

INDEX

- Accounting. *See also specific types of accounting, e.g.:* Forensic accounting as CPA service, 1.10(b)(ii)
management, 2.1(b)
tax, 2.1(b)
U.S. standards for, 1.2
- Accounting basis, *see* Basis of accounting
- Accounting Principles Board (APB):
dissolution of, 2.2(c)(iii)
generally, 2.2(c)
and investment credit, 2.2(c)(ii)
postulates/principles of, 2.2(c)(i)
and Seidman Committee, 2.2(c)(ii)
- Accounting Research Bulletins (ARB), 2.2(b)(ii)
- Accounting Standards Codification (ASC)
Topic 350 (*Intangibles*):
after June 30, 2001, goodwill acquired, 14.11(a)
equity method goodwill, 14.11(d)
previously recognized goodwill, 14.11(c)
- Accounting Standards Codification (ASC)
Topic 740 (*Income Taxes*):
annual computation of taxes, 17.2(c)(ii)
basic objectives/principles of, 17.2(c)
business combinations, 17.2(e)(iii)
disclosure, 17.4(b), 17.4(c)
Emerging Issues Task Force:
discussions on income taxes, 17.2(b)(iii)
implementation issues addressed by, 17.2(e)(vi)
and FASB special report, 17.2(b)(ii)
financial reporting:
disclosure, 17.4(b), 17.4(c)
intraperiod tax allocation, 17.4(a)
statement presentation and disclosure, 17.4(b)
generally, 17.1(b)(iv)
interim period tax:
determination of, 17.5(c)
estimated annual effective tax rate, 17.5(b)
generally, 17.5(a)
special issues, 17.5(d)
leveraged leases, 17.2(e)(ii)
measurement of deferred tax liabilities/assets, 17.2(d)(iv)
and pre-codification literature, 17.2(b)(i)
primary guidance, 17.2(b)
quasi reorganizations, 17.2(e)(iv)
recognition of deferred tax liabilities/assets:
of change in valuation allowance, 17.2(d)(iii)
generally, 17.2(d), 17.2(d)(i)
of valuation allowance, 17.2(d)(ii)
regulated companies, 17.2(e)(i)
scope of, 17.2(a)
subsidiary, separate financial statements of, 17.2(e)(v)
and tax laws vs. financial accounting standards, 17.2(c)(i)
- Accounting Standards Codification (ASC)
Topic 740–10 (*Accounting for Uncertainty in Income Taxes*):
balance sheet presentation, 17.3(h)
consolidated/combined financial statements, 17.3(b)(i)
derecognition, 17.3(f)
disclosures for external reporting:
pass-through entities, 17.3(i)(iii)
tabular reconciliation of unrecognized tax benefits, 17.3(i)(i)
tax-exempt entities, 17.3(i)(iii)
uncertain tax position statement (Schedule UTP), 17.3(i)(ii)
generally, 17.3(a)
interest and penalties, 17.3(g)
and IRS access to tax accrual workpapers, 17.3(j)
measurement:
generally, 17.3(e)

2 INDEX

- Accounting Standards Codification (ASC)
(Continued)
subsequent, 17.3(f)
measurement-cumulative probability
approach, 17.3(e)(ii)
recognition:
derecognition, 17.3(f)
generally, 17.3(e), 17.3(e)(i)
subsequent, 17.3(f)
scope of, 17.3(b)
subsequent recognition/measurement, 17.3(f)
tax position, 17.3(c)
unit of account, determining, 17.3(d)
- Accounting Standards Codification (ASC)
Topic 820 (*Fair Value Measurements and Disclosures*):
fair value measurements:
generally, 24.4(a)
scope and scope exceptions, 24.4(c)
and PCAOB Staff Audit Practice Alert No. 2, 24.6(d)(ii)
- Accounting Standards Codification (ASC)
Topic 980 (*Regulated Operations*):
amendments, 36.6(b)
construction, allowance for funds used during, 36.6(e)(i), 36.8(a)(iii)
cost disallowances (Topic980–360–35):
abandonments, plant, 36.7(a)(ii)
income statement presentation of, 36.7(a)(iii)
newly completed plants, 36.7(a)(i)
discontinuation of rate-regulated accounting (Topic980–20):
assets/liabilities, regulatory, 36.9(b), 36.9(d)
factors leading to, 36.9(a)
generally, 36.9
income statement presentation, 36.9(g)
income taxation, 36.9(e)
investment tax credit, 36.9(f)
plant, equipment, and inventory, 36.9(c)
and reapplication of ASC 980, 36.9(h)
general standards:
assets, regulatory, 36.6(d)(i)
liabilities, regulatory, 36.6(d)(ii)
major issues addressed in, 36.6(c)
other assets and deferred costs (Topic980–340):
construction, allowance for funds used during, 36.8(a)(iii)
disallowances, phase-in plans vs., 36.8(a)(iv)
financial statement classification, 36.8(a)(ii)
financial statement disclosure, 36.8(a)(v)
phase-in plans, 36.8(a)(i), 36.8(a)(iv)
provisions of, 36.8(a)
scope of, 36.6(a)
specific standards:
application examples, 36.6(e)(vi)
construction, allowance for funds used during, 36.6(e)(i)
deferred costs not earning a return, 36.6(e)(v)
income taxation, 36.6(e)(iii)
intercompany profit, 36.6(e)(ii)
refunds, 36.6(e)(iv)
- Accounts payable:
as current liability:
trade creditors, 18.3(c)
- Acquisition method (business combinations):
acquired company, determining cost of:
acquisition date, 8.3(b)(vi)
fair value of acquired company, 8.3(b)(v)
fair value of consideration given, 8.3(b)(i)
fair value of consideration transferred, 8.3(b)(ii)
generally, 8.3(b)
stock options of acquiree, 8.3(b)(iii)
stock options of acquiror, 8.3(b)(iv)
acquiring company, identification of, 8.3(a)
allocation period, 8.3(j)
contingencies:
assets/liabilities arising from, 8.3(h)
earnings, based on, 8.3(d)(i)
security prices, based on, 8.3(d)(ii)
contingent consideration in:
adjustments, 8.3(d)(iv)
earnings, 8.3(d)(i)
earnings per share, 8.3(d)(iii)
generally, 8.3(d)
securities prices, 8.3(d)(ii)
direct costs of business combination:
acquiree, costs incurred by, 8.3(c)(i)
discretionary costs, 8.3(c)(iv)
employee costs, 8.3(c)(ii), 8.3(c)(iii)
generally, 8.3(c)
plant closing costs, 8.3(c)(ii)

- disclosures:
 - in financial statements, *see subhead*:
 - financial statement disclosures
 - SEC filings, 8.3(o)
 - effective date, 8.3(q)
 - employee-related costs:
 - payments to employees, 8.3(c)(iii)
 - severance, 8.3(c)(ii)
 - financial statement disclosures:
 - acquired securities, classification of, 8.3(n)(ii)
 - interim financial information, 8.3(n)(ii)
 - pro forma disclosure, 8.3(n)(i)
 - intangible assets:
 - artistic-related, 8.3(f)(iii)
 - contract-based, 8.3(f)(iv)
 - customer-related, 8.3(f)(ii)
 - generally, 8.3(f)
 - marketing-related, 8.3(f)(i)
 - technology-based, 8.3(f)(v)
 - leveraged buyouts, *see* Leveraged buyouts
 - minority interests:
 - exchange of ownership interests, 8.3(e)(i)
 - generally, 8.3(e)
 - simultaneous common control mergers, 8.3(e)(ii)
 - purchase method vs., 8.3(p)
 - pushdown accounting:
 - exceptions, 8.3(i)(ii)
 - generally, 8.3(i)
 - with parent company debt, 8.3(i)(i)
 - recognition/measurement of assets and liabilities:
 - costs to complete, 8.3(g)(iv)
 - deferred taxes; identifiable intangible assets with no tax basis, 8.3(g)(xiv)
 - excess of fair value of acquired net assets over cost, 8.3(g)(ii)
 - fair value of liabilities at acquisition date, 8.3(g)(xii)
 - fair value when less than 100 percent acquired, 8.3(g)(xvi)
 - goodwill amortization, tax deductibility of, 8.3(g)(xv)
 - income tax effects on purchase price allocation, 8.3(g)(xiii)
 - last-in, first-out (LIFO) inventories, 8.3(g)(iii)
 - leases, 8.3(g)(vi)
 - long-lived assets classified as held for sale, 8.3(g)(viii)
 - noncurrent assets, 8.3(g)(v)
 - normal profit margin, 8.3(g)(iv)
 - pensions, purchase price of, 8.3(g)(ix)
 - postemployment benefits of acquiree, 8.3(g)(xi)
 - postretirement benefits of acquiree, 8.3(g)(x)
 - purchase price allocation, income tax effects on, 8.3(g)(xiii)
 - recognition and measurement principle, 8.3(g)(i)
 - research and development (R&D)
 - acquired, 8.3(g)(vii)
 - SEC concerns, 8.3(g)(xvii)
 - selling costs, 8.3(g)(iv)
 - recording date, 8.3(l)
 - reverse acquisitions:
 - consideration transferred in, 8.3(a)(ii)
 - generally, 8.3(a)(i)
 - SAB No. 61, 8.3(k)
 - SEC filings, disclosures in, 8.3(o)
 - stages, combination achieved in, 8.3(m)(i)
 - without transfer of consideration, 8.3(m)(ii)
 - AFPC, *see* Antifraud Programs and Controls Framework
 - American Institute of Certified Public Accountants (AICPA):
 - auditing standards:
 - clarity/convergence of, 1.10(a)(ii)
 - generally, 1.10(a)
 - risk assessment, 1.10(a)(i)
 - technical assistance, provision of, 1.10(a)(iii)
 - CPA services:
 - accounting, 1.10(b)(ii)
 - auditing, 1.10(b)(i)
 - consulting, 1.10(b)(iv)
 - generally, 1.10(b)
 - special investigations, 1.10(b)(iv)
 - tax services, 1.10(b)(iii)
 - valuation, 1.10(b)(iv)
 - financial statement disclosure requirements, 4.8(a)(vii)
 - generally, 1.7, 1.10
 - health care organizations, 35.2(c)
 - not-for-profit organizations, 28.1(a)(ii)
 - Uniform CPA Examination, 1.10(c)
 - Antifraud Programs and Controls Framework (AFPC):
 - generally, 41.3(d)
 - service types of, 41.3(d)(i)

4 INDEX

- APB, *see* Accounting Principles Board
ARB, *see* Accounting Research Bulletins
ASC, *see* Accounting Standards Codification
- Assets:
- acquisition method (business combinations),
see Acquisition method (business combinations), *subhead*:
recognition/measurement of assets and liabilities
 - on balance sheet:
 - current assets, 4.3(a)(i)
 - generally, 4.3(a)
 - noncurrent assets, 4.3(a)(ii)
 - capital assets (state/local government accounting):
 - depreciation of, 33.4(c)(vi), 33.4(h)(i)
 - disposal/retirement of, 33.4(h)(iii)
 - generally, 33.4(c)(iv), 33.4(h)
 - impairment of, 33.4(c)(vi), 33.4(h)(iv)
 - subsidiary property records, 33.4(h)(ii)
 - valuation of, 33.4(c)(v)
 - depreciation of, *see* Depreciation
 - fair value measurements of:
 - liabilities vs. assets, 24.4(e)(i)
 - nonfinancial assets, 24.3(c), 24.4(e)(vi)
 - on Form 8-K, 5.6(a)(i)
 - generally, 4.3(a)
 - health care organizations:
 - changes in net assets/equity, statement of, 35.5(d)
 - intangible assets, 35.3(k)
 - net assets/net position, 35.3(a)
 - intangible, *see* Intangible assets
 - long-term assets, 10.4(c)
 - capitalization analysis, 10.4(c)(ii)
 - capitalization table, 10.4(c)(iii)
 - debt ratios, 10.4(c)(iv)
 - fixed asset turnover ratio, 10.4(c)(i)
 - off-balance-sheet obligations, 10.4(c)(vi), 10.4(c)(vii)
 - preferred stock ratios, 10.4(c)(v)
 - property analysis, 10.4(c)(viii)
 - measurement of deferred tax assets, 17.2(d)(iv)
 - not-for-profit organizations:
 - depreciation of assets by, 28.2(g)
 - fixed assets, 28.2(f), 28.2(f)(i)
 - pension plans:
 - expected return, 27.2(d)(iii)
 - generally, 27.2(e)
 - net assets available for benefits, 27.5(c), 27.5(c)(i)
 - recognition, 27.2(f)
 - on personal financial statements:
 - closely held business, 22.3(h)
 - estimated current value, 22.3(a)
 - future interests, 22.3(l)
 - intangible assets, 22.3(k)
 - life insurance, 22.3(g)
 - limited partnership interests, 22.3(d)
 - listing of assets/liabilities on, 22.1(d)
 - marketable securities, 22.3(c)
 - options on other than marketable securities, 22.3(f)
 - personal property, 22.3(j)
 - precious metals, 22.3(e)
 - real estate, 22.3(i)
 - receivables, 22.3(c)
 - realization of (partnerships), 20.5(a)
 - recognition of deferred tax assets:
 - of change in valuation allowance, 17.2(d)(iii)
 - generally, 17.2(d), 17.2(d)(i)
 - of valuation allowance, 17.2(d)(ii)
 - valuation of, *see* Valuation
- AU 328 (*Auditing Fair Value Measurements and Disclosures*):
- assumptions, testing reliability of, 24.6(c)(iii)
 - data, testing of, 24.6(c)(iv)
 - fair value measurements, testing, 24.6(c)(i)
 - generally, 24.6(c)
 - significant assumptions, testing, 24.6(c)(ii)
 - underlying data, testing, 24.6(c)(ii)
 - valuation model, testing, 24.6(c)(ii)
- Audits and auditing:
- AICPA standards:
- clarity/convergence of, 1.10(a)(ii)
 - generally, 1.10(a)
 - risk assessment, 1.10(a)(i)
 - technical assistance, provision of, 1.10(a)(iii)
- as CPA service, 1.10(b)(i)
- of fair value, 25.3
- of fair value measurements:
- AU 328 guidance, 24.6(c)
 - estimates in, 24.6(b)
 - generally, 24.6
 - PCAOB Staff Audit Practice Alert No. 2, 24.6(d)
 - standards for, 24.6(a)

- in federal government:
 - generally, 32.5
 - Generally Accepted Government Auditing Standards (GAGAS), 32.5(a)
 - government-wide audit opinion, achievement of, 32.6(a)
 - recipients of federal financial assistance, 32.5(b)(i)
- by GAO:
 - compliance audits, 1.12(b)
 - financial statement audits, 1.12(a)
 - operational audits, 1.12(c)
- of not-for-profit organizations:
 - compliance auditing, 28.4(f)
 - consolidation of financial statements, 28.4(e)
 - generally, 28.4(a)
 - government requirements, 28.1(b)
 - and internal control, 28.4(b)
 - investments, 28.4(g)
 - materiality, 28.4(c)
 - taxes, 28.4(d)
 - unique areas, 28.4(h)
 - of personal financial statements, 22.10
 - role of, in U.S. economy, 1.1
 - of state/local governmental units:
 - committees, audit, 33.7(b)(ii)
 - generally, 33.7
 - governmental rotation of auditors, 33.7(b)(i)
 - Single Audit Act Amendments (1996), 33.7(a)
 - U.S. standards, 1.8
- Average capital ratio, 20.2(c)
- Balance sheet:
 - ASC Topic 740–10 on, 17.3(h)
 - assets on:
 - current assets, 4.3(a)(i)
 - generally, 4.3(a)
 - noncurrent assets, 4.3(a)(ii)
 - banks and savings institutions, 30.2(k)(ii)
 - bond discounts/premiums on, 18.4(g)
 - Chapter 11 bankruptcy reporting, 39.5(f)(i), 39.5(f)(iv)
 - current liabilities classification on, 18.3(l)(i)
 - elements of, 10.4(a)
 - generally, 4.3
 - health care organizations:
 - generally, 35.5(b)
 - governmental health care entities, 35.5(b)(ii)
 - not-for-profit entities, 35.5(b)(i)
 - international standards and, 4.10(b)
 - liabilities on:
 - current liabilities, 4.3(b)(i)
 - and current ratio, 4.3(b)(iii)
 - generally, 4.3(b)
 - noncurrent liabilities, 4.3(b)(ii)
 - and working capital, 4.3(b)(iii)
 - not-for-profit organizations, 28.3(a)(ii)
 - partnerships:
 - initial balance sheet, 20.1(f)
 - liquidation, 20.5(d)
 - real estate on, 31.9(a)(i)
 - revenue-related disclosures on:
 - generally, 12.7(b)
 - installment receivables, 12.7(b)(ii)
 - interest on receivables, 12.7(b)(iii)
 - single-payment accounts receivable, 12.7(b)(i)
 - segregation of compensating cash balances on, 11.2(f)(ii)
 - shares of stock on, 19.2(g), 19.3(e)(ii)
 - stockholders' equity on:
 - contributed equity, 4.3(c)(i)
 - generally, 4.3(c)
 - retained earnings, 4.3(c)(ii)
 - subclassifications, 4.3(c)(iii)
 - treasury stock on, 19.5(b)
- Balance sheet analysis:
 - liquidity analysis:
 - activity ratios, 10.4(b)(ii)
 - analytical ratios, 10.4(b)(i)
 - generally, 10.4(b)
 - long-term assets and liabilities:
 - capitalization analysis, 10.4(c)(ii)
 - capitalization table, 10.4(c)(iii)
 - debt ratios, 10.4(c)(iv)
 - fixed asset turnover ratio, 10.4(c)(i)
 - generally, 10.4(c)
 - off-balance-sheet obligations, 10.4(c)(vi), 10.4(c)(vii)
 - preferred stock ratios, 10.4(c)(v)
 - property analysis, 10.4(c)(viii)
- Bankruptcy:
 - alternatives to:
 - assignment for benefit of creditors, 39.2(b)
 - generally, 39.2
 - out-of-court settlements, 39.2(a)

Bankruptcy: (*Continued*)

automatic stay:
 equity in property, determination of,
 39.3(d)(ii)
 generally, 39.3(d)
 relief from, 39.3(d)(i)
 avoiding power, 39.3(f)
 bankruptcy court proceedings:
 accounting services in, 39.2(d)
 generally, 39.2(c)
 Chapter 7 bankruptcy (liquidation),
 39.2(c)(ii)
 Chapter 11 bankruptcy, *see* Chapter 11
 bankruptcy
 Chapter 12 bankruptcy (debt adjustment for
 family farmers with regular annual
 income), 39.2(c)(iii)
 dispute resolution proceedings, 41.2(d)(iii)
 executory contracts:
 generally, 39.3(e)
 limitations on, 39.3(e)(i)
 rejection of, 39.3(e)(ii)
 filing of petition for, 39.3(a)
 fraudulent transfers:
 generally, 39.3(h)
 leveraged buyouts as, 39.3(h)(i)
 search for, 39.3(h)(ii)
 leases:
 generally, 39.3(e)
 limitations on, 39.3(e)(i)
 petition for:
 data required in, 39.3(c)
 filing of, 39.3(a)
 timing of, 39.3(b)
 postpetition transfers:
 and adequate value received, 39.3(i)(i)
 generally, 39.3(i)
 unauthorized transfers, prevention of,
 39.3(i)(ii)
 preferential payments:
 exceptions, 39.3(g)(i)
 generally, 39.3(g)
 search for, 39.3(g)(ii)
 reclamation, requests for, 39.3(k)
 reporting requirements:
 disclosure requirements, 39.7(b)
 financial projections, 39.7(e)
 generally, 39.7
 investigative services, 39.7(d)
 litigation services, 39.7(a)
 operating reports, 39.7(c)

setoffs:

early setoff penalty, 39.3(j)(i)
 generally, 39.3(j), 39.3(j)(ii)
 Title 11 of U.S. Code provisions, 39.2(c)(i)
 U.S. trustee, appointment of, 39.3(l)

Banks and savings institutions:

capital adequacy guidelines for:
 assets, risk-weighted, 30.2(f)(iii)
 calculations, 30.2(f)(iv)
 generally, 30.2(f)
 interest rate risk, 30.2(f)(v)
 market risk, 30.2(f)(vi)
 minimum requirements, 30.2(f)(iv)
 ratios, risk-based and leverage, 30.2(f)(i)
 Tier 1/2/3 components, 30.2(f)(ii)
 capital matters, disclosure of, 30.2(i)
 corrective action with:
 examinations, risk focused, 30.2(g)(iii)
 generally, 30.2(g)
 regulatory rating systems and, 30.2(g)(ii)
 scope, 30.2(g)(i)
 credit issues:
 accounting guidance, 30.2(o)(i)
 allowance methodologies, 30.2(o)(iii)
 regulatory guidance, 30.2(o)(ii)
 debt/equity securities, investments in:
 accounting for, 30.2(r)(i)
 borrowing and lending, securities,
 30.2(r)(iv)
 generally, 30.2(r)
 short sales, 30.2(r)(iii)
 wash sales, 30.2(r)(ii)
 debt incurred by:
 accounting guidance, 30.2(u)(iii)
 long-term debt, 30.2(u)(i)
 short-term debt, 30.2(u)(ii)
 deposits:
 demand, 30.2(s)(i)
 savings, 30.2(s)(ii)
 time, 30.2(s)(iii)
 and derivatives:
 accounting guidance, 30.2(w)(vii)
 foreign exchange contracts, 30.2(w)(v)
 forwards, 30.2(w)(ii)
 futures, 30.2(w)(i)
 generally, 30.2(w)
 options, 30.2(w)(iii)
 swaps, 30.2(w)(iv)
 disclosure:
 of capital matters, 30.2(i)
 of risks/uncertainties, 30.2(k)(v)

- electronic banking, risks of, 30.2(y)
- enforcement actions, 30.2(h)
- federal funds purchased, 30.2(t)(i)
- fee income:
 - from fiduciary services, 30.2(x)(i)
 - miscellaneous forms of, 30.2(x)(ii)
- fiduciary services offered by, 30.2(x)(i)
- financial statement presentation for:
 - balance sheets, 30.2(k)(ii)
 - cash flow, statements of, 30.2(k)(iii)
 - commitments/off-balance-sheet risk, 30.2(k)(iv)
 - income statements, 30.2(k)(i)
 - risks/uncertainties, disclosure of, 30.2(k)(v)
- and GAAP vs. regulatory accounting principles, 30.2(m)
- generally, 30.1(c)(i)
- industry guidance, sources of, 30.2(l)
- loans:
 - accounting for, 30.2(n)(ii)
 - credit losses with, *see subhead*: credit losses
 - nonaccrual loans, taxation of, 30.2(v)(iv)
 - taxation of loan loss reserves, 30.2(v)(i)
 - types of, 30.2(n)(i)
- loan sales:
 - accounting guidance, 30.2(p)(v)
 - loan servicing, 30.2(p)(iii)
 - regulatory guidance, 30.2(p)(iv)
 - securitizations, 30.2(p)(ii)
 - underwriting standards, 30.2(p)(i)
 - valuation, 30.2(p)(vi)
- real estate, bank-owned:
 - foreclosed assets, 30.2(q)(iii), 30.2(v)(vii)
 - former bank premises, 30.2(q)(ii)
 - investments, 30.2(q)(i)
 - taxation of, 30.2(v)(vii)
- regulation of:
 - environment, regulatory, 30.2(d)
 - Federal Deposit Insurance Corporation (FDIC), 30.2(c)(iii)
 - Federal Reserve Board (Fed), 30.2(c)(ii) generally, 30.2(c)
 - Office of the Comptroller of the Currency (OCC), 30.2(c)(i)
 - Office of Thrift Supervision (OTS), 30.2(c)(iv)
- regulation/supervision of, 30.2(b)
- repurchase agreements, 30.2(t)(ii)
- risk factors with:
 - asset-quality risk, 30.2(a)(iii)
 - electronic banking, 30.2(y)
 - fiduciary risk, 30.2(a)(iv) generally, 30.2(a)
 - interest rate risk, 30.2(a)(i)
 - liquidity risk, 30.2(a)(ii)
 - market risk, 30.2(a)(vii)
 - operating risk, 30.2(a)(vi)
 - processing risk, 30.2(a)(v)
- and Section 112 of FDIC Improvement Act (FDICIA):
 - generally, 30.2(e)
 - guidelines, 30.2(e)(i)
 - holding company exception, 30.2(e)(iii)
 - reports, availability of, 30.2(e)(iv)
 - requirements, 30.2(e)(ii)
- and Security and Exchange Commission (SEC):
 - background, 30.2(j)(i)
 - reporting requirements of, 30.2(j)(ii)
- taxation of:
 - FHLB dividends, 30.2(v)(ix)
 - foreclosed property, 30.2(v)(vii)
 - hedging, 30.2(v)(v)
 - leasing activities, 30.2(v)(viii)
 - life insurance, bank-owned, 30.2(v)(x)
 - loan loss reserves, 30.2(v)(i)
 - loan origination fees/costs, 30.2(v)(vi)
 - market discount, 30.2(v)(xii)
 - mark to market, 30.2(v)(ii)
 - nonaccrual loans, 30.2(v)(iv)
 - original issue discount, 30.2(v)(xi)
 - tax-exempt securities, 30.2(v)(iii)
- technology, risks of, 30.2(y)
- Basis of accounting:
 - for income taxes, 17.1(b)
 - for not-for-profit organizations, 28.2(b)
 - for personal financial statements, 22.1(d)
 - for state/local government accounting:
 - expenditure transactions, 33.4(j)(iv)
 - generally, 33.4(c)(viii), 33.4(j)(i), 33.4(j)(ii)
 - nonexchange transactions, 33.4(j)(v)
 - revenue transactions, 33.4(j)(iii)
- Board of directors:
 - fraud by:
 - backgrounds, 40.6(a)
 - degree of influence, 40.6(c)
 - generally, 40.6
 - motivations, 40.6(b)
 - and Sarbanes-Oxley Act, 5.1(e)(i)

8 INDEX

- Bonds:**
- balance sheet, discount and premium in, 18.4(g)
 - blocks issued at different rates, 18.5(e)
 - conversion of:
 - accrued interest, 18.6(l)
 - generally, 18.6(j)
 - induced conversion, 18.6(k)
 - convertible, 18.4(b)(i)
 - discount on, 18.5(d)
 - with issuer option to settle for cash upon conversion, 18.11(a)(v)
 - with premium put, 18.11(a)(i)
 - defaulted, 18.6(c)
 - defined, 18.4(a)
 - discount, bond:
 - amortization of, 18.5(c)
 - in balance sheet, 18.4(g)
 - convertible bonds, 18.5(d)
 - issue of bonds, 18.4(e)(ii)
 - origin, 18.4(e)(i)
 - warrants, bonds with, 18.5(d)
 - issuance of:
 - authority, 18.4(c)
 - blocks at different rates, 18.5(e)
 - bond discount, 18.4(e)(i), 18.4(e)(ii)
 - business combinations, allocation of costs in, 18.4(e)(iv)
 - between interest dates, 18.4(e)(v)
 - premium, 18.4(e)(i), 18.4(e)(ii)
 - price, determination of, 18.4(f)
 - recording issue of bonds, 18.4(e)
 - segregation of costs, 18.4(e)(iii)
 - steps, 18.4(d)
 - maturity of:
 - payment at, 18.6(a)
 - redemption before, 18.6(f)
 - settlement after, 18.6(b)
 - premium, bond:
 - amortization of, 18.5(c)
 - in balance sheet, 18.4(g)
 - issue of bonds, 18.4(e)(ii)
 - origin, 18.4(e)(i)
 - serial, 18.4(b)(ii)
 - interest rates, 18.5(f)
 - and sinking funds, 18.4(b)(ii)
 - subscription rights and warrants sold with, 18.6(m)
 - types of, 18.4(b)
 - with warrants, 18.5(d)
- Bond interest:**
- accrual of, 18.5(a)
 - amortization of premium or discount, 18.5(c)
 - payment of, 18.5(b)
 - bonds held by trustee, 18.5(b)(ii)
 - treasury bonds, 18.5(b)(i)
 - serial bonds, 18.5(f)
 - treasury bonds, 18.5(b)(i)
 - trustee, bonds held by, 18.5(b)(ii)
- Bond redemption:**
- creditors:
 - classification of obligations by, 18.6(d)
 - compositions with, 18.6(e)
 - extinguishment of debt:
 - gains and losses from, 18.6(f)(i)
 - noncash, 18.6(f)(ii)
 - before maturity, 18.6(f)
 - payment at maturity, 18.6(a)
 - redemption before maturity, 18.6(f)
 - refunding, payment by, 18.6(h)(i)
 - reissue of treasury bonds, 18.6(g)
 - settlement after maturity, 18.6(b)
 - sinking funds, use of, 18.6(h)
 - treatment of treasury bonds, 18.6(g)
- Bond refunds, 18.6(i)**
- Break-even analysis:**
- generally, 29.5
 - graphical approach to, 29.5(a)
 - margin of safety, 29.5(c)
 - target surplus volume, 29.5(b)
- Broadcasting:**
- generally, 14.6(d)
 - licenses, revoked or nonrenewed, 14.6(d)(ii)
 - rights, 14.6(d)(i)
- Budgets and budgeting:**
- federal government accounting:
 - accounting, budgetary, 32.2(b), 32.2(b)(i), 32.2(b)(iii), 32 (App B)
 - budget process, 32.4(a)
 - congressional action, 32.4(b)(ii)
 - execution of budget, 32.4(b)(iii)
 - formulation of budget, 32.4(b)(i)
 - Office of Management and Budget (OMB), 32.2(a)(ii)
 - review/audit of budget, 32.4(b)(iv)
 - inventory control, 13.7(a)(iv)
 - state/local government accounting:
 - capital budgets, 33.4(k)(v)
 - comparisons, budgetary, 33.4(k)(vi)
 - execution of budget, 33.4(k)(iii)
 - generally, 33.4(c)(ix)
 - operating budgets, 33.4(k)(i)

- preparation of budget, 33.4(k)(ii)
- proprietary fund budgeting, 33.4(k)(iv)
- Business combinations:
 - acquisition method of accounting for, *see* Acquisition method
 - and ASC Topic 740 (*Income Taxes*), 17.2(e)(iii)
 - consolidated financial statements, 9.1(b)
 - defined, 8.2
 - direct costs of:
 - acquiree, costs incurred by, 8.3(c)(i)
 - discretionary costs, 8.3(c)(iv)
 - employee costs, 8.3(c)(ii), 8.3(c)(iii)
 - generally, 8.3(c)
 - plant closing costs, 8.3(c)(ii)
 - generally, 8.1
 - health care organizations:
 - governmental entities, 35.3(o)(ii)
 - not-for-profit entities, 35.3(o)(i)
 - identifying, 8.2(a)
 - IFRS No. 3 on, 8.4(i)
 - intangible assets, acquisition of, 14.2(a)
 - issuance of bonds; allocation of costs, 18.4(e)(iv)
 - leases, 15.10(f)
 - leveraged buyouts, *see* Leveraged buyouts
 - pension plans, nonrecurring events with, 27.3(g)
 - purchase of; inventory valuation method, 13.5(h)
- Business valuation:
 - cost approach:
 - generally, 25.5(c)
 - with intangible assets, 25.8(c)(i)
 - and credentials of valuation analyst, 25.10
 - and discount rates, 25.5(a)(i)
 - and discounts/premiums, 25.6
 - generally, 25.4
 - income approach:
 - generally, 25.5(a)
 - with intangible assets, 25.8(c)(iii)
 - intangible assets:
 - accounting guidance for, 25.8(b)
 - cost approach, 25.8(c)(i)
 - determining existence of, 25.8(a)
 - generally, 25.8
 - income approach, 25.8(c)(iii)
 - market approach, 25.8(c)(ii)
 - methodology, choice of, 25.8(c)
 - market approach:
 - generally, 25.5(b)
 - with intangible assets, 25.8(c)(ii)
 - methods of:
 - asset-based (cost) approach, 25.5(c)
 - generally, 25.5
 - market approach, 25.5(b)
 - reasonableness check in, 25.9
 - reasons for, 25.1(b)
 - terminology, 25 (App A)
 - and valuation report, 25.7
- Capitalized costs, real estate, *see* Real estate capitalized costs
- Capital leases:
 - accounting for, 15.4(a)
 - disclosures for, 15.4(b)
 - example:
 - amortization, lessee, 15.4(c)(iv)
 - classification of lease, 15.4(c)(ii)
 - inception, accounting at, 15.4(c)(iii)
 - minimum payments, 15.4(c)(i)
 - payments, 15.4(c)(i), 15.4(c)(v)
- Cash:
 - accounting for, 11.1(b)
 - characteristics of, 11.1(a)
 - classification of, 11.2(b)
 - and concentration of credit risk:
 - disclosure, fair value, 11.2(h)(i)
 - generally, 11.2(h)
 - control over, 11.1(b)
 - defined, 11.2(a)
 - disclosure issues with:
 - concentration of credit risk, 11.2(h)(i)
 - lines of credit, unused, 11.2(g)(ii)
 - importance of, 11.1(a)
 - overdrafts, bank, 11.2(d)
 - presentation of, 11.2(b)
 - restricted, 11.2(c)
 - unused lines of credit:
 - disclosure with, 11.2(g)(ii)
 - fees paid for future credit availability, 11.2(g)(i)
 - generally, 11.2(g)
- Cash balances:
 - compensating:
 - disclosure, 11.2(f)(i)
 - generally, 11.2(f)
 - segregation of, on balance sheet, 11.2(f)(ii)
 - foreign balances, 11.2(e)
 - misrepresentation of, 11.1(c)

- Cash flow analysis:
 - comparing cash flows, 10.5(b)
 - direct vs. indirect methods of, 10.5(a)
- Cash flows, comparing, 10.5(b)
- Cash flows, statement of, *see* Statement of cash flows
- Certified Public Accountants (CPAs):
 - accounting services, 1.10(b)(ii)
 - auditing services, 1.10(b)(i)
 - consulting services, 1.10(b)(iv)
 - generally, 1.10(b)
 - special investigations, 1.10(b)(iv)
 - tax services, 1.10(b)(iii)
 - valuation services, 1.10(b)(iv)
- Chapter 11 bankruptcy:
 - claims under:
 - administrative expenses, 39.4(c)
 - priorities, 39.4(d)
 - processing of claims, 39.4(e)
 - proof of claims, 39.4(a)
 - undersecured claims, 39.4(b)
 - creditors' committee, assistance to:
 - bargaining process, 39.6(g)(i)
 - debtor's projections, evaluations of, 39.6(g)(ii)
 - plan and disclosure statement, review of, 39.6(g)(iv)
 - reorganization value, 39.6(g)(iii)
 - debtor, assistance to:
 - liquidation value of assets, 39.6(f)(i)
 - pro forma balance sheet, 39.6(f)(iv)
 - projections of future operations, 39.6(f)(ii)
 - reorganization model, 39.6(f)(v)
 - reorganization value, 39.6(f)(iii)
 - disclosure statement:
 - adequate information, definition of, 39.6(c)(i)
 - content of, 39.6(c)(ii)
 - generally, 39.6(c)
 - examiner, appointment of:
 - accountants as examiners, 39.5(d)(ii)
 - functions of examiner, 39.5(d)(i)
 - generally, 39.5(d)
 - operating under:
 - credit, obtaining, 39.5(b)
 - examiner, appointment of, *see subhead:*
 - examiner, appointment of generally, 39.5
 - operating statements, 39.5(e)
 - trustees, appointment of, 39.5(c)
 - use of property, *see subhead:* use of property
 - plan under:
 - claim classification, 39.6(a)
 - confirmation of plan, 39.6(d)
 - confirmation requirements, 39.6(e)
 - disclosure statement, *see subhead:*
 - disclosure statement generally, 39.6
 - long-lived assets, impairment of, 39.6(i)
 - plan development, 39.6(b)
 - prepackaged/prenegotiated plans, 39.2(c)(iv)
 - reorganization under:
 - allocation of reorganization value, 39.6(h)(ii)
 - debtors not qualifying for fresh start, reporting by, 39.6(h)(iv)
 - disclosure requirements, 39.6(h)(iii)
 - fresh start reporting, requirements for, 39.6(h)(i)
 - reporting in:
 - generally, 39.5(f)
 - statement of cash flows, 39.5(f)(iii)
 - statement of operations, 39.5(f)(ii)
 - use of property:
 - cash collateral, 39.5(a)(i)
 - generally, 39.5(a)
 - secured lender, providing information to, 39.5(a)(ii)
- Closely held business, valuation of, 22.3(h)
- Colleges, public, 33.6
- Committee on Accounting Procedure:
 - Accounting Research Bulletins (ARB), 2.2(b)(ii)
 - failures of, 2.2(b)(iii)
 - generally, 2.2(b)
 - statement of principles, lack of, 2.2(b)(i)
- Compensation, stock-based, *see* Stock-based compensation
- Comprehensive income, on income statement, 4.4(d)(iv)
- Computers. *See also* E-discovery and forensic technology, 41.3(f)(i)
 - generally, 42.1
 - software, as intangible asset, 14.6(f)
- Conceptual framework (FASB):
 - Accounting Principles Board (APB) and:
 - dissolution of, 2.2(c)(iii)
 - generally, 2.2(c)
 - and investment credit, 2.2(c)(ii)

- postulates/principles of, 2.2(c)(i) and Seidman Committee, 2.2(c)(ii)
- assets and liabilities, defining:
 - generally, 2.2(d), 2.2(d)(i), 2.3(a)(iii)
 - matching, 2.2(d)(ii), 2.2(d)(iii)
 - nondistortion, 2.2(d)(ii), 2.2(d)(iii)
 - what-you-may-call-its, 2.2(d)(ii), 2.2(d)(iii)
- as body of concepts, 2.3(a)
- Committee on Accounting Procedure and:
 - Accounting Research Bulletins (ARBs), 2.2(b)(ii)
 - failures, 2.2(b)(iii)
 - generally, 2.2(b)
 - lack of statement of principles, 2.2(b)(i)
- as decision-making tool, 2.3(a)(i)
- functions of, 2.3(a)(iv)
 - generally, 1.4(e), 2.2, 2.3
- historical background, 2.2(d)(i)
- initiation of, 2.2(d)(iv)
- and representation of real world, 2.3(a)(ii)
- Special Committee on Cooperation with Stock Exchanges and:
 - "accepted principles of accounting," 2.2(a)(i)
 - generally, 2.2(a)
 - recommendations, 2.2(a)(ii)
 - and SEC, 2.2(a)(iii)
 - and Securities Exchange Act, 2.2(a)(iii)
- Consolidated financial statements:
 - about, 9.1
 - and business combinations, 9.1(b)
 - combined statements, 9.1(c)
 - disclosures with, 9.1(a)(iv)
 - and equity method, 9.1(d)
 - equity method vs., 9.3(a)
 - historical summary of pronouncements, 9.4(a)
 - intercompany amounts on, 9.1(a)(ii)
 - policy, consolidation, 9.1(a)(i)
 - purpose of, 9.1(a), 9.1(f)
 - Regulation S-X and, 5.4(d)
 - SEC rules and regulations:
 - disclosures, miscellaneous, 9.1(g)(iii)
 - intercompany items and transactions, 9.1(g)(ii)
 - reporting entity, selection of, 9.1(g)(i)
 - and translation, 9.1(c)
 - and variable interest entities, 9.1(a)(iii)
- Construction:
 - ASC Topic 980 and, 36.6(e)(i), 36.8(a)(iii)
 - costs of, 31.3(d)
 - health care organizations, 35.3(l)(v)
 - in progress, 16.13(b)
 - property under, 16.9(b)
 - real estate transactions; continued involvement of seller, 31.2(f)(ix)
 - regulated utilities, 36.10(d)(ii)
 - sale and leaseback transactions, 15.10(h)(i)
- Construction revenue recognition:
 - accounting methods:
 - completed contract, 31.6(b)(ii), 31.6(d)
 - consistent application of, 31.6(b)(iii)
 - generally, 31.6(b)
 - percentage-of-completion, *see subhead*:
 - percentage-of-completion method
 - authoritative literature on, 31.6(a)
 - claims, 31.6(f)
 - completed contract method, 31.6(b)(ii), 31.6(d)
 - generally, 31.6
 - leases, provision for, 31.6(e)
 - percentage-of-completion method:
 - cost determination, 31.6(c)(ii)
 - estimates, revision of, 31.6(c)(iii)
 - generally, 31.6(b)(i), 31.6(c)
 - revenue determination, 31.6(c)(i)
- Consulting (by CPAs), 1.10(b)(iv)
- Contingencies. *See also* Loss contingencies
 - business combinations:
 - assets/liabilities arising from, 8.3(h)
 - earnings, based on, 8.3(d)(i)
 - security prices, based on, 8.3(d)(ii)
 - current liabilities:
 - generally, 18.3(i)
 - likelihood of, 18.3(i)(i)
 - types of, 18.3(i)(ii)
- Control, internal, *see* Internal control
- Corporation(s):
 - advantages of, 19.1(b)
 - certificate of incorporation, 19.1(d)
 - defined, 19.1(a)
 - owners' interests in, 19.1(c)
- Corrections to income statement, 4.4(d)(v)
- Cost behavior analysis:
 - fixed costs, 29.3(b), 29.3(c)
 - generally, 29.3
 - program-specific vs. common fixed costs, 29.3(c)
 - variable costs, 29.3(a)

- Cost-volume-revenue (CVR) analysis for nonprofit organizations:
- break-even analysis:
 - generally, 29.5
 - graphical approach to, 29.5(a)
 - margin of safety, 29.5(c)
 - target surplus volume, 29.5(b)
 - cost behavior analysis:
 - fixed costs, 29.3(b), 29.3(c)
 - generally, 29.3
 - program-specific vs. common fixed costs, 29.3(c)
 - variable costs, 29.3(a)
 - examples, 29.5(d)
 - with fixed revenue only, 29.6
 - program mix analysis, 29.8
 - questions answered by, 29.1
 - revenue analysis, 29.2
 - usefulness of, 29.9
 - with variable and fixed revenues, 29.7
 - with variable revenue only:
 - CM ratio, 29.4(c)
 - contribution margin, 29.4(a)
 - unit CM, 29.4(b)
- CPAs, *see* Certified Public Accountants
- Creditors:
- advertising for (estates), 38.1(i)(xiii)
 - assignment for benefit of, 39.2(b)
 - Chapter 11 bankruptcy:
 - bargaining process, 39.6(g)(i)
 - debtor's projections, evaluations of, 39.6(g)(ii)
 - plan and disclosure statement, review of, 39.6(g)(iv)
 - reorganization value, 39.6(g)(iii)
 - classification of obligations by, 18.6(d)
 - compositions with, 18.6(e)
 - debtor-creditor relationship (partnerships), 20.2(d)(iv)
 - financial statement analysis by, 10.1(b)(ii)
 - obligations callable by, 18.3(a)(iii)
 - trade, 18.3(c), 18.3(e)
- Current liabilities:
- accounts payable, 18.3(c)
 - accrued expenses, 18.3(f)
 - accrued payroll, 18.3(f)(ii)
 - commissions and fees, 18.3(f)(iv)
 - federal income taxes, 18.3(f)(v)
 - interest payable, 18.3(f)(i)
 - property taxes, 18.3(f)(vi)
 - rent, 18.3(f)(vii)
 - vacation pay, 18.3(f)(iii)
 - advances from officers and employees, 18.3(g)
 - balance sheet classification of, 18.3(l)(i)
 - contingencies:
 - accrual of, 18.3(i)(iii)
 - assessments, 18.3(i)(vii)
 - disclosure of, 18.3(i)(v)
 - environmental liabilities, 18.3(i)(x)
 - estimating amounts to accrue, 18.3(i)(iv)
 - generally, 18.3(i)
 - general reserves for, 18.3(i)(viii)
 - likelihood of, 18.3(i)(i)
 - litigation and claims, 18.3(i)(vii)
 - types of, 18.3(i)(ii)
 - uninsured risks, 18.3(i)(vi)
 - vulnerability from concentrations, 18.3(i)(xi)
 - warranty obligations, 18.3(i)(ix)
 - deferred revenue, 18.3(h)(i)
 - defined, 18.3(a)
 - demand notes, 18.3(a)(iv)
 - dividends payable, 18.3(h)
 - exit or disposal activity obligations:
 - contract termination costs, 18.3(j)(ii)
 - disclosure of, 18.3(j)(v)
 - financial statement presentation, 18.3(j)(iv)
 - generally, 18.3(j)
 - miscellaneous costs, 18.3(j)(iii)
 - one-time termination benefits, 18.3(j)(i)
 - financial statement presentation:
 - balance sheet, 18.3(l)(i)
 - exit or disposal activity obligations, 18.3(j)(iv)
 - separate statement or note, 18.3(l)(ii)
 - foreign currencies, translation into, 18.3(k)
 - generally, 4.3(b)(i)
 - long-term obligations:
 - approaching maturity, 18.3(a)(i)
 - subjective acceleration clause, 18.3(a)(v)
 - notes payable:
 - bank loans, 18.3(d)
 - trade creditors, 18.3(e)
 - obligations callable by creditor, 18.3(a)(iii)
 - short-term obligations to be refinanced, 18.3(a)(ii)
 - trade creditors:
 - accounts payable, 18.3(c)
 - notes payable, 18.3(e)

- types of, 18.3(b)
- various, 18.3(l)(ii)
- Current ratio, 4.3(b)(iii)
- CVR analysis, *see* Cost-volume-revenue analysis
- Debt. *See also* Bankruptcy
 - acquisition of PP&E by issuance of, 16.2(a)(ii)
 - banks and savings institutions, incurred by:
 - accounting guidance, 30.2(u)(iii)
 - long-term debt, 30.2(u)(i)
 - short-term debt, 30.2(u)(ii)
 - estates, payment of debts by:
 - generally, 38.1(i)(xii)
 - order of payment, 38.1(i)(xiv)
 - source of funds for, 38.1(i)(xv)
 - extinguishment of (bond redemption), 18.6(f)(i), 18.6(f)(ii)
 - family farmers with regular annual income (bankruptcy), 39.2(c)(iii)
 - on financial statements:
 - debt and equity investments, 4.8(b)(i)
 - generally, 4.8(b)(iv)
 - long-term debt, 4.8(b)(iv), 18.7
 - health care organizations; provision for bad debts, 35.3(e)(iii)
 - increasing-rate, 18.11(a)(ii)
 - indexed debt instruments, 18.11(a)(iii)
 - partnerships, debtor-creditor relationship in, 20.2(d)(iv)
 - restructurings, troubled debt, 18.10(a)
 - warrants issued with, 19.6(b)(i)
- Debt analysis (finance companies):
 - asset protection ratios, 10.8(b)
 - capitalization, 10.8(f)
 - generally, 10.8
 - liquidity, 10.8(e)
 - loan spreads, 10.8(d)
 - operating agreement, 10.8(a)
 - reserve and loss ratios, 10.8(c)
- Debt ratios, 10.4(c)(iv)
- Debt securities:
 - after acquisition, accounting for:
 - available-for-sale securities, 11.4(c)(iii)
 - generally, 11.4(c)
 - held-to-maturity securities, 11.4(c)(i)
 - trading securities, 11.4(c)(ii)
 - transfers between categories, 11.4(c)(iv)
 - defined, 11.4(a)
 - disclosures with, 11.4(e)
 - generally, 11.4(a)
 - impairment of, 11.4(d)
 - initial recognition/measurement of:
 - available-for-sale securities, 11.4(b)(iii)
 - generally, 11.4(b)
 - held-to-maturity securities, 11.4(b)(i)
 - trading securities, 11.4(b)(ii)
- Depreciation:
 - composite, 16.11(b)(ii)
 - group, 16.11(b)(i)
 - property, plant and equipment, *see* Property, plant and equipment depreciation
- Depreciation methods:
 - changing, 16.10(f)
 - decreasing-charge:
 - double-declining-balance method, 16.10(c)(iii)
 - fixed-percentage-of-declining-balance method, 16.10(c)(ii)
 - generally, 16.10(c)
 - sum-of-digits method, 16.10(c)(i)
 - generally, 16.10
 - interest:
 - annuity method, 16.10(d)(i)
 - sinking-fund method, 16.10(d)(ii)
 - for partial periods, 16.10(e)
 - straight-line, 16.10(a)
 - usage:
 - productive-output method, 16.10(b)(ii)
 - service-hours method, 16.10(b)(i)
- Derecognition, 17.3(f), 31.2(j)(viii)
- Derivatives:
 - accounting treatment of, 26.5
 - cash flow hedges:
 - disallowed situations, 26.5(a)(iv)
 - disclosures for, 26.6(d)
 - eligible risks, 26.5(a)(ii)
 - generally, 26.5(a)
 - internal derivatives contracts, 26.5(a)(v)
 - prerequisites, 26.5(a)(iii)
 - qualifying exposures, 26.5(a)(i)
 - disclosures for:
 - all reporting entities, 26.6(a)
 - cash flow hedges, 26.6(d)
 - fair value hedges, 26.6(c)
 - hedging relationships, 26.6(b)
 - embedded, 26.4
 - fair value hedges:
 - disallowed situations, 26.5(b)(iv)
 - disclosures for, 26.6(c)
 - examples of, 26.5(b)(i)

- Derivatives: (*Continued*)
 generally, 26.5(b)
 prerequisite requirements with, 26.5(b)(iii)
 risks qualifying as, 26.5(b)(ii)
 generally, 26.1
 hedges:
 cash flow hedges, *see subhead: cash flow hedges*
 disclosures for, 26.6(b)
 effectiveness of, 26.5(d)
 fair value hedges, *see subhead: fair value hedges*
 foreign operations, net investments in, 26.5(c)
 nonqualifying trades, 26.5(e)
 speculative trades, 26.5(e)
 and IFRS, 26.7
 qualifying criteria for:
 exemptions to, 26.3
 generally, 26.2
- Disclosure(s). *See also* AU 328 (*Auditing Fair Value Measurements and Disclosures*)
 in annual report to stockholders, 5.4(q)
 bankruptcy:
 adequate information, definition of, 39.6(c)(i)
 content of disclosure statement, 39.6(c)(ii)
 generally, 39.6(c), 39.6(h)(iii), 39.7(c)
 plan and disclosure statement, review of, 39.6(g)(iv)
- banks and savings institutions:
 capital matters, 30.2(i)
 risks/uncertainties, 30.2(k)(v)
- for capital leases, 15.4(b)
- of capital structure:
 generally, 19.9
 preferred stock, 19.9(a)
- of cash:
 and concentration of credit risk, 11.2(h)(i)
 lines of credit, unused, 11.2(g)(ii)
 compensating cash balances, 11.2(f)(i)
 consolidated financial statements, 9.1(a)(iv)
 of contingencies, 18.3(i)(v)
 of debt securities, 11.4(e)
- of derivatives:
 all reporting entities, 26.6(a)
 cash flow hedges, 26.6(d)
 fair value hedges, 26.6(c)
 hedging relationships, 26.6(b)
- employee stock options, 19.6(c)(ii)
 with equity method, 9.3(d)
- of equity securities, 11.5(f)
 of exit or disposal activity obligations, 18.3(j)(v)
- fair value measurements:
 nonpublic companies, exemption for, 24.4(f)(ii)
 objectives, 24.4(f)(i)
 required disclosures, 24.4(f)(ii)
- film producers and distributors, 37.4
 on financial statements, *see* Financial statements, *subhead: disclosure requirements*
- foreign operations; translation, 9.2(i)
- health care organizations:
 fraud related to government programs, 35.3(m)(ii)
 loss contingencies, 35.3(m)(iii)
 municipal securities market, 35.6(a)(ii)
 risks/uncertainties, 35.3(m)(i)
- with intangible assets, 14.10
- leases:
 capital, 15.4(b)
 direct financing, 15.6(b)
 examples, 15.11
 leveraged, 15.8(b)
 sales-type, 15.6(b)
- lessee, 15.3(b)
- of liabilities, 18.1(d), 18.3(j)(v)
- of loans, 11.3(f)
- of long-term liabilities:
 guarantee obligations, 18.8(k)(iv)
 unconditional purchase obligations, 18.8(j)
- pension plans:
 actuarial present value of benefits, 27.5(e)(ii)
 annuity contracts, 27.2(h)(iii)
 generally, 27.2(h)
 miscellaneous disclosures, 27.5(h)
 net assets available for benefits, 27.5(c)(ii)
 nonpublic entities, 27.2(h)(ii)
 nonrecurring events, 27.3(i)
 public entities, 27.2(h)(i)
 statement of net assets, 27.5(c)(ii)
- postemployment benefits, 27.7(b)(iv)
 postretirement benefits, 27.6(e)
 professional concerns with, 4.8(d)
 real estate notes, 31.9(c)
- regulated utilities:
 construction intermediaries, financing through, 36.10(d)(ii)

- expanded footnote disclosures,
 - 36.10(d)(vi)
- jointly owned plants, 36.10(d)(iii)
- nuclear decommissioning costs,
 - 36.10(d)(iv)
- purchase power contracts, 36.10(d)(i)
- stranded costs, securitization of,
 - 36.10(d)(v)
- Regulation S-X requirements:
 - compensating balances, 5.4(l)(i)
 - generally, 5.4(g)
 - income tax expense, 5.4(k)
 - short-term borrowings, 5.4(l)(ii)
 - sources of, 5.4(h)
 - subsidiary, disclosure by, 5.4(i)
 - translation; foreign operations, 9.2(i)
- Discontinued operations, 4.4(d)(iii)
- Dispute resolution proceedings, accountant's role in:
 - damage calculation:
 - generally, 41.2(e)(i)
 - income taxation, 41.2(e)(v)
 - inflation, 41.2(e)(iv)
 - measurement, 41.2(e)(ii)
 - mitigation, 41.2(e)(iii)
 - present value, 41.2(e)(iv)
 - and Federal Rules of Evidence:
 - Daubert v. Merrell Dow Pharmaceuticals*, 41.2(c)(ii)
 - Federal Rule of Civil Procedure 26, 41.2(c)(iii)
 - Federal Rule of Evidence 702, 41.2(c)(i)
 - in litigation process:
 - case analysis and planning, 41.2(b)(iii)
 - credentials/certifications, related, 41.2(b)(viii)
 - discovery, 41.2(b)(iv)
 - generally, 41.2(b)
 - nontestifying expert, 41.2(b)(ii)
 - pretrial tasks, 41.2(b)(vi)
 - settlement analysis, 41.2(b)(v)
 - testifying expert, 41.2(b)(i)
 - trial, 41.2(b)(vii)
 - opinions, support for:
 - documentation, 41.2(f)(iii)
 - information sources, 41.2(f)(i)
 - reliance on others, 41.2(f)(ii)
 - services offered:
 - arbitration, 41.2(d)(ii)
 - bankruptcy, 41.2(d)(iii)
 - damage calculations, 41.2(d)(i)
- testimony:
 - depositions, 41.2(g)(i)
 - at trial, 41.2(g)(ii)
- and U.S. legal system:
 - adversarial process, 41.2(a)(i)
 - alternative dispute resolution, 41.2(a)(iii)
 - civil suits, stages of, 41.2(a)(ii)
 - required proofs, 41.2(a)(iii)
- Dividends:
 - as ancillary revenue, 12.6(a)
 - as current liability, 18.3(h)
 - on ESOPs, 19.6(d)(iii)
 - expected, 23.3(a)(ii)
 - FHLB, 30.2(v)(ix)
 - preferred, 10.2(c)(vi)
 - on preferred stock, 19.2(c)(iii)
 - principal and income from; trusts, 38.3(k)(iii)
 - as retained earnings:
 - cash dividends, 19.7(g)
 - closely held corporations, 19.7(h)(iii)
 - declaration dates, 19.7(f)
 - generally, 19.7(e)
 - large stock dividends, 19.7(h)(ii)
 - liquidating dividends, 19.7(k)
 - property dividends, 19.7(i)
 - reasons for declaration, 19.7(h)(v)
 - record date, 19.7(h)(iv)
 - scrip or liability dividends, 19.7(j)
 - small stock dividends, 19.7(h)(i)
 - stock dividends, 19.7(h)
- Economy, financial statements and, 1.1(b)(i)
- E-discovery:
 - audit trails, 42.9
 - computer forensics, role of, 42.11
 - and computers, 42.1
 - data:
 - compiling, 42.18
 - increased volumes of, 42.3
 - metadata, 42.8
 - storage/communication of, 42.2
 - traffic, 42.9
 - value of, 42.4
 - data searching:
 - generally, 42.20
 - via hash value, 42.20(b)
 - via key word, 42.20(a)
 - data sorting:
 - by date/time, 42.19(b)(i)
 - by file type/extension, 42.19(b)(iii)

- E-discovery: (*Continued*)
 generally, 42.19(b)
 by owner/author, 42.19(b)(i)
 and de-duplication, 42.19(a)
 deleted files, 42.21
 evidence:
 electronic vs. paper, 42.8
 finding, 42.5
 preserving, 42.12, 42.13
 legal setting of, 42.6
 metadata, 42.8
 physical imaging vs. logical backups, 42.13
 recordkeeping, forensic:
 acquisition notes, 42.15
 analysis workpapers, 42.17
 chain-of-custody documentation, 42.16
 generally, 42.14
 and slack space, 42.21
 speed and low cost of, 42.10
 techniques for, 42.7
 and unallocated space, 42.21
- Employees:
 advances from, 18.3(g)
 costs, employee-related, 8.3(c)(ii), 8.3(c)(iii)
- Employee stock options, 19.6(c)
 disclosure requirements, 19.6(c)(ii)
 share-based payments, 19.6(c)(i)
- Employee stock ownership plans (ESOPs),
 19.6(d)
 accounting for, 23.2(d)
 dividends on, 19.6(d)(iii)
 purchase of shares by, 19.6(d)(i)
 redemption of, 19.6(d)(ii), 19.6(d)(iv)
 release of shares, 19.6(d)(ii)
- Equipment, *see* Property, plant and equipment (PP&E)
- Equity method:
 about, 9.3
 application of:
 Bundle A, 9.3(c)(i)
 Bundle B, 9.3(c)(ii)
 Bundle C, 9.3(c)(iii)
 generally, 9.3(c)
 profit/loss, intercompany, 9.3(c)(iv)
 proportional consolidation, 9.3(c)(vi)
 special considerations, 9.3(c)(v)
 and consolidated financial statements, 9.1(d)
 consolidation vs., 9.3(a)
 disclosures with, 9.3(d)
 historical summary of pronouncements,
 9.4(c)
 with joint ventures, 9.3(b)(ii)
 with significant influence via common stock
 ownership, 9.3(b)(iii)
 with unconsolidated subsidiaries, 9.3(b)(i)
- Equity securities. *See also* Stock
 after acquisition, accounting for, 11.5(c)
 disclosures with, 11.5(f)
 generally, 11.5(a)
 impairment of, 11.5(d)
 initial recognition/measurement of, 11.5(b)
 transfers between categories of, 11.5(e)
- ESOPs, *see* Employee stock ownership plans
- Estates:
 accounting for:
 governing concepts, 38.2(a)
 liabilities, treatment of, 38.2(a)(iii)
 period, accounting, 38.2(a)(i)
 principal and income, 38.2(a)(ii)
 administrator:
 executor vs., 38.1(i)(i)
 reports of, 38.2(c)
 assets:
 distribution of, 38.1(i)(xvii)
 inventory of, 38.1(i)(ix)
 possession of, 38.1(i)(v)
 probate vs. nonprobate, 38.1(i)(vi)
 valuation of, 38.1(i)(x)
 debts, payment of, *see subhead*: payment of
 debts
 and domicile, 38.1(d)
 executor:
 administrator vs., 38.1(i)(i)
 failure of, 38.1(f)
 reports of, 38.2(c)
 fiduciary responsibilities:
 advancements, 38.1(i)(xxii)
 assets, *see subhead*: assets
 creditors, advertising for, 38.1(i)(xiii)
 debts, payments of, *see subhead*:
 payment of debts
 decree of distribution, 38.1(i)(xxv)
 disclaimers, 38.1(i)(xxiv)
 estate funds, management of, 38.1(i)(xi)
 and executor vs. administrator distinction,
 38.1(i)(i)
 exemptions, personal property, 38.1(i)(vii)
 expenses, administration, 38.1(i)(xvi)
 hotchpot, 38.1(i)(xxii)
 legacies, *see subhead*: legacies
 postdecree procedure, 38.1(i)(xxv)
 preliminary administration, 38.1(i)(iii)

- real property, 38.1(i)(viii)
- representatives' duties, 38.1(i)(ii), 38.1(i)(v)
- special duties of representatives, 38.1(i)(iv)
- and surviving spouse's right of election against will, 38.1(i)(xxiii)
- trusts, funding of, 38.1(i)(xxv)
- income taxes:
 - estate, 38.1(l)(v)
 - final individual, 38.1(l)(i)
- intestacy, 38.1(c), 38.1(g)
- legacies:
 - abatement of, 38.1(i)(xix)
 - deductions from, 38.1(i)(xx)
 - lapsed, 38.1(i)(xxi)
 - payment of, 38.1(i)(xviii)
- payment of debts:
 - generally, 38.1(i)(xii)
 - order of payment, 38.1(i)(xiv)
 - source of funds for, 38.1(i)(xv)
- probate procedures:
 - failure of executor, 38.1(f)
 - intestacy, 38.1(g)
 - will, 38.1(e)
- record-keeping system for:
 - final accounting, 38.2(b)(iii)
 - generally, 38.2(b)
 - going business, operation of, 38.2(b)(ii)
 - journals, 38.2(b)(i)
- reports of executor/administrator, 38.2(c)
- representatives of:
 - commissions of, 38.1(k)
 - and executor vs. administrator distinction, 38.1(j)(i)
 - fiduciary duties, 38.1(i)(ii), 38.1(i)(v)
 - special duties, 38.1(i)(iv)
 - and will powers not conferred by statute, 38.1(j)(ii)
 - and will powers vs. statutory powers distinction, 38.1(j)(iii)
- small, 38.1(h)
- taxation of:
 - federal estate tax, 38.1(l)(ii)
 - generation-skipping transfer tax, 38.1(l)(iv)
 - income taxes, estate, 38.1(l)(v)
 - income taxes, final individual, 38.1(l)(i)
 - state estate tax, 38.1(l)(iii)
 - state inheritance tax, 38.1(l)(iii)
- will:
 - execution of, 38.1(a)
 - probate procedures, 38.1(e)
 - provisions of, 38.1(b)
 - surviving spouse's right of election against, 38.1(i)(xxiii)
- European Union:
 - Council Directives, 1.16(a)
 - generally, 1.16
 - recent developments, 1.16(b)
- Expert witness challenges and exclusions:
 - causes of exclusion:
 - qualifications of expert, 43.4
 - relevance, 43.4
 - reliability, 43.4
 - CPAs and, 43.9
 - generally, 43.1
 - methodology, 43.2
 - plaintiff expert exclusion, 43.5
 - rates of exclusion, 43.3
 - trends, 43.7, 43.8
 - types of experts excluded, 43.6
- Fair market value:
 - defined, 25.2(a)
- Fair value:
 - of acquired company, 8.3(b)(v)
 - auditing guidance with, 25.3
 - of consideration given, 8.3(b)(i)
 - of consideration transferred, 8.3(b)(ii)
 - disclosures, in MD&A, 6.1(d)(ii)
 - excess of fair value of acquired net assets over cost, 8.3(g)(ii)
 - for financial reporting, 25.2(b)
 - of liabilities at acquisition date, 8.3(g)(xii)
 - when less than 100 percent acquired, 8.3(g)(xvi)
- Fair value accounting:
 - factors in growth of:
 - economic changes, 24.2(a)
 - globalization, 24.2(b)
 - relevance, 24.2(c)
 - transparency, 24.2(c)
 - generally, 24.1
 - in illiquid market, 24.3(d)(ii)
- Fair value measurement(s):
 - of assets vs. liabilities, 24.4(e)(i)
 - auditing of:
 - AU 328 guidance, 24.6(c)
 - estimates in, 24.6(b)
 - generally, 24.6

- Fair value measurement(s): (*Continued*)
- PCAOB Staff Audit Practice Alert No. 2, 24.6(d)
 - SEC guidance, 24.6(e)
 - standards for, 24.6(a)
 - convergence of, 24.3(e)
 - and Credit Crisis Projects, 24.3(d)(iv)
 - defined, 24.1, 24.4(b)
 - disclosures:
 - nonpublic companies, exemption for, 24.4(f)(ii)
 - objectives of, 24.4(f)(i)
 - required, 24.4(f)(ii)
 - economic crisis and, 24.3(d)
 - and fair value hierarchy, 24.4(e)(xviii)
 - and fair value option, 24.5
 - FASB ASC 820 and:
 - generally, 24.4(a)
 - scope and scope exceptions, 24.4(c)
 - for financial instruments, 24.3(b)
 - and framework for fair value, 24.4(e)
 - future of, 24.3(f)
 - highest and best use for nonfinancial assets, 24.4(e)(vi)
 - historical background:
 - development of concepts, 24.3(a)
 - generally, 24.3
 - in illiquid market, 24.3(d)(ii)
 - initial measurement, 24.4(d)
 - liabilities and instruments classified in reporting entity's shareholder's equity:
 - generally, 24.4(e)(vii)
 - held by other parties, 24.4(e)(viii)
 - not held by other parties, 24.4(e)(ix)
 - liability, miscellaneous factors that impact fair value of, 24.4(e)(x)
 - market participants and, 24.4(e)(iv)
 - mark-to-market accounting:
 - generally, 24.3(d)(i)
 - SEC study on, 24.3(d)(iii)
 - most advantageous market, 24.4(e)(iii)
 - nonfinancial assets, highest/best use for, 24.4(e)(vi)
 - for nonfinancial assets/liabilities, 24.3(c)
 - non-orderly transactions, 24.4(e)(xx)
 - price and, 24.4(e)(v)
 - principal market, 24.4(e)(iii)
 - with significant decrease in volume/level of activity, 24.4(e)(xix)
 - standards and concepts for, 24.4
 - third parties, using quoted prices from, 24.4(e)(xxi)
 - transactions and, 24.4(e)(ii)
 - valuation techniques:
 - calibration, 24.4(e)(xvi)
 - cost approach, 24.4(e)(xii)
 - generally, 24.4(e)(xi)
 - income approach, 24.4(e)(xiv)
 - inputs to, 24.4(e)(xvii)
 - market approach, 24.4(e)(xiii)
 - use of multiple valuation techniques, 24.4(e)(xv)
 - FCPA, *see* Foreign Corrupt Practices Act of 1977
 - Federal Accounting Standards Advisory Board (FASAB), 1.6
 - Federal government:
 - audits in:
 - generally, 32.5
 - Generally Accepted Government Auditing Standards (GAGAS), 32.5(a)
 - government-wide audit opinion, achievement of, 32.6(a)
 - recipients of federal financial assistance, 32.5(b)(i)
 - budgetary accounting by:
 - financial vs., 32.2(b)(iii)
 - generally, 32.2(b), 32.2(b)(i)
 - terminology, 32 (App B)
 - budget process:
 - congressional action on, 32.4(b)(ii)
 - defined, 32.4(a)
 - execution of, 32.4(b)(iii)
 - formulation of, 32.4(b)(i)
 - review/audit of, 32.4(b)(iv)
 - decision-making support, development of, 32.6(b)
 - financial accounting by:
 - budgetary vs., 32.2(b)(iii)
 - generally, 32.2(b), 32.2(b)(ii)
 - financial management by:
 - Department of the Treasury, 32.2(a)(iii)
 - generally, 32.2, 32.2(a)
 - Government Accountability Office (GAO), 32.2(a)(i)
 - legislation, 32 (App A)
 - Office of Management and Budget (OMB), 32.2(a)(ii)
 - financial reporting by:
 - accelerated reporting schedule, 32.3(a)(i)

- assertions relating to internal control over, 32.3(a)(ii)
- enhancement of, 32.6(d)
- generally, 32.3, 32.3(a)
- generally, 32
- organization of, 32.1
- parallel accounting bases in, 32.2(b)
- prevention-oriented controls, 32.6(c)
- risk-assessment controls, 32.6(c)
- Federal Rules of Evidence:
 - Daubert v. Merrell Dow Pharmaceuticals*, 41.2(c)(ii)
 - Federal Rule of Civil Procedure 26, 41.2(c)(iii)
 - Federal Rule of Evidence 702, 41.2(c)(i)
- Film producers and distributors:
 - accounting guidance history, 37.1
 - costs/expenses:
 - amortization, 37.3(b)
 - capitalization, 37.3(a)
 - costs valuations, 37.3(e)
 - exploitation costs, 37.3(g)
 - manufacturing costs, 37.3(h)
 - participation costs, 37.3(b)
 - subsequent events, 37.3(f)
 - ultimate participation costs, 37.3(d)
 - ultimate revenue, 37.3(c)
 - disclosure issues, 37.4
 - presentation issues, 37.4
 - revenue reporting by:
 - availability of film, 37.2(b)(iii)
 - barter revenue, 37.2(b)(v)
 - delivery of film, 37.2(b)(i)
 - fixed/determinable fee, 37.2(b)(iv)
 - generally, 37.2(a)
 - licensing of film-related products, 37.2(b)(viii)
 - modifications of arrangements, 37.2(b)(vi)
 - persuasive evidence of arrangement, 37.2(b)(i)
 - present value, 37.2(b)(ix)
 - price concessions, 37.2(b)(vii)
 - returns, 37.2(b)(vii)
- Financial accounting:
 - objective of, 1.1(a)
 - role of, in U.S. economy, 1.1
- Financial accounting and reporting:
 - conceptual framework:
 - generally, 2.2
 - initiation of, 2.2(d)(iv)
 - FASB and, 2.1(a)
 - income taxes, *see* Income taxes, *subhead*:
 - financial reporting of
 - management accounting vs., 2.1(b)
 - purpose of, 2.1
 - tax accounting vs., 2.1(b)
 - Financial Accounting Standards Board (FASB):
 - Accounting Standards Codification (ASC)
 - topics of, *see under* Accounting Standards Codification
 - Concepts Statements of:
 - accounting information, qualitative characteristics of, 2.3(b)(ii)
 - cash flow information, use of, 2.3(b)(v)
 - financial reporting objectives, 2.3(b)(i)
 - financial statement elements, 2.3(b)(iii)
 - generally, 2.3(a), 2.3(b)
 - measurement, 2.3(b)(iv)
 - present value, 2.3(b)(v)
 - recognition, 2.3(b)(iv)
 - conceptual framework of, *see* Conceptual framework (FASB)
 - criticism of standards, 1.4(g)
 - due process procedures, 1.4(d)
 - fair value measurements, 24.4(a), 24.4(c)
 - generally, 1.4
 - and general purpose external financial accounting and reporting, 2.1(a)
 - guarantee obligations, 18.8(k)(i)
 - historical background, 1.4(a)
 - leases, 15.12
 - not-for-profit organizations, 28.1(a)(iii)
 - publications, 1.4(c)
 - real estate, 31.1(b)
 - regulated utilities, 36.5(b)
 - revenue recognition, 12.3(c), 12.4(d)
 - standards overload and, 1.4(f)
 - structure, 1.4(b)
 - Financial institution(s). *See also* Banks and savings institutions; Investment companies; Mortgage banking activities
 - credit unions, 30.1(c)(iv)
 - economic role of, 30.1(b)
 - finance companies, 30.1(c)(vii)
 - industry changes, 30.1(a)
 - insurance companies, 30.1(c)(vi)
 - investment banks, 30.1(c)(v)
 - real estate investment trusts, 30.1(c)(ix)
 - securities brokers/dealers, 30.1(c)(viii)
 - types of, 30.1(c)
 - Financial position, statement of, *see* Balance sheet

- Financial reporting:
- fair value for, 25.2(b)
 - by federal government:
 - accelerated reporting schedule, 32.3(a)(i)
 - assertions relating to internal control over, 32.3(a)(ii)
 - enhancement of, 32.6(d)
 - generally, 32.3, 32.3(a)
 - by investment companies:
 - financial statements, 30.4(d)(iii)
 - new registrants, 30.4(d)(i)
 - requirements, 30.4(d)(ii)
- Financial reporting system:
- participants in, 1.1(c)
- Financial statements. *See also specific financial statements, e.g.:* Balance sheet and accrual accounting, 4.2(b)(v)
- analysis of, *see* Financial statement analysis
 - as approximate measures, 4.2(b)(ii)
 - articulation of, 4.7
 - ASC Topic 740–10 and, 17.3(b)(i)
 - ASC Topic 740 and, 17.2(e)(v)
 - ASC Topic 980 and, 36.8(a)(ii), 36.8(a)(v)
 - banks and savings institutions:
 - balance sheets, 30.2(k)(ii)
 - cash flow, statements of, 30.2(k)(iii)
 - commitments/off-balance-sheet risk, 30.2(k)(iv)
 - income statements, 30.2(k)(i)
 - risks/uncertainties, disclosure of, 30.2(k)(v)
 - business combinations:
 - acquired securities, classification of, 8.3(n)(ii)
 - interim financial information, 8.3(n)(ii)
 - pro forma disclosure, 8.3(n)(i)
 - consolidated, *see* Consolidated financial statements
 - disclosure requirements:
 - accounting policies, 4.8(a)(i)
 - AICPA recommendations, 4.8(a)(vii)
 - capital structure, 4.8(b)(v)
 - contingent liabilities, 4.8(a)(v)
 - debt, 4.8(b)(iv)
 - debt and equity investments, 4.8(b)(i)
 - doubt about continued existence, 4.8(a)(iv)
 - earnings per share, 4.8(c)(ii)
 - generally, 4.8(a), 4.8(b)
 - interim reporting, 4.8(c)(iii)
 - inventories, 4.8(b)(ii)
 - long-term debt, 4.8(b)(iv)
 - plant assets and depreciation, 4.8(b)(iii)
 - publicly held companies, 4.8(c)
 - related party transactions, 4.8(a)(ii)
 - risks/uncertainties, significant, 4.8(a)(vi)
 - segment disclosure, 4.8(c)(i)
 - subsequent events, 4.8(a)(iii)
 - elements of, 2.3(b)(iii)
 - exit or disposal activity obligations, 18.3(j)(iv)
 - explanatory notes/disclosures on, 4.2(b)(vi)
 - external users of, 10.1(a)
 - Form 8-K and, 5.6(a)(iii)
 - GAO and, 1.12(a)
 - generally, 4.1
 - general-purpose, 4.2(b)(iv)
 - health care organizations:
 - generally, 35.5(a)
 - governmental entities, 35.5(g)(ii)
 - NAIC and, 35.6(b)(i)
 - nongovernmental entities, 35.5(g)(i)
 - historical orientation of, 4.2(b)(iii)
 - intangible assets on:
 - generally, 14.9(a)
 - goodwill, 14.9(b)
 - integrated analysis of, 10.6
 - international standards and:
 - balance sheet, 4.10(b)
 - cash flow statement, 4.10(b)
 - generally, 4.10
 - income statement, 4.10(c)
 - inventory on, 13.8
 - investment companies, 30.4(d)(iii)
 - limitations of:
 - content influence by management, 4.9(d)
 - estimation, 4.9(c)
 - flexibility vs. uniformity, 4.9(f)
 - generally, 4.9
 - historical orientation, 4.9(b)
 - judgment, 4.9(c)
 - stable monetary unit assumption, 4.9(a)
 - unrecorded items, 4.9(e)
 - limited partnerships, 20.6(d)(i), 20.6(d)(ii)
 - long-term debt on, 4.8(b)(iv), 18.7
 - and market efficiency, 1.1(b)(ii)
 - natural resources on:
 - disclosures, 34.11
 - ore reserves, supplementary information on, 34.9
 - not-for-profit organizations:
 - audits, 28.4(e)

- voluntary health and welfare organizations, 28.3(a)(i)
- pension plans:
 - content of statements, 27.5(b)
 - decisions related to, 27.5(i)
 - defined contribution plans, 27.5(j)(iii)
 - example, 27.5(g)
 - historical background, 27.5(a)
 - objective of statements, 27.5(b)
- personal, *see* Personal financial statements
- property, plant and equipment (PP&E) on:
 - construction in progress, 16.13(b)
 - fully depreciated/idle assets, 16.13(d)
 - general requirements, 16.13(a)
 - impairment of value, 16.13(e)(i)
 - retirement, gain/loss on, 16.13(c)
 - segment information, 16.13(f)
- prospective, *see* Prospective financial statements
- real estate transactions:
 - balance sheet, 31.9(a)(i)
 - statement of income, 31.9(a)(ii)
- Regulation S-X and, 5.4(d), 5.4(f)
- and sound economy, 1.1(b)(i)
- as sources of information, 4.2(b)(i), 10.1(c)
- statement of cash flows:
 - financing activities, 4.6(c)
 - generally, 4.6
 - investing activities, 4.6(b)
 - operating activities, 4.6(a)
- statement of stockholders' equity, 4.5
- stock-based compensation on, 23.5(a)
- stockholders' equity on, 19.3(b)
- users of:
 - creditors, 10.1(b)(ii)
 - equity investors, 10.1(b)(i)
 - external users, 10.1(a)
 - generally, 10.1(b)
- Financial statement analysis:
 - by creditors, 10.1(b)(ii)
 - depreciation, 10.3(c)
 - discontinued operations, 10.3(f)
 - earnings per share, 10.3(q)
 - by equity investors, 10.1(b)(i)
 - expense deferrals, 10.3(d)
 - extraordinary gains/losses, 10.3(f)
 - financial company debt analysis:
 - asset protection ratios, 10.8(b)
 - capitalization, 10.8(f)
 - generally, 10.8
 - liquidity, 10.8(e)
 - loan spreads, 10.8(d)
 - operating agreement, 10.8(a)
 - reserve and loss ratios, 10.8(c)
 - fixed income analysis:
 - earnings protection, 10.7(a)
 - generally, 10.7
 - foreign operations, 10.3(h)
 - framework for, 10.1(d)
 - income statements, *see* Income statement analysis
 - integrated analysis, 10.6
 - interim results, 10.3(m)
 - and international reporting:
 - foreign issuers in United States, 10.3(n)(ii)
 - International Accounting Standards Board, 10.3(n)(i)
 - inventory, 10.3(b)
 - investments, 10.3(e)
 - key ratios for, 10.9
 - mergers and acquisitions, 10.3(i)(iii), 10.3(j)
 - postemployment benefits:
 - actuarial assumptions affecting, 10.3(i)(ii)
 - generally, 10.3(i)
 - mergers and acquisitions, impact of, 10.3(i)(iii)
 - OPEB disclosures, analysis of, 10.3(i)(i)
 - prices, changing, 10.3(g)
 - pushdown accounting, 10.3(k)
 - quality of earnings, 10.3(a)
 - revenue recognition, 10.3(e)
 - segment data, 10.3(l)
 - stock compensation plans, 10.3(p)
 - unusual items, 10.3(f)
- Fixed asset turnover ratio, 10.4(c)(i)
- Fixed income analysis:
 - earnings protection, 10.7(a)
 - generally, 10.7
- Foreclosure:
 - assets, foreclosed:
 - generally, 31.3(m)
 - held for income, 31.3(m)(ii)
 - held for sale, 31.3(m)(i)
 - bank-owned real estate, 30.2(q)(iii), 30.2(v)(vii)
 - taxation of foreclosed property, 30.2(v)(vii)
- Foreign Corrupt Practices Act of 1977 (FCPA):
 - accountant, role of, 41.3(c)
 - internal accounting control, 5.1(h)(ii)
 - payments to foreign officials, 5.1(h)(i)
- Foreign currency translation, *see* Translation

- Forensic accounting:
 defined, 41.1
 dispute resolution, *see* Dispute resolution proceedings, accountant's role in
 impact of globalization on:
 anticorruption and bribery laws (United Kingdom), 41.4(b)
 International Financial Reporting Standards (IFRS), 41.4(a)
 investigations and compliance matters, *see* Investigations and compliance matters, accountant's role in
 litigation consulting vs. attest services, 41.1(a)
- Form 8-K:
 acquisition/disposition of assets, 5.6(a)(i)
 certifying accountant, changes in, 5.6(a)(ii)
 Item 2.01, 5.6(a)(i)
 Item 4.01, 5.6(a)(ii)
 Item 4.02, 5.6(a)(iii)
 non-reliance on previous financial statements, 5.6(a)(iii)
 requirements of, 5.6(a)
- Form 10-K:
 certifications, 5.4(p)(vi)
 generally, 5.4
 Part I of, 5.4(p)(i)
 Part II of, 5.4(p)(ii)
 Part III of, 5.4(p)(iii)
 Part IV of, 5.4(p)(iv)
 signatures, 5.4(p)(v)
 structure of, 5.4(p)
- Form 10-Q:
 generally, 5.5
 Part I of, 5.5(a)(i)
 Part II of, 5.5(a)(ii)
 signatures, 5.5(a)(iii)
- Fraud:
 detection of:
 early approaches, 40.4
 red-flag approach, 40.5
 strategic approach to, 40.10
 via financial results, 40.9
 via operating characteristics, 40.9
 fighting, 40.3
 generally, 40.1
 industry-specific, 40.8
 by management/board of directors:
 backgrounds, 40.6(a)
 degree of influence of, 40.6(c)
 generally, 40.6
 motivations of, 40.6(b)
 and relationships with others:
 auditors, 40.7(c)
 financial institutions, 40.7(a)
 generally, 40.7
 investors, 40.7(e)
 lawyers, 40.7(d)
 regulatory bodies, 40.7(f)
 related parties, 40.7(b)
 types of, 40.2
 via organizational structure, 40.8
- GAAP, *see* Generally Accepted Accounting Principles
- GAO, *see* Government Accountability Office
- Gas, natural, *see* Natural resources
- GASB, *see* Governmental Accounting Standards Board
- Generally Accepted Accounting Principles (GAAP):
 banks and savings institutions, 30.2(m)
 health care organizations:
 governmental sector, 35.2(a)
 private sector, 35.2(a)
 IASB and, 3.2
 income taxation, 17.6(c)(i), 17.6(c)(ii)
 mining, 34.6(b)
 personal financial statements, 22.11(e)
 regulated utilities:
 APB Opinion No. 2, 36.5(c)(ii)
 historical background, 36.5(c)(i)
- General purpose external financial accounting and reporting, *see* Financial accounting and reporting
- Gold, on personal financial statements, 22.3(e)
- Goodwill:
 and ASC 350 effective date/transition provisions:
 after June 30, 2001, goodwill acquired, 14.11(a)
 equity method goodwill, 14.11(d)
 previously recognized goodwill, 14.11(c)
 bankruptcy, entities emerging from, 14.7(b)(ix)
 and equity method investments, 14.7(b)(viii), 14.11(d)
 fair value measurements of, 14.7(b)(ii)
 impairment testing of:
 and fair value vs. carrying amount, 14.7(b)(i)
 generally, 14.7(b)(iii)

- in noncontrolling interest, 14.7(b)(vi)
 - by subsidiary, 14.7(b)(v)
- initial valuation of, 14.7(a)
- reporting unit:
 - disposal of, 14.7(b)(vii)
 - generally, 14.7(b)(iv)
- subsequent accounting for, 14.7(b)
- Government Accountability Office (GAO):
 - compliance audits, 1.12(b)
 - financial statement audits, 1.12(a)
 - generally, 1.12, 32.2(a)(i)
 - operational audits, 1.12(c)
- Governmental Accounting Standards Board (GASB):
 - generally, 1.5
 - jurisdiction issues with, 1.5(b)
 - structure, 1.5(a)
- Governmental health care entities:
 - balance sheet, 35.5(b)(ii)
 - business combinations involving, 35.3(o)(ii)
 - cash flows, statement of, 35.5(e)(ii)
 - contributions to, 35.3(g)(ii)
 - derivatives accounting with, 35.3(i)(ii)
 - financial statements, issuance of, 35.5(g)(ii)
 - generally, 35.1(c)
 - investments in, 35.3(h)(ii)
 - operating statement, 35.5(c)(iii)
 - property and equipment, 35.3(j)(i)
 - reporting entity considerations with, 35.3(n)(ii)
- Health care organizations:
 - agency transactions involving, 35.3(c)
 - authoritative pronouncements:
 - AICPA *Health Care Entities* guide, 35.2(c)
 - GAAP, *see subhead*: GAAP
 - HFMA Principles and Practices Board, 35.2(d)
 - balance sheet:
 - generally, 35.5(b)
 - governmental health care entities, 35.5(b)(ii)
 - not-for-profit entities, 35.5(b)(i)
 - bonds payable:
 - construction, interest during, 35.3(l)(v)
 - generally, 35.3(l)
 - and IRS arbitrage rebate liability, 35.3(l)(iii)
 - obligated group financing structures, 35.3(l)(iv)
 - refundings/defeasance, 35.3(l)(i)
 - variable-rate demand bonds, 35.3(l)(ii)
- business combinations:
 - governmental entities, 35.3(o)(ii)
 - not-for-profit entities, 35.3(o)(i)
- cash and claims to cash, noncurrent, 35.3(b)
- cash flows, statement of:
 - governmental entities, 35.5(e)(ii)
 - private sector entities, 35.5(e)(i)
- changes in net assets/equity, statement of, 35.5(d)
- continuing care retirement communities:
 - advance fees, 35.4(a)(i)
 - future services, obligation to provide, 35.4(a)(ii)
 - generally, 35.4(a)
 - initial continuing care contracts, acquisition of, 35.4(a)(iii)
- contributions to:
 - generally, 35.3(g)
 - governmental entities, 35.3(g)(ii), 35.3(g)(iv)
 - not-for-profit entities, 35.3(g)(i)
 - via fundraising foundations, 35.3(g)(iii)
 - via trusts, 35.3(g)(v)
- credit-risk concentration and, 35.3(f)
- and deferred inflows/outflows of resources, 35.3(p)
- derivatives accounting:
 - governmental entities, 35.3(i)(ii)
 - not-for-profit entities, 35.3(i)(i)
- disclosures:
 - fraud related to government programs, 35.3(m)(ii)
 - loss contingencies, 35.3(m)(iii)
 - risks/uncertainties, 35.3(m)(i)
- financial statements:
 - generally, 35.5(a)
 - governmental entities, 35.5(g)(ii)
 - nongovernmental entities, 35.5(g)(i)
- GAAP:
 - governmental sector, 35.2(a)
 - private sector, 35.2(a)
- governmental entities, *see* Governmental health care entities
- HMOs and managed care entities:
 - acquisition costs, 35.4(b)(vi)
 - expense recognition, 35.4(b)(ii)
 - generally, 35.4(b)
 - loss contracts, 35.4(b)(iii)
 - revenue, 35.4(b)(i)

- Health care organizations: (*Continued*)
- risk pools, 35.4(b)(iv)
 - stop-loss insurance, 35.4(b)(v)
 - industry overview, 35.1(a)
 - intangible assets, 35.3(k)
 - investments in:
 - governmental entities, 35.3(h)(ii)
 - nongovernmental entities, 35.3(h)(i)
 - investor-owned entities, 35.1(d)
 - managed care entities, *see subhead*: HMOs and managed care entities
 - municipal securities market and:
 - administration/enforcement structure, 35.6(a)(i)
 - disclosure requirements for issuers, 35.6(a)(ii)
 - EMMA system, 35.6(a)(iii)
 - reforms, proposed, 35.6(a)(iv)
 - SEC's role/authority in, 35.6(a)
 - NAIC and:
 - risk-based capital requirements, 35.6(b)(ii)
 - statutory financial statements of health plans, 35.6(b)(i)
 - net assets/net position:
 - generally, 35.3(a)
 - invested in capital assets, net of related debt, 35.3(a)(iii)
 - restricted, 35.3(a)(ii)
 - unrestricted, 35.3(a)(i)
 - not-for-profit entities, *see* Not-for-profit health care entities
 - OMB Circular A-133 and, 35.6(c)
 - operating statement:
 - generally, 35.5(c)
 - governmental entities, 35.5(c)(iii)
 - investor-owned entities, 35.5(c)(i)
 - not-for-profit entities, 35.5(c)(ii)
 - patient service revenue:
 - bad debts, provision for, 35.3(e)(iii)
 - and charity care, 35.3(e)(ii)
 - generally, 35.3(e)
 - and governmental programs, 35.3(e)(i)
 - physician practice management companies:
 - consolidation requirements, 35.4(c)(i)
 - generally, 35.4(c)
 - property and equipment:
 - generally, 35.3(j)
 - governmental health care entities, 35.3(j)(i)
 - software costs, internal-use, 35.3(j)(ii)
 - reporting entity considerations:
 - governmental entities, 35.3(n)(ii)
 - joint operating agreements, 35.3(n)(iii)
 - not-for-profit entities, 35.3(n)(i)
 - revenues:
 - generally, 35.3(d)
 - patient service revenue, *see subhead*: patient service revenue
 - SEC requirements; private sector, 35.2(a)(i)
 - segment reporting, 35.5(f)
- Hedges:
- cash flow hedges:
 - disallowed situations, 26.5(a)(iv)
 - disclosures for, 26.6(d)
 - eligible risks, 26.5(a)(ii)
 - generally, 26.5(a)
 - internal derivatives contracts, 26.5(a)(v)
 - prerequisites, 26.5(a)(iii)
 - qualifying exposures, 26.5(a)(i)
 - disclosures for, 26.6(b)
 - effectiveness of, 26.5(d)
 - fair value hedges:
 - disallowed situations, 26.5(b)(iv)
 - disclosures for, 26.6(c)
 - examples of, 26.5(b)(i)
 - generally, 26.5(b)
 - prerequisite requirements with, 26.5(b)(iii)
 - risks qualifying as, 26.5(b)(ii)
 - foreign operations, net investments in, 26.5(c)
 - nonqualifying trades, 26.5(e)
 - speculative trades, 26.5(e)
- IASB, *see* International Accounting Standards Board
- IASs, *see* International Accounting Standards
- IFAC, *see* International Federation of Accountants Council
- Impairment:
- of debt securities, 11.4(d)
 - of equity securities, 11.5(d)
 - of loans:
 - generally, 11.3(c)
 - measurement guidelines, 11.3(c)(i)
 - of long-lived assets:
 - disposed of, real estate to be, 31.5(a)(ii)
 - generally, 31.5(a)
 - held/used, real estate to be, 31.5(a)(i)
 - mortgage servicing rights, 30.3(f)(iii)
 - property, plant and equipment (PP&E):
 - assets to be disposed of, 16.3(c), 16.13(e)(iii)

- assets to be held and used, 16.3(b), 16.3(b)(i), 16.3(b)(ii), 16.13(e)(ii)
- financial statement presentation, 16.13(e)(i)
- pronouncements, authoritative, 16.3(a)
- state and local government accounting, 33.4(c)(vi), 33.4(h)(iv)
- Impairment testing:
 - of goodwill:
 - and fair value vs. carrying amount, 14.7(b)(i)
 - generally, 14.7(b)(iii)
 - noncontrolling interest, 14.7(b)(vi)
 - by subsidiary, 14.7(b)(v)
 - long-lived assets, 39.6(i)
 - natural resources, 34.4(a)(iv), 34.7(g)
- Income. *See also* Revenue
 - debt adjustment for family farmers with regular annual, 39.2(c)(iii)
 - of estates, 38.2(a)(ii)
 - fee income of banks:
 - from fiduciary services, 30.2(x)(i)
 - miscellaneous forms of, 30.2(x)(ii)
 - foreclosed assets held for production of, 31.3(m)(ii)
 - investment, 28.2(h)(i)
 - lessor's recognition of, 15.8(a)(iv)
 - loans as, 11.3(c), 11.3(c)(ii)
 - from rental operations:
 - and cost escalation, 31.7(b)(i)
 - generally, 31.7(b)
 - percentage rents, 31.7(b)(ii)
 - stockholders' equity and reporting
 - comprehensive, 13.8(d)
 - and translation, 9.2(g), 9.2(g)(i), 9.2(g)(ii)
 - from trusts:
 - accounts and recordkeeping, 38.4(b)(ii)
 - accrual of, 38.3(k)(ii)
 - bond discounts/premiums, 38.3(k)(iv)
 - charges to income, 38.3(j)(iv)
 - depletion and, 38.3(k)(v)
 - depreciation and, 38.3(k)(v)
 - disbursements of income, 38.3(j)(iv)
 - disbursements of principal, 38.3(j)(ii)
 - distinguishing principal from income, 38.3(j)
 - dividends, 38.3(k)(iii)
 - generally, 38.3(j)
 - receipts of income, 38.3(j)(iii)
 - receipts of principal, 38.3(j)(i)
 - recording, 38.4(a)(ii)
 - unproductive property, sale of, 38.3(k)(i)
 - utility rates and operating, 36.4(f)
- Income statement:
 - comprehensive income on, 4.4(d)(iv)
 - corrections to, 4.4(d)(v)
 - discontinued operations on, 4.4(d)(iii)
 - expenses on, 4.4(b)
 - extraordinary items on, 4.4(d)(i)
 - generally, 4.4
 - international standards and, 4.10(c)
 - presentation issues with, 4.4(c)
 - revenue-related disclosures on, 12.7(a)
 - revenues on, 4.4(a)
 - special issues, 4.4(d)
 - unusual gains/losses on, 4.4(d)(ii)
- Income statement analysis:
 - cost and expense:
 - analytical adjustments, 10.2(c)(iii)
 - classification of costs, 10.2(c)(i)
 - fixed charges, 10.2(c)(v)
 - generally, 10.2(c)
 - margin analysis, 10.2(c)(ii)
 - operating leverage, 10.2(c)(iv)
 - preferred dividend coverage, 10.2(c)(vi)
 - earnings power, 10.2(a), 10.2(e)
 - income taxes, 10.2(d)
 - risk, 10.2(a)
 - sales and revenue:
 - comparative trend analysis, 10.2(b)(iv)
 - components of sale trends, 10.2(b)(iii)
 - generally, 10.2(b)
 - trend analysis, 10.2(b)(i)
 - variability, 10.2(b)(ii)
- Income taxes:
 - accounting basis for, 17.1(b)
 - accrued expenses, 18.3(f)(v)
 - ASC Topic 980 and:
 - discontinuation of rate-regulated accounting, 36.9(e)
 - specific standards, 36.6(e)(iii)
 - deferred; intangible assets, 14.8
 - dispute resolution, 41.2(e)(v)
 - estates, 38.1(l)(i), 38.1(l)(v)
 - FASB ASC 740 and, *see* Accounting Standards Codification (ASC) Topic 740 (*Income Taxes*)
 - financial reporting of:
 - disclosure, 17.4(b), 17.4(c)
 - intraproduct tax allocation, 17.4(a)
 - statement presentation and disclosure, 17.4(b)
 - financial statement presentation, 10.2(d)

- Income taxes: (*Continued*)
- future, on long-term liabilities, 18.8(i)
 - IAS 12 (*Income Taxes*):
 - generally, 17.6(b)
 - and U.S. GAAP, 17.6(c)(i), 17.6(c)(ii)
 - IFRS and:
 - convergence, 17.6(a)(i)
 - convergence project, 17.6(a)(ii)
 - fair value, deferred tax on property remeasured at, 17.6(a)(iii)
 - generally, 17.6(a)
 - IAS 12 (*Income Taxes*), *see subhead: IAS 12 (Income Taxes)*
 - for interim periods:
 - determination of tax, 17.5(c)
 - estimated annual effective tax rate, 17.5(b)
 - generally, 17.5(a)
 - special issues, 17.5(d)
 - natural resources, 34.10
 - partnerships and, 20.2(f)
 - of pension plans, 27.2(m)
 - on personal financial statements:
 - computation of provision for, 22.5(b)
 - disclosures, 22.5(d), 22.5(e)
 - as liability, 22.4(d)
 - provision for, 22.5(a)
 - and tax basis, 22.5(c)
 - purchase price (business combinations), 8.3(g)(xiii)
 - recognition of:
 - accounting guidance, 17.1(c)(vii)
 - ASC Topic 740 and, *see Accounting Standards Codification (ASC) Topic 740 (Income Taxes)*, *subhead: recognition of deferred tax liabilities/assets*
 - asset transfers, 17.1(c)(v)
 - basic problem with, 17.1(a)
 - basis for, 17.1(b)
 - delay/reconsideration, 17.1(b)(iii)
 - foreign nonmonetary assets, 17.1(c)(vi)
 - general approach to, 17.1(c)(i)
 - goodwill exceptions, 17.1(c)(iv)
 - leveraged lease exceptions, 17.1(c)(iv)
 - liability method for, 17.1(b)(ii), 17.1(b)(iii)
 - methods for, 17.1(b)(i), 17.1(b)(ii), 17.1(b)(iii)
 - and uncertainty of tax position, 17.1(c)(ii)
 - valuation allowances and, 17.1(c)(iii)
 - regulated utilities:
 - accounting for income taxes (ASC Topic 740), 36.10(a)(vi)
 - flow-through, 36.10(a)(ii)
 - generally, 36.10(a)
 - incentives, tax, 36.10(a)(iv)
 - Internal Revenue Code provisions, 36.10(a)(iii)
 - interperiod allocation, 36.10(a)(i)
 - investment tax credit, 36.10(a)(vii)
 - legislation, tax, 36.10(a)(v)
 - Regulation S-X and, 5.4(k)
 - on stock-based compensation, 23.4(e)
 - and translation, 9.2(h)(i)
 - Independent auditors:
 - coordinating with, 7.8
 - responsibilities of, 7.5
 - Intangible assets:
 - acquisition of:
 - in business combinations, 14.2(a)
 - with other assets, 14.2(b)
 - separately, 14.2(b)
 - advertising, 14.5(p)
 - and ASC 350 effective date/transition provisions:
 - after June 30, 2001, assets acquired, 14.11(a)
 - equity method goodwill, 14.11(d)
 - generally, 14.11
 - previously recognized goodwill, 14.11(c)
 - previously recognized intangible assets, 14.11(b)
 - transitional disclosures, 14.11(e)
 - copyrights:
 - amortization of, 14.5(b)(ii)
 - capitalization amounts for, 14.5(b)(i)
 - generally, 14.5(b)
 - customer and supplier lists:
 - amortization of, 14.5(c)(ii)
 - capitalizable amounts for, 14.5(c)(i)
 - generally, 14.5(c)
 - and deferred income taxes, 14.8
 - defined, 14.1
 - determining useful life of, 14.4(a)
 - disclosures with, 14.10
 - financial statement presentation of:
 - generally, 14.9(a)
 - goodwill, 14.9(b)
 - franchises, 14.5(d)
 - generally, 14.1
 - goodwill, *see Goodwill*

- initial valuation of:
 - acquired intangible assets, 14.3(a)
 - and cost allocation, 14.3(a)(i)
 - court opinions, 14.3(a)(iii)
 - intangibles as distinct from goodwill, 14.3(a)(vi)
 - SEC/PCAOB issues with, 14.3(a)(ii)
 - by tech-transfer practitioners, 14.3(a)(iv)
 - Wall Street transactions, 14.3(a)(v)
- internal controls over:
 - improvement of, 14.2(h)(ii)
 - practical approaches, 14.2(h)(iii)
- internally developed, 14.2(c), 14.3(b)
- leases, favorable:
 - amortization of, 14.5(e)(ii)
 - capitalization amounts for, 14.5(e)(i)
 - generally, 14.5(e)
- management of:
 - and internal controls, 14.2(h)(ii), 14.2(h)(iii)
 - and Sarbanes-Oxley Act, 14.2(h)(i)
- not subject to amortization, 14.4(c)
- organization costs, 14.5(f)
- patents:
 - amortization of, 14.5(a)(ii)
 - capitalizable amounts for, 14.5(a)(i)
 - generally, 14.5(a)
- recognition of:
 - on acquisition of subsidiary, 14.2(a)
 - goodwill, when applying equity method, 14.2(e)
- registration costs, 14.5(g)
- research and development:
 - acquired in-process, 14.5(j)
 - arrangements, 14.5(i)
 - costs of, 14.5(h)
- royalty and license agreements, 14.5(k)
- secret formulas and processes, 14.5(l)
- in specialized industries:
 - airlines, 14.6(a)
 - banking and thrifts, 14.6(b)
 - broadcasting, 14.6(d)
 - cable television, 14.6(e)
 - computer software, 14.6(f)
 - extractive industries, 14.6(g)
 - films, producers/distributors of, 14.6(h)
 - generally, 14.2(g)
 - mortgage banking, 14.6(c)
 - public utilities, 14.6(i)
 - record and music industry, 14.6(j)
 - timber industry, 14.6(k)
 - specific guidance on, 14.2(f)
 - start-up activities, 14.5(m)
 - subject to amortization, 14.4(b)
 - tooling costs, 14.5(n)
 - trademarks and trade names:
 - amortization of, 14.5(o)(ii)
 - capitalizable amounts for, 14.5(o)(i)
 - generally, 14.5(o)
 - valuation of, *see subhead*: initial valuation of
 - Web site development costs, 14.5(q)
- Interest:
 - on ancillary revenue, 12.6(b)
 - bond:
 - accrual of, 18.5(a)
 - and amortization of premium/discount, 18.5(c)
 - issuance of bonds, 18.4(e)(v)
 - payment of, 18.5(b)
 - serial bonds, 18.5(f)
 - capitalization, interest, 16.2(c)
 - on income tax owed, 17.3(g)
 - as liability, 18.2
 - payable, interest, 18.3(f)(i)
 - pension plans:
 - interest cost, 27.2(d)(ii)
 - interest rates, 27.2(c)(iii)
 - on receivables, 12.7(b)(iii)
- Interest rate risk, 30.2(a)(i), 30.2(f)(v)
 - during construction; health care organizations, 35.3(l)(v)
 - imputation of (real estate), 31.2(e)(v)
- real estate capitalized costs:
 - amount capitalized, accounting for, 31.3(f)(iv)
 - generally, 31.3(f)
 - methods of capitalization, 31.3(f)(iii)
 - period, capitalization, 31.3(f)(ii)
 - qualifying assets, 31.3(f)(i)
- Internal control:
 - audit standards for:
 - documentation, 7.6(b)
 - generally, 7.6
 - independent auditors, 7.6(d)(i), 7.6(d)(ii), 7.6(f)
 - internal auditors, use of, 7.6(d)
 - and management's assessment, 7.6(a)
 - material weaknesses, determination of, 7.6(e)
 - scope of test work, 7.6(c)
 - defined, 7.2

- Internal control: (*Continued*)
- independent auditors:
 - company's internal control work, use of, 7.6(d)(i)
 - coordinating with, 7.8
 - others' work, use of, 7.6(d)(ii)
 - responsibilities of, 7.5
 - working with, 7.6(f)
 - management certifications of, 7.4
 - required reports:
 - annual requirements, 7.3(a)
 - disclosure controls/procedures, 7.3(b)(i)
 - effective dates, 7.3(a)(i)
 - quarterly requirements, 7.3(b)
 - Sarbanes-Oxley Act:
 - effectiveness, 7.1(a)
 - generally, 7.1
 - top-down/risk-based approach for evaluating:
 - generally, 7.7
 - principles, 7.7(a)
 - International Accounting Standards (IASs):
 - case for adopting unified, 3.3
 - generally, 3.7
 - impediments to standards implementation, 3.8
 - myths/misconceptions about, 3.9
 - International Accounting Standards Board (IASB). *See also* International Financial Reporting Standards
 - board membership, 1.14(d)
 - formation of, 3.5
 - GAAP, transition to international, 3.2
 - generally, 1.14, 3.1, 10.3(n)(i)
 - historical background, 1.14(a), 3.4
 - International Financial Reporting Interpretations Committee, 1.14(f)
 - processes of, 3.6
 - purpose of, 3.3
 - and reporting, 10.3(n)(i)
 - Standards Advisory Council, 1.14(e)
 - standards and interpretations of, 3.7
 - structure, 1.14(b)
 - structure of, 3.5
 - trustees, 1.14(c)
 - International Federation of Accountants Council (IFAC):
 - generally, 1.17
 - governance, 1.17(b)
 - International Federation of Accountants Board, 1.17(c)(i)
 - International Standards on Auditing, 1.17(d)
 - membership, 1.17(a)
 - standing committees, 1.17(c)(ii)
 - International financial accounting and auditing institutions, role of, 1.13
 - International Financial Reporting Standards (IFRSs):
 - acceptance by foreign private issuers, 1.14(g)(ii)
 - generally, 1.14(g)
 - procedures for development of, 1.14(g)(i)
 - International Organization of Securities Commissions (IOSCO), 1.15
 - International standards:
 - financial statements:
 - balance sheet, 4.10(b)
 - cash flow statement, 4.10(b)
 - generally, 4.10
 - inventory, 13.9
 - liabilities, 18.13
 - reporting, 10.3(n)(i)
 - stock-based compensation, 23.7
 - Inventory:
 - as asset, 13.2(a)
 - consignment, 13.3(c)
 - contract production, 13.3(f)
 - control procedures:
 - analysis of variances, 13.7(a)(v)
 - budgets, 13.7(a)(iv)
 - generally, 13.7(a)
 - physical safeguards, 13.7(a)(i)
 - quantities, control of, 13.4(d)
 - reconciliations, 13.7(a)(iii)
 - specified, 13.7(b)
 - standard costs, use of, 13.7(a)(v)
 - written policies, 13.7(a)(ii)
 - costs, flow of, *see subhead*: flow of costs defined, 13.2(b)
 - financial statement disclosure requirements, 13.8
 - flow of costs:
 - alternative assumptions, 13.6(f)
 - average cost, 13.6(d)
 - first-in, first-out (FIFO), 13.6(b)
 - generally, 13.6(a)
 - last-in, first-out (LIFO), *see subhead*: last-in, first-out (LIFO)
 - specific identification, 13.6(e)
 - generally, 13.1
 - international standards on, 13.9

- last-in, first-out (LIFO):
 - dollar-value method, 13.6(c)(ii)
 - double-extension technique, 13.6(c)(iii)
 - generally, 13.6(c), 13.6(c)(viii)
 - link-chain technique, 13.6(c)(iv)
 - new items, 13.6(c)(vii)
 - retail LIFO method, 13.6(c)(v)
 - specific goods method, 13.6(c)(i)
 - valuing the current-year layer, 13.6(c)(vi)
- manufacturing:
 - finished goods, 13.3(b)(iii)
 - generally, 13.3(b)
 - raw materials, 13.3(b)(i)
 - supplies, 13.3(b)(iv)
 - work in process, 13.3(b)(ii)
- miscellaneous, 13.3(i)
- objectives of accounting for, 13.2(c)
- periodic system of determining quantity of:
 - cutoff periodic system, 13.4(b)(ii)
 - generally, 13.4(b)
 - physical count procedure, 13.4(b)(i)
- perpetual system of determining quantity of:
 - cutoff perpetual system, 13.4(c)(ii)
 - generally, 13.4(c)
 - recordkeeping procedures, 13.4(c)(i)
- products maturing in more than one year, 13.3(g)
- quantities, determining:
 - generally, 13.4(a)
 - periodic system, 13.4(b)
 - perpetual system, 13.4(c)
- repossessed, 13.3(e)
- retail-wholesale, 13.3(a)
- spare parts, 13.3(h)
- trade-in, 13.3(d)
- Inventory valuation methods:
 - above cost, 13.5(d)
 - business combination, purchase of, 13.5(h)
 - control procedures, 13.5(i)
 - cost method:
 - direct labor component, 13.5(a)(iv)
 - direct material component, 13.5(a)(iii)
 - flow of costs, *see* Inventory, *subhead*:
 - flow of costs
 - generally, 13.5(a)
 - job-order costing, 13.5(a)(i)
 - overhead allocation, 13.5(a)(vi)
 - overhead component, 13.5(a)(v)
 - process costing, 13.5(a)(ii)
 - current-year layer, valuation of, 13.6(c)(vi)
 - gross margin, 13.5(g)
 - lower cost or market valuation method:
 - generally, 13.5(b)
 - LIFO considerations with, 13.5(b)(i)
 - net realizable value, 13.5(f)
 - replacement cost, 13.5(e)
 - retail method, 13.5(c)
- Investigations and compliance matters,
 - accountant's role in:
 - Antifraud Programs and Controls Framework (AFPC):
 - generally, 41.3(d)
 - service types of, 41.3(d)(i)
 - contract investigations, 41.3(e)
 - corporate investigations:
 - generally, 41.3(a)(i)
 - securities violations, 41.3(a)(ii)
 - white-collar crime, 41.3(a)(i)
 - Foreign Corrupt Practices Act violations, 41.3(c)
 - generally, 41.3
 - licensing investigations, 41.3(e)
 - money laundering, anti-:
 - generally, 41.3(b)
 - technology, 41.3(b)(i)
 - special investigations by CPAs, 1.10(b)(iv)
 - technology, forensic:
 - computer, 41.3(f)(i)
 - data analysis, 41.3(f)(ii)
 - generally, 41.3(f)
- Investment companies:
 - accounting for securities by, 30.4(c)
 - financial reporting for:
 - financial statements, 30.4(d)(iii)
 - new registrants, 30.4(d)(i)
 - requirements, 30.4(d)(ii)
 - fund operations:
 - accounting agent, role of, 30.4(b)(i)
 - custodian, role of, 30.4(b)(ii)
 - generally, 30.4(b)
 - transfer agent, role of, 30.4(b)(iii)
 - generally, 30.1(c)(iii)
 - historical background:
 - generally, 30.4(a)
 - SEC statutes, 30.4(a)(i)
 - offshore funds, 30.4(h)
 - partnerships, investment, 30.4(g)
 - SEC filings, 30.4(f)
 - taxation of, 30.4(e)
 - types of, 30.4(a)(ii)

- Investment credit, 2.2(c)(ii)
- IOSCO, *see* International Organization of Securities Commissions
- Joint ventures, 20.8. *See also* Real estate ventures
 - accounting for investments in, 20.8(c)
 - defined, 20.8(a)
 - equity method with, 9.3(b)(ii)
 - health care organizations, 35.3(n)(iii)
 - natural resources:
 - alternate procedures, 34.3(c)
 - generally, 34.3
 - nonoperator accounting, 34.3(b)
 - operator accounting, 34.3(a)
 - standards, 34.3(d)
- Land:
 - and capitalized costs:
 - land acquisition costs, 31.3(c)
 - land improvement and development costs, 31.3(d)
 - cost of:
 - carrying charges, 16.2(d)(iii)
 - generally, 16.2(d)
 - interest, 16.2(d)(ii)
 - purchase options, 16.2(d)(i)
 - leases involving:
 - land and buildings, 15.9(b)(ii)
 - land and equipment, 15.9(b)(iii)
 - land only, 15.9(b)(i)
 - retail land sales:
 - full accrual method, 31.2(h)(ii), 31.2(h)(iii)
 - generally, 31.2(h)
 - installment and deposit methods, 31.2(h)(v)
 - percentage-of-completion method, 31.2(h)(iv)
 - recording of sale, 31.2(h)(i)
- Lease(s):
 - advantages of leasing, 15.1(a)
 - and asset retirement obligations, 15.10(i)
 - assignment of lease or property subject to lease as sales-type or direct financing lease, 15.7
 - and bankruptcy:
 - generally, 39.3(e)
 - limitations, 39.3(e)(i)
 - build-to-suit, 15.10(h)(ii)
 - business combinations, 8.3(g)(vi)
 - and business combinations, 15.10(f)
 - capital:
 - accounting for, 15.4(a)
 - amortization, lessee, 15.4(c)(iv)
 - classification of lease, 15.4(c)(ii)
 - disclosures for, 15.4(b)
 - example, 15.4(c)
 - inception, accounting at, 15.4(c)(iii)
 - minimum payments, 15.4(c)(i)
 - payments, 15.4(c)(i), 15.4(c)(v)
 - changes to provisions of, 15.10(d)
 - direct financing:
 - accounting for, 15.5(a)
 - disclosure requirements, 15.6(b)
 - example, 15.5(b)
 - sale/assignment of lease or property subject to lease as, 15.7
 - sales-type lease vs., 15.6
 - disadvantages of leasing, 15.1(b)
 - disclosure, examples of, 15.11
 - extension of, 15.10(e)
 - FASB guidance updates, 15.12
 - favorable, as intangible asset:
 - amortization of, 14.5(e)(ii)
 - capitalization amounts for, 14.5(e)(i) generally, 14.5(e)
 - lessee, classification by, 15.2(b)
 - lessor, classification by, 15.2(c)
 - leveraged:
 - accounting for, 15.8(a)
 - characteristics of, 15.8(a)(i)
 - disclosures with, 15.8(b)
 - generally, 17.1(c)(iv), 17.2(e)(ii)
 - investment, lessor accounting for, 15.8(a)(iii)
 - lessee accounting, 15.8(a)(ii)
 - recognition of income, lessor, 15.8(a)(iv)
 - long-term, 18.8(c)
 - operating:
 - example, 15.3(d)
 - lessee accounting for, 15.3(a)
 - lessee disclosures for, 15.3(b)
 - lessor accounting for, 15.3(c)
 - pronouncements related to, 15.2
 - provisions, changes to, 15.10(d)
 - real estate:
 - and characteristics of real estate, 15.9(a)
 - government unit/authority, facilities owned by, 15.9(c)
 - land and buildings, 15.9(b)(ii)
 - land and equipment, 15.9(b)(iii)

- land only, 15.9(b)(i)
 - part of a building, 15.9(b)(iv)
 - related party leases, 15.10(b)
 - renewal of, 15.10(e)
 - residual value, changes in, 15.10(g)
 - sale and leaseback transactions:
 - build-to-suit leases, 15.10(h)(ii)
 - construction, lessee involvement with, 15.10(h)(i)
 - generally, 15.10(h)
 - lessee accounting, 15.10(h)(iv)
 - lessor accounting, 15.10(h)(v)
 - miscellaneous issues with, 15.10(h)(iii)
 - for real-estate, 15.10(h)(vi)
 - special-purpose entities, 15.10(h)(iii)
 - sale-leaseback arrangements, 31.2(f)(vii)
 - sale of leased departments, sale of, 12.3(h)(iv)
 - sale of lease or property subject to lease as sales-type or direct financing lease, 15.7
 - sales-type:
 - accounting for, 15.6(a)
 - direct financing lease vs., 15.6
 - disclosure requirements, 15.6(b)
 - example, 15.6(c)
 - sale/assignment of lease or property subject to lease as, 15.7
 - subleases:
 - generally, 15.10(c)
 - lessor, original, 15.10(c)(iii)
 - non-relief of obligation, original lessee's, 15.10(c)(ii)
 - relief of obligation, original lessee's, 15.10(c)(i)
 - technical terms defined, 15.2(d)
 - termination of, 15.10(e)
 - third parties, participation by, 15.10(a)
 - unique characteristics of, 15.2(a)
- Leveraged buyouts:**
- accounting for the transaction, 8.4(d), 8.4(h)
 - carrying amount:
 - determination of, 8.4(f)
 - limitation of, 8.4(g)
 - change in control with:
 - generally, 8.4(e)
 - no change in control, 8.4(e)(iii)
 - objective criteria, 8.4(e)(i)
 - subjective criteria, 8.4(e)(ii)
 - defined, 8.4(a)
 - historical background, 8.4(c)
 - IFRS No. 3 on, 8.4(i)
- structure:**
- financing arrangements of, 8.4(b)(iii)
 - generally, 8.4(b)
 - legal form, 8.4(b)(i)
 - management participation in, 8.4(b)(ii)
 - tax considerations and, 8.4(b)(iv)
- Leveraged leases, 17.2(e)(ii)**
- Liability(-ies):**
- accounts payable, *see* Accounts payable
 - acquisition method (business combinations), *see* Acquisition method (business combinations), *subhead:*
 - recognition/measurement of assets and liabilities
 - asset-securitization transactions, 18.11(b)
 - on balance sheet, 10.4(c)
 - convertible bonds with issuer option to settle for cash upon conversion, 18.11(a)(v)
 - convertible bonds with premium put, 18.11(a)(i)
 - credit balance, vs., 18.1(a)(ii)
 - current, *see* Current liabilities and current ratio, 4.3(b)(iii)
 - defined, 18.1(a)
 - derivative financial instruments indexed to company's own stock, 18.11(a)(iv)
 - disclosures of:
 - fair value of financial instruments, 18.1(d)
 - executory contracts as, 18.1(a)(i)
 - extinguishment of, 18.10(b)
 - and fair value accounting, 18.12
 - fair value measurements of:
 - assets vs. liabilities, 24.4(e)(i)
 - nonfinancial liabilities, 24.3(c)
 - financial instruments classified as both equity and:
 - generally, 18.9(a)
 - mandatorily redeemable financial instruments, 18.9(a)(i)
 - measurement of, 18.9(b)
 - obligations to issue a variable number of shares, 18.9(a)(iii)
 - obligations to repurchase the issuer's equity shares, 18.9(a)(ii)
 - presentation and disclosure of, 18.9(c)
 - financing instruments, accounting for, 18.11(a)
 - generally, 4.3(b)
 - increasing-rate debt, 18.11(a)(ii)
 - indexed debt instruments, 18.11(a)(iii)
 - interest as, 18.2

Liability(-ies): (*Continued*)

international standards, U.S. vs., 18.13

long-term:

capitalization analysis, 10.4(c)(ii)

capitalization table, 10.4(c)(iii)

debt ratios, 10.4(c)(iv)

fixed asset turnover ratio, 10.4(c)(i)

generally, 10.4(c)

off-balance-sheet obligations, 10.4(c)(vi),
10.4(c)(vii)

preferred stock ratios, 10.4(c)(v)

property analysis, 10.4(c)(viii)

measurement of, 18.1(c)

measurement of deferred tax liabilities,
17.2(d)(iv)

noncurrent, 4.3(b)(ii)

offsetting, against assets, 18.1(b)

on personal financial statement, 22.1(d)

recognition of deferred tax liabilities:

of change in valuation allowance,
17.2(d)(iii)

generally, 17.2(d), 17.2(d)(i)

of valuation allowance, 17.2(d)(ii)

restructurings, troubled debt, 18.10(a)

and working capital, 4.3(b)(iii)

Loans:

capital stock, notes received for, 11.3(e)

disclosures with, 11.3(f)

generally, 11.3(a)

impairment of:

generally, 11.3(c)

measurement guidelines, 11.3(c)(i)

measurement of, 11.3(b)

recognition of:

generally, 11.3(b)

income recognition, 11.3(c), 11.3(c)(ii)

troubled debt restructuring, 11.3(d)

Loan sales:

accounting guidance, 30.2(p)(v)

loan servicing, 30.2(p)(iii)

regulatory guidance, 30.2(p)(iv)

securitizations, 30.2(p)(ii)

underwriting standards, 30.2(p)(i)

valuation, 30.2(p)(vi)

Local governments, *see* State and local
governments

Long-term assets:

on balance sheet, 10.4(c)

capitalization analysis, 10.4(c)(ii)

capitalization table, 10.4(c)(iii)

debt ratios, 10.4(c)(iv)

fixed asset turnover ratio, 10.4(c)(i)

off-balance-sheet obligations, 10.4(c)(vi),
10.4(c)(vii)

preferred stock ratios, 10.4(c)(v)

property analysis, 10.4(c)(viii)

Long-term liability(-ies):

asset retirement obligations, 18.8(g)

borrowings on open account, 18.8(f)

deferred compensation contracts, 18.8(h)

deferred revenue obligations, 18.8(d)

disclosure of, 18.8(j), 18.8(k)(iv)

expense accruals, long-term, 18.8(e)

guarantee obligations:

disclosure, 18.8(k)(iv)

FASB Interpretation No. 45, 18.8(k)(i)

initial recognition, 18.8(k)(ii)

subsequent accounting, 18.8(k)(iii)

income taxes, future, 18.8(i)

installment purchase contracts, 18.8(b)

leases, long-term, 18.8(c)

mortgages and long term notes, 18.8(a)

forfeiture of real-estate subject to

nonrecourse mortgage, 18.8(a)(ii)

related party transactions, 18.8(a)(i)

pension plans, 18.8(h)

unconditional purchase obligations,

disclosure of, 18.8(j)

Loss contingencies:

health care organizations, 35.3(m)(iii)

retained earnings, 19.7(o)

Maintenance and repairs:

property, plant and equipment (PP&E):

accounting alternatives, 16.4(b)(i)

extraordinary repairs, 16.4(b)(ii)

generally, 16.4(b)

Management accounting, financial accounting
and reporting vs., 2.1(b)Management Discussion and Analysis
(MD&A):

capital resources disclosures, 6.1(d)(ii)

concentrations, vulnerability due to, 6.3(e)

critical accounting estimates, 6.2(b)

disclosures, 6.1(d)(ii)

estimates:

certain significant, 6.3(d)

use of, 6.3(c)

fair value disclosures, 6.1(d)(ii)

generally, 6.1(a), 6.1(c)

historical background, 6.1(b)

independent auditor involvement, 6.4

- liquidity disclosures, 6.1(d)(ii)
- nature of operations, 6.3(b)
- newly issued but not yet effective
 - accounting standards, 6.2(d)
- non-GAAP measures, 6.2(c)
- requirements, 6.2(a)
- risks and uncertainties, 6.3(a)
- smaller reporting companies, 6.1(d)(i)
- Manufacturing inventory:
 - finished goods, 13.3(b)(iii)
 - generally, 13.3(b)
 - raw materials, 13.3(b)(i)
 - supplies, 13.3(b)(iv)
 - work in process, 13.3(b)(ii)
- Market efficiency, 1.1(b)(ii)
- Materiality:
 - not-for-profit organizations, 28.4(c)
 - prospective financial statements, 21.5(e)
 - Regulation S-X, 5.4(e)
 - Securities Act criterion:
 - assessment of materiality, 5.2(c)(i)
 - generally, 5.2(c)
 - intentional immaterial misstatements, 5.2(c)(iii)
 - misstatements, 5.2(c)(ii), 5.2(c)(iii)
- MD&A, *see* Management Discussion and Analysis
- Measurement. *See also* Valuation
 - fair value, *see* Fair value measurement(s)
 - impairment of value; assets to be held and used, 16.3(b)(ii)
- Mining:
 - commodities transactions, 34.7(d)
 - exploration/development costs, 34.7(a)
 - futures transactions, 34.7(d)
 - GAAP, sources of, 34.6(b)
 - impairment of long-lived assets, 34.7(g)
 - inventories, 34.7(c)(i), 34.7(c)(ii)
 - materials and supplies, 34.7(c)(ii)
 - metal and mineral inventories, 34.7(c)(i)
 - operations, 34.6(a)
 - production costs, 34.7(b)
 - reclamation/remediation, 34.7(e)
 - royalty revenues, 34.8(b)
 - sales of minerals, 34.8(a)
 - shutdowns, 34.7(f)
 - tolling revenues, 34.8(b)
- Minority interests:
 - exchange of ownership interests, 8.3(e)(i)
 - generally, 8.3(e)
- simultaneous common control mergers, 8.3(e)(ii)
- Mortgage banking activities:
 - accounting guidance, 30.3(b)
 - generally, 30.1(c)(ii), 30.3(a)
 - mortgage loans:
 - held for investment, 30.3(d)
 - held for sale, 30.3(c)
 - sales of mortgage loans/securities:
 - accounting guidance, 30.2(p)(v)
 - gain/loss on, 30.3(e)(i)
 - generally, 30.3(e)
 - loan servicing, 30.2(p)(iii)
 - prepayment, financial assets subject to, 30.3(e)(ii)
 - regulatory guidance, 30.2(p)(iv)
 - securitizations, 30.2(p)(ii)
 - underwriting standards, 30.2(p)(i)
 - valuation, 30.2(p)(vi)
 - servicing rights, mortgage:
 - amortization of, 30.3(f)(ii)
 - fair value of, 30.3(f)(iv)
 - generally, 30.3(f)
 - impairment of, 30.3(f)(iii)
 - initial capitalization of, 30.3(f)(i)
 - retained interests and, 30.3(f)(vi)
 - sales of, 30.3(f)(v)
 - tax treatment of, 30.3(g)(i)
- taxation of banks:
 - generally, 30.3(g)
 - mark to market, 30.3(g)(ii)
 - mortgage servicing rights, 30.3(g)(i)
- Natural resources:
 - disclosures, financial statement, 34.11
 - exploration and producing operations, 34.2
 - financial statements:
 - disclosures on, 34.11
 - ore reserves, supplementary information on, 34.9
 - full cost accounting method:
 - amortization, exclusion of costs from, 34.4(b)(ii)
 - basic rules, 34.4(b)(i)
 - ceiling test, 34.4(b)(iii)
 - conveyances, 34.4(b)(iv)
 - generally, 34.1
 - hard-rock mining, *see subhead*: mining
 - income taxation, 34.10
 - joint operations involving:
 - alternate procedures, 34.3(c)

- Natural resources: (*Continued*)
 generally, 34.3
 nonoperator accounting, 34.3(b)
 operator accounting, 34.3(a)
 standards, 34.3(d)
- mining:
 commodities transactions, 34.7(d)
 exploration/development costs, 34.7(a)
 futures transactions, 34.7(d)
 GAAP, sources of, 34.6(b)
 impairment of long-lived assets, 34.7(g)
 inventories, 34.7(c)(i), 34.7(c)(ii)
 materials and supplies, 34.7(c)(ii)
 metal and mineral inventories, 34.7(c)(i)
 operations, 34.6(a)
 production costs, 34.7(b)
 reclamation/remediation, 34.7(e)
 royalty revenues, 34.8(b)
 sales of minerals, 34.8(a)
 shutdowns, 34.7(f)
 tolling revenues, 34.8(b)
- natural gas imbalances:
 entitlements method, 34.5(b)
 example, gas balancing, 34.5(c)
 generally, 34.5
 sales method, 34.5(a)
- ore reserves, supplementary information on, 34.9
- successful efforts accounting method:
 basic rules, 34.4(a)(i)
 conveyances, 34.4(a)(v)
 exploratory vs. development wells, 34.4(a)(ii)
 impairment test, 34.4(a)(iv)
 undetermined outcome of exploratory wells, 34.4(a)(iii)
- Nonprofit organizations. *See also*
 Not-for-profit organizations
 cost-volume-revenue analysis for, *see*
 Cost-volume-revenue (CVR) analysis
 for nonprofit organizations
 generally, 29
- Not-for-profit health care entities:
 balance sheet, 35.5(b)(i)
 business combinations involving, 35.3(o)(i)
 contributions to, 35.3(g)(i)
 derivatives accounting with, 35.3(i)(i)
 generally, 35.1(b)
 joint operating agreements involving, 35.3(n)(iii)
 operating statement, 35.5(c)(ii)
- ”public” vs. ”private,” 35.2(a)(ii)
 reporting entity considerations with, 35.3(n)(i), 35.3(n)(iii)
- Not-for-profit organizations:
 accounting principles with:
 AICPA Audit Guides, 28.1(a)(ii)
 decisions, required, 28.1(a)(i)
 FASB projects, upcoming, 28.1(a)(iii)
 generally, 28.1(a), 28.3(c)(i)
 and affiliated organizations:
 generally, 28.2(k)
 pass-through gifts, 28.2(k)(ii)
 reporting entity, 28.2(k)(i)
 appropriations by, 28.2(e)
 audits of:
 compliance auditing, 28.4(f)
 consolidation of financial statements, 28.4(e)
 generally, 28.4(a)
 government requirements, 28.1(b)
 and internal control, 28.4(b)
 investments, 28.4(g)
 materiality, 28.4(c)
 taxes, 28.4(d)
 unique areas, 28.4(h)
 basis, accounting, 28.2(b)
 bona fide pledges by donors, 28 (App4)
 cash flows, statement of:
 generally, 28.2(m)
 voluntary health and welfare organizations, 28.3(a)(iv)
 colleges and universities:
 encumbrance accounting, 28.3(b)(ii)
 fund accounting, 28.3(b)(i)
 conditional vs. restricted gifts/pledges, 28 (App5)
 contracts vs. restricted grants, 28 (App1)
 contributions to:
 expendable support, 28.2(i)(i)
 gifts in kind, 28.2(i)(ii)
 intermediary, not-for-profit organization as, 28.2(i)(iv)
 not currently expendable support, 28.2(i)(iii)
 services, 28 (App 2), 28 (App3)
 depreciation of assets by, 28.2(g)
 fixed assets of:
 generally, 28.2(f)
 grantor, reversion to, 28.2(f)(i)
 fund accounting:
 and classes vs. funds, 28.2(c)(i)

- generally, 28.2(c)
- reclassifications in, 28.2(d)
- governmental vs. nongovernmental
 - accounting with, 28.2(n)
- investments by:
 - gains/losses on investments, 28.2(h)(ii)
 - generally, 28.2(h)
 - income, investment, 28.2(h)(i)
- mergers and acquisitions of, 28.2(l)
- operating vs. nonoperating items, 28 (App6)
- reporting requirements for, 28.2(a)
- restricted grants vs. contracts, 28 (App1)
- services contributed to:
 - need for services, 28 (App3)
 - specialized skills required for, 28 (App2)
- tax positions taken by, 28.2(j)
- voluntary health and welfare organizations:
 - balance sheet, 28.3(a)(ii)
 - cash flows, statement of, 28.3(a)(iv)
 - financial statements of, 28.3(a)(i)
 - functional expenses, statement of, 28.3(a)(v)
 - generally, 28.3(a)
 - statement of support, revenue/expenses, and changes in net assets, 28.3(a)(iii)
- Operating budgets (state/local government accounting), 33.4(k)(i)
- Overhead:
 - inventory valuation, 13.5(a)(v), 13.5(a)(vi)
 - on self-constructed assets, overhead on, 16.2(b)
- Partnerships. *See also* Joint ventures
 - accounting peculiarities with, 20.2(a)
 - advantages/disadvantages of, 20.1(b)
 - average capital ratio example, 20.2(c)
 - change in partners:
 - capital ratios, adjustment of, 20.3(f)
 - effect of, 20.3(a)
 - closing of operating accounts:
 - division of profits (example), 20.2(e)(i)
 - generally, 20.2(e)
 - statement of partners' capitals (example), 20.2(e)(ii)
 - defined, 20.1(a)
 - formation of, 20.1(e)
 - importance of, 20.1(d)
 - and income taxation, 20.2(f)
 - incorporation of, 20.4
 - initial balance sheet of, 20.1(f)
 - limited:
 - accounting issues with, 20.6(d)(iii)
 - defined, 20.6(a)
 - financial statement disclosure issues with, 20.6(d)(ii)
 - financial statement reporting issues with, 20.6(d)(i)
 - formation of, 20.6(c)
 - general partnerships vs., 20.6(b)
 - liquidation of:
 - balance sheet example, 20.5(d)
 - generally, 20.5(a)
 - by installments, 20.5(c)
 - by single cash distribution, 20.5(b)
 - new partner's investment to acquire interest:
 - at book value, 20.3(c)(i)
 - generally, 20.3(c)
 - goodwill method, 20.3(c)(iv)
 - at less than book value, 20.3(c)(iii)
 - at more than book value, 20.3(c)(ii)
 - new partner's purchase of interest:
 - at book value, 20.3(b)(i)
 - generally, 20.3(b)
 - at less than book value, 20.3(b)(iii)
 - at more than book value, 20.3(b)(ii)
 - nonpublic investment, 20.7
 - profits and losses, dividing of, 20.2(b)
 - realization of assets of, 20.5(a). *See also* *subhead*: liquidation of
 - tax considerations with, 20.1(c)
 - transactions between partner and firm:
 - bonuses, 20.2(d)(iii)
 - and debtor-creditor relationship, 20.2(d)(iv)
 - generally, 20.2(d)
 - invested capital, interest on, 20.2(d)(i)
 - and landlord-tenant relationship, 20.2(d)(v)
 - salaries, partners', 20.2(d)(ii)
 - statement presentation of, 20.2(d)(vi)
 - withdrawing partner, using firm funds to settle with:
 - discount given by retiring partner, 20.3(e)(ii)
 - generally, 20.3(e)
 - premium paid to retiring partner, 20.3(e)(i)
 - withdrawing partner, using outside funds to settle with:
 - at book value, sale, 20.3(d)(i)
 - generally, 20.3(d)

- Partnerships (*Continued*)
 at less than book value, sale, 20.3(d)(iii)
 at more than book value, sale, 20.3(d)(ii)
- Payments, share-based, *see* Share-based payments
- PCAOB, *see* Public Company Accounting Oversight Board
- PCAOB Staff Audit Practice Alert No. 2 (*Matters Related to Auditing Fair Value Measurements of Financial Instruments and the Use of Specialists*):
 auditing of fair value measurements, 24.6(d)(i)
 and FASB ASC 820, 24.6(d)(ii)
 generally, 24.6(d)
 pricing service, use of, 24.6(d)(iv)
 valuation specialist, using work of, 24.6(d)(iii)
- Pension plans. *See also* Postemployment benefits; Postretirement benefits
 actuarial present value of benefits:
 assumptions, 27.5(e)(i)
 changes in, 27.5(f)
 disclosures for, 27.5(e)(ii)
 generally, 27.2(c)(v), 27.5(e)
 administration of, 27.1(c)
 assets, plan:
 expected return on, 27.2(d)(iii)
 generally, 27.2(e)
 recognition of, 27.2(f)
 basic elements in accounting for:
 actuarial assumptions, 27.2(c)(ii)
 actuarial present value of benefits, 27.2(c)(v)
 attribution, 27.2(c)(i)
 consistency, 27.2(c)(iv)
 generally, 27.2(c)
 interest rates, 27.2(c)(iii)
 measurement date, 27.2(c)(vi)
 business combinations, 8.3(g)(ix)
 defined benefit plans:
 medical benefits, postretirement, 27.5(k)
 nonqualified, 27.4(d)
 defined contribution plans:
 financial statements for, 27.5(j)(iii)
 generally, 27.2(i), 27.5(j)
 nonqualified, 27.4(c)
 separate accounts, 27.5(j)(i)
 types of, 27.5(j)(ii)
 development of private pensions:
 growth, 27.1(b)(ii)
 historical background, 27.1(b)(i)
 present status, 27.1(b)(iii)
 disclosures with:
 actuarial present value of benefits, 27.5(e)(ii)
 annuity contracts, 27.2(h)(iii)
 generally, 27.2(h)
 miscellaneous disclosures, 27.5(h)
 nonpublic entities, 27.2(h)(ii)
 nonrecurring events, 27.3(i)
 public entities, 27.2(h)(i)
 statement of net assets, 27.5(c)(ii)
 evolution of accounting standards for, 27.1(d)
 financial statement accounting for:
 content of statements, 27.5(b)
 decisions related to, 27.5(i)
 disclosures, *see subhead*: disclosures with example, 27.5(g)
 historical background, 27.5(a)
 net assets available for benefits, *see subhead*: net assets available for benefits
 objective of statements, 27.5(b)
 funding of, 27.2(m)
 generally, 27.1(a)
 income taxation of, 27.2(m)
 interim measurements with, 27.2(g)
 liabilities, recognition of, 27.2(f)
 long-term liabilities, 18.8(h)
 merger of, 27.3(e)
 multiemployer plans, 27.2(k)
 multiple employer plans, 27.2(l)
 net assets available for benefits:
 changes in, 27.5(d)
 contributions receivable, 27.5(c)(iv)
 disclosures for investments, 27.5(c)(ii)
 generally, 27.5(c)
 good-faith valuations, 27.5(c)(i)
 operating assets, 27.5(c)(iii)
 net periodic pension cost:
 and amortization of net gains/losses, 27.2(d)(iv)
 and amortization of net obligation/asset, 27.2(d)(vi)
 and amortization of net prior service cost, 27.2(d)(v)
 and expected return on plan assets, 27.2(d)(iii)
 generally, 27.2(d)
 interest cost, 27.2(d)(ii)

- service cost, 27.2(d)(i)
- nonqualified plans:
 - assets of, 27.4(b)
 - defined benefit plans, 27.4(d)
 - defined contribution plans, 27.4(c)
 - qualified vs., 27.4(a)
- nonrecurring events with:
 - business combinations, 27.3(g)
 - curtailment, 27.3(c)
 - disclosure requirements, 27.3(i)
 - disposal of business, 27.3(d)
 - example, 27.3(j)
 - generally, 27.3(a)
 - mergers, plan, 27.3(e)
 - sequence of measurement steps for, 27.3(h)
 - settlements, *see subhead*: settlements
 - spinoffs, plan, 27.3(e)
 - termination, plan, 27.3(e)
 - termination benefits, 27.3(f)
- non-U. S. pension plans, 27.2(j)
- qualified vs. nonqualified plans, 27.4(a)
- recognition of liabilities/assets, 27.2(f)
- settlements:
 - generally, 27.3(b)
 - maximum gain/loss, 27.3(b)(ii)
 - participating annuities, use of, 27.3(b)(iii)
 - timing of, 27.3(b)(i)
- SFAS No. 87 and:
 - applicability, 27.2(b)
 - scope, 27.2(a)
- spinoffs of, 27.3(e)
- taxation, income, 27.2(m)
- termination of:
 - benefits, 27.3(f)
 - generally, 27.3(e)
- Personal financial statements:
 - and applicable professional standards, 22.2(d)
 - assets on:
 - closely held business, 22.3(h)
 - estimated current value of, 22.3(a)
 - future interests, 22.3(l)
 - intangible assets, 22.3(k)
 - life insurance, 22.3(g)
 - limited partnership interests, 22.3(d)
 - marketable securities, 22.3(c)
 - options on other than marketable securities, 22.3(f)
 - personal property, 22.3(j)
 - precious metals, 22.3(e)
 - real estate, 22.3(i)
 - receivables, 22.3(b)
 - audits of, 22.10
 - basis of accounting for, 22.1(d)
 - changes in net worth, statement of:
 - defined, 22.6(a)
 - format, 22.6(c)
 - uses of, 22.6(b)
 - for client internal use only, 22.12
 - compilation of, 22.8
 - defined, 22.1(a)
 - disclosures on:
 - generally, 22.7
 - income tax provision, 22.5(d), 22.5(e)
 - and due diligence in accountant-client relationship, 22.2(a)
 - income taxes on:
 - computation of provision for, 22.5(b)
 - disclaimer statement, 22.5(d)
 - as liability, 22.4(d)
 - omission of disclosure, 22.5(e)
 - provision for, 22.5(a)
 - and tax basis, 22.5(c)
 - individual vs. family, 22.1(b)
 - liabilities on:
 - contingencies, 22.4(c)
 - estimated current amount, 22.4(a)
 - fixed commitments, 22.4(b)
 - income taxes, 22.4(d)
 - risks and uncertainties, 22.4(c)
 - listing of assets/liabilities on, 22.1(d)
 - operating rules for, 22.2(d)
 - purpose of, 22.1(a), 22.1(c)
 - reports and reporting:
 - generally, 22.11
 - prescribed forms, 22.11(d)
 - standard audit report, 22.11(g)
 - standard compilation report, 22.11(a)
 - standard review report, 22.11(f)
 - when accountant is not independent, 22.11(c)
 - when departing from GAAP, 22.11(e)
 - when substantially all disclosures omitted, 22.11(b)
 - review of, 22.9
 - and understanding of engagement by all parties, 22.2(b)
 - and value of written representations, 22.2(c)
- Plant, *see* Property, plant and equipment (PP&E)
- Plant closing costs, 8.3(c)(ii)

- Postemployment benefits. *See also* Pension plans
- disclosures, 27.7(b)(iv)
 - employers' accounting for:
 - generally, 27.7(a)
 - SFAS No. 112 and, *see subhead:* SFAS No. 112 and
 - generally, 27.1(a)
 - SFAS No. 112 and:
 - accrual accounting, differences in, 27.7(b)(ii)
 - and application of SFAS No. 43 vs. SFAS No. 5, 27.7(b)(i)
 - disclosures, 27.7(b)(iv)
 - example, 27.7(b)(v)
 - measurement issues, 27.7(b)(iii)
- Postretirement benefits. *See also* Pension plans
- accounting for, 27.6(a)
 - disclosures, 27.6(e)
 - evolution of accounting standards for, 27.1(d)
 - generally, 27.1(a)
 - nonrecurring events, 27.6(d)
 - SFAS No. 106 and:
 - actuarial assumptions, 27.6(c)
 - generally, 27.6(b)
 - SFAS No. 87 vs., 27.6(b)(i), 27.6(b)(ii)
- PP&E, *see* Property, plant and equipment
- Preferred stock, 19.2(c)
- callable, 19.2(c)(v)
 - convertible, 19.2(c)(ix)
 - cumulative, 19.2(c)(vi)
 - fully participating, 19.2(c)(vii)
 - increasing-rate, 19.2(c)(x)
 - mandatory redeemable:
 - carrying amount of, 19.2(c)(iv)
 - classification requirements, 19.2(c)(ii)
 - dividends on, 19.2(c)(iii)
 - generally, 19.2(c)(i)
 - partially participating, 19.2(c)(viii)
 - ratios, 10.4(c)(v)
 - redeemable, 5.4(m)
 - Regulation S-X and, 5.4(m)
- Professional societies, 1.11(b)
- Property, plant and equipment (PP&E):
- authoritative literature on, 16.1(c)
 - characteristics of, 16.1(b)
 - cost of:
 - debt, acquisition by issuing, 16.2(a)(ii)
 - determining, 16.2(a)
 - donated assets, 16.2(a)(v)
 - exchange, acquisition by, 16.2(a)(i)
 - interest capitalization, 16.2(c)
 - land, *see subhead:* cost of land
 - mixed acquisition for lump sum, 16.2(a)(iv)
 - research/development activities, assets held for, 16.2(e)
 - self-constructed assets, overhead on, 16.2(b)
 - stock, acquisition by issuing, 16.2(a)(iii)
 - cost of land:
 - carrying charges, 16.2(d)(iii)
 - generally, 16.2(d)
 - interest, 16.2(d)(ii)
 - purchase options, 16.2(d)(i)
 - defined, 16.1(a)
 - depreciation of, *see* Property, plant and equipment depreciation
 - disposals of:
 - casualties, 16.5(b)
 - generally, 16.5
 - retirements, 16.5(a)
 - sales, 16.5(a)
 - trade-ins, 16.5(a)
 - expenditures during ownership:
 - additions, 16.4(c)
 - asbestos removal/containment, 16.4(f)
 - capital vs. operating expenditures, 16.4(a)
 - environmental contamination costs, 16.4(g)
 - improvements, 16.4(c)
 - maintenance/repairs, *see subhead:* maintenance and repairs
 - rearrangement/reinstallation, 16.4(e)
 - rehabilitation, 16.4(d)
 - replacements, 16.4(c)
 - financial statement presentation:
 - construction in progress, 16.13(b)
 - fully depreciated/idle assets, 16.13(d)
 - general requirements, 16.13(a)
 - impairment of assets, *see subhead:* impairment of value
 - retirement, gain/loss on, 16.13(c)
 - segment information, 16.13(f)
 - impairment of value:
 - assets to be disposed of, 16.3(c), 16.13(e)(iii)
 - assets to be held and used, 16.3(b), 16.3(b)(i), 16.3(b)(ii), 16.13(e)(ii)
 - financial statement presentation, 16.13(e)(i)

- pronouncements, authoritative, 16.3(a)
- maintenance and repairs:
 - accounting alternatives, 16.4(b)(i)
 - effect of maintenance, 16.8(c)
 - extraordinary repairs, 16.4(b)(ii)
 - generally, 16.4(b)
- retirement of:
 - disposals, 16.5(a)
 - initial recognition/measurement, 16.6(c)
 - subsequent recognition/measurement, 16.6(d)
- service life of:
 - estimating, 16.8(d), 16.8(f)
 - factors affecting, 16.8(b), 16.8(b)(i), 16.8(b)(ii)
 - functional factors and, 16.8(b)(ii)
 - of leasehold improvements, 16.8(e)
 - maintenance and, 16.8(c)
 - physical factors and, 16.8(b)(i)
 - physical life vs., 16.8(a)
 - revisions of estimated service lives, 16.8(f)
- Property, plant and equipment depreciation:
 - base, depreciation:
 - assets to be disposed of, 16.9(d)
 - idle/auxiliary equipment, 16.9(c)
 - and net salvage value, 16.9(a)
 - property under construction, 16.9(b)
 - used assets, 16.9(e)
 - computation of, 16.7(b)
 - defined, 16.7(a)
 - generally, 16.7
 - methods of:
 - changing, 16.10(f)
 - decreasing-charge methods, 16.10(c)
 - generally, 16.10
 - interest methods, 16.10(d)(i), 16.10(d)(ii)
 - for partial periods, 16.10(e)
 - straight-line method, 16.10(a)
 - usage methods, 16.10(b)(i), 16.10(b)(ii)
 - rates of:
 - additions and, 16.11(c)
 - composite depreciation, 16.11(b)(ii)
 - group depreciation, 16.11(b)(i)
 - improvements and, 16.11(c)
 - replacements and, 16.11(c)
 - sources for, 16.11(a)
 - tools, 16.11(d)
 - for tax purposes:
 - additional first-year depreciation, 16.12(c)
 - current requirements, 16.12(a)
 - generally, 16.12
 - modified accelerated cost recovery system (MACRS), 16.12(b)
 - tools and related assets, 16.11(d)
- Prospective financial statements:
 - and accountants' services:
 - compilation services, *see subhead:*
 - compilation services
 - examination services, *see subhead:*
 - examination services
 - internal use of statements, 21.4(c)
 - accountants' services related to:
 - assembly of statements, 21.5(b)(iii)
 - materiality criterion, 21.5(e)
 - objective of, 21.5(a)
 - partial presentations, 21.5(b)(i)
 - prohibited engagements, 21.5(d)
 - SEC rules, 21.5(f)
 - standard services, 21.5(b)
 - third-party use, 21.5(b)(ii)
 - agreed-upon procedures:
 - procedures, 21.8(b)
 - reports, 21.8(c)
 - scope of, 21.8(a)
 - compilation services:
 - assembly, 21.6(b)
 - deficiencies, presentation, 21.6(e)(ii)
 - independence, lack of, 21.6(e)(iii)
 - problem situations, 21.6(e)
 - procedures, 21.6(c)
 - reporting on compilations, 21.6(d)
 - scope, 21.6(a), 21.6(e)(i)
 - defined, 21.1(a)
 - development of:
 - assembly of statements, 21.3(d)
 - assumptions, 21.3(c)
 - general guidelines, 21.3(a)
 - key factors, identification of, 21.3(b)
 - length of prospective period, 21.3(c)(ii)
 - mathematical models, 21.3(c)(i)
 - disclosures in:
 - accounting principles, significant, 21.4(c)(iii)
 - assumptions, significant, 21.4(c)(ii)
 - authoritative guidance, 21.4(a)
 - date of presentation, 21.4(c)(iv)
 - description of presentation, 21.4(c)(i)
 - generally, 21.4(c)
 - examination services:

Prospective financial statements: (*Continued*)

- adverse report, 21.7(c)(ii)
- assumptions, evaluation of, 21.7(a)(ii)
- disclaimer, 21.7(c)(iii)
- divided responsibility, 21.7(c)(iv)
- independence of, 21.7(d)
- modified examination reports, 21.7(c)
- preparation, evaluation of, 21.7(a)(i)
- presentation, evaluation of, 21.7(a)(iii)
- qualified opinion, 21.7(c)(i)
- scope, 21.7(a)
- standard examination report, 21.7(b)
- financial analyses vs., 21.1(b)(iv)
- financial forecasts defined, 21.1(a)(i)
- financial projections defined, 21.1(a)(ii)
- internal use services:
 - formal reports, 21.9(d)(iii)
 - legends, 21.9(d)(ii)
 - plain paper, 21.9(d)(i)
 - procedures, 21.9(c)
 - reports, 21.9(d)
 - scope of, 21.9(a)
 - use of third parties vs., 21.9(b)
- partial presentations vs., 21.1(b)(ii)
- presentation of:
 - amounts presented, 21.4(b)(i)
 - authoritative guidance, 21.4(a)
 - form of statements, 21.4(b)
 - titles, 21.4(b)(ii)
- presentations for wholly expired periods vs., 21.1(b)(i)
- pro formas vs., 21.1(b)(iii)
- use of:
 - generally, 21.2(a)
 - general use, 21.2(b)
 - internal use, 21.2(d)
 - limited use, 21.2(c)
- Public colleges and universities, 33.6
- Public Company Accounting Oversight Board (PCAOB):
 - advisory groups, 1.9(c)(i)
 - authority, 1.9(b)
 - background, 1.9(a)
 - board members, 1.9(c)(i)
 - inspections by:
 - generally, 1.9(f)
 - results, 1.9(f)(ii)
 - scope, 1.9(f)(i)
 - intangible assets, initial valuation of, 14.3(a)(ii)
 - investigations by, 1.9(g)

- registration of firms with, 1.9(d)
- Sarbanes-Oxley Act and, 1.9(a), 1.9(e)(i)
- staff, 1.9(c)(i)
- standards:
 - generally, 1.9(e)
 - process of setting, 1.9(e)(ii)
 - Sarbanes-Oxley mandated provisions, 1.9(e)(i)
- structure, 1.9(c)
- white-collar crime penalties, 1.9(h)
- Publicly held companies, disclosure requirements for:
 - earnings per share, 4.8(c)(ii)
 - generally, 4.8(c)
 - interim reporting, 4.8(c)(iii)
 - segment disclosure, 4.8(c)(i)

Quasi reorganizations

- ASC Topic 740 on, 17.2(e)(iv)
- retained earnings and, 19.7(l)
- procedures, 19.7(l)(i)
- readjustment, retained earnings after, 19.7(l)(ii)
- tax loss carryforwards, 19.7(l)(iii)

Real estate. *See also* Land; Lease(s)

- accounting policies and, 31.9(b)
- bank-owned:
 - foreclosed assets, 30.2(q)(iii), 30.2(v)(vii)
 - former bank premises, 30.2(q)(ii)
 - investments, 30.2(q)(i)
 - taxation of, 30.2(v)(vii)
- Codification and, 31.10(a)
- defined, 15.9(a)
- under development, 31.5(b)
- disclosures, note, 31.9(c)
- and FASB codification, 31.1(b)
- financial statement presentation:
 - balance sheet, 31.9(a)(i)
 - statement of income, 31.9(a)(ii)
- generally, 31.1(a)
- investment trusts, 31.9(e)
- mortgage loan borrowers, accounting by, 31.9(d)
- note disclosures, 31.9(c)
- on personal financial statements, 22.3(i)
- Real estate capitalized costs:
 - abandonments, 31.3(k)
 - amenities, costs of, 31.3(j)
 - changes in use, 31.3(k)
 - construction costs, 31.3(d)

- environmental contamination removal costs, 31.3(e)
- foreclosed assets:
 - generally, 31.3(m)
 - income, held for production of, 31.3(m)(ii)
 - sale, held for, 31.3(m)(i)
- general and administrative expenses, 31.3(i) generally, 31.3(a)
- indirect project costs, 31.3(h)
- insurance costs, 31.3(g)
- interest costs:
 - amount capitalized, accounting for, 31.3(f)(iv)
 - generally, 31.3(f)
 - methods of capitalization, 31.3(f)(iii)
 - period, capitalization, 31.3(f)(ii)
 - qualifying assets, 31.3(f)(i)
- land acquisition costs, 31.3(c)
- land improvement and development costs, 31.3(d)
- preacquisition costs, 31.3(b)
- selling, costs associated with, 31.3(l)
- taxes, 31.3(g)
- Real estate investment trusts (REITs), 30.1(c)(ix)
- Real estate transactions:
 - alternate accounting methods:
 - cost recovery method, 31.2(j)(iii)
 - coverture method, 31.2(j)(vii)
 - deposit method, 31.2(j)(i)
 - derecognition method, 31.2(j)(viii)
 - financing method, 31.2(j)(v)
 - generally, 31.2(j)
 - installment method, 31.2(j)(ii)
 - lease method, 31.2(j)(vi)
 - profit-sharing method, 31.2(j)(vii)
 - reduced profit method, 31.2(j)(iv)
 - analysis of, 31.2(a)
 - condominium sales:
 - accounting methods, 31.2(g)(ii)
 - future costs, estimated, 31.2(g)(iii)
 - generally, 31.2(g)
 - profit recognition, criteria for, 31.2(g)(i)
 - continued involvement of seller:
 - development and construction, 31.2(f)(ix)
 - future profits, participation in, 31.2(f)(i) generally, 31.2(f)
 - general partner in limited partnership, 31.2(f)(iii)
 - guaranteed return on buyer's investment, 31.2(f)(v), 31.2(f)(vi), 31.2(f)(vii)
 - operations, initiation/support of, 31.2(f)(x)
 - partial sales, 31.2(f)(xi)
 - permanent financing, lack of, 31.2(f)(iv)
 - profit-sharing arrangement, 31.2(f)(iii)
 - repurchase, option/obligation to, 31.2(f)(ii)
 - sale-leaseback arrangements, 31.2(f)(vii)
 - services without adequate compensation, 31.2(f)(viii)
 - cost allocation methods:
 - area method, 31.4(a)(iii)
 - generally, 31.4(a)
 - specific identification method, 31.4(a)(i)
 - value method, 31.4(a)(ii)
 - down payment:
 - composition of, 31.2(d)(ii)
 - inadequate, 31.2(d)(iii)
 - size of, 31.2(d)(i)
 - receivable from buyer:
 - amortization of, 31.2(e)(ii)
 - collectability of, 31.2(e)(i)
 - future subordination, 31.2(e)(iii)
 - inadequate continuing investment, 31.2(e)(vi)
 - interest, imputation of, 31.2(e)(v)
 - release provisions, 31.2(e)(iv)
 - recognition of sale, 31.2(c)
 - retail land sales:
 - full accrual method, 31.2(h)(ii), 31.2(h)(iii)
 - generally, 31.2(h)
 - installment and deposit methods, 31.2(h)(v)
 - percentage-of-completion method, 31.2(h)(iv)
 - recording of sale, 31.2(h)(i)
 - sales generally, 31.2(b)
 - syndication fees, 31.2(i)
 - tenants in common (TIC):
 - accounting methods, 31.2(g)(ii)
 - future costs, estimated, 31.2(g)(iii)
 - generally, 31.2(g)
 - profit recognition, criteria for, 31.2(g)(i)
- Real estate valuation:
 - under development, real estate, 31.5(b)
 - fair value measurements:
 - generally, 31.5(c)
 - hierarchy, fair value, 31.5(c)(i)
 - techniques, fair value, 31.5(c)(ii)

- Real estate valuation: (*Continued*)
generally, 31.5
long-lived assets, impairment/disposal of:
disposed of, real estate to be, 31.5(a)(ii)
generally, 31.5(a)
held/used, real estate to be, 31.5(a)(i)
- Real estate ventures:
accounting for:
current standards, 31.8(b)(ii)
historical background, 31.8(b)(i)
investor accounting issues, 31.8(c)
organization of, 31.8(a)
tax benefits from affordable housing
investments, 31.8(d)
- Receivables:
accounts receivables, 12.2(b)
credit card receivables, 12.2(d)
defined, 12.2(a)
notes receivables, 12.2(c)
- Recognition, revenue, *see* Revenue recognition
- Recordkeeping:
for estates:
final accounting, 38.2(b)(iii)
generally, 38.2(b)
going business, operation of, 38.2(b)(ii)
journals, 38.2(b)(i)
forensic:
acquisition notes, 42.15
analysis workpapers, 42.17
chain-of-custody documentation, 42.16
generally, 42.14
for inventory, 13.4(c)(i)
for trusts:
bond premium/discount, amortization of,
38.4(b)(iv)
depreciation, 38.4(b)(v)
expenses, payments of, 38.4(b)(vi)
generally, 38.4(b)
journals, 38.4(b)(i)
opening books of account, 38.4(b)(iii)
principal and income accounts, 38.4(b)(ii)
- Regulated utilities:
alternative forms of regulation:
competition, regulated transition to,
36.4(g)(iv)
generally, 36.4(g)
non-fuel rate trackers/riders, 36.4(g)(vi)
price ceilings/caps, 36.4(g)(i)
rate moratoriums, 36.4(g)(ii)
revenue decoupling, 36.4(g)(v)
sharing formulas, 36.4(g)(iii)
- ASC Topic 980, *see* Accounting Standards
Codification (ASC) Topic 980
(*Regulated Operations*)
characteristics of, 36.1(b)
commissions, regulatory:
federal, 36.3(a)
rates, setting of, 36.4(a)
state, 36.3(b)
disclosures:
construction intermediaries, financing
through, 36.10(d)(ii)
expanded footnote disclosures,
36.10(d)(vi)
jointly owned plants, 36.10(d)(iii)
nuclear decommissioning costs,
36.10(d)(iv)
purchase power contracts, 36.10(d)(i)
stranded costs, securitization of,
36.10(d)(v)
- GAAP, rate regulation and:
APB Opinion No. 2, 36.5(c)(ii)
historical background, 36.5(c)(i)
generally, 36.1(a)
historical background:
*Chicago, Milwaukee & St. Paul Railroad
Co. v. Minnesota ex rel. Railroad &
Warehouse Comm.*, 36.2(b)
generally, 36.2
Munn v. Illinois, 36.2(a)
Smyth v. Ames, 36.2(c)
- income taxation of:
accounting for income taxes (ASC Topic
740), 36.10(a)(vi)
flow-through, 36.10(a)(ii)
generally, 36.10(a)
incentives, tax, 36.10(a)(iv)
Internal Revenue Code provisions,
36.10(a)(iii)
interperiod allocation, 36.10(a)(i)
investment tax credit, 36.10(a)(vii)
legislation, tax, 36.10(a)(v)
- judicial precedents:
rate of return and, 36.4(e)
valuation, rate base, 36.4(d)(iv)
- postretirement benefits other than pensions,
36.10(c)
- rate base, 36.4(c)
- rate base valuation:
fair value, 36.4(d)(ii)
generally, 36.4(d)
judicial precedents, 36.4(d)(iv)

- and original cost, 36.4(d)(i)
- and weighted cost, 36.4(d)(iii)
- rate of return, 36.4(e)
- rates:
 - formula for establishing, 36.4(b)
 - GAAP and regulation of, *see subhead*:
 - GAAP, rate regulation and moratoriums, 36.4(g)(ii)
 - and operating income, 36.4(f)
 - setting of, 36.4(a)
 - recent industry changes, 36.10(e)
 - reporting, regulatory vs. financial:
 - GAAP, *see subhead*: GAAP, rate regulation and
 - regulating agency, accounting authority of, 36.5(a)
 - SEC and FASB, 36.5(b)
 - revenue recognition; alternative programs, 36.10(b)
- Regulation S-X:
 - accountants' reports, 5.4(b)
 - consolidated financial statements, 5.4(d)
 - disclosures:
 - compensating balances, 5.4(l)(i)
 - generally, 5.4(g)
 - income tax expense, 5.4(k)
 - short-term borrowings, 5.4(l)(ii)
 - sources of, 5.4(h)
 - by subsidiary, 5.4(i)
 - 50-percent-or-less-owned equity method investees, 5.4(j)
 - financial statements:
 - consistency of chronological order in, 5.4(f)
 - consolidated, 5.4(d)
 - generally, 5.4(c)
 - fund transfers from subsidiary to parent company, 5.4(i)
 - generally, 5.4(a)
 - materiality tests, 5.4(e)
 - redeemable preferred stock, 5.4(m)
 - schedules, 5.4(n)
 - unconsolidated subsidiaries, 5.4(j)
- REITs, *see* Real estate investment trusts
- Rental operations. *See also* Lease(s)
 - costs of:
 - escalation, cost, 31.7(b)(i)
 - future periods, chargeable to, 31.7(c)(i)
 - period costs, 31.7(c)(ii)
 - and depreciation, 31.7(d)
 - expense, rental, 31.7(f)
 - generally, 31.7(a)
 - income from:
 - and cost escalation, 31.7(b)(i)
 - generally, 31.7(b)
 - percentage rents, 31.7(b)(ii)
 - initial:
 - sale, held for, 31.7(e)(ii)
 - in use, held, 31.7(e)(i)
- Reporting. *See also* Disclosure(s); Financial accounting and reporting; Financial statements
 - by banks and savings institutions, 30.2(j)(ii)
 - in Chapter 11 bankruptcy:
 - balance sheet, 39.5(f)(i)
 - generally, 39.5(f)
 - statement of cash flows, 39.5(f)(iii)
 - statement of operations, 39.5(f)(ii)
 - and fair value for, 25.2(b)
 - goodwill; reporting unit:
 - disposal, 14.7(b)(vii)
 - generally, 14.7(b)(iv)
 - interim, 4.8(c)(iii)
 - international reporting:
 - foreign issuers in United States, 10.3(n)(ii)
 - IASB and, 10.3(n)(i)
 - by not-for-profit organizations, 28.2(a)
 - objectives of, 2.3(b)(i), 4.2(a)
 - prior-period adjustments to retained earnings:
 - reporting, 19.7(c)(ii)
 - segment; health care organizations, 35.5(f)
 - selection of entity for, 9.1(g)(i)
 - by state and local governments, *see* State and local government accounting
 - treasury stock transactions:
 - cost method, 19.5(c), 19.5(f)
 - par value method, 19.5(d), 19.5(f)
- Retained earnings:
 - appropriations of:
 - generally, 19.7(n)
 - loss contingencies, 19.7(o)
 - defined, 19.7(a)
 - and dividends:
 - cash dividends, 19.7(g)
 - declaration dates, 19.7(f)
 - generally, 19.7(e)
 - liquidating dividends, 19.7(k)
 - property dividends, 19.7(i)
 - scrip or liability dividends, 19.7(j)

- Retained earnings: (*Continued*)
- stock dividends, *see subhead*: stock dividends
 - events affecting, 19.7(b)
 - and prior-period adjustments, 19.7(c)
 - errors, correction of, 19.7(c)(i)
 - reporting, 19.7(c)(ii)
 - retroactive pronouncements, 19.7(d)
 - and quasi reorganization, 19.7(l)
 - procedures, 19.7(l)(i)
 - readjustment, retained earnings after, 19.7(l)(ii)
 - tax loss carryforwards, 19.7(l)(iii)
 - restrictions on, 19.7(m)
 - contractual, 19.7(m)(ii)
 - legal, 19.7(m)(i)
 - preferred stock, liquidating value of, 19.7(m)(iv)
 - voluntary, 19.7(m)(iii)
 - stock dividends, 19.7(h)
 - closely held corporations, 19.7(h)(iii)
 - large stock dividends, 19.7(h)(ii)
 - reasons for declaration, 19.7(h)(v)
 - record date, 19.7(h)(iv)
 - small stock dividends, 19.7(h)(i)
- Revenue. *See also* Income
- ancillary:
 - by-product sales, 12.6(f)
 - dividends, 12.6(a)
 - interest, 12.6(b)
 - joint product sales, 12.6(f)
 - loan guarantees, 12.6(h)
 - miscellaneous assets, profits on sales of, 12.6(c)
 - rents, 12.6(d)
 - royalties, 12.6(e)
 - scrap sales, 12.6(f)
 - shipping and handling fees, 12.6(g)
 - classification of, 12.1(b)
 - components of, 12.1(a)
 - defined, 12.1(a)
 - disclosures:
 - on balance sheet, 12.7(b)
 - on income statement, 12.7(a)
 - installment receivables, 12.7(b)(ii)
 - interest on receivables, 12.7(b)(iii)
 - single-payment accounts receivable, 12.7(b)(i)
 - earning of, 12.1(c)(ii)
 - measurement of, 12.1(c)(i)
 - realization of, 12.1(c)(iii)
 - recognition of, *see* Revenue recognition
- Revenue adjustments and aftercosts:
- allowances, 12.5(c)
 - generally, 12.5(a)
 - guarantees, 12.5(f)
 - incentives:
 - consideration, cash or equity, 12.5(d)(i)
 - consideration, not cash or equity, 12.5(d)(ii)
 - customers' accounting for, 12.5(d)(iii)
 - product defects, obligations related to, 12.5(g)
 - returns, 12.5(b)
 - uncollectible receivables:
 - aging-of-receivables method, 12.5(e)(iii)
 - percentage-of-receivables method, 12.5(e)(ii)
 - percentage-of-sales method, 12.5(e)(i)
 - warranties, 12.5(f)
- Revenue recognition:
- after delivery, 12.1(d)(iii)
 - alternatives to, 12.1(d)
 - asset received characteristics as criteria for:
 - collectability, 12.3(f)(iii)
 - generally, 12.3(f)
 - liquidity, 12.3(f)(i)
 - measurability, 12.3(f)(iv)
 - obligations/restrictions, absence of, 12.3(f)(ii)
 - characteristics of revenue recognized, 12.3(g)
 - construction, *see* Construction revenue recognition
 - at delivery, 12.1(d)(i)
 - before delivery, 12.1(d)(ii)
 - and entry vs. exit values, 12.3(b)
 - event or transaction, characteristics of, 12.3(e)
 - event/transaction characteristics as criteria for:
 - events, 12.3(e)(iii)
 - nonreversibility, 12.3(e)(i)
 - risks/rewards of ownership, transfer of, 12.3(e)(ii)
 - and FASB conceptual framework, 12.3(c)
 - FASB project on, 12.4(d)
 - general criteria for, 12.3(a)
 - generally, 12.1(c)(iii)
 - industry-specific issues with:
 - cable television companies, 12.4(b)(ii)
 - film and broadcasting industry, 12.4(b)(v)

- franchising companies, 12.4(b)(iii)
 - generally, 12.4(b)
 - Internet companies, 12.4(b)(vii)
 - record and music industry, 12.4(b)(iv)
 - software companies, 12.4(b)(vi)
 - need for additional guidance in, 12.4(c)
 - outside United States, criteria used, 12.3(h)(vi)
 - SEC Staff's views on:
 - delivery and performance, 12.3(h)(ii)
 - generally, 12.3(h)
 - leased or licensed departments, sale of, 12.3(h)(iv)
 - outside United States, criteria used, 12.3(h)(vi)
 - persuasive evidence of arrangement, 12.3(h)(i)
 - SAB No. 114, 12.3(h)(v)
 - sales price, fixed/determinable, 12.3(h)(iii)
 - special problems with:
 - barter credits, 12.4(a)(vii)
 - extended warranty contracts, separately priced, 12.4(a)(viii)
 - future revenues, sales of, 12.4(a)(vi)
 - generally, 12.4(a)
 - multiple deliverables, sales with, 12.4(a)(ix)
 - product financing arrangements, 12.4(a)(iii)
 - product maintenance contracts separately priced, 12.4(a)(viii)
 - right of return, 12.4(a)(iv)
 - same counterparty, purchases and sales with, 12.4(a)(v)
 - service transactions, 12.4(a)(v)
 - transfers of receivables, 12.4(a)(ii)
 - specific criteria for, 12.3(d)
- Sales:
- ancillary revenue from:
 - by-product sales, 12.6(f)
 - joint product sales, 12.6(f)
 - miscellaneous assets, profits on sales of, 12.6(c)
 - scrap sales, 12.6(f)
 - on income statement:
 - comparative trend analysis, 10.2(b)(iv)
 - components of sale trends, 10.2(b)(iii)
 - generally, 10.2(b)
 - trend analysis, 10.2(b)(i)
 - variability, 10.2(b)(ii)
 - of minerals, 34.8(a)
 - of property, plant and equipment (PP&E), 16.5(a)
 - real estate, *see* Real estate transactions
 - and revenue recognition:
 - fixed/determinable price, 12.3(h)(iii)
 - future revenues, sales of, 12.4(a)(vi)
 - multiple deliverables, sales with, 12.4(a)(ix)
 - same counterparty, purchases and sales with, 12.4(a)(x)
 - short, 30.2(r)(iii)
 - wash, 30.2(r)(ii)
 - Sarbanes-Oxley Act (2002):
 - and audit committees, 5.1(e)(ii)
 - generally, 5.1(e)
 - and independent auditors, 5.1(e)(iii)
 - intangible assets, management of, 14.2(h)(i)
 - and internal control:
 - effectiveness, 7.1(a)
 - generally, 7.1
 - and Public Company Accounting Oversight Board (PCAOB), 1.9(a), 1.9(e)(i)
 - and public company officers/directors, 5.1(e)(i)
 - Savings institutions, *see* Banks and savings institutions
 - SEC, *see* Securities and Exchange Commission
 - Securities, *see* Debt securities; Equity securities
 - Securities Act (1933). *See also* Securities and Exchange Commission (SEC)
 - auditors' responsibilities, 5.2(b)
 - covered transactions, 5.2(a)
 - exemptions from registration:
 - generally, 5.2(e)
 - miscellaneous exemptions, 5.2(e)(iii)
 - Regulation A, 5.2(e)(ii)
 - Regulation D, 5.2(e)(i)
 - "going private" transactions, 5.2(f)
 - initial filings, 5.2(g)
 - materiality criterion:
 - assessment of materiality, 5.2(c)(i)
 - generally, 5.2(c)
 - intentional immaterial misstatements, 5.2(c)(iii)
 - misstatements, 5.2(c)(ii), 5.2(c)(iii)
 - smaller reporting companies, 5.2(d)

- Securities and Exchange Commission (SEC):
- accountants' services on prospective financial statements:
 - compilations of filings, 21.5(f)(i)
 - generally, 21.5(f)
 - independence rules, 21.5(f)(ii)
 - and accounting fraud, 5.1(g)
 - accounting profession and, 5.1(d)
 - annual report to stockholders:
 - content of, 5.4(q)
 - required disclosures, 5.4(q)
 - audit committees, 5.1(i)
 - banks and savings institutions:
 - background, 30.2(j)(i)
 - reporting requirements, 30.2(j)(ii)
 - and business combinations:
 - disclosures in SEC filings, 8.3(o)
 - recognition/measurement of assets and liabilities, 8.3(g)(xvii)
 - and consolidated financial statements:
 - disclosures, miscellaneous, 9.1(g)(iii)
 - intercompany items and transactions, 9.1(g)(ii)
 - reporting entity, selection of, 9.1(g)(i)
 - contact with staff of, 5.1(j)
 - creation of, 5.1(a)
 - Division of Corporation Finance (DCF):
 - EDGAR system, 5.1(c)(iv)
 - extension of time to file, 5.1(c)(v)
 - generally, 1.3(c)
 - organization, 5.1(c)(ii)
 - responsibilities, 5.1(c)(i)
 - review procedures, 5.1(c)(iii)
 - Division of Enforcement, 1.3(e)
 - and Foreign Corrupt Practices Act:
 - internal accounting control, 5.1(h)(ii)
 - payments to foreign officials, 5.1(h)(i)
 - Form 8-K:
 - acquisition/disposition of assets, 5.6(a)(i)
 - certifying accountant, changes in, 5.6(a)(ii)
 - Item 2.01, 5.6(a)(i)
 - Item 4.01, 5.6(a)(ii)
 - Item 4.02, 5.6(a)(iii)
 - non-reliance on previous financial statements, 5.6(a)(iii)
 - requirements of, 5.6(a)
 - Form 10-K:
 - certifications, 5.4(p)(vi)
 - generally, 5.4
 - Part I of, 5.4(p)(i)
 - Part II of, 5.4(p)(ii)
 - Part III of, 5.4(p)(iii)
 - Part IV of, 5.4(p)(iv)
 - signatures, 5.4(p)(v)
 - structure of, 5.4(p)
 - Form 10-Q:
 - generally, 5.5
 - Part I of, 5.5(a)(i)
 - Part II of, 5.5(a)(ii)
 - signatures, 5.5(a)(iii)
 - generally, 1.3
 - health care organizations:
 - municipal securities market and, 35.6(a)
 - in private sector, 35.2(a)(i)
 - historical background, 1.3(a)
 - investment companies, 30.4(a)(i), 30.4(f)
 - Office of the Chief Accountant (OCA), 1.3(d)
 - organization of, 5.1(b)
 - proxy statements:
 - generally, 5.7(a)
 - Regulation 14A and, 5.7(b)
 - review requirements, 5.7(c)
 - public accountants practicing before, 5.1(f)
 - publications, 1.3(f)
 - regulated utilities, 36.5(b)
 - regulations, 1.3(f)
 - Regulation S-K, 5.4(o)
 - Regulation S-X, *see* Regulation S-X
 - and revenue recognition:
 - delivery and performance, 12.3(h)(ii)
 - generally, 12.3(h)
 - leased or licensed departments, sale of, 12.3(h)(iv)
 - outside United States, criteria used, 12.3(h)(vi)
 - persuasive evidence of arrangement, 12.3(h)(i)
 - SAB No. 114, 12.3(h)(v)
 - sales price, fixed/determinable, 12.3(h)(iii)
 - Sarbanes-Oxley Act and, *see* Sarbanes-Oxley Act (2002)
 - and Securities Act, *see* Securities Act (1933)
 - and Securities Exchange Act, *see* Securities Exchange Act (1934)
 - and Special Committee on Cooperation with Stock Exchanges, 2.2(a)(iii)
 - structure, 1.3(b)
 - and valuation of intangible assets, 14.3(a)(ii)

- Securities Exchange Act (1934). *See also*
 Securities and Exchange Commission
 (SEC)
 disclosure requirements:
 periodic reports, 5.3(b)(ii)
 registration of securities, 5.3(b)(i)
 scope of, 5.3(a)
 Seidman Committee, 2.2(c)(ii)
 Share-based payments:
 employee stock ownership plans (ESOPs),
 19.6(d)
 dividends on, 19.6(d)(iii)
 purchase of shares by, 19.6(d)(i)
 redemption of, 19.6(d)(ii), 19.6(d)(iv)
 release of shares, 19.6(d)(ii)
 stock options, employee, 19.6(c)
 disclosure requirements, 19.6(c)(ii)
 share-based payments, 19.6(c)(i)
 stock rights, 19.6(b)(v), 19.6(b)(vii)
 use of, 19.6(a)
 warrants:
 exercise of, 19.6(b)(iv)
 generally, 19.6(b)
 issued for services, 19.6(b)(iii)
 issued with debt, 19.6(b)(i)
 lapsed, 19.6(b)(vii)
 reacquisition of, 19.6(b)(viii)
 sale of, 19.6(b)(ii)
 Silver, on personal financial statements, 22.3(e)
 Special Committee on Cooperation with Stock
 Exchanges. *See also* Financial accounting
 and reporting
 "accepted principles of accounting," 2.2(a)(i)
 generally, 2.2(a)
 recommendations, 2.2(a)(ii)
 and SEC, 2.2(a)(iii)
 and Securities Exchange Act, 2.2(a)(iii)
 State and local governments:
 characteristics of, 33.2(d)
 objectives of, 33.2(b)
 organization of, 33.2(c)
 structure of, 33.2(a)
 State and local government accounting:
 accounting principles, sources of, 33.3
 audits of governmental units:
 committees, audit, 33.7(b)(ii)
 generally, 33.7
 governmental rotation of auditors,
 33.7(b)(i)
 Single Audit Act Amendments (1996),
 33.7(a)
 basis of accounting:
 expenditure transactions, 33.4(j)(iv)
 generally, 33.4(c)(viii), 33.4(j)(i),
 33.4(j)(ii)
 nonexchange transactions, 33.4(j)(v)
 revenue transactions, 33.4(j)(iii)
 budgeting and budgetary control/reporting:
 capital budgets, 33.4(k)(v)
 comparisons, budgetary, 33.4(k)(vi)
 execution of budget, 33.4(k)(iii)
 generally, 33.4(c)(ix)
 operating budgets, types of, 33.4(k)(i)
 preparation of budget, 33.4(k)(ii)
 proprietary fund budgeting, 33.4(k)(iv)
 capabilities, accounting/reporting:
 legal compliance, 33.4(e)(i)
 reporting requirements, 33.4(e)(ii)
 summary statement, 33.4(c)(i)
 capital assets:
 depreciation, calculating, 33.4(h)(i)
 depreciation of, 33.4(c)(vi)
 disposal/retirement of, 33.4(h)(iii)
 generally, 33.4(c)(iv), 33.4(h)
 impairment of, 33.4(c)(vi), 33.4(h)(iv)
 subsidiary property records, 33.4(h)(ii)
 valuation of, 33.4(c)(v)
 classification, common:
 generally, 33.4(c)(xi)
 classification of accounts:
 fund balance/equity, 33.4(l)(v)
 generally, 33.4(c)(x)
 government fund expenditures, 33.4(l)(ii)
 government fund revenues, 33.4(l)(i)
 miscellaneous transactions, 33.4(l)(iii)
 proprietary fund revenues/expenses,
 33.4(l)(iv)
 depreciation of capital assets, 33.4(c)(vi)
 expenditure accounts, 33.4(c)(x)
 expense accounts, 33.4(c)(x)
 financial reporting:
 basic financial statements, 33.4(m)(ii)
 Certificate of Achievement program,
 33.4(m)(iv)
 Comprehensive Annual Financial Report
 (CAFR), 33.4(m)(iii)
 entity for, 33.4(m)(i)
 popular reports, 33.4(m)(v)
 financial reports:
 interim/annual, 33.4(c)(xii)
 users/uses of, 33.4(b)
 fund accounting systems:

State and local government accounting:

(Continued)

capability, 33.4(f)

summary statement, 33.4(c)(ii)

funds, types of:

fiduciary funds, 33.4(g)(iii)

generally, 33.4(c)(iii), 33.4(g)

governmental funds, 33.4(g)(i)

proprietary funds, 33.4(g)(ii)

generally, 33.1

and Governmental Accounting Standards

Board (GASB), 33.3(b)

government-wide accounting systems:

capability, 33.4(f)

generally, 33.4(c)(ii)

long-term liabilities:

capabilities, 33.4(i)

generally, 33.4(c)(vii)

measurement focus of, 33.4(c)(viii), 33.4(j),

33.4(j)(i)

and National Council on Governmental

Accounting (NCGA), 33.3(a)

private sector accounting vs., 33.4(a)

revenue accounts, 33.4(c)(x)

special-purpose governments, reporting by:

business-type activities, 33.5(b)

fiduciary-type activities, 33.5(c)

generally, 33.5

governmental activities, 33.5(a)

summary statement of principles, 33.4(c)

terminology, common, 33.4(c)(xi)

transfer accounts, 33.4(c)(x)

valuation of capital assets, 33.4(c)(v)

State boards of accountancy, 1.11(a)

Statement of cash flows:

financing activities, 4.6(c)

generally, 4.6, 4.10(b)

investing activities, 4.6(b)

operating activities, 4.6(a)

Statement of financial position, *see* Balance sheet

Statement of stockholders' equity, 4.5

Stock:

balance sheet presentation of, 19.2(g)

certificates representing shares of, 19.2(a)

common, 19.2(b)

disclosure of capital structure:

generally, 19.9

preferred stock, 19.9(a)

par vs. no par value, 19.2(d)

payments, share-based, *see* Share-based paymentspreferred, *see* Preferred stock

recording issuance of, 19.2(e)

and stated capital, 19.2(f)

treasury, *see* Treasury stock

Stock-based compensation:

accounting for:

employee stock option plans (ESOPs),
23.2(d)

fair value, 23.2(a)

non-public company option, 23.2(b)

restricted stock options, 23.2(c)

Black-Scholes option pricing model:

dividends, expected, 23.3(a)(ii)

generally, 23.3(a)

option lives, expected, 23.3(a)(iii)

volatility, expected, 23.3(a)(i)

Codification, accounting standards, 23.6

disclosure:

example, 23.5(b)

notes to financial statements, 23.5(a)

earnings per share:

diluted, 23.4(f)(i)

generally, 23.4(f)

fair value, estimating:

changing methods, 23.3(b)(ii)

generally, 23.3

historical background:

backdating scandal, 23.1(a)

generally, 23.1

income taxation of, 23.4(e)

international standards, 23.7

lattice/binomial option pricing model:

computation of option price, 23.3(b)(i)

generally, 23.3(b)

liabilities, awards classified as, 23.4(b)

modification of awards, 23.4(d)

nonemployees, awards to, 23.4(a)

stock appreciation rights, 23.4(c)

supporting data, obtaining/retaining, 23.4(g)

Stockholders' equity. *See also* Stock

and combined financial statements, 19.8(b)

contributed equity, 4.3(c)(i)

generally, 4.3(c)

with investor/investee transactions, 19.8(c)

below book value, sale, 19.8(c)(iii)

book value, sale at, 19.8(c)(i)

excess of book value, sale in, 19.8(c)(ii)

no parent-subsidiary relationship,

19.8(c)(v)

SAB No. 51, 19.8(c)(iv)

and noncontrolling interests, 19.8(a)

and reporting comprehensive income, 19.8(d)

- retained earnings, 4.3(c)(ii)
- subclassifications of, 4.3(c)(iii)
- Stock issuance:
 - authorized number of shares, 19.3(a)
 - for cash, 19.3(c)
 - cost of, 19.3(b)
 - at discount, 19.3(f)
 - at premium, 19.3(f)
 - for property or services, 19.3(d)
 - stock discount, 19.3(f)
 - on subscription basis, 19.3(e)
 - balance sheet presentation, 19.3(e)(ii)
 - defaulted subscriptions, 19.3(e)(iii)
 - defaulted subscriptions WORDING, 19.3(e)(iii)
 - recording, 19.3(e)(i)
- Stock options, *see* Stock-based compensation
- Stock splits:
 - with change in par value, 19.4(a)(i)
 - generally, 19.4(a)
 - with no change in par value, 19.4(a)(ii)
 - reverse splits, 19.4(a)(iii)
- Subleases:
 - generally, 15.10(c)
 - lessor, original, 15.10(c)(iii)
 - non-relief of obligation, original lessee's, 15.10(c)(ii)
 - relief of obligation, original lessee's, 15.10(c)(i)
- Subsidiaries:
 - ASC 740 and, 17.2(e)(v)
 - equity method, *see* Equity method
 - equity method with unconsolidated, 9.3(b)(i)
 - goodwill, impairment testing of, 14.7(b)(v)
 - property records; state/local government accounting, 33.4(h)(ii)
 - recognition of intangible assets upon acquisition of subsidiary, 14.2(d)
 - Regulation S-X and:
 - fund transfers from subsidiary to parent company, 5.4(i)
 - unconsolidated subsidiaries, 5.4(j)
- Tax accounting, financial accounting and reporting vs., 2.1(b)
- Tax services, by CPAs, 1.10(b)(iii)
- Tenants in common (TIC):
 - accounting methods, 31.2(g)(ii)
 - future costs, estimated, 31.2(g)(iii)
 - generally, 31.2(g)
 - profit recognition, criteria for, 31.2(g)(i)
- Translation:
 - about, 9.2
 - approximations in, 9.2(h)(iii)
 - assumptions concerning, 9.2(b)
 - consolidated financial statements, 9.1(c)
 - of current liabilities, 18.3(k)
 - disclosures concerning foreign operations, 9.2(i)
 - exchange rates, selection of, 9.2(h)(ii)
 - foreign currency transactions, 9.2(e)
 - foreign extensions of parent company, treatment of, 9.2(d)
 - foreign operations, 9.2(d), 9.2(i)
 - forward exchange contracts:
 - about, 9.2(f)
 - discounts or premiums, 9.2(f)(i)
 - gains or losses, 9.2(f)(ii)
 - historical summary of pronouncements, 9.4(b)
 - income, exclusion of gains/losses from:
 - about, 9.2(g)
 - deferral of gains and losses, 9.2(g)(ii)
 - treatment as translation adjustments, 9.2(g)(i)
 - income tax considerations with, 9.2(h)(i) and intercompany profit eliminations, 9.2(h)(ii)
 - objectives of, 9.2(a)
 - parent company, foreign components/extensions of, 9.2(d)
 - tasks required for, 9.2(c)
 - adjustments, 9.2(c)(iv)
 - current rate, use of current rate, 9.2(c)(iii)
 - identification of functional currency, 9.2(c)(i)
 - remeasurement into functional currency, 9.2(c)(ii)
- Treasury bonds, treatment and reissue of, 18.6(g)
- Treasury stock:
 - agreements to purchase, 19.5(a)(ii)
 - balance sheet presentation of, 19.5(b)
 - cost method of transaction reporting, 19.5(c)
 - disposition of, 19.5(c)(i)
 - par value method vs., 19.5(f)
 - retired, 19.5(c)(ii)
 - donated, 19.5(e)
 - generally, 19.5(a)
 - market rate, purchase at higher price than, 19.5(h)
 - par value method of transaction reporting, 19.5(d), 19.5(f)
 - retained earnings, restrictions on, 19.5(a)(i)
 - shareholders' equity presentation of, 19.5(g)

Trusts:

accounting for, 38.4(a)
 accounting period for, 38.4(a)(i)
 beneficiaries, rights of, 38.3(i)
 bond discounts/premiums:
 amortization of, 38.4(b)(iv)
 generally, 38.3(k)(iv)
 funding of, 38.1(i)(xxvi)
 generally, 38.3(a)
 guardians, appointment of, 38.3(f)
 investment of funds, proper, 38.3(d)
 liabilities, treatment of, 38.4(a)(iv)
 multiple, 38.4(a)(iii)
 principal and income from:
 accounts and recordkeeping, 38.4(b)(ii)
 accrual of, 38.3(k)(ii)
 bond discounts/premiums, 38.3(k)(iv)
 charges to income, 38.3(j)(iv)
 depletion and, 38.3(k)(v)
 depreciation and, 38.3(k)(v)
 disbursements of income, 38.3(j)(iv)
 disbursements of principal, 38.3(j)(ii)
 distinguishing principal from income,
 38.3(j)
 dividends, 38.3(k)(iii)
 generally, 38.3(j)
 receipts of income, 38.3(j)(iii)
 receipts of principal, 38.3(j)(i)
 recording, 38.4(a)(ii)
 unproductive property, sale of, 38.3(k)(i)
 private trusts, limitations on, 38.3(a)(i)
 record-keeping system for:
 bond premium/discount, amortization of,
 38.4(b)(iv)
 depreciation, 38.4(b)(v)
 expenses, payments of, 38.4(b)(vi)
 generally, 38.4(b)
 journals, 38.4(b)(i)
 opening books of account, 38.4(b)(iii)
 principal and income accounts, 38.4(b)(ii)
 revocation of, 38.3(a)(ii)
 tax status of, 38.3(l)
 termination of, 38.3(m)
 types of, 38.3(a)

Trustee(s):

acts of cotrustee, liability for, 38.3(e)
 appointment of:
 acceptance/disclaimer of appointment,
 38.3(b)(iii)
 choice of, 38.3(b)(i)
 generally, 38.3(b)
 methods of appointment, 38.3(b)(ii)

compensation of, 38.3(h)
 duties of, 38.3(c)(ii)
 personal liabilities of, 38.3(e)
 powers of, 38.3(c)(i)
 removal of, 38.3(b)(v)
 reports of, 38.4(c)
 resignation of, 38.3(b)(iv)
 testamentary, 38.3(g)

United States:

accounting standards in, 1.2
 auditing standards, 1.8
 Universities, public, 33.6
 Utilities, regulated, *see* Regulated utilities

Valuation. *See also* Business valuation; Fair value measurement(s); Inventory valuation methods: Real estate valuation of closely held business, 22.3(h) by CPAs, 1.10(b)(iv) of estate assets, 38.1(i)(x) of intangible assets:
 acquired intangible assets, 14.3(a) and cost allocation, 14.3(a)(i) court opinions, 14.3(a)(iii) intangibles as distinct from goodwill, 14.3(a)(vi) SEC/PCAOB issues with, 14.3(a)(ii) by tech-transfer practitioners, 14.3(a)(iv) Wall Street transactions, 14.3(a)(v) mortgage loans and securities, sales of, 30.2(p)(vi) of net assets available for benefits (pension plans), 27.5(c)(i) of nonpublic companies, 25.1(a) regulated utilities; rate base valuation:
 fair value, 36.4(d)(ii) generally, 36.4(d) and original cost, 36.4(d)(i) and weighted cost, 36.4(d)(iii) and standards of value, 25.2 testing of valuation model, 24.6(c)(ii) Value, standards of, 25.2

Wills:

execution of, 38.1(a)
 powers not conferred by statute, 38.1(j)(ii)
 powers vs. statutory powers distinction, 38.1(j)(iii)
 probate procedures, 38.1(e)
 provisions of, 38.1(b)
 surviving spouse's right of election against, 38.1(i)(xxiii)