessor accounting under ASU No. 2016-02 would be substantially unchanged from the previous lease requirements under U.S. GAAP. ASU No. 2016-02 will take effect for public companies in fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted and for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, lessees and lessors must apply a modified retrospective transition approach. During FY 2018, **the Company evaluated this new accounting standard and engaged professionals in the new lease accounting implementation and related real estate consulting industry to assist in determining the effect of the new standard as of July 1, 2018.** The Company currently has over 120 real estate leases worldwide and evaluated each of these leases in accordance with the new lease accounting standard under ASC Topic 842. As of July 1, 2018, the Company estimates that the **right of use asset to be recorded on its consolidated balance sheet would be approximately \$59.0 million to \$68.3 million and that the related liability would be approximately \$60.8 million to \$70.2 million related to operating leases.** The difference between the right of use asset and related lease liability is predominantly deferred rent and other related lease expenses under the new lease accounting standard. The difference in the ranges is due to the presumed renewal of leases whereby the exercise of the renewal option is twelve months or less from July 1, 2018. The Company will continue to evaluate existing renewal options in excess of one year as to the probability of exercising renewal options and is currently evaluating its equipment and other finance leases and its lessor accounting under the new standard. In addition, the Company is evaluating its proposed transition method in accordance with guidance issued by the FASB in July 2018. The Company will continue this effort in a manner to be appropriately prepared for its implementation on or before July 1, 2019.