

Subject Index

A

- Accounting principles, changes in, 68, 313
- Accounting Principles Board (APB)
 - cash flow statement opinions, 37
 - Opinion No. 3, 45–48
 - Opinion No. 19, Reporting Changes in Financial Position, 47–49
- Accounting Research Bulletins (ARBs), 41
- Accounting Research Studies (ARS)
 - ARS No. 2, Cash Flow Analysis and the Funds Statement, 37, 45–47
- Accounts payable, 230
 - and book overdrafts, 131, 132, 136
 - capital expenditures and calculation of free cash flow, 374, 375
 - and cash overdrafts, 30
 - days accounts payable, 210
 - extended vendor payment terms, 137, 138
 - operating payables, 312
 - payment delays, 137, 138
- Accounts receivable, 105. *See also* Receivables
 - days accounts receivable, 210
 - finance receivables, 30, 82–84, 105–107, 142–147
 - fully reserved, collection of, 229
 - operating receivables, 312, 326
 - secured borrowing, 142, 143
- Accrual basis accounting, 37
 - and delayed or deferred tax payments, 185, 186
- Accruals, 13, 312
- Acquisitions
 - and free cash flow calculation, 375
 - and investing cash flow, 110–114
 - merger related charges, 234
 - and minority interests, 128
 - and operating cash flow, 21, 22, 110–114
- Adjusted operating cash flow. *See* Sustainable operating cash flow (SOCF)
- Adjustments
 - classification of cash flow adjustments. *See* Classification of cash flow adjustments
 - operating cash flow. *See* Sustainable operating cash flow (SOCF)
- Advertising, direct-response, 91, 93, 94
- AICPA. *See* American Institute of Certified Public Accountants (AICPA)
- Allocation of tax cash flows, intrastatement, 171–180
- American Institute of Certified Public Accountants (AICPA), 41, 43, 45
- Accounting Research Studies. *See* Accounting Research Studies (ARS)
- Amortization, 287, 288
 - and excess cash margin, 291
- Analysis of cash flow. *See* Cash flow analysis; Cash flow analysis statement
- Annual report, footnotes, 226–228
- Assets
 - acquired for sale, 87, 88
 - acquired for use in operations, 87, 88
 - amortization, 287, 288
 - capitalized costs. *See* Capitalized operating costs
 - deferred tax assets and liabilities, 160–164, 201, 202
 - impairment, 349, 357, 358
 - inventory. *See* Inventory
 - long-lived, 88, 357, 358
 - overvalued, 288, 289
 - SFAS No. 121, 202

Assets (*continued*)

- SFAS No. 142, 16, 68
- SFAS No. 144, 357, 358
- valuation model, 349, 350

B

- Balance sheet changes, 30, 313
- Banks and banking. *See also* Checks and checking accounts; Loans and lenders
 - bank overdrafts, 3, 131, 132
 - cash balance confirmation, 2
- Book income *versus* tax income. *See* Tax reporting
- Book overdrafts. *See* Overdrafts, book
- Borrowing costs, 28
- Business life cycle, 276–278
 - decline, 282, 283
 - growth, 279–281, 284
 - maturity, 281, 282, 284
 - start-up, 278

C

- Call options, 126
- Capital expenditures, 10, 86
 - and depreciation, 16
 - and financing cash flow, 372–374
 - fraud, 114, 115
 - and free cash flow, 10, 11, 19, 362–364, 370–375
 - and growth, 10–11
 - and investing cash flow, 86, 87, 372, 374
 - operating activities *versus* investing activities, 19–22
 - replacement, 10, 11, 371
- Capitalized operating costs, 19–21, 24, 91–103, 287
 - advertising costs, 91, 93, 94
 - beyond GAAP boundaries, 24, 115, 116
 - customer acquisition costs, 91, 92, 94, 95
 - film production costs, 100–102
 - interest, 95–97
 - and investing cash flow, 88, 89, 91–103, 129
 - oil exploration costs, 102, 103
 - policy acquisition costs, 93
 - purchased customer accounts, 94, 95

- software development costs, 21, 89, 97–100
- subscriber acquisition costs, 92, 93
- summary, 103
- Carrybacks, 181
 - disclosure, 188
- Carryforwards, 181, 202
 - disclosure, 188–190
- Cash and cash equivalents
 - cash balance, misreporting, 1, 2
 - cash equivalents, 50, 51
 - defined, 50, 51
 - restricted cash, 52, 87, 128, 129
- Cash earnings, 33
 - as measure of cash flow, 16
- Cash flow analysis, 29–33, 305–308
 - core operating cash flow, 336–341
 - summary, 341, 342
- Cash flow analysis statement, 14, 29–31, 308–311
 - accounts, explanation of, 312–314
 - case study examples, 314–325
 - cash flow drivers. *See* Cash flow drivers
 - credit and equity aspects, 311, 312
 - example, 309, 310
 - use of and examples, 314–325
- Cash flow classification. *See* Classification of cash flow
- Cash flow components, 2. *See also* Financing cash flow; Investing cash flow; Operating cash flow
- Cash flow drivers, 31–33, 325, 326
 - cash flow impacts, calculating, 326–329
 - growth, 329–333
 - profitability and efficiency, changes in, 333–336
 - and core operating cash flow, 336–341
- Cash flow measures, 1, 9–16, 33
 - cash earnings, 16
 - EBITDA. *See* EBITDA
 - funds from operations (FFO). *See* Funds from operations (FFO)
 - net income plus depreciation, 14, 15
 - operating cash flow. *See* Operating cash flow
 - real estate industry, 15
 - Uniform Credit Analysis® approach, 14
- Cash flow statements. *See* Statement of cash flows
- Cash flow tracking, 231–237

- Cash impacts, 326, 327
 - Cash inflows, tax-related, 159
 - Cash outflows, tax-related, 159
 - Center for Financial Research and Analysis (CFRA), 16–18
 - Changes in accounting principles, 68, 313
 - Checks and checking accounts
 - minimal balance, maintaining, 3
 - negative book balances, 3
 - overdrafts
 - bank and book overdrafts distinguished, 131, 132
 - protection, 3
 - Classification of cash flow, 5–9, 33, 57–65, 90. *See also* Sustainable operating cash flow (SOCF)
 - artificial boosting of operating cash flow, 3–5, 19, 23, 24, 270, 284, 285, 305
 - cash flow statement, 5
 - financing cash flow. *See* Financing cash flow
 - under GAAP. *See* Generally Accepted Accounting Principles (GAAP)
 - investing cash flow. *See* Investing cash flow
 - misclassification. *See* Misclassification of cash flow
 - misleading classifications under GAAP, 25–27, 210
 - operating cash flow. *See* Operating cash flow
 - reclassification, 115, 116
 - negative book balances in cash, reclassifying as liabilities, 3
 - Classification of cash flow adjustments. *See also* Sustainable operating cash flow (SOCF)
 - income tax refunds, 249, 250
 - litigation settlements, 248, 249
 - pension contributions, 246, 247
 - restructurings, 247, 248
 - working capital, changes in, 250–252
 - worksheet, use of, 252, 254–262
 - Committee on Accounting Procedure (CAP), 41
 - Compensation, incentive-based
 - and free cash flow, 345, 346, 350–354
 - linked to operating cash flow, 28, 29
 - Conservative accounting practices and artificial understatement of earnings, 289
 - Contracts
 - fees for assignment of, 211
 - long-term, 3–5, 68
 - Controlling shareholders, 127
 - Costs
 - borrowing costs, 28
 - capitalized operating costs. *See* Capitalized operating costs
 - Creative accounting, 5, 13, 14, 284, 285
 - Creative cash flow reporting, 2, 18–29, 33
 - GAAP flexibility, use of, 18–23
 - and incentive compensation, 352, 354
 - misleading classifications, 25–27, 29, 86
 - misreporting, 23, 24
 - motivation for improving operating cash flow, 27–29, 33
 - nonrecurring operating cash flow, 25
 - Creditors, 311
 - Customer accounts
 - acquisition costs, 91, 92
 - purchased, 94, 95
 - Customer-provided financing, 138–140
- D**
- Days accounts receivable, 210
 - Days sales outstanding (DSO), 326
 - Days statistics, 210
 - Debt
 - changes in debt levels and free cash flow, 361
 - debt service, 12, 311, 312
 - extinguishment, 67
 - investments in, 89
 - issue costs, 129, 130
 - retirement of, 219
 - DeCoster, D., 41
 - Deductible temporary differences, 161
 - Deferred revenue, 138–140
 - Deferred tax assets and liabilities, 160–164, 201, 202
 - Depreciation
 - and capital expenditures, 16
 - and cash flow analysis statement, 312
 - and deferred tax liabilities, 161–164, 201, 202
 - EBITDA. *See* EBITDA
 - and excess cash margin, 291
 - and funds from operations, 71, 72

- Depreciation (*continued*)
 recent tax law changes, 201
 temporary differences as source of deferred tax liability, 162–164
- Derivatives, 65
 SFAS No. 149, 124, 125
- Development costs, oil exploration, 102
- Direct statement of cash flows, 52–55, 308, 310, 311
 and tax cash flows, 168–171
- Disclosures
 capitalized interest, 96, 97
 delayed or deferred tax payments, 197–203
 loss carryback, 188
 loss carryforward, 188–190
 nonrecurring tax cash flows, 187–204
 notes, 224–229
 stock option benefits, 191–197
 tax cash flows, 204
 tax settlements, 190, 191
- Discontinued operations, 65–67, 313
 adjustments for, 261
 gains and losses, reclassification of income taxes on, 175–179
 nonrecurring items of operating cash flow, 211, 213
- Dividends, 86, 103
 mandatorily redeemable preferred stock, 130, 131
 paid, 128, 130
 preferred, 2, 11
 and profitability, 32
- Donations, 219
- Drivers. *See* Cash flow drivers
- Due diligence expenses, 233, 234
- E**
- Earnings
 adjustments to, 241, 265, 266
 cash earnings as measure of cash flow, 16, 33
 inflated, 285. *See also* Operating cash flow and earnings
 aggressive cost capitalization, 287
 extended amortization periods, 287, 288
 overvalued assets, 288, 289
 premature or fictitious revenue, 285
 undervalued liabilities, 289
 operating, 209
 pro-forma, 209, 242
 problems with, detecting. *See* Operating cash flow and earnings
- Earnings before interest, taxes, depreciation, amortization, and rent expense (EBITDAR), 356, 357
- Earnings before interest, taxes, depreciation, and amortization (EBITDA). *See* EBITDA
- Earnings comparisons, MD&A section, 229
- Earnings per share (EPS)
 accuracy of, assessing, 209
 and nonrecurring items, 209. *See also* Nonrecurring operating cash flow
- EBITDA, 12, 33, 69
 adjusted, 70, 71
 and calculation of free cash flow, 73, 365–367
 and creative accounting, 13, 14
 and equity investors, 12–14
 failings of, 70
 and lenders, 14
 and loan covenants, 354–357
 as measure of cash flow, 13, 16
 reconciling to GAAP-defined amounts, 368–370
- EBITDAR, 356, 357
- ECM. *See* Excess cash margin (ECM)
- Efficiency measures, 326, 327
 and cash flow drivers, 325–336
- Ely, K., 98
- Emerging Issues Task Force (EITF)
 Statement No. 00-15, classification of tax benefits from stock options, 26
- Endorsement fees, 211
- Equity investors
 and cash flow analysis statement, 311
 controlling shareholders, 127
 and EBITDA, 12–14
 and free cash flow, 358–360
 minority interests, 127, 128
 and sustainable cash flow, 9–11
- Equity securities, investments in, 89, 90
- Excess cash margin (ECM), 290
 declines in, 291, 292
 and future earnings declines, 292–294
 and future increases in operating cash flow, 294–297
 defining, 290, 291
 increases in, 297–299
 interim financials, use of, 300

- stable ECM, 299
 - summary, 302
 - Expansion, 276, 277
 - Expenses
 - accrued, 326
 - and cash flow analysis statement, 312
 - due diligence, 233, 234
 - operating cash flow, 312
 - other income and expense note, 224, 225
 - prepaid, 312
 - Extraordinary items, 67
- F**
- Factoring, 143, 144
 - FASB. *See* Financial Accounting Standards Board (FASB)
 - Fees, 211, 219, 220
 - FFO. *See* Funds from operations (FFO)
 - Fictitious cash, 2
 - Film production costs, 100–102
 - Finance receivables, 30, 82–84, 105–107, 142–147
 - Financial Accounting Standards Board (FASB)
 - new accounting standards and cumulative effects of changes in accounting principles, 68
 - Statements. *See* Statements of Financial Accounting Standards (SFAS)
 - stock options
 - proposed standard, 197
 - tax benefits related to, 27
 - tax cash flows, reclassifying, 179, 180
 - Financial reporting practices
 - annual survey of, 43
 - early practices, lack of documentation on, 42
 - Financing cash flow, 2, 125
 - accounts receivable financing, 142–147
 - beyond GAAP boundaries, 154, 155
 - book overdrafts, 131–137
 - and cash flow analysis statement, 314
 - and cash flow statement, 308
 - classification as, 5, 63–65
 - and classification of tax cash flows, 154, 155, 166, 174, 175
 - customer-provided financing, 138–140
 - debt issue costs, 129, 130
 - derivatives, 65
 - dividends, 65, 130, 131
 - financing activities, examples of, 6
 - floor-plan financing, 140–142, 312
 - gains and losses, 174, 175
 - interest paid, 129
 - minority interest in equity, 127, 128
 - misreporting as operating cash flow, 24, 121–125
 - noncontrolling interest, 127
 - nonrecurring gains and losses and tax cash flows, 180, 181
 - notes payable, 140–142
 - versus* operating cash flow, 22–23, 131–154
 - overdrafts, 210
 - restricted cash, 128, 129
 - sale and leaseback transactions, 150–154
 - shareholder loans, 127
 - stock options, 26, 27, 126, 127, 147–150
 - stock repurchases, 147–150
 - used to boost operating cash flow, 3–5, 23, 24
 - vendor payment terms, 137, 138
 - Financing receivables, 105–107
 - Fines, 162
 - Finney, H. A. (Professor), 41
 - Flexibility in cash flow classification, 210
 - capitalized operating costs, 91–103
 - financing cash flow, 131–154
 - investing cash flow, 91–114
 - operating cash flow, 19–24, 81–86, 91–114, 131–154
 - Floor-plan financing, 140–142, 312
 - Footnotes as source of information on nonrecurring items, 224–229
 - Fraud, 290, 347
 - Comptronix Corp. example, 114–115
 - Enron, 294
 - and restatements, 24
 - WorldCom example, 115, 116
 - Free cash flow, 18, 33, 73, 345–348
 - and acquisitions, 375
 - calculation of, 11
 - and cash flow analysis statement, 312
 - variations in, 73
 - and capital expenditures, 370
 - gross *versus* net capital expenditures, 371, 372
 - investing section of statement of cash flows, 372
 - noncash investing and financing activities, 372–375

Free cash flow (*continued*)

- replacement *versus* actual capital expenditures, 371
 - and common equity, 360, 362
 - and compensation, 345, 346, 350–354
 - defining, 358–361
 - definitions, 2, 73, 153
 - earnings-based definitions, 364–367
 - net change in cash, cash equivalents, and marketable securities, 367, 368
 - operating cash flow minus capital expenditures, 362–364
 - importance of, 345, 346
 - interest in, 346–348
 - measures of, 10, 11
 - operating cash flow
 - minus capital expenditures, 362–364
 - minus investing cash flow, 364
 - reconciling to GAAP-defined amounts, 368–370
 - summary, 375, 376
 - uses of, 348, 349
 - impairment of assets, 357, 358
 - incentive compensation, 345, 346, 350–354
 - loan covenants, 354–357
 - valuation, 349, 350
- Funds from operations (FFO), 15, 16, 33
- adjustments, 72
 - defined, 15
 - as measure of cash flow, 15, 16, 71–73
- Funds statements, 38–49

G

GAAP. *See* Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles (GAAP), 1

- acquisitions, 22
- and aggressive accounting practices, 285
- beyond GAAP boundaries, 24, 114–116, 154, 155, 287, 290, 292, 294
- capitalized operating costs, 19–22, 91–103
- cash flow accounting, 5
- flexibility in cash flow classification, 18–24, 81–86, 91–114, 131–154, 210
- free cash flow, 348, 362
 - reconciling to GAAP-defined amounts, 368–370

- international differences, 73–75
- investments classified as trading securities, 19, 20, 22, 103, 104
- measurement of sustainable operating cash flow, 242
- misleading cash flow classifications, 25–27, 210
- negative book balances in cash, reclassifying as liabilities, 3
- operating cash flow
 - definition, 18
 - and financing cash flow determination, 131–154
 - and investing cash flow determination, 91–114
- overdrafts, classification of, 3
- receivables, sale of *versus* securitized, 23
- statement of cash flows, 37
 - and UCA® approach to cash flow statements, 14
 - vendor financing, 23
- Georgia Tech Financial Analysis Lab, 132, 135
- Glossary, 379–394
- Goodwill, 314
 - amortization of, 16
 - SFAS No. 142, 16, 68
 - valuation of, 288, 289
- Grants, 219, 220
- Growth
 - and capital expenditures, 10, 11
 - and cash flow drivers, 325–336
- Guy, Dan, 85

H

Hedging activities

- SFAS No. 149, 124, 125
- Hicks, J. R., 370, 371

I

- Impairment of assets, 357, 358
 - SFAS No. 121, 202
 - SFAS No. 144, 357, 358
- Income, 370, 371. *See also* Revenue
 - book *versus* tax income. *See* Tax reporting
- Income statement and balance sheet change approach, 30, 31, 33, 313

- Income statements
 - and nonrecurring items, 210, 211, 219, 220, 231, 236
 - special items and statement of cash flows, 65–68
- Income taxes, 159, 160. *See also* Tax cash flows
 - accounting, 160–167
 - adjustment items, 252, 253, 257, 260, 261
 - book income and tax return income, 160–162
 - and cash flow analysis statement, 314
 - classification of tax-related cash flow, 166
 - cash inflows and outflows, 166, 168–171
 - intrastatement allocation, 171–180
 - credits, 184, 185, 204
 - deferred income taxes, 186, 187
 - deferred tax valuation allowance, 165, 166
 - disclosures, 55, 57, 187–203, 230
 - foreign earnings, 184
 - income tax note, 226
 - and investment-related gains, 26
 - loss carryback, 159, 161, 181
 - loss carryforward, 159, 161, 181
 - nonrecurring income tax cash flows. *See* Tax cash flows
 - and operating cash flow, 6, 25–27
 - payments, 164, 165
 - delayed or deferred, 185, 186, 197–203
 - and nonrecurring operating cash flow, 213
 - overpayments, 184
 - refunds
 - and classification of cash flow adjustments, 249, 250
 - nonrecurring operating cash flow, 213, 215, 222
 - settlements
 - income tax note, 226
 - tax disputes, 181
 - SFAS No. 95, 159
 - statement of cash flows, tax-related cash flow, 166, 168–171
 - stock options, benefits from and cash flow, 26, 27, 182–184
 - summary, 203–204
 - tax holidays, 184, 185
 - tax incentives, 184, 185
 - tax rates, 165, 254
 - foreign earnings, 184
 - and litigation settlements, 232
 - tax reporting
 - book income and tax return income, 160–162, 203
 - example, 162–166
 - summary of key features, 167
 - taxes paid and cash flow analysis statement, 312, 313
- Indirect statement of cash flows, 52, 53, 55–57, 271, 308, 310, 311
 - and tax cash flows, 168–171
- Insurance
 - life insurance
 - cash surrender value, 108, 109
 - company-owned (COLI), 190, 191, 198
 - proceeds from and income taxes, 162
 - policy acquisition costs, 93
 - settlements, 107, 108
- Interest, 86, 103
 - capitalized, 95–97, 129
 - and cash flow analysis statement, 314
 - interest rate swap termination, 234, 235
- International Accounting Standards Board (IASB), 38
 - standard on statement of cash flows, 73, 74
 - tax cash flows, classification of, 179, 180
- International Accounting Standards Committee (IASC), 73
- International Accounting Standards (IAS), 73, 74
 - No. 7, Cash Flow Statements, 73–75
 - and income taxes, 166
- International Financial Reporting Standards (IFRS), 73
- Inventory, 87
 - acquisitions, treatment of inventory, 22
 - and cash flow drivers, 326
 - floor-plan financing, 140–142, 312
 - liquidations
 - LIFO, 225, 226
 - and seasonal changes, 270
 - note, 225, 226
 - as percent of revenue, 326
 - reduction of, 230
 - and seasonal factors in operations, 275
- Investing cash flow, 2, 6, 86, 87
 - and acquisitions, 110–114
 - assets acquired for use and for sale, 87, 88
 - beyond GAAP boundaries, 114–116
 - capitalized operating costs reported as, 88, 89, 91–103, 129
 - and cash flow analysis statement, 314

- Investing cash flow (*continued*)
 and cash flow statement, 308
 categorizing cash, 6
 classification as, 5, 62–65, 86–90
 and classification of tax cash flows, 166,
 171, 172, 174, 180, 181
 debt and equity securities, investments in,
 89, 90, 103, 104
 defined, 62
 examples of investing activities, 6
 GAAP flexibility, 91–114
 gains and losses, 26, 171, 172, 174, 180,
 181
 insurance
 cash surrender value, 108, 109
 settlements, 107, 108
 investing activities, examples of, 6
 misclassification, 114–116
 notes receivable, 105–107
versus operating cash flow, 19–22, 91–114
 and overdrafts. *See* Overdrafts, book
 restatements, 114–116
 restricted cash, 87
 sales-type leases, 107
 trading securities by nonfinancial firm, 210
- Investments
 classified as trading securities, 19, 20, 22,
 30, 89, 103, 104, 210
 in debt and equity securities, 89, 90, 103,
 104
 equity securities, 89, 90
 misclassified proceeds from, 116
 short-term, 103, 104
- J**
- Job Creation and Worker Assistance Act of
 2002, 201, 222
- Jobs Growth Tax Relief Reconciliation Act of
 2003, 201
- L**
- Leases
 capital leases
 and calculation of capital expenditures
 and free cash flow, 373, 374
 treatment of, 155
 classification, 13, 14
 operating leases
 and calculation of capital expenditures
 and free cash flow, 374
 capitalized costs, 24
 treatment of, 155
 sale and leaseback transactions, 150–154,
 372
 sales-type lease receivables, 107
- Lenders. *See* Loans and lenders
- Levitt, Arthur, 284, 285
- Liabilities
 deferred tax assets and liabilities, 160–164,
 201, 202
 negative book balances in cash, 3
 undervalued, 289
- Liquidations, inventory, 225, 226, 270
- Liquidity and Capital Resources section of
 MD&A, 213, 229–231, 235, 236
- Litigation settlements, 210, 211, 220, 222,
 223, 231, 232
 adjustments for, 261
 and classification of cash flow adjustments,
 248, 249
 as nonrecurring operating cash flow, 25
 and tax adjustments, 253
- Loans and lenders. *See also* Banks and
 banking; Debt
 borrowing costs, 28
 and cash flow, 12–14
 debt issue costs, 129, 130
 and EBITDA, 354–357
 and EBITDAR, 356, 357
 loan covenants and free cash flow, 354–357
 operating cash flow, importance of, 28
 shareholder loans, 127
 Uniform Credit Analysis® approach, 14
- Loss carryback, 181, 188
 Loss carryforward, 181, 188–190, 202
- M**
- Management's discussion and analysis
 (MD&A)
 and cash flow tracking, 235, 237
 and detection of nonrecurring tax cash
 flows, 191, 193, 194, 204, 219,
 229–231
 earnings comparisons section, 229
 identification of nonrecurring operating
 cash flow, 213–218

- Liquidity and Capital Resources section, 213, 229–231, 235, 236
 nonrecurring items, use of in locating, 229–231, 236
 textual revision of operating cash flow, 215–217
- Mergers. *See also* Acquisitions
 related charges, 234
- Minority interests, 127, 128
- Misclassification of cash flow, 24, 30, 33, 81–84
 investment proceeds, 116
 operating *versus* financing cash flow, 121–125
 financing cash flow, 125–131
 GAAP flexibility, 131–154
 GAAP violations, 125, 154, 155
 summary, 155, 156
 operating *versus* investing cash flow, 81–90
 acquisitions, 110–114
 capitalized operating costs, 91–103
 cash surrender value of life insurance, 108, 109
 fraud, 114, 115
 GAAP flexibility, 91
 insurance settlements, 107, 108
 investments classified as trading securities, 103, 104
 key points, summary of, 116, 117
 misclassifying, 116
 notes receivable, 105–107
 overdrafts, 109, 110
 restatements, 82–84, 115, 116
 summary, 116, 117
- Moonitz, Maurice, 45
- N**
- National Association of Real Estate
 Investment Trusts (NAREIT), 15
 White Paper on Funds from Operations, 71, 72
- Net debt, 134, 135
- Net income. *See also* Operating cash flow and earnings
 and free cash flow calculation, 360, 361
 plus depreciation as measure of cash flow, 14–16
 reconciliation to operating cash flow, 58–62
- Noncontrolling interest, 127
- Nonrecurring operating cash flow, 25, 209–211, 241
 adjustments for nonrecurring items, 237
 associated cash flow, 219
 cash flow tracking, 231–237
 cash payments, 312, 313
 characteristics of, 211, 236
 examples of nonrecurring cash sources and uses, 211–213
 identifying items of, 211, 213–219, 236, 312, 313
 inconsistency in disclosing nonrecurring items, 241
 locating items, 218, 219
 income statement, use of, 219, 220
 income tax note, 226
 inventory note, 225, 226
 MD&A, 229–231
 note on other income and expenses, 224, 225
 notes in general, 226–229
 statement of cash flows, use of, 220–224
 management identification of, 213–218
 operating activities, 220–224
 removal of nonrecurring items, 215–218, 237
 revisions of operating cash flows, 215–218
 summary, 235–237
 tax cash flows, 160
- Notes as source of information on nonrecurring items, 224–229
- Notes payable, 140–142
- Notes receivable, 105–107, 314

O

- Off-balance sheet entities, 154
 use of by Enron, 121–125
- Oil exploration costs, 102, 103
- Operating cash flow, 2, 3, 86
 and acquisitions, 21, 22, 110–114
 adjusted, 17, 18, 29, 33, 210, 235–237, 241, 242, 246
 analysis. *See* Cash flow analysis
 artificial boosting of, 3–5, 19, 23, 24, 270, 284, 285, 305
 cash flow drivers. *See* Cash flow drivers and cash flow statement. *See* Statement of cash flows

- Operating cash flow (*continued*)
 classifying, 5
 core operating cash flow, 336–341
 creative cash flow reporting. *See* Creative cash flow reporting
 defined, 18
 discontinued operations, 175, 177, 178
 earnings problems, detection of. *See* Operating cash flow and earnings
 expenses, 312
versus financing cash flow, 22–24, 131–154
 financing gains and losses, 174, 175
 GAAP flexibility, 19–24, 81–86, 91–114, 131–154
 importance of, 6–9, 27–29
 interest paid on debt, 129
versus investing cash flow, 19–22, 24, 81–86, 91–114
 investing gains and losses, 171–172, 174
 management tools, 4, 5
 as measure of cash flow, 9–11, 16
 motivation for management of, 27–29, 33
 net income or loss, reconciling, 58–62
 nonrecurring sources of. *See* Nonrecurring operating cash flow
 operating activities, examples of, 6
 overdrafts. *See* Overdrafts, book payables, 312
 pro forma, 242
 receivables, 312
 revisions of, 215–218
 statement of cash flows. *See* Statement of cash flows
 sustainable. *See* Sustainable operating cash flow (SOCF)
 tax cash flows, 25–27, 166–180. *See also* Tax cash flows
- Operating cash flow and earnings
 artificial means of supporting earnings, 270, 284, 285
 earnings without growth in cash flow, 17, 18, 285–289
 losses but no cash flow used, 289
 early-warning indicator for future earnings problems, 18, 290
 excess cash margin (ECM) ratio as warning signal, 290
 declines in ECM, 291–297
 excess cash margin defined, 290, 291
 increases in ECM, 297–299
 interim data, use of to measure ECM, 300
 stable ECM, 299
 relationship between earnings and operating cash flow, 269–275
 cyclical factors, 269, 270, 276, 277
 life cycle transition periods, 269, 270, 277–284
 seasonal factors, 269, 270, 275, 276
 summary, 300, 302
- Operating costs
 capitalized. *See* Capitalized operating costs
 expensed, 20, 21
- Operating earnings, 209
- Operating income, 325
- Operating payables, 326
- Operating performance, non-GAAP measures, 68–73
- Operating profit, 325
- Operating receivables, 326
- Other cash income, cash flow analysis statement, 312, 313
- Other income and expense note, 224, 225
- Overdrafts, bank, 3, 131, 132
- Overdrafts, book, 23, 109, 110, 210
 and accounts payable, 30
 and financing cash flow, 131–137
 and investing cash flow, 109, 110
 and operating cash flow, 3, 19
- ## P
- Pension plans
 contributions to and classification of cash flow adjustments, 246, 247
 outsized contributions, 211, 213, 215, 221, 222, 230, 232, 233, 236, 253, 260
 SFAS No. 106, 202
- Performance measures, 37
- Policy acquisition costs, 93
- Prepays, 312, 326
- Profitability and efficiency and cash flow drivers, 325–336
- Project Nahanni, 24, 116
- Put options, 126, 127

R

- Real estate investment trusts (REITs), 15, 16
 funds from operations as measure of
 financial performance, 71, 72
- Receivables, 326. *See also* Accounts
 receivable
 finance receivables, 30, 82–84, 105–107,
 142–147
 GAAP treatment, 23
 notes receivable, 105–107, 314
 operating, 312, 326
 sales of, 143–147
 sales-type lease receivables, 107
 securitized, 23, 30, 143–147
- Recession, 276, 277
- Reclassification of cash flow. *See*
 Classification of cash flow
- Rental and royalty income, 313
- Research and development (R&D)
 expense and cash flow analysis statement,
 312
 research tax credit, 184, 185
 software development costs. *See* Software
 development costs
- Research tax credit, 184, 185
- Restatements of cash flow classification, 24
 operating and financing cash flow, 154,
 155
 operating and investing cash flow, 114–116
- Restricted cash. *See* Cash and cash
 equivalents
- Restructurings, 313
 adjustments for, 262
 and annual report footnotes, 226–228
 and classification of cash flow adjustments,
 247, 248
- Revenue
 deferred, 138–140
 inflated earnings and premature or
 fictitious revenue, 285
 inventory as percent of, 326
- Reversals, 160
- Rosen, L., 41

S

- Sale/leaseback transactions, 150–154

- Sale proceeds, 86
 sale and leaseback transactions, 150–154
- Sales-lease arrangements, 107
- Sarbanes-Oxley Act, 285
- Seasonal factors in operations, 275, 276
- Securities, investments in. *See* Investments
- Securitization, accounts receivable, 23, 30,
 143–147
- Sellers, R. Scott, 15, 16
- Settlements
 insurance, 107, 108
 litigation. *See* Litigation settlements
 tax dispute settlements, 181, 190, 191, 226
- SFAS. *See* Statements of Financial
 Accounting Standards (SFAS)
- Share prices and sustainable cash flow, 28
- Shareholders. *See* Equity investors
- Software development costs, 21, 89, 97–100
- S&P 100 Study, 262–265
- Special purpose entities (SPEs)
 Mahonia, 122
 and securitization of accounts receivable,
 144–147
 use of by Enron, 121–125
 Yosemite, 122
- Stabilization Act, 211, 219, 220
- Standard & Poor's (S&P), 242
 S&P 100 Study, 262–265
- Statement of cash flows, 37, 308
 adjustments to, 29–30
 background, 38–49
 classification of cash flows. *See*
 Classification of cash flow
 formats, 52–27, 52–57, 168–171, 271, 308,
 310
 and GAAP, 37
 international differences, 73–75
 intrastatement allocation of tax cash flows,
 171–180
 investing section and capital expenditures,
 372
 noncash investing and financing activities,
 372–375
 operating cash flow, 220–224, 308
 operating performance, 68–73
 purpose and uses of, 49–50
 SFAS No. 95. *See* Statements of Financial
 Accounting Standards (SFAS)
 special income statement items, 65–68

Statement of cash flows (*continued*)
 statements and standards, 37, 38
 summary, 74–76
 tax cash flows, 166, 168–171

Statements of Financial Accounting Standards (SFAS)

No. 95, Statement of Cash Flows, 37, 41, 49, 68, 84, 105, 107, 135

alternative statement formats, 52–57
 and income taxes, 159, 166

key features, 50–52

purposes and uses of statement of cash flows, 49, 50

No. 106, Employers' Accounting for Postretirement Benefits other than Pensions, 202

No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, 202

No. 142, Goodwill and Other Intangible Assets, 16, 68

No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, 357, 358

No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities, 124, 125

No. 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity, 131

Stock options, 126, 127, 313

and cash flow analysis statement, 314
 nonqualified options, 182, 183, 204
 operating cash flow, effect of on share prices, 28

proposed FASB standard, 197

and stock repurchases to avoid dilution, 147–150

tax benefits, 26, 27, 182–184, 191–197, 229, 230, 261, 314

Stock repurchases, 125, 126, 147–150

Subscriber acquisition costs, 92, 93

Sustainable cash flow. *See* Sustainable operating cash flow (SOCF)

Sustainable earnings, 209, 242

Sustainable operating cash flow (SOCF), 9–18, 241, 242

adjustments, 29, 242

calibrating, 244–252

frequency and size of adjustment items, 262–265

layers of cash flow adjustments, 242, 244–252

nonrecurring items, 241

defined, 9

as early-warning indicator, 16–18

and equity investors, 9–11

and free cash flow, 360

and growth in excess of earnings, 270, 271.

See also Operating cash flow and earnings

importance of, 9, 33

measurement of, 241–244, 252

tax adjustments, 252, 253

worksheet for, 254–262

operating cash flow as, 6–10

reclassification of cash flow, 241, 242

S&P 100 Study, 262–265

summary, 265, 266

tax adjustments, 252, 253

and tax cash flows, 180

worksheet, 242, 252, 254–257

example, 257–262

interpretation of, 257

T

Tan, Eni, 16, 17

Tax cash flows

intrastatement allocation, 171–180

nonrecurring

adjustments for, 252, 253, 257, 260

disclosure and detection of, 187–203

and distortion of cash flows, 160

examples of, 180–187

payments, 164, 165, 184–186, 197–203, 213

refunds, 213, 215, 222

sources of, 204

and operating cash flow, 25–27, 166–180

and overstatement of cash flow, 160

reclassification of, 179, 180, 204

and statement of cash flows, 166, 168–171

and sustainable operating cash flow (SOCF), 180, 252, 253

tax-related cash flows, 159

Tax credits, 184, 185

Tax payments. *See* Income taxes

Tax rates. *See* Income taxes

Tax Reform Act of 1986, 184, 202

Tax refunds. *See* Income taxes
Tax reporting
 book income *versus* tax return income,
 160, 203
 permanent differences, 161, 162
 temporary differences, 160, 161
 example, 162–166
 key features, summary of, 167
Taxes. *See* Income taxes
Total debt, 134, 135
Traditional cash flow, 73

U

Understatement
 of cash flow, 160
 of earnings, 289
Uniform Credit Analysis® (UCA)®, 14, 30,
 308
 cash flow statement format, summary, 15

V

Valuation, 349, 350
Vendors
 extended payment terms, 137
 financing, 6, 23

W

Watson, Chuck, 4
Waymire, G., 98
Working capital, 12, 211, 215
 acquired in acquisition, 22
 changes in accounts, 223, 224, 236
 changes in and classification of cash flow
 adjustments, 250–252
 and core operating cash flow, 325

<http://www.pbookshop.com>

Company Index

A

- Aaron Rents, Inc., 88, 89
Aastrom Biosciences, Inc., 278, 279
ABG Gas Supply, LLC, 4, 5
Abiomed, Inc., 58, 63
Abrams Industries, Inc., 61
Acacia Research Corp., 104
Acadia Realty Trust, 72
Activision, Inc., 99
A.D.A.M., Inc., 99
Adelphia Communications Corp., 347
Adobe Systems, Inc., 183
Adolph Coors Co., 332
Advanced Power Technology, Inc., 110–113
Aetna, Inc., 93
Air Tran Holdings, Inc., 58
Airborne, Inc., 133, 136, 146
Airgas, Inc., 362
Akamai Technologies, Inc., 367
AKI Holding Corp., 58, 174–177
Albany International Corp., 109
Albemarle Corp., 58, 226, 227
Align Technology, Inc., 64
Alliant Techsystems, Inc., 58
Alltel Corp., 367
Alpharma, Inc., 214
Altadis Group, 75
Amazon.com, Inc., 345, 347, 348
AMC Entertainment, Inc., 133, 135
Amerada Hess Corp., 102
America Online, Inc., 91
American Airlines, Inc., 64
American Greetings Corp., 181, 182, 190, 191, 198, 202, 203
American Media Operations, Inc., 107, 108
American Software, Inc., 21, 22, 89, 287
American Standard Cos., Inc., 353, 362
AmeriCredit Corp., 82, 83
Amgen, 109, 110
Anadarko Petroleum Corp., 102
Angelica Corp., 186
Anheuser-Busch Cos., Inc., 133, 136, 281, 282, 299–301
AOL-Time Warner, Inc., 288
Apple Computer, Inc., 212
Applica, Inc., 250, 251, 253
Arch Coal, Inc., 212
Archstone-Smith Trust, 15
Asbury Automotive Group, Inc., 141, 143, 144
Ascential Software Corp., 212
ATC Healthcare, Inc., 58
Athlon Groep N.V., 75
Atlantic Pacific Communications, Inc., 143
AT&T Corp., 213, 214, 228
Aura Systems, Inc., 64
Aurora Foods, Inc., 58
AutoNation, Inc., 22, 110
Avado Brands, Inc., 129
Avaya, Inc., 139, 140
Avery Sports Turf, Inc., 64
Aviall, Inc., 133, 134, 136, 137
Avon Products, Inc., 215–217

B

- Baker Hughes, Inc., 138
Ball Corporation, 212
Bank of America Corp., 2
Barra, Inc., 61, 62, 177–179

Bausch & Lomb, Inc., 352, 353, 362, 368, 369
 Bayer AG, 75
 Beard Co., The, 212, 213, 222, 223
 Beazer Homes USA, Inc., 129, 130, 273, 274
 Bell companies (the Bells), 159, 187, 201
 Bertucci's Corp., 151
 Bestway, Inc., 88
 Blockbuster, Inc., 306, 307
 Blue Coat Systems, Inc., 58
 Blue Rhino Corp., 212
 Bluebook International Holdings Co., 61, 127
 Boeing Corp., 132, 133
 Borders Group, Inc., 345, 347
 Boston Scientific Corp., 286
 BRE Properties, Inc., 15
 Bristol-Myers Squibb Co., 26, 212, 231–233, 257–262
 Brown-Forman Corp., 271, 272, 274
 Bull Run Corp., 129
 Bulova Corp., 211, 212

C

C. R. Bard, Inc., 224, 225, 248, 249
 Cabot Oil & Gas, 186
 California Amplifier, Inc., 58, 59
 California-Engles Mining, Inc., 199, 200
 California Micro Devices Corp., 286
 Carpenter Technology Corp., 276, 277
 Cendant Corp., 94, 347
 Center for Financial Research and Analysis (CFRA), 16–18
 Chambers Development Co., Inc., 24, 115
 Charter Communications, Inc., 366–369
 ChevronTexaco Corp., 221, 222
 Chiron, Corp., 183
 Cisco Systems, Inc., 107, 183, 196
 Citigroup, Inc., 4, 5, 23–24, 30, 116, 121–124
 Clairrol, 26, 257, 260, 261
 Clorox Co., The, 182
 Coca-Cola Co., 147, 214, 226–228, 332, 337
 Coherent, Inc., 127, 128
 Collins & Aikman Floor Co., 61
 3Com Corp., 64–66, 126
 Comcast Corp., 352
 Compass Minerals Group, Inc., 189, 190
 Comptronix, Inc., 24, 114, 115
 ConocoPhillips, 212, 214, 215

Continental Airlines, Inc., 212, 219, 220
 Cooper Companies, The, 212
 Corn Products International, Inc., 223
 Cosi, Inc., 212
 Cox Communications, Inc., 133, 134, 209, 211–213, 232, 233, 247
 CPI Corp., 93, 94
 CSM NV, 75
 Curtiss-Wright Corp., 104
 Cypress Semiconductor Corp., 147

D

Dana Corp., 135
 Del Global Technologies, 181, 182, 188
 Dell Computer Corp., 183
 Deloitte Touche Tohmatsu, 73
 Delphi Corp., 142, 215, 217–219
 Delta Air Lines, Inc., 96, 211–214, 346
 DeVRY Inc., 100
 DHB Industries, Inc., 279, 280
 Digital Lightwave, Inc., 286
 DITECH Communications, Inc., 58, 59, 62
 Dole Foods, Inc., 213, 214
 DRS Technologies, Inc., 359, 361
 DrugMax, Inc., 58, 61, 63–65
 DSL Net, Inc., 365
 DuPont. *See* E.I. DuPont De Nemours & Co.
 Dyna Group International, Inc., 109
 Dynegey, Inc., 3–6, 23, 24, 30, 121, 124, 125, 154, 347

E

Eagle Broadband, Inc., 143
 Earl Scheib, Inc., 63, 64
 EarthLink, Inc., 212, 234
 Eastern Airlines, Inc., 9
 Eastman Chemical Co., 133
 Eastman Kodak Co., 281, 282
 E.I. DuPont De Nemours & Co., 137
 Electronic Arts, Inc., 183
 Emerson Electric Co., 213–215
 Endicott Johnson, 43
 Enron Corp., 24, 28, 32, 116, 121–123, 125, 154, 285, 294, 296, 347
 Esco Technologies, Inc., 362

F

Fairchild Corp., 58, 214, 215
 Fairpoint Communications, Inc., 70, 71
 Famous Fixins, Inc., 61
 Farmer Brothers Co., 337
 Federal Express Corp., 62, 63, 364
 Film Roman, Inc., 102
 Finish Line, Inc., The, 58, 64
 Fleetwood Enterprises, Inc., 356
 Flowers Foods, Inc., 212, 373
 FoneFriend, Inc., 51, 61
 Food Lion, Inc., 16
 Ford Credit, 138
 Ford Motor Co., 104, 138
 Forest Laboratories, Inc., 196, 197
 Fox Entertainment Group, Inc., 102
 Fuji Xerox Co., Ltd., 58

G

GenCorp, Inc., 212
 General Electric Co., 25, 200, 351, 352, 354
 General Electric Credit Corp., 142
 Georgia Gulf Corp., 214
 Gillette Company, 43, 44, 362
 Gilman & Ciocia, Inc., 199, 200
 Global Crossing, Inc., 13, 14, 155
 Globalstar L.P., 105
 Goldman Sachs Group, Inc., 138
 Great Lakes Aviation, Ltd., 60, 62, 63
 Gulfport Energy Corp., 108
 Gunther Intl., Ltd., 60

H

Halliburton Co., 145–147
 Hannaford Brothers Co., 16
 Harley-Davidson, Inc., 106, 107
 Harley-Davidson Financial Services, Inc.,
 106, 107
 Harleysville National Corp., 61, 63
 Hasbro, Inc., 212
 Haverty Furniture Companies, Inc., 152, 153
 Hawk Corp., 212
 HealthSouth Corp., 84, 85, 89, 115, 285
 Hershey Foods Corp., 133, 134

Hewlett-Packard Co., 81, 82, 116
 Holiday RV Superstores, Inc., 62, 211, 212
 Hollywood Entertainment Corp., 366
 Homasote, Inc., 87
 Home Depot, Inc., 23, 137, 250, 251, 336, 337
 Household International, Inc., 84
 HPL Technologies, Inc., 2
 H&R Block, Inc., 58, 61

I

ICON Health & Fitness, Inc., 69
 Ingles Markets, Inc., 152
 Intel Corp., 86, 87, 125
 International Absorbents, Inc., 374
 Intuit, Inc., 183
 IPC Acquisition Corp., 355

J

J. P. Morgan Chase & Co., 121–124
 Jabil Circuit, Inc., 182–184
 JetBlue Airways Corp., 272–274
 John Wiley & Sons, Inc., 58, 61, 64
 Jostens, Inc., 364

K

Kaydon Corp., 362
 KB Home, 96–97
 Kellogg Co., 213, 214, 253
 Kendle International, Inc., 133
 Kennametal, Inc., 214, 215
 Keystone Automotive, Inc., 58, 68
 Kraft Foods, Inc., 353
 Krispy Kreme Doughnuts, Inc., 55–57, 182,
 184, 212–214, 229, 230
 Kroger Co., 230

L

Lawson Software, Inc., 59–61, 64
 Lear Corp., 23
 Liberty Homes, Inc., 141
 Lillian Vernon Corp., 94

Limited Brands, Inc., 133, 134, 136
 Lions Gate Entertainment Corp., 102
 Loral Space and Communications, Ltd., 131
 Lowe's Companies, Inc., 10–13, 359, 360
 Lowrance Electronics, Inc., 181, 182, 189
 Lucent Technologies, Inc., 8, 9, 106

M

M Corp., 168–171, 175
 Material Sciences Corp., 213, 215
 Measurement Specialties, Inc., 58, 60, 64
 Medsolutions, Inc., 133, 134, 136
 Medtronic, Inc., 60, 61, 64
 Mentor Corp., 58, 59, 64
 Merck & Co., Inc., 247
 Meredith Publishing, 43
 Metro-Goldwyn-Mayer, Inc. (MGM), 100,
 101, 233, 234
 Michelin Group, 75
 Micron Technology, Inc., 248
 Microsoft Corp., 8, 26, 27, 138, 139,
 147–149, 182–183, 289
 Miix Group, Inc., 93
 Milastar Corp., 63
 Miller Diversified Corp., 64
 Mim Corp., 3, 19, 23, 136
 Miniscribe Corp., 289
 Mississippi Chemical Corp., 181, 182, 188,
 212, 222, 249, 250
 Momentum Holdings, Inc., 63
 Moody's Investors Service, 70
 Motient Corp., 355, 356
 Motorola, Inc., 105, 106, 352, 353

N

National Association of Real Estate
 Investment Trusts, 15
 National Properties Corp., 354
 National R.V. Holdings, Inc., 133, 136
 Nautica Enterprises, Inc., 20, 21, 89, 104
 Navistar International Corp., 143
 NCR Corp., 362
 NDCHealth Corp., 58
 Netflix, Inc., 362
 Newell Rubbermaid, Inc., 211, 212, 215, 234,
 351
 Nextel Communications, Inc., 351, 352

Norstan, Inc., 61, 63
 Nortel Networks Corp., 105, 106
 Northrop Grumman Corp., 212
 Nstor Technologies, 104
 NTN Communications, Inc., 365, 366

O

Odyssey Marine Exploration, Inc., 63, 64
 Oil Dri Corporation of America, 212
 Optimal Robotics Corp., 136
 Oracle Corporation, 60–61, 183, 185, 186
 Orion Diversified Technologies, Inc., 58, 59
 Orkla ASA, 75
 Orthodontic Centers of America, Inc., 133,
 136
 Oxford Industries, Inc., 230

P

Pacific Security Financial, Inc., 212
 Pall Corp., 64
 Parmalat SpA, 2
 Paving Stone Corp., 133, 134, 136
 Paychex, Inc., 63, 183
 Peabody's Coffee, Inc., 61, 63
 Pegasus Communications Corp., 92
 PeopleSoft, Inc., 97, 98
 PepsiCo, 269
 Perini Corp., 133, 136
 Peritus Software Services, Inc., 286
 Pharmacy Buying Association, Inc., 307,
 308
 Piccadilly Cafeterias, Inc., 58, 59
 Pilgrims Pride Corp., 212, 231
 Pixar, 102
 Polaroid Corp., 282–284
 Powerhouse Technologies Group, Inc., 58, 59,
 62, 64
 Prab, Inc., 61
 Pre-Paid Legal Services, Inc., 90, 92
 Procter & Gamble Co., 26, 215
 Publix Super Markets, Inc., 61

Q

Q.E.P. Co., Inc., 58
 QLogic Corp., 193–195

Qualcomm, Inc., 105, 106, 288
 Quantum Corp., 60–62, 65–67
 QVC, 209
 Qwest Corp., 91, 92

R

Radio Shack Corp., 363, 371
 Raychem Corp., 113
 Rayonier, Inc., 363, 371, 372
 Raytheon Co., 362
 Reconditioned Systems, Inc., 53, 54, 63
 Regent Communications, Inc., 367
 Reliance Steel & Aluminum Co., 62, 64
 Rent-A-Center, Inc., 61
 ResMed, Inc., 219
 Robert Mondavi Corp., 332, 336–342
 Rohm & Haas Co., 363

S

School Specialty, Inc., 362
 Scope Industries, Inc., 172–175
 Scott Paper, 43
 Sealed Air Corp., 60, 211, 212
 Sears, Roebuck & Co., 93, 269
 Seitel, Inc., 58, 63, 65, 66
 Selectron Corp., 183
 Sequa Corporation, 191
 Service Corporation International, Inc.,
 242–244
 Shaw Group, Inc., 130
 Shoptsmith, Inc., 87
 Singing Machine Co., The, 52, 58, 59, 61
 Skyline Corp., 58, 60
 Skyline Multimedia Entertainment, Inc., 63
 Southern Union Co., 60, 62
 Southwest Bank of Texas, 143
 Spartan Stores, Inc., 61, 64
 Speizman Industries, Inc., 136
 Sports Arenas, Inc., 62, 63
 Steel Cloud, Inc., 213, 215
 Stewart Information Services Corp., 58
 Storage Technology, Inc., 212
 Strategic Distribution, Inc., 133, 136
 Stratex Networks, Inc., 58, 59
 Sun Microsystems, Inc., 183
 Sunbeam Corp., 289, 294, 295, 347
 SunTrust Banks, Inc., 103

Symbol Technologies, Inc., 139
 Sysco Corp., 16, 17

T

Target Corp., 294–297
 TDI Holding Corp., 63
 Tech Data Corp., 63
 Techne Corp., 220, 253
 Timco Aviation Services, 219, 229
 Time Warner, Inc., 288
 Todd Shipyards Corp., 52
 Tommy Hilfiger Corp., 58, 59, 63
 Toys “R” Us, Inc., 275, 276, 298
 Trans-Century Resources, Inc., 64
 Transnational Financial Networks, Inc., 52,
 60, 61, 63–64
 Transtech Industries, Inc., 212
 Travelshorts.Com, Inc., 51
 Tredegar Corp., 61, 172, 175
 Tredegar Corporation, 174
 Tully’s Coffee Corp., 58, 61, 63–65
 Twinlab Corp., 286
 Tyco International, Ltd., 25, 29, 94, 95, 113,
 285, 353, 363, 375
 Tyson Foods, Inc., 129

U

Unify Corp., 51, 64
 Union Carbide Corp., 225
 Union Pacific Corporation, 221
 United Auto Group, Inc., 140
 United States Steel Corporation, 38–40
 United Technologies, 269
 UnitedGlobalCom, Inc., 358
 U.S. Oncology, Inc., 374
 US Dataworks, Inc., 64
 US Home & Garden, Inc., 58
 US Xpress Enterprises, Inc., 133, 134

V

Valmont Industries, Inc., 250, 251, 358, 359
 Value Line, Inc., 58, 60–62
 Vectren Utility Holdings, Inc., 358
 Verizon Communications, Inc., 134, 200, 213,
 215

414 COMPANY INDEX

Vital Signs, Inc., 149, 150
VPGI Corp., 62

W

Wal-Mart Stores, Inc., 279, 280
Walgreen Co., 186
Walt Disney Co., 269
Washington Post Co., 147, 212, 351
Wells Fargo Bank, N.A., 354
Western Water Co., 60, 62–65
Western Wireless Corp., 365
Weyerhaeuser Co., 351
WHX Corp., 104
Williams Companies, Inc., 132, 134

Willis Lease Finance, Inc., 60, 62, 64, 65
Workflow Management, Inc., 60, 64
WorldCom, Inc., 24, 115, 116, 287, 347

X

XDOGS, Inc., 64
Xerox Corp., 17, 18, 23, 30, 107, 292, 293,
347

Y

Yahoo, Inc., 362
York International Corporation, 251, 252

<http://www.pbookshop.com>