

**Réponses du Transporteur
aux engagements pris auprès de la Régie de l'énergie
lors de la séance de travail du 29 avril 2016**

1 **Engagement n° 1**

2 Modifier la demande d'autorisation pour fournir des précisions sur

- 3 • les équipements de remplacement ;
4 • le contenu du compte de frais reportés.

5 **R1**

6 **Le Transporteur dépose, simultanément avec les présentes réponses, une**
7 **demande amendée incorporant des précisions à l'égard des équipements**
8 **de remplacement et du contenu du compte de frais reportés.**

9 **Engagement n° 2**

10 Préciser le nombre de disjoncteurs PK visés par les travaux urgents attribués à
11 chacune des catégories d'investissement indiquées au paragraphe 15 de
12 la demande.

13 **R2**

14 **Le nombre de disjoncteurs attribués aux catégories d'investissement**
15 **« maintien des actifs » et « respect des exigences » est incorporé au**
16 **tableau suivant.**

17 **Tableau R2**
18 **Catégories d'investissement, coûts et nombre de disjoncteurs**
19 **visés par les travaux urgents**

Catégories d'investissement	Coûts (à parfaire)	Nombre de disjoncteurs
• Maintien des actifs	46 M\$	25
• Respect des exigences	74 M\$	37

20 **Engagement n° 3**

21 Fournir un complément d'information sur la demande de création d'un compte de
22 frais reportés.

23 **R3**

24 **Le Transporteur demande la création d'un compte de frais reportés, hors**
25 **base de tarification et portant intérêts, pour y comptabiliser les montants**
26 **qui n'ont pu être considérés dans la détermination de ses revenus requis**
27 **pour l'année 2016, en lien avec le devancement du remplacement de**
28 **l'ensemble des disjoncteurs de modèle PK.**

29 **Le Transporteur a en effet été dans l'impossibilité d'inclure ces montants**
30 **dans le cadre du dépôt de sa demande tarifaire 2016 (dossier R-3934-2015)**

1 déposée le 29 juillet 2015, vu la décision de ce dernier de remplacer tous
2 les disjoncteurs de modèle PK à la suite de la diffusion, le
3 16 décembre 2015, de l'encadrement du Transporteur relatif à ces
4 équipements (déposé en annexe de la pièce HQT-1, Document 1).

5 Le Transporteur comptabilisera au compte de frais reportés les montants
6 suivants, notamment :

- 7 • La charge d'amortissement liée au retrait d'actifs découlant du
8 remplacement des disjoncteurs PK et des actifs connexes visés
9 par les travaux urgents ;
- 10 • La charge d'amortissement découlant de la réduction des durées
11 de vie utile des disjoncteurs remplacés dans le cadre des
12 travaux urgents, des disjoncteurs résiduels à être remplacés le
13 plus rapidement possible ainsi que des actifs connexes à être
14 démantelés ou remplacés dans le cadre de l'ensemble du projet,
15 en conformité avec les normes ASC¹ 250 « *Accounting Changes
16 and Error Corrections* » et ASC 360 « *Property, Plant, and
17 Equipment* », portant respectivement sur les révisions
18 d'estimations comptables et sur les immobilisations
19 corporelles ;
- 20 • La charge d'amortissement liée aux disjoncteurs SF₆, à la suite de
21 leur mise en service dans le cadre des travaux urgents ; et
- 22 • Le rendement sur la base de tarification du Transporteur, calculé
23 au coût moyen pondéré du capital autorisé pour l'année 2016
24 (D-2016-029), lié au coût des disjoncteurs SF₆ visés par les
25 travaux urgents à compter de leur mise en service, net de la
26 charge d'amortissement mentionnée aux points précédents.

27 Le Transporteur précise que les frais et charges réels seront comptabilisés
28 au compte de frais reportés et que les modalités de disposition seront
29 proposées dans le cadre de la demande tarifaire 2017 du Transporteur.

30 Le Transporteur réitère le bien-fondé de la demande de création d'un
31 compte de frais reportés, en raison :

- 32 • du caractère imprévisible, lors du dépôt de sa demande tarifaire
33 2016, des travaux urgents et du remplacement des disjoncteurs
34 résiduels;
- 35 • de l'importance du montant estimatif à comptabiliser au compte de
36 frais reportés, variant de 53 M\$ à 73 M\$; et
- 37 • du fait que les montants ci-dessus n'ont fait l'objet d'aucune
38 inclusion dans les revenus requis du Transporteur
39 pour l'année 2016².

¹ American Standards Committee.

² D-2010-078, paragraphe 34.

1 Dans le présent dossier, à l’instar du dossier R-3929-2015³, le Transporteur
2 a déposé sa demande d’autorisation, incorporant sa demande de création
3 d’un compte de frais reportés, dès qu’il a pu réunir les renseignements
4 nécessaires pour valablement soutenir sa demande, et ce avant d’engager
5 les frais à comptabiliser dans ce compte.

6 Ainsi, selon la décision D-2015-133⁴, la demande du Transporteur
7 d’autoriser la création du compte de frais reportés à compter de la date de
8 sa demande initiale dans le présent dossier est bien fondée. Dans cette
9 décision, la Régie a tenu compte de la nécessité d’entreprendre les
10 activités visées sans tarder, élément qui de l’avis du Transporteur doit être
11 considéré dans le présent dossier.

12 Engagement n° 4

13 Déposer la norme ASC 360 « Property, Plant, and Equipment ».

14 R4

15 Le Transporteur dépose la norme ASC 360 « *Property, Plant, and*
16 *Equipment* », portant sur les immobilisations corporelles, et présente au
17 tableau R4.1 les éléments pertinents à la révision des durées de vie utile.

18 Il dépose également la norme ASC 250 « *Accounting Changes and Error*
19 *Corrections* », portant sur les modifications comptables et correction
20 d’erreurs, et présente au tableau R4.2 les éléments pertinents au
21 traitement comptable applicable à l’égard des changements d’estimations
22 comptables.

23 Ces normes sont jointes en annexe à la présente pièce HQT-1,
24 Document 2.

Tableau R4.1

Texte de la norme ASC 360 « *Property, Plant, and Equipment* »

360-10-35-3

<i>Depreciation expense in financial statements for an asset shall be determined based on the asset's useful life.</i>
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³ Demande du Transporteur pour la création d’un compte de frais reportés pour l’implantation et l’application de la version 5 des normes de protection des infrastructures critiques (normes CIP v5) de la North American Reliability Corporation.

⁴ D-2015-133, paragraphes 15, 20 et 23.

Tableau R4.2

Texte de la norme ASC 250 « *Accounting Changes and Error Corrections* »

<p><i>250-10-20 - Glossary</i></p> <p><i>[...] <u>Change in Accounting Estimate</u></i> <i>A change that has the effect of adjusting the carrying amount of an existing asset or liability or altering the subsequent accounting for existing or future assets or liabilities. A change in accounting estimate is a necessary consequence of the assessment, in conjunction with the periodic presentation of financial statements, of the present status and expected future benefits and obligations associated with assets and liabilities. Changes in accounting estimates result from new information. Examples of items for which estimates are necessary are uncollectible receivables, inventory obsolescence, service lives and salvage values of depreciable assets, and warranty obligations.</i></p>
<p><i>250-10-45-12</i></p> <p><i>[...] However, a change in the estimated period to be benefited by an asset, if justified by facts, shall be recognized as a change in accounting estimate.</i></p>
<p><i>250-10-45-17</i></p> <p><i>A change in accounting estimate shall be accounted for in the period of change if the change affects that period only or in the period of change and future periods if the change affects both. A change in accounting estimate shall not be accounted for by restating or retrospectively adjusting amounts reported in financial statements of prior periods or by reporting pro forma amounts for prior periods.</i></p>
<p><i>250-10-45-20</i></p> <p><i>However, a change to the straight-line method at a specific point in the service life of an asset may be planned at the time some depreciation methods, such as the modified accelerated cost recovery system, are adopted to fully depreciate the cost over the estimated life of the asset. Consistent application of such a policy does not constitute a change in accounting principle for purposes of applying this Subtopic.</i></p>

Annexe

ASC 360 « Property, Plant, and Equipment » ASC 250 « Accounting Changes and Error Corrections

May 04, 2016

360 Property, Plant, and Equipment

360 Property, Plant, and Equipment 10 Overall

360-10-00 Status

General Note: The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

Status

360-10-00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
Business	Added	Accounting Standards Update No. 2014-09	05/28/2014
Contract	Added	Accounting Standards Update No. 2014-09	05/28/2014
Customer	Added	Accounting Standards Update No. 2014-09	05/28/2014
Disposal Group	Amended	Accounting Standards Update No. 2014-08	04/10/2014
Lease	Added	Accounting Standards Update No. 2016-02	02/25/2016
Lease Term	Added	Accounting Standards Update No. 2016-02	02/25/2016
Lessee	Added	Accounting Standards Update No. 2016-02	02/25/2016
Lessor	Added	Accounting Standards Update No. 2016-02	02/25/2016
Net Realizable Value	Added	Accounting Standards Update No. 2015-11	07/22/2015
Nonprofit Activity	Added	Accounting Standards Update No. 2014-09	05/28/2014
Not-for-Profit Entity	Added	Accounting Standards Update No. 2014-08	04/10/2014
Performance Obligation	Added	Accounting Standards Update No. 2016-02	02/25/2016
Public Business Entity	Added	Accounting Standards Update No. 2014-08	04/10/2014
Revenue	Added	Accounting Standards Update No. 2016-02	02/25/2016
Right-of-Use Asset	Added	Accounting Standards Update No. 2016-02	02/25/2016
Underlying Asset	Added	Accounting Standards Update No. 2016-02	02/25/2016
360-10-05-1	Amended	Accounting Standards Update No. 2016-02	02/25/2016
360-10-05-1	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-10-05-4	Amended	Accounting Standards Update No. 2014-08	04/10/2014
360-10-15-4	Amended	Accounting Standards Update No. 2016-02	02/25/2016
360-10-05-5	Amended	Accounting Standards Update No. 2014-08	04/10/2014
360-10-30-8	Amended	Accounting Standards Update No. 2016-02	02/25/2016
360-10-35-7	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-10-35-39	Amended	Accounting Standards Update No. 2012-04	10/01/2012
360-10-40-1	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
360-10-40-2	Amended	Accounting Standards Update No. 2016-02	02/25/2016
360-10-40-2	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-10-40-3	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
360-10-40-3A through 3C	Added	Accounting Standards Update No. 2014-09	05/28/2014
360-10-45-3	Amended	Accounting Standards Update No. 2014-08	04/10/2014
360-10-45-5	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-10-45-5	Amended	Accounting Standards Update No. 2014-08	04/10/2014
360-10-45-14	Amended	Accounting Standards Update No. 2014-08	04/10/2014
360-10-45-15	Amended	Accounting Standards Update No. 2014-08	04/10/2014
360-10-50-3	Amended	Accounting Standards Update No. 2014-08	04/10/2014
360-10-50-3A	Added	Accounting Standards Update No. 2014-08	04/10/2014
360-10-50-4	Added	Accounting Standards Update No. 2014-04	01/17/2014
360-10-55-18A	Added	Accounting Standards Update No. 2014-08	04/10/2014
360-10-55-21	Amended	Accounting Standards Update No. 2015-11	07/22/2015
360-10-55-43	Amended	Accounting Standards Update No. 2016-02	02/25/2016
360-10-55-50 through 55-54	Added	Accounting Standards Update No. 2012-04	10/01/2012
360-10-60-1	Amended	Accounting Standards Update No. 2014-09	05/28/2014

360-10-05 Overview and Background

General Note: The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

General

360-10-05-1 The Property, Plant, and Equipment Topic includes the following Subtopics:

- a. Overall
- b. Real Estate Sales.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

The Property, Plant, and Equipment Topic includes the following Subtopics:

- a. Overall
- b. Real Estate Sales—Sale-Leaseback Accounting.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

The Property, Plant, and Equipment Topic includes the following Subtopic:

- a. Overall
- b. [Subparagraph superseded by Accounting Standards Update No. 2016-02].

360-10-05-2 The guidance in the Overall Subtopic is presented in the following two Subsections:

- a. The General Subsections address the accounting and reporting for property, plant, and equipment, including guidance for accumulated depreciation.
- b. The Impairment or Disposal of Long-Lived Assets Subsections retain the pervasive guidance for recognizing and measuring the **impairment** of long-lived assets and for long-lived assets to be disposed of.

360-10-05-3 Property, plant, and equipment typically consist of long-lived tangible assets used to create and distribute an entity's products and services and include:

- a. Land and land improvements
- b. Buildings
- c. Machinery and equipment
- d. Furniture and fixtures.

Impairment or Disposal of Long-Lived Assets

360-10-05-4 The Impairment or Disposal of Long-Lived Assets Subsections provide guidance for:

- a. Recognition and measurement of the **impairment** of long-lived assets to be held and used
- b. Measurement of long-lived assets to be disposed of by sale.

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

The Impairment or Disposal of Long-Lived Assets Subsections provide guidance for:

- a. Recognition and measurement of the **impairment** of long-lived assets to be held and used
- b. Measurement of long-lived assets to be disposed of by sale
- c. Disclosures about the impairment or disposal of long-lived assets and disposals of individually significant **components of an entity**.

360-10-05-5 The guidance in Subtopic [205-20](#) requires entities to report discontinued operations separately from continuing operations, and extends that reporting to a **component of an entity** that either has been disposed of (by sale, by abandonment, or in a distribution to owners) or is classified as held for sale.

Pending Content:**Transition Date:** (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

For long-lived assets disposed of or classified as held for sale, different presentation and disclosures are required depending on the nature of the disposal. If the long-lived assets are a significant component of an entity, more extensive disclosures are required. Additionally, if the component of an entity meets the definition of discontinued operation in paragraph [205-20-45-1B](#), an entity shall refer to Subtopic [205-20](#) for the presentation and disclosure requirements for discontinued operations (see the flowchart in paragraph [360-10-55-18A](#) for an illustration).

360-10-05-6 This Subsection provides guidance that focuses on developing estimates of future cash flows used to test for recoverability, including the:

- a. Cash flow estimation approach
- b. Cash flow estimation period
- c. Types of asset-related expenditures that should be considered in developing estimates of future cash flows.

360-10-15 Scope and Scope Exceptions

General Note: The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

General Note for Financial Instruments: Some of the items subject to the guidance in this Subtopic are [financial instruments](#). For guidance on matters related broadly to all financial instruments, (including the fair value option, accounting for registration payment arrangements, and broad financial instrument disclosure requirements), see Topic [825](#). See Section [825-10-15](#) for guidance on the scope of the Financial Instruments Topic.

General

> Overall Guidance

360-10-15-1 The General Subsection of this Section establishes the pervasive scope for this Subtopic, with specific exceptions noted in the other Subsections of this Section.

> Entities

360-10-15-2 The guidance in this Subtopic applies to all entities.

Impairment or Disposal of Long-Lived Assets

> Overall Guidance

360-10-15-3 The Impairment or Disposal of Long-Lived Assets Subsections follow the same Scope and Scope Exceptions as outlined in the General Subsection of this Subtopic, see paragraph [360-10-15-1](#), with specific transaction exceptions noted below.

> Transactions

360-10-15-4 The guidance in the Impairment or Disposal of Long-Lived Assets Subsections applies to the following transactions and activities:

- a. Except as indicated in (b) and the following paragraph, all of the transactions and activities related to recognized long-lived assets of an entity to be held and used or to be disposed of, including:
 1. Capital leases of lessees
 2. Long-lived assets of lessors subject to operating leases
 3. Proved oil and gas properties that are being accounted for using the successful-efforts method of accounting
 4. Long-term prepaid assets.
- b. The following transactions and activities related to assets and liabilities that are considered part of an **asset group** or a **disposal group**:
 1. If a long-lived asset (or assets) is part of a group that includes other assets and liabilities not covered by the Impairment or Disposal of Long-Lived Assets Subsections, the guidance in the Impairment or Disposal of Long-Lived Assets Subsections applies to the group. In those situations, the unit of accounting for the long-lived asset is its group. For a long-lived asset or assets to be held and used, that group is referred to as an asset group. For a long-lived asset or assets to be disposed of by sale or otherwise, that group is referred to as a disposal group. Examples of liabilities included in a disposal group are legal obligations that transfer with a long-lived asset, such as certain environmental obligations, and obligations that, for business reasons, a potential buyer would prefer to settle when assumed as part of a group, such as warranty obligations that relate to an acquired customer base.
 2. The guidance in the Impairment or Disposal of Long-Lived Assets Subsections does not change generally accepted accounting principles (GAAP) applicable to those other individual assets (such as accounts receivable and inventory) and liabilities (such as accounts payable, long-term debt, and asset retirement obligations) not covered by the Impairment or Disposal of Long-Lived Assets Subsections that are included in such groups.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

The guidance in the Impairment or Disposal of Long-Lived Assets Subsections applies to the following transactions and activities:

- a. Except as indicated in (b) and the following paragraph, all of the transactions and activities related to recognized long-lived assets of an entity to be held and used or to be disposed of, including:
 1. **Right-of-use assets of lessees**
 2. Long-lived assets of lessors subject to operating leases
 3. Proved oil and gas properties that are being accounted for using the successful-efforts method of accounting
 4. Long-term prepaid assets.
- b. The following transactions and activities related to assets and liabilities that are considered part of an **asset group** or a **disposal group**:
 1. If a long-lived asset (or assets) is part of a group that includes other assets and liabilities not covered by the Impairment or Disposal of Long-Lived Assets Subsections, the guidance in the Impairment or Disposal of Long-Lived Assets Subsections applies to the group. In those situations, the unit of accounting for the long-lived asset is its group. For a long-lived asset or assets to be held and used, that group is referred to as an asset group. For a long-lived asset or assets to be disposed of by sale or otherwise, that group is referred to as a disposal group. Examples of liabilities included in a disposal group are legal obligations that transfer with a long-lived asset, such as certain environmental obligations, and obligations that, for business reasons, a potential buyer would prefer to settle when assumed as part of a group, such as warranty obligations that relate to an acquired customer base.
 2. The guidance in the Impairment or Disposal of Long-Lived Assets Subsections does not change generally accepted accounting principles (GAAP) applicable to those other individual assets (such as accounts receivable and inventory) and liabilities (such as accounts payable, long-term debt, and asset retirement obligations) not covered by the Impairment or Disposal of Long-Lived Assets Subsections that are included in such groups.

360-10-15-5 The guidance in the Impairment or Disposal of Long-Lived Assets Subsections does not apply to the following transactions and activities:

- a. Goodwill
- b. Intangible assets not being amortized that are to be held and used
- c. Servicing assets
- d. Financial instruments, including investments in equity securities accounted for under the cost or equity method
- e. Deferred policy acquisition costs
- f. Deferred tax assets
- g. Unproved oil and gas properties that are being accounted for using the successful-efforts method of accounting
- h. Oil and gas properties that are accounted for using the full-cost method of accounting as prescribed by the Securities and Exchange Commission (SEC) (see Regulation S-X, Rule 4-10, Financial Accounting and Reporting for Oil and Gas Producing Activities Pursuant to the Federal Securities Laws and the Energy Policy and Conservation Act of 1975)
- i. Certain other long-lived assets for which the accounting is prescribed elsewhere in the standards:
 1. For guidance on financial reporting in the record and music industry, see Topic [928](#).
 2. For guidance on financial reporting in the broadcasting industry, see Topic [920](#).
 3. For guidance on accounting for the costs of computer software to be sold, leased, or otherwise marketed, see Subtopic [985-20](#).
 4. For guidance on accounting for abandonments and disallowances of plant costs for regulated entities, see Subtopic [980-360](#).

360-10-20 Glossary

General Note: The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

Activities

The term activities is to be construed broadly. It encompasses physical construction of the asset. In addition, it includes all the steps required to prepare the asset for its intended use. For example, it includes administrative and technical activities during the preconstruction stage, such as the development of plans or the process of obtaining permits from governmental authorities. It also includes activities undertaken after construction has begun in order to overcome unforeseen obstacles, such as technical problems, labor disputes, or litigation.

Asset Group

An asset group is the unit of accounting for a long-lived asset or assets to be held and used, which represents the lowest level for which identifiable cash

flows are largely independent of the cash flows of other groups of assets and liabilities.

Bargain Purchase Option

A provision allowing the lessee, at his option, to purchase the leased property for a price that is sufficiently lower than the expected fair value of the property at the date the option becomes exercisable that exercise of the option appears, at lease inception, to be reasonably assured.

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

[Glossary term superseded by Accounting Standards Update No. 2016-02]

Bargain Renewal Option

A provision allowing the lessee, at his option, to renew the lease for a rental sufficiently lower than the fair rental of the property at the date the option becomes exercisable that exercise of the option appears, at lease inception, to be reasonably assured. Fair rental of a property in this context shall mean the expected rental for equivalent property under similar terms and conditions.

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

[Glossary term superseded by Accounting Standards Update No. 2016-02]

Business

An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants. Additional guidance on what a business consists of is presented in paragraphs [805-10-55-4 through 55-9](#).

Component of an Entity

A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. A component of an entity may be a reportable segment or an [operating segment](#), a [reporting unit](#), a subsidiary, or an [asset group](#).

Contract

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#).

An agreement between two or more parties that creates enforceable rights and obligations.

Customer

A user or reseller.

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#).

A party that has contracted with an entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

Disposal Group

A disposal group for a long-lived asset or assets to be disposed of by sale or otherwise represents assets to be disposed of together as a group in a single transaction and liabilities directly associated with those assets that will be transferred in the transaction.

Note: The following definition is Pending Content; see Transition Guidance in [205-20-65-1](#).

A disposal group for a long-lived asset or assets to be disposed of by sale or otherwise represents assets to be disposed of together as a group in a single transaction and liabilities directly associated with those assets that will be transferred in the transaction. A disposal group may include a discontinued operation along with other assets and liabilities that are not part of the discontinued operation.

Firm Purchase Commitment

A firm purchase commitment is an agreement with an unrelated party, binding on both parties and usually legally enforceable, that meets both of the following conditions:

- a. It specifies all significant terms, including the price and timing of the transaction.
- b. It includes a disincentive for nonperformance that is sufficiently large to make performance probable.

Impairment

Impairment is the condition that exists when the carrying amount of a long-lived asset (asset group) exceeds its fair value.

Indirectly Related to the Leased Property

The provisions or conditions that in substance are guarantees of the lessor's debt or loans to the lessor by the lessee that are related to the leased property but are structured in such a manner that they do not represent a direct guarantee or loan. Examples include a party related to the lessee guaranteeing the lessor's debt on behalf of the lessee, or the lessee financing the lessor's purchase of the leased asset using collateral other than the leased property.

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

[Glossary term superseded by Accounting Standards Update No. 2016-02]

Integral Equipment

Integral equipment is any physical structure or equipment attached to the real estate that cannot be removed and used separately without incurring significant cost.

Lease

An agreement conveying the right to use property, plant, or equipment (land and/or depreciable assets) usually for a stated period of time.

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

A [contract](#), or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

Lease Term

The fixed [noncancelable lease term](#) plus all of the following, except as noted in the following paragraph:

- a. All periods, if any, covered by [bargain renewal options](#).

- b. All periods, if any, for which failure to renew the lease imposes a penalty on the lessee in such amount that a renewal appears, at lease inception, to be reasonably assured
- c. All periods, if any, covered by ordinary renewal options during which any of the following conditions exist:
 - 1. A guarantee by the lessee of the lessor's debt directly or indirectly related to the leased property is expected to be in effect.
 - 2. A loan from the lessee to the lessor directly or indirectly related to the leased property is expected to be outstanding.
- d. All periods, if any, covered by ordinary renewal options preceding the date as of which a bargain purchase option is exercisable
- e. All periods, if any, representing renewals or extensions of the lease at the lessor's option.

The lease term shall not be assumed to extend beyond the date a bargain purchase option becomes exercisable.

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

The noncancellable period for which a lessee has the right to use an underlying asset, together with all of the following:

- a. Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option
- b. Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option
- c. Periods covered by an option to extend (or not to terminate) the lease in which exercise of the option is controlled by the lessor.

Lessee

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

An entity that enters into a contract to obtain the right to use an underlying asset for a period of time in exchange for consideration.

Lessor

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

An entity that enters into a contract to provide the right to use an underlying asset for a period of time in exchange for consideration.

Net Realizable Value

Estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Noncancelable Lease Term

That portion of the lease term that is cancelable only under any of the following conditions:

- a. Upon the occurrence of some remote contingency
- b. With the permission of the lessor
- c. If the lessee enters into a new lease with the same lessor
- d. If the lessee incurs a penalty in such amount that continuation of the lease appears, at inception, reasonably assured.

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

[Glossary term superseded by Accounting Standards Update No. 2016-02]

Nonprofit Activity

An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing benefits, other than goods or services at a profit or profit equivalent, as a fulfillment of an entity's purpose or mission (for example, goods or services to beneficiaries, customers, or members). As with a not-for-profit entity, a nonprofit activity possesses characteristics that distinguish it from a business or a for-profit business entity.

Not-for-Profit Entity

An entity that possesses the following characteristics, in varying degrees, that distinguish it from a business entity:

- a. Contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary return
- b. Operating purposes other than to provide goods or services at a profit
- c. Absence of ownership interests like those of business entities.

Entities that clearly fall outside this definition include the following:

- a. All investor-owned entities
- b. Entities that provide dividends, lower costs, or other economic benefits directly and proportionately to their owners, members, or participants, such as mutual insurance entities, credit unions, farm and rural electric cooperatives, and employee benefit plans.

Operating Segment

A component of a public entity. See Section [280-10-50](#) for additional guidance on the definition of an operating segment.

Penalty

Any requirement that is imposed or can be imposed on the lessee by the lease agreement or by factors outside the lease agreement to do any of the following:

- a. Disburse cash
- b. Incur or assume a liability

c. Perform services

d. Surrender or transfer an asset or rights to an asset or otherwise forego an economic benefit, or suffer an economic detriment. Factors to consider in determining whether an economic detriment may be incurred include, but are not limited to, all of the following:

1. The uniqueness of purpose or location of the property
2. The availability of a comparable replacement property
3. The relative importance or significance of the property to the continuation of the lessee's line of business or service to its customers
4. The existence of leasehold improvements or other assets whose value would be impaired by the lessee vacating or discontinuing use of the leased property
5. Adverse tax consequences
6. The ability or willingness of the lessee to bear the cost associated with relocation or replacement of the leased property at market rental rates or to tolerate other parties using the leased property.

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

Any requirement that is imposed or can be imposed on the lessee by the lease agreement or by factors outside the lease agreement to do any of the following:

a. Disburse cash

b. Incur or assume a liability

c. Perform services

d. Surrender or transfer an asset or rights to an asset or otherwise forego an economic benefit, or suffer an economic detriment. Factors to consider in determining whether an economic detriment may be incurred include, but are not limited to, all of the following:

1. The uniqueness of purpose or location of the underlying asset
2. The availability of a comparable replacement asset
3. The relative importance or significance of the underlying asset to the continuation of the lessee's line of business or service to its customers
4. The existence of leasehold improvements or other assets whose value would be impaired by the lessee vacating or discontinuing use of the underlying asset
5. Adverse tax consequences
6. The ability or willingness of the lessee to bear the cost associated with relocation or replacement of the underlying asset at market rental rates or to tolerate other parties using the underlying asset.

Performance Obligation

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#)

A promise in a contract with a customer to transfer to the customer either:

a. A good or service (or a bundle of goods or services) that is distinct

b. A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Probable

The future event or events are likely to occur.

Public Business Entity

A public business entity is a business entity meeting any one of the criteria below. Neither a not-for-profit entity nor an employee benefit plan is a business entity.

- a. It is required by the U.S. Securities and Exchange Commission (SEC) to file or furnish financial statements, or does file or furnish financial statements (including voluntary filers), with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).
- b. It is required by the Securities Exchange Act of 1934 (the Act), as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency other than the SEC.
- c. It is required to file or furnish financial statements with a foreign or domestic regulatory agency in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer.
- d. It has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market.
- e. It has one or more securities that are not subject to contractual restrictions on transfer, and it is required by law, contract, or regulation to prepare U.S. GAAP financial statements (including footnotes) and make them publicly available on a periodic basis (for example, interim or annual periods). An entity must meet both of these conditions to meet this criterion.

An entity may meet the definition of a public business entity solely because its financial statements or financial information is included in another entity's filing with the SEC. In that case, the entity is only a public business entity for purposes of financial statements that are filed or furnished with the SEC.

Reporting Unit

The level of reporting at which goodwill is tested for impairment. A reporting unit is an operating segment or one level below an operating segment (also

known as a component).

Revenue

Revenue earned by an entity from its direct distribution, exploitation, or licensing of a film, before deduction for any of the entity's direct costs of distribution. For markets and territories in which an entity's fully or jointly-owned films are distributed by third parties, revenue is the net amounts payable to the entity by third party distributors. Revenue is reduced by appropriate allowances, estimated returns, price concessions, or similar adjustments, as applicable.

Note: The following definition is Pending Content; see Transition Guidance in [606-10-65-1](#).

Inflows or other enhancements of assets of an entity or settlements of its liabilities (or a combination of both) from delivering or producing goods, rendering services, or other activities that constitute the entity's ongoing major or central operations.

Right-of-Use Asset

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

An asset that represents a lessee's right to use an underlying asset for the lease term.

Underlying Asset

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

An asset that is the subject of a lease for which a right to use that asset has been conveyed to a lessee. The underlying asset could be a physically distinct portion of a single asset.

360-10-25 Recognition

General Note: The Recognition Section provides guidance on the required criteria, timing, and location (within the financial statements) for recording a particular item in the financial statements. Disclosure is not recognition.

General Note for Fair Value Option: Some of the items subject to the guidance in this Subtopic may qualify for application of the Fair Value Option Subsections of Subtopic [825-10](#). Those Subsections (see paragraph [825-10-05-5](#)) address circumstances in which entities may choose, at specified election dates, to measure eligible items at fair value (the fair value option). See Section [825-10-15](#) for guidance on the scope of the Fair Value Option Subsections of the Financial Instruments Topic.

General

360-10-25-1 See the [Impairment or Disposal of Long-Lived Assets Subsection](#) of Section 360-10-45 for a discussion of held-for-use and held-for-sale classifications of assets and asset groups.

> Acquisition of the Residual Value in Leased Assets by a Third Party

360-10-25-2 This Section provides guidance on how a third-party entity shall account for the following:

- a. The acquisition from a lessor of the unconditional right to own and possess, at the end of the lease term, an asset subject to a lease
- b. The acquisition of the right to receive all, or a portion, of the proceeds from the sale of a leased asset at the end of the lease term.

360-10-25-3 At the date the rights in the preceding paragraph are acquired, both transactions involve a right to receive, at the end of the lease term, all, or a portion, of any future benefit to be derived from the leased asset and shall be accounted for as the acquisition of an asset. Both transactions are referred to as the acquisition of an interest in the residual value of a leased asset.

360-10-25-4 An interest in the residual value of a leased asset shall be recorded as an asset at the date the right is acquired.

> Planned Major Maintenance Activities

360-10-25-5 The use of the accrue-in-advance (accrual) method of accounting for planned major maintenance activities is prohibited in annual and interim financial reporting periods.

> Business Combinations

360-10-25-6 See Section [805-20-25](#) for general guidance related to the recognition of the acquisition of property, plant, and equipment in a business combination.

360-10-30 Initial Measurement

General Note: The Initial Measurement Section provides guidance on the criteria and amounts used to measure a particular item at the date of initial recognition.

General

> Historical Cost Including Interest

360-10-30-1 Paragraph [835-20-05-1](#) states that the historical cost of acquiring an asset includes the costs necessarily incurred to bring it to the condition and location necessary for its intended use. As indicated in that paragraph, if an asset requires a period of time in which to carry out the activities necessary to bring it to that condition and location, the interest cost incurred during that period as a result of expenditures for the asset is a part of the historical cost of acquiring the asset.

360-10-30-2 See the glossary for a definition of **activities** necessary to bring an asset to the condition and location necessary for its intended use.

> **Acquisition of the Residual Value in Leased Assets**

360-10-30-3 An interest in the residual value of a leased asset recognized under paragraph [360-10-25-4](#) shall be measured initially at the amount of cash disbursed, the fair value of other consideration given, and the present value of liabilities assumed.

360-10-30-4 The fair value of the interest in the residual value of the leased asset at the date of the agreement shall be used to measure its cost if that fair value is more clearly evident than the fair value of assets surrendered, services rendered, or liabilities assumed.

> **Other Asset Acquisition Concepts**

360-10-30-5 The following paragraphs contain links to other Subtopics that contain guidance on acquiring property, plant, and equipment under other concepts. The following may not represent a complete list of other locations containing property, plant, and equipment acquisition guidance.

> > **Business Combinations**

360-10-30-6 See Section [805-20-25](#) for general guidance related to assets acquired in a business combination.

> > **Accounting for Nonmonetary Transactions**

360-10-30-7 See paragraphs [845-10-30-1 through 30-10](#) for guidance related to assets acquired in a nonmonetary exchange.

> > **Accounting for Leases**

360-10-30-8 See Subtopic [840-30](#) for guidance related to assets acquired under a capital lease.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

See Subtopic [842-20](#) for guidance related to assets acquired under a lease.

360-10-35 Subsequent Measurement

General Note: The Subsequent Measurement Section provides guidance on an entity's subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, fair value adjustments, depreciation and amortization, and so forth.

General

360-10-35-1 This Subsection addresses depreciation of property, plant, and equipment and the post acquisition accounting for an interest in the residual value of a leased asset.

> **Depreciation**

360-10-35-2 This guidance addresses the concept of depreciation accounting and the various factors to consider in selecting the related periods and methods to be used in such accounting.

360-10-35-3 Depreciation expense in financial statements for an asset shall be determined based on the asset's useful life.

360-10-35-4 The cost of a productive facility is one of the costs of the services it renders during its useful economic life. Generally accepted accounting principles (GAAP) require that this cost be spread over the expected useful life of the facility in such a way as to allocate it as equitably as possible to the periods during which services are obtained from the use of the facility. This procedure is known as depreciation accounting, a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not of valuation.

360-10-35-5 See paragraph [360-10-35-20](#) for a discussion of depreciation of a new cost basis after recognition of an **impairment** loss.

360-10-35-6 See paragraph [360-10-35-43](#) for a discussion of cessation of depreciation on long-lived assets classified as held for sale.

> > **Declining Balance Method**

360-10-35-7 The declining-balance method is an example of one of the methods that meet the requirements of being systematic and rational. If the expected productivity or revenue-earning power of the asset is relatively greater during the earlier years of its life, or maintenance charges tend to increase during later years, the declining-balance method may provide the most satisfactory allocation of cost. That conclusion also applies to other methods, including the sum-of-the-years'-digits method, that produce substantially similar results.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

The declining-balance method is an example of one of the methods that meet the requirements of being systematic and rational. If the expected productivity of the asset or ability of the asset to generate revenue is relatively greater during the earlier years of its life, or maintenance charges tend to increase during later years, the declining-balance method may provide the most satisfactory allocation of cost. That conclusion also applies to other methods, including the sum-of-the-years'-digits method, that produce substantially similar results.

> > **Loss or Damage Experience as a Factor in Estimating Depreciable Lives**

360-10-35-8 In practice, experience regarding loss or damage to depreciable assets is in some cases one of the factors considered in estimating the depreciable lives of a group of depreciable assets, along with such other factors as wear and tear, obsolescence, and maintenance and replacement policies.

> > **Unacceptable Depreciation Methods**

360-10-35-9 If the number of years specified by the Accelerated Cost Recovery System of the Internal Revenue Service (IRS) for recovery deductions for an asset does not fall within a reasonable range of the asset's useful life, the recovery deductions shall not be used as depreciation expense for financial reporting.

360-10-35-10 Annuity methods of depreciation are not acceptable for entities in general.

> > **Accounting Changes**

360-10-35-11 See paragraphs [250-10-45-17](#) through [45-20](#) for guidance on the accounting and presentation of changes in methods of depreciation.

360-10-35-12 [\[Paragraph not used\]](#)

> **Adjusting the Residual Value in Leased Assets by a Third Party**

360-10-35-13 The following paragraph provides guidance on how an entity acquiring an interest in the residual value of a leased asset shall account for that asset during the lease term.

360-10-35-14 An entity acquiring an interest in the residual value of any leased asset, irrespective of the classification of the related lease by the lessor, shall not recognize increases to the asset's estimated value over the remaining term of the related lease, and the asset shall be reported at no more than its acquisition cost until sale or disposition. If it is subsequently determined that the fair value of the residual value of a leased asset has declined below the carrying amount of the acquired interest and that decline is other than temporary, the asset shall be written down to fair value, and the amount of the write-down shall be recognized as a loss. That fair value becomes the asset's new carrying amount, and the asset shall not be increased for any subsequent increase in its fair value before its sale or disposition.

Impairment or Disposal of Long-Lived Assets

360-10-35-15 There are unique requirements of accounting for the **impairment** or disposal of long-lived assets to be held and used or to be disposed of. Although this guidance deals with matters which may lead to the ultimate disposition of assets, it is included in this Subsection because it describes the measurement and classification of assets to be held and used and assets held for disposal before actual disposition and derecognition. See the [Impairment or Disposal of Long-Lived Assets Subsection](#) of Section 360-10-40 for a discussion of assets or asset groups for which disposition has taken place in an exchange or distribution to owners.

> **Long-Lived Assets Classified as Held and Used**

360-10-35-16 This guidance addresses how long-lived assets or asset groups that are intended to be held and used in an entity's business shall be reviewed for impairment.

> > **Measurement of an Impairment Loss**

360-10-35-17 An impairment loss shall be recognized only if the carrying amount of a long-lived asset (**asset group**) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). That assessment shall be based on the carrying amount of the asset (asset group) at the date it is tested for recoverability, whether in use (see paragraph [360-10-35-33](#)) or under development (see paragraph [360-10-35-34](#)). An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value.

> > > **Assets Subject to Asset Retirement Obligations**

360-10-35-18 In applying the provisions of this Subtopic, the carrying amount of the asset being tested for impairment shall include amounts of capitalized asset retirement costs. Estimated future cash flows related to the liability for an asset retirement obligation that has been recognized in the financial statements shall be excluded from both of the following:

- a. The undiscounted cash flows used to test the asset for recoverability
- b. The discounted cash flows used to measure the asset's fair value.

360-10-35-19 If the fair value of the asset is based on a quoted market price and that price considers the costs that will be incurred in retiring that asset, the quoted market price shall be increased by the fair value of the asset retirement obligation for purposes of measuring impairment.

> > **Adjusted Carrying Amount Becomes New Cost Basis**

360-10-35-20 If an impairment loss is recognized, the adjusted carrying amount of a long-lived asset shall be its new cost basis. For a depreciable long-lived asset, the new cost basis shall be depreciated (amortized) over the remaining useful life of that asset. Restoration of a previously recognized impairment loss is prohibited.

> > **When to Test a Long-Lived Asset for Recoverability**

360-10-35-21 A long-lived asset (asset group) shall be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The following are examples of such events or changes in circumstances:

- a. A significant decrease in the market price of a long-lived asset (asset group)
- b. A significant adverse change in the extent or manner in which a long-lived asset (asset group) is being used or in its physical condition
- c. A significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset (asset group), including an adverse action or assessment by a regulator
- d. An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset (asset group)
- e. A current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset (asset group)
- f. A current expectation that, more likely than not, a long-lived asset (asset group) will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term *more likely than not* refers to a level of likelihood that is more than 50 percent.

360-10-35-22 When a long-lived asset (asset group) is tested for recoverability, it also may be necessary to review depreciation estimates and method as required by Topic 250 or the amortization period as required by Topic 350. Paragraphs 250-10-45-17 through 45-20 and 250-10-50-4 address the accounting for changes in estimates, including changes in the method of depreciation, amortization, and depletion. Paragraphs 350-30-35-1 through 35-5 address the determination of the useful life of an intangible asset. Any revision to the remaining useful life of a long-lived asset resulting from that review also shall be considered in developing estimates of future cash flows used to test the asset (asset group) for recoverability (see paragraphs 360-10-35-31 through 35-32). However, any change in the accounting method for the asset resulting from that review shall be made only after applying this Subtopic.

> > Grouping Long-Lived Assets Classified as Held and Used

360-10-35-23 For purposes of recognition and measurement of an impairment loss, a long-lived asset or assets shall be grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. However, an impairment loss, if any, that results from applying this Subtopic shall reduce only the carrying amount of a long-lived asset or assets of the group in accordance with paragraph 360-10-35-28.

360-10-35-24 In limited circumstances, a long-lived asset (for example, a corporate headquarters facility) may not have identifiable cash flows that are largely independent of the cash flows of other assets and liabilities and of other asset groups. In those circumstances, the asset group for that long-lived asset shall include all assets and liabilities of the entity.

360-10-35-25 In limited circumstances, an asset group will include all assets and liabilities of the entity. For example, the cost of operating assets such as corporate headquarters or centralized research facilities may be funded by revenue-producing activities at lower levels of the entity. Accordingly, in limited circumstances, the lowest level of identifiable cash flows that are largely independent of other asset groups may be the entity level. See Example 4 (paragraph 360-10-55-35).

> > > Effect of Goodwill when Grouping

360-10-35-26 Goodwill shall be included in an asset group to be tested for impairment under this Subtopic only if the asset group is or includes a reporting unit. Goodwill shall not be included in a lower-level asset group that includes only part of a reporting unit. Estimates of future cash flows used to test that lower-level asset group for recoverability shall not be adjusted for the effect of excluding goodwill from the group. The term *reporting unit* is defined in Topic 350 as the same level as or one level below an **operating segment**. That Topic requires that goodwill be tested for impairment at the reporting unit level.

360-10-35-27 Other than goodwill, the carrying amounts of any assets (such as accounts receivable and inventory) and liabilities (such as accounts payable, long-term debt, and asset retirement obligations) not covered by this Subtopic that are included in an asset group shall be adjusted in accordance with other applicable generally accepted accounting principles (GAAP) before testing the asset group for recoverability. Paragraph 350-20-35-31 requires that goodwill be tested for impairment only after the carrying amounts of the other assets of the reporting unit, including the long-lived assets covered by this Subtopic, have been tested for impairment under other applicable accounting guidance.

> > Allocating Impairment Losses to an Asset Group

360-10-35-28 An impairment loss for an asset group shall reduce only the carrying amounts of a long-lived asset or assets of the group. The loss shall be allocated to the long-lived assets of the group on a pro rata basis using the relative carrying amounts of those assets, except that the loss allocated to an individual long-lived asset of the group shall not reduce the carrying amount of that asset below its fair value whenever that fair value is determinable without undue cost and effort. See Example 1 (paragraph 360-10-55-20) for an illustration of this guidance.

> > Estimates of Future Cash Flows Used to Test a Long-Lived Asset for Recoverability

360-10-35-29 Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) shall include only the future cash flows (cash inflows less associated cash outflows) that are directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the asset (asset group). Those estimates shall exclude interest charges that will be recognized as an expense when incurred.

360-10-35-30 Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) shall incorporate the entity's own assumptions about its use of the asset (asset group) and shall consider all available evidence. The assumptions used in developing those estimates shall be reasonable in relation to the assumptions used in developing other information used by the entity for comparable periods, such as internal budgets and projections, accruals related to incentive compensation plans, or information communicated to others. However, if alternative courses of action to recover the carrying amount of a long-lived asset (asset group) are under consideration or if a range is estimated for the amount of possible future cash flows associated with the likely course of action, the likelihood of those possible outcomes shall be considered. A probability-weighted approach may be useful in considering the likelihood of those possible outcomes. See Example 2 (paragraph 360-10-55-23) for an illustration of this guidance.

360-10-35-31 Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) shall be made for the remaining useful life of the asset (asset group) to the entity. The remaining useful life of an asset group shall be based on the remaining useful life of the primary asset of the group. For purposes of this Subtopic, the primary asset is the principal long-lived tangible asset being depreciated or intangible asset being amortized that is the most significant component asset from which the asset group derives its cash-flow-generating capacity. The primary asset of an asset group therefore cannot be land or an intangible asset not being amortized.

360-10-35-32 Factors that an entity generally shall consider in determining whether a long-lived asset is the primary asset of an asset group include the following:

- a. Whether other assets of the group would have been acquired by the entity without the asset
- b. The level of investment that would be required to replace the asset

- c. The remaining useful life of the asset relative to other assets of the group. If the primary asset is not the asset of the group with the longest remaining useful life, estimates of future cash flows for the group shall assume the sale of the group at the end of the remaining useful life of the primary asset.

360-10-35-33 Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) that is in use, including a long-lived asset (asset group) for which development is substantially complete, shall be based on the existing service potential of the asset (asset group) at the date it is tested. The service potential of a long-lived asset (asset group) encompasses its remaining useful life, cash-flow-generating capacity, and for tangible assets, physical output capacity. Those estimates shall include cash flows associated with future expenditures necessary to maintain the existing service potential of a long-lived asset (asset group), including those that replace the service potential of component parts of a long-lived asset (for example, the roof of a building) and component assets other than the primary asset of an asset group. Those estimates shall exclude cash flows associated with future capital expenditures that would increase the service potential of a long-lived asset (asset group).

360-10-35-34 Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) that is under development shall be based on the expected service potential of the asset (group) when development is substantially complete. Those estimates shall include cash flows associated with all future expenditures necessary to develop a long-lived asset (asset group), including interest payments that will be capitalized as part of the cost of the asset (asset group). Subtopic [835-20](#) requires the capitalization period to end when the asset is substantially complete and ready for its intended use.

360-10-35-35 If a long-lived asset that is under development is part of an asset group that is in use, estimates of future cash flows used to test the recoverability of that group shall include the cash flows associated with future expenditures necessary to maintain the existing service potential of the group (see paragraph [360-10-35-33](#)) as well as the cash flows associated with all future expenditures necessary to substantially complete the asset that is under development (see the preceding paragraph). See Example 3 (paragraph [360-10-55-33](#)). See also paragraphs [360-10-55-7 through 55-18](#) for considerations of site restoration and environmental exit costs.

> > Fair Value

360-10-35-36 For long-lived assets (asset groups) that have uncertainties both in timing and amount, an expected present value technique will often be the appropriate technique with which to estimate fair value.

> Long-Lived Assets Classified as Held for Sale

360-10-35-37 This guidance addresses the accounting for expected disposal losses for long-lived assets and asset groups that are classified as held for sale but have not yet been sold. See paragraphs [360-10-45-9 through 45-11](#) for the initial criteria to be met for classification as held for sale.

> > Measurement of Expected Disposal Loss or Gain

360-10-35-38 Costs to sell are the incremental direct costs to transact a sale, that is, the costs that result directly from and are essential to a sale transaction and that would not have been incurred by the entity had the decision to sell not been made. Those costs include broker commissions, legal and title transfer fees, and closing costs that must be incurred before legal title can be transferred. Those costs exclude expected future losses associated with the operations of a long-lived asset (**disposal group**) while it is classified as held for sale. Expected future operating losses that marketplace participants would not similarly consider in their estimates of the fair value less cost to sell of a long-lived asset (disposal group) classified as held for sale shall not be indirectly recognized as part of an expected loss on the sale by reducing the carrying amount of the asset (disposal group) to an amount less than its current fair value less cost to sell. If the sale is expected to occur beyond one year as permitted in limited situations by paragraph [360-10-45-11](#), the cost to sell shall be discounted.

360-10-35-39 The carrying amounts of any assets that are not covered by this Subtopic, including goodwill, that are included in a disposal group classified as held for sale shall be adjusted in accordance with other applicable GAAP prior to measuring the fair value less cost to sell of the disposal group. Paragraphs [350-20-40-1 through 40-7](#) provide guidance for allocating goodwill to a lower-level asset group to be disposed of that is part of a reporting unit and that constitutes a business. Goodwill is not included in a lower-level asset group to be disposed of that is part of a reporting unit if it does not constitute a business.

360-10-35-40 A loss shall be recognized for any initial or subsequent write-down to fair value less cost to sell. A gain shall be recognized for any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized (for a write-down to fair value less cost to sell). The loss or gain shall adjust only the carrying amount of a long-lived asset, whether classified as held for sale individually or as part of a disposal group.

360-10-35-41 See paragraphs [310-40-35-11](#) and [310-40-40-10](#) for guidance related to determination of cost basis for foreclosed assets under Subtopic [310-40](#) and the measurement of cumulative losses previously recognized under the preceding paragraph.

360-10-35-42 See paragraphs [830-30-45-13 through 45-15](#) for guidance regarding the application of Topic [830](#) to an investment being evaluated for impairment that will be disposed of.

> > Accounting While Held for Sale

360-10-35-43 A long-lived asset (disposal group) classified as held for sale shall be measured at the lower of its carrying amount or fair value less cost to sell. If the asset (disposal group) is newly acquired, the carrying amount of the asset (disposal group) shall be established based on its fair value less cost to sell at the acquisition date. A long-lived asset shall not be depreciated (amortized) while it is classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be accrued.

> > Changes to a Plan of Sale

360-10-35-44 If circumstances arise that previously were considered unlikely and, as a result, an entity decides not to sell a long-lived asset (disposal group) previously classified as held for sale, the asset (disposal group) shall be reclassified as held and used. A long-lived asset that is reclassified shall be measured individually at the lower of the following:

- Its carrying amount before the asset (disposal group) was classified as held for sale, adjusted for any depreciation (amortization) expense that would have been recognized had the asset (disposal group) been continuously classified as held and used
- Its fair value at the date of the subsequent decision not to sell.

360-10-35-45 If an entity removes an individual asset or liability from a disposal group previously classified as held for sale, the remaining assets and liabilities of the disposal group to be sold shall continue to be measured as a group only if the criteria in paragraph [360-10-45-9](#) are met. Otherwise, the remaining long-lived assets of the group shall be measured individually at the lower of their carrying amounts or fair values less cost to sell at that date.

> Long-Lived Assets to Be Disposed of Other than by Sale

360-10-35-46 This guidance addresses the accounting for impairment of long-lived assets and asset groups that are intended to be disposed of by abandonment.

> > **Long-Lived Assets to Be Abandoned**

360-10-35-47 For purposes of this Subtopic, a long-lived asset to be abandoned is disposed of when it ceases to be used. If an entity commits to a plan to abandon a long-lived asset before the end of its previously estimated useful life, depreciation estimates shall be revised in accordance with paragraphs [250-10-45-17 through 45-20](#) and [250-10-50-4](#) to reflect the use of the asset over its shortened useful life (see paragraph [360-10-35-22](#)).

360-10-35-48 Because the continued use of a long-lived asset demonstrates the presence of service potential, only in unusual situations would the fair value of a long-lived asset to be abandoned be zero while it is being used. When a long-lived asset ceases to be used, the carrying amount of the asset should equal its salvage value, if any. The salvage value of the asset shall not be reduced to an amount less than zero.

> > **Long-Lived Asset Temporarily Idled**

360-10-35-49 A long-lived asset that has been temporarily idled shall not be accounted for as if abandoned.

360-10-40 Derecognition

General Note: The Derecognition Section provides guidance on determining whether and when an entity should remove an item from the financial statements. For example, the entity would derecognize an asset because it no longer has rights to the asset or it would derecognize a liability because it no longer has any obligation.

General

> **Sale of Leased Property**

360-10-40-1 Paragraph [840-20-40-3](#) states that the sale of property subject to an operating lease (or of property that is leased by or intended to be leased by the third-party purchaser to another party) shall not be treated as a sale if the seller or any party related to the seller retains substantial risks of ownership in the leased property.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-10-40-2 Paragraph [840-20-40-5](#) states that if a sale to a third party of property subject to an operating lease (or of property that is leased by or intended to be leased by the third-party purchaser to another party) is not to be recorded as a sale because of the provisions of paragraph [840-20-40-3 through 40-4](#), the transaction shall be accounted for as a borrowing.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

Paragraph [840-20-40-5](#) states that if a sale to a third party of property subject to an operating lease (or of property that is leased by or intended to be leased by the third-party purchaser to another party) is not to be recorded as a sale the entity has not transferred control over the promised asset to the third party in accordance with paragraph [606-10-25-30](#), the transaction shall be accounted for as a borrowing.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of paragraph [360-10-40-2](#) will change upon transition, together with the addition of the heading noted below.

> **Sale of Leased Assets**

To determine when an asset subject to a lease shall be derecognized, an entity shall apply the following paragraphs in Topic [606](#) on **revenue** from **contracts** with **customers**:

- a. Paragraphs [606-10-25-1 through 25-8](#) on the existence of a contract
- b. Paragraph [606-10-25-30](#) on when an entity satisfies a **performance obligation** by transferring control of an asset.

> **Sale of Real Estate with Property Improvements or Integral Equipment**

360-10-40-3 For a discussion of the applicability of Subtopic [360-20](#) to all sales of real estate, including real estate with property improvements or **integral equipment**, and the definition of those terms, see paragraphs [360-20-15-3](#) and [360-20-15-10](#).

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

Editor's Note: Paragraph 360-10-40-3 will be superseded upon transition, together with its heading:

> **Sale of Real Estate with Property Improvements or Integral Equipment**

[Paragraph superseded by Accounting Standards Update No. 2014-09]

> **Transfer or Sale of Property, Plant, and Equipment**

360-10-40-3A

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

An entity shall account for the derecognition of a nonfinancial asset, including an in substance nonfinancial asset, within the scope of this Topic in accordance with Subtopic [610-20](#) on gains and losses from the derecognition of nonfinancial assets, unless the entity sells or transfers the nonfinancial asset in a **contract** with a **customer**. The derecognition of a nonfinancial asset in a contract with a customer shall be accounted for in accordance with Topic [606](#) on revenue from contracts with customers.

360-10-40-3B

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

Unless a subsidiary or group of assets is an in substance nonfinancial asset, an entity shall account for the derecognition of a subsidiary or group of assets that is either a **business** or **nonprofit activity** in accordance with the derecognition guidance in Subtopic [810-10](#). The derecognition of an in substance nonfinancial asset shall be accounted for in accordance with paragraph [360-10-40-3A](#).

360-10-40-3C

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

If an entity transfers a nonfinancial asset in accordance with paragraph [360-10-40-3A](#), and the contract does not meet all of the criteria in paragraph [606-10-25-1](#), the entity shall not derecognize the nonfinancial asset and shall follow the guidance in paragraphs [606-10-25-6 through 25-8](#) to determine if and when the contract subsequently meets all the criteria in paragraph [606-10-25-1](#). Until all the criteria in paragraph [606-10-25-1](#) are met, the entity shall continue to do all of the following:

- a. Report the nonfinancial asset in its financial statements
- b. Recognize depreciation expense as a period cost unless the assets have been classified as held for sale in accordance with paragraphs [360-10-45-9 through 45-10](#)
- c. Apply the impairment guidance in Section [360-10-35](#).

Impairment or Disposal of Long-Lived Assets

> **Long-Lived Assets to Be Exchanged or to Be Distributed to Owners in a Spinoff**

360-10-40-4 For purposes of this Subtopic, a long-lived asset to be disposed of in an exchange measured based on the recorded amount of the nonmonetary asset relinquished or to be distributed to owners in a spinoff is disposed of when it is exchanged or distributed. If the asset (**asset group**) is tested for recoverability while it is classified as held and used, the estimates of future cash flows used in that test shall be based on the use of the asset for its remaining useful life, assuming that the disposal transaction will not occur. In such a case, an undiscounted cash flows recoverability test shall apply prior to the disposal date. In addition to any **impairment** losses required to be recognized while the asset is classified as held and used, an impairment loss, if any, shall be recognized when the asset is disposed of if the carrying amount of the asset (**disposal group**) exceeds its fair value. The provisions of this Section apply to nonmonetary exchanges that are not recorded at fair value under the provisions of Topic [845](#).

> **Recognition of Gain or Loss from Sale**

360-10-40-5 A gain or loss not previously recognized that results from the sale of a long-lived asset (disposal group) shall be recognized at the date of sale.

> **Long-Lived Assets to Be Abandoned**

360-10-40-6 See paragraphs [360-10-35-47 through 35-48](#) for guidance related to the disposition of an asset upon its abandonment.

360-10-45 Other Presentation Matters

General Note: The Other Presentation Matters Section provides guidance on other presentation matters not addressed in the Recognition, Initial Measurement, Subsequent Measurement, and Derecognition Sections. Other presentation matters may include items such as current or long-term balance sheet classification, cash flow presentation, earnings per share matters, and so forth. The FASB Codification also contains Presentation Topics, which provide guidance for general presentation and display items. See those Topics for general guidance.

General

> Planned Major Maintenance Activities

360-10-45-1 An entity shall apply the same method of accounting for planned major maintenance activities in annual and interim financial reporting periods.

Impairment or Disposal of Long-Lived Assets

360-10-45-2 This Subsection presents guidance for the presentation of **impairment** or disposal of long-lived assets or asset groups that are classified as:

- a. Held and used
- b. Held for sale
- c. To be disposed of other than by sale.

360-10-45-3 See paragraphs [205-20-45-1 through 45-5](#) and [205-20-50-5](#) for guidance on the presentation of operations of a **component of an entity** that has been disposed of or is classified as held for sale as discontinued operations.

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

See paragraphs [205-20-45-1A through 45-11](#) for guidance on the presentation of operations of a discontinued operation.

> Long-Lived Assets Classified as Held and Used

> > Presentation of Impairment Loss for Long-Lived Assets to Be Held and Used

360-10-45-4 An impairment loss recognized for a long-lived asset (**asset group**) to be held and used shall be included in income from continuing operations before income taxes in the income statement of a business entity. If a subtotal such as income from operations is presented, it shall include the amount of that loss.

> > Presentation of Disposal Gains or Losses in Continuing Operations

360-10-45-5 A gain or loss recognized on the sale of a long-lived asset (**disposal group**) that is not a component of an entity shall be included in income from continuing operations before income taxes in the income statement of a business entity. If a subtotal such as income from operations is presented, it shall include the amounts of those gains or losses.

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

A gain or loss recognized on the sale of a long-lived asset (**disposal group**) that is not a discontinued operation shall be included in income from continuing operations before income taxes in the income statement of a business entity. If a subtotal such as income from operations is presented, it shall include the amounts of those gains or losses.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

A gain or loss recognized (see Subtopic [610-20](#) on the sale or transfer of a nonfinancial asset) on the sale of a long-lived asset (**disposal group**) that is not a discontinued operation shall be included in income from continuing operations before income taxes in the income statement of a business entity. If a subtotal such as income from operations is presented, it shall include the amounts of those gains or losses.

> > Changes to a Plan of Sale

360-10-45-6 If circumstances arise that previously were considered unlikely and, as a result, an entity decides not to sell a long-lived asset (disposal group) previously classified as held for sale, the asset (disposal group) shall be reclassified as held and used.

360-10-45-7 Any required adjustment to the carrying amount of a long-lived asset that is reclassified as held and used shall be included in income from continuing operations in the period of the subsequent decision not to sell. That adjustment shall be reported in the same income statement caption used to report a loss, if any, recognized in accordance with paragraph [360-10-45-5](#). If a component of an entity is reclassified as held and used, the results of operations of the component previously reported in discontinued operations in accordance with paragraph [205-20-45-3](#) shall be reclassified and included in income from continuing operations for all periods presented.

360-10-45-8 Any long-lived assets that will not be sold shall be reclassified as held and used in accordance with paragraph [360-10-35-44](#).

> Long-Lived Assets Classified as Held for Sale

> > Initial Criteria for Classification as Held for Sale

360-10-45-9 A long-lived asset (disposal group) to be sold shall be classified as held for sale in the period in which all of the following criteria are met:

- a. Management, having the authority to approve the action, commits to a plan to sell the asset (disposal group).
- b. The asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (disposal groups). (See Examples 5 through 7 [paragraphs [360-10-55-37 through 55-41](#)], which illustrate when that criterion would be met.)
- c. An active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated.
- d. The sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale, within one year, except as permitted by paragraph [360-10-45-11](#). (See Example 8 [paragraph [360-10-55-43](#)], which illustrates when that criterion would be met.) The term **probable** refers to a future sale that is likely to occur.
- e. The asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value. The price at which a long-lived asset (disposal group) is being marketed is indicative of whether the entity currently has the intent and ability to sell the asset (disposal group). A market price that is reasonable in relation to fair value indicates that the asset (disposal group) is available for immediate sale, whereas a market price in excess of fair value indicates that the asset (disposal group) is not available for immediate sale.
- f. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

360-10-45-10 If at any time the criteria in this Subsection are no longer met (except as permitted by the following paragraph), a long-lived asset (disposal group) classified as held for sale shall be reclassified as held and used in accordance with paragraph [360-10-35-44](#).

360-10-45-11 Events or circumstances beyond an entity's control may extend the period required to complete the sale of a long-lived asset (disposal group) beyond one year. An exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) shall apply in the following situations in which such events or circumstances arise:

- a. If at the date an entity commits to a plan to sell a long-lived asset (disposal group) the entity reasonably expects that others (not a buyer) will impose conditions on the transfer of the asset (group) that will extend the period required to complete the sale and both of the following conditions are met:
 1. Actions necessary to respond to those conditions cannot be initiated until after a **firm purchase commitment** is obtained.
 2. A firm purchase commitment is probable within one year. (See Example 9 [paragraph [360-10-55-44](#)], which illustrates that situation.)
- b. If an entity obtains a firm purchase commitment and, as a result, a buyer or others unexpectedly impose conditions on the transfer of a long-lived asset (disposal group) previously classified as held for sale that will extend the period required to complete the sale and both of the following conditions are met:
 1. Actions necessary to respond to the conditions have been or will be timely initiated.
 2. A favorable resolution of the delaying factors is expected. (See Example 10 [paragraph [360-10-55-46](#)], which illustrates that situation.)
- c. If during the initial one-year period, circumstances arise that previously were considered unlikely and, as a result, a long-lived asset (disposal group) previously classified as held for sale is not sold by the end of that period and all of the following conditions are met:
 1. During the initial one-year period the entity initiated actions necessary to respond to the change in circumstances.
 2. The asset (group) is being actively marketed at a price that is reasonable given the change in circumstances.
 3. The criteria in paragraph [360-10-45-9](#) are met. (See Example 11 [paragraph [360-10-55-48](#)], which illustrates that situation.)

> > **Newly Acquired Asset Classified as Held for Sale**

360-10-45-12 A long-lived asset (disposal group) that is newly acquired and that will be sold rather than held and used shall be classified as held for sale at the acquisition date only if the one-year requirement in paragraph [360-10-45-9\(d\)](#) is met (except as permitted by the preceding paragraph) and any other criteria in paragraph [360-10-45-9](#) that are not met at that date are probable of being met within a short period following the acquisition (usually within three months).

> > **Change of Classification After Balance Sheet Date but Before Issuance of Financial Statements**

360-10-45-13 If the criteria in paragraph [360-10-45-9](#) are met after the balance sheet date but before the financial statements are issued or are available to be issued (as discussed in Section [855-10-25](#)), a long-lived asset shall continue to be classified as held and used in those financial statements when issued or when available to be issued. In addition, information required by paragraph [205-20-50-1\(a\)](#) shall be disclosed in the notes to financial statements. If the asset (asset group) is tested for recoverability (on a held-and-used basis) as of the balance sheet date, the estimates of future cash flows used in that test shall consider the likelihood of possible outcomes that existed at the balance sheet date, including the assessment of the likelihood of the future sale of the asset. That assessment made as of the balance sheet date shall not be revised for a decision to sell the asset after the balance sheet date. Because it is difficult to separate the benefit of hindsight when assessing conditions that existed at a prior date, it is important that judgments about those conditions, the need to test an asset for recoverability, and the application of a recoverability test be made and documented together with supporting evidence on a timely basis. An impairment loss, if any, to be recognized shall be measured as the amount by which the carrying amount of the asset (asset group) exceeds its fair value at the balance sheet date.

> > **Presentation of Long-Lived Assets or Disposal Group Classified as Held for Sale**

360-10-45-14 A long-lived asset classified as held for sale shall be presented separately in the statement of financial position. The presentation requirements in paragraph [205-20-45-10](#) are also applicable to long-lived assets (disposal groups) within the scope of this Subtopic.

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

A long-lived asset classified as held for sale (but not qualifying for presentation as a discontinued operation in the statement of financial position in accordance with paragraph [205-20-45-10](#)) shall be presented separately in the statement of financial position of the current period. The assets and

liabilities of a disposal group classified as held for sale shall be presented separately in the asset and liability sections, respectively, of the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale shall be separately presented on the face of the statement of financial position or disclosed in the notes to financial statements (see paragraph [360-10-50-3\(e\)](#)).

> Long-Lived Assets to Be Disposed of Other Than by Sale

> > Presentation of Long-Lived Assets to Be Disposed of Other Than by Sale

360-10-45-15 A long-lived asset to be disposed of other than by sale (for example, by abandonment, in an exchange measured based on the recorded amount of the nonmonetary asset relinquished, or in a distribution to owners in a spinoff) shall continue to be classified as held and used until it is disposed of. The guidance on long-lived assets to be held and used in Sections [360-10-35](#), [360-10-45](#), and [360-10-50](#) shall apply while the asset is classified as held and used. If a long-lived asset is to be abandoned or distributed to owners in a spinoff together with other assets (and liabilities) as a group and that disposal group is a component of an entity, paragraphs [205-20-45-1 through 45-5](#) and [205-20-50-5](#) shall apply to the disposal group at the date it is disposed of.

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

A long-lived asset to be disposed of other than by sale (for example, by abandonment, in an exchange measured based on the recorded amount of the nonmonetary asset relinquished, or in a distribution to owners in a spinoff) shall continue to be classified as held and used until it is disposed of. The guidance on long-lived assets to be held and used in Sections [360-10-35](#), [360-10-45](#), and [360-10-50](#) shall apply while the asset is classified as held and used. If a long-lived asset is to be abandoned or distributed to owners in a spinoff together with other assets (and liabilities) as a group and that disposal group meets the conditions in paragraphs [205-20-45-1A through 45-1C](#) to be reported in discontinued operations, paragraphs [205-20-45-3 through 45-5](#) shall apply to the disposal group at the date it is disposed of.

360-10-50 Disclosure

General Note: The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

General

360-10-50-1 Because of the significant effects on financial position and results of operations of the depreciation method or methods used, all of the following disclosures shall be made in the financial statements or in notes thereto:

- a. Depreciation expense for the period
- b. Balances of major classes of depreciable assets, by nature or function, at the balance sheet date
- c. Accumulated depreciation, either by major classes of depreciable assets or in total, at the balance sheet date
- d. A general description of the method or methods used in computing depreciation with respect to major classes of depreciable assets.

Impairment or Disposal of Long-Lived Assets

> Impairment of Long-Lived Assets Classified as Held and Used

360-10-50-2 All of the following information shall be disclosed in the notes to financial statements that include the period in which an **impairment** loss is recognized:

- a. A description of the impaired long-lived asset (**asset group**) and the facts and circumstances leading to the impairment
- b. If not separately presented on the face of the statement, the amount of the impairment loss and the caption in the income statement or the statement of activities that includes that loss
- c. The method or methods for determining fair value (whether based on a quoted market price, prices for similar assets, or another valuation technique)
- d. If applicable, the segment in which the impaired long-lived asset (asset group) is reported under Topic [280](#).

360-10-50-3 The disclosure requirements presented in paragraph [205-20-50-1](#) are also applicable to long-lived assets (disposal groups) within the scope of this Subtopic.

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

Editor's Note: The content of [360-10-50-3](#) will change upon transition, together with the addition of the heading noted below.

> Long-Lived Assets Classified as Held for Sale or Disposed Of

For any period in which a long-lived asset (**disposal group**) either has been disposed of or is classified as held for sale (see paragraph [360-10-45-9](#)), an entity shall disclose all of the following in the notes to financial statements:

- a. A description of the facts and circumstances leading to the disposal or the expected disposal.
- b. The expected manner and timing of that disposal.
- c. The gain or loss recognized in accordance with paragraphs [360-10-35-37 through 35-45](#) and [360-10-40-5](#).
- d. If not separately presented on the face of the statement where net income is reported (or in the statement of activities for a not-for-profit entity), the caption in the statement where net income is reported (or in the statement of activities for a not-for-profit entity) that includes that gain or loss.
- e. If not separately presented on the face of the statement of financial position, the carrying amount(s) of the major classes of assets and liabilities included as part of a disposal group classified as held for sale. Any loss recognized on the disposal group classified as held for sale in accordance with paragraphs [360-10-35-37 through 35-45](#) and [360-10-40-5](#) shall not be allocated to the major classes of assets and liabilities of the disposal group.
- f. If applicable, the segment in which the long-lived asset (disposal group) is reported under Topic [280](#) on segment reporting.

360-10-50-3A

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

In addition to the disclosures in paragraph [360-10-50-3](#), if a long-lived asset (disposal group) includes an individually significant **component of an entity** that either has been disposed of or is classified as held for sale (see paragraph [360-10-45-9](#)) and does not qualify for presentation and disclosure as a discontinued operation (see Subtopic [205-20](#) on discontinued operations), a **public business entity** and a **not-for-profit entity** that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market shall disclose the information in (a). All other entities shall disclose the information in (b).

- a. For a public business entity and a not-for-profit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, both of the following:
 1. The pretax profit or loss (or change in net assets for a not-for-profit entity) of the individually significant component of an entity for the period in which it is disposed of or is classified as held for sale and for all prior periods that are presented in the statement where net income is reported (or statement of activities for a not-for-profit entity) calculated in accordance with paragraphs [205-20-45-6 through 45-9](#)
 2. If the individually significant component of an entity includes a noncontrolling interest, the pretax profit or loss (or change in net assets for a not-for-profit entity) attributable to the parent for the period in which it is disposed of or is classified as held for sale and for all prior periods that are presented in the statement where net income is reported (or statement of activities for a not-for-profit entity).
- b. For all other entities, both of the following:
 1. The pretax profit or loss (or change in net assets for a not-for-profit entity) of the individually significant component of an entity for the period in which it is disposed of or is classified as held for sale calculated in accordance with paragraphs [205-20-45-6 through 45-9](#)
 2. If the individually significant component of an entity includes a noncontrolling interest, the pretax profit or loss (or change in net assets for a not-for-profit entity) attributable to the parent for the period in which it is disposed of or is classified as held for sale.

> Foreclosed Properties Held for Sale

360-10-50-4

Pending Content:

Transition Date: (P) December 16, 2014; (N) December 16, 2014 | **Transition Guidance:** [310-40-65-2](#)

See paragraph [310-10-50-11](#) for guidance related to foreclosed and repossessed assets.

360-10-55 Implementation Guidance and Illustrations

General Note: The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

Impairment or Disposal of Long-Lived Assets

> Implementation Guidance

> > Treatment of Certain Site Restoration and Environmental Exit Costs when Testing a Long-Lived Asset for Impairment

360-10-55-1 The following guidance demonstrates the consideration of restoration and environmental exit costs when testing a long-lived asset for **impairment**. Paragraphs [360-10-35-18 through 35-19](#) also provide guidance for such testing for assets subject to asset retirement obligations.

360-10-55-2 For certain assets covered by this Subtopic, costs for future site restoration or closure (environmental exit costs) may be incurred if the asset is sold, is abandoned, or ceases operations. Environmental exit costs within the scope of this Subsection include:

- a. Asset retirement costs recognized pursuant to Subtopic [410-20](#)
- b. Asset retirement costs that have not been recognized because the obligation has not been incurred
- c. Certain environmental remediation costs that have not yet been recognized as a liability pursuant to Subtopic [410-30](#).

360-10-55-3 Pursuant to Subtopic [410-20](#), asset retirement costs may be incurred over more than one reporting period. For example, the liability for performing certain capping, closure, and postclosure activities in connection with operating a landfill is incurred as the landfill receives waste.

360-10-55-4 The related cash flows, if any, might not occur until the end of the asset's life if the asset ceases operations, or they might be deferred indefinitely as long as the asset is not sold or abandoned.

360-10-55-5 The issue is whether the cash flows associated with environmental exit costs that may be incurred if a long-lived asset is sold, is abandoned, or ceases operations should be included in the undiscounted expected future cash flows used to test a long-lived asset for recoverability under this Subtopic.

360-10-55-6 For environmental exit costs that have not been recognized as a liability for accounting purposes, whether those environmental exit costs shall be included in the undiscounted expected future cash flows used to test a long-lived asset for recoverability under this Subtopic depends on management's intent with respect to the asset. Pursuant to this Subtopic, if management's intent contemplates alternative courses of action to recover the carrying amount of the asset or if a range is estimated for the amount of possible future cash flows, the likelihood of those possible outcomes shall be considered. Examples of management's intent and the corresponding treatment of the environmental exit costs in this Subtopic's recoverability test are described below. (Environmental remediation costs discussed in certain of these cases refer to environmental remediation costs that have not yet been recognized as a liability pursuant to Subtopic [410-30](#).) This paragraph illustrates the guidance in paragraphs [360-10-35-29 through 35-35](#) on estimating future cash flows used to test a long-lived asset for recoverability.

> > **Environmental Exit Costs that Shall Be Excluded from this Subtopic's Recoverability Test**

360-10-55-7 The following guidance demonstrates the consideration of restoration and environmental exit costs when testing a long-lived asset for impairment. In all of the following situations, environmental exit costs would be excluded from this Subtopic's recoverability test.

> > > **Management Intends to Operate Asset, Future Cash Flows Exceed Carrying Amount, and No Expectation of Cash Outflow in Disposition**

360-10-55-8 Management intends to operate the asset for at least the asset's remaining depreciable life, the sum of the undiscounted future cash flows expected from the asset's use during that period exceeds the asset's carrying amount including any associated goodwill, and management has no reason to believe that the asset's eventual disposition will result in a net cash outflow.

> > > **Management Expects to Operate Asset, Asset Generating Positive Cash Flows, Profitability Expected to Continue, and No Constraints on Economic Life**

360-10-55-9 Management expects to operate the asset indefinitely and has the ability to do so, the asset is generating positive cash flows, management's best information indicates that the asset will continue to be profitable in the future, and there are no known constraints to the asset's economic life. This Subtopic's recoverability test shall include the future cash outflows for repairs, maintenance, and capital expenditures necessary to obtain the future cash inflows expected to be generated by the asset based on its existing service potential.

> > > **Asset Has Finite Life but Remediation Costs Only Incurred if Asset Sold or Abandoned**

360-10-55-10 The asset has a finite economic life, but environmental remediation costs will only be incurred if the asset is sold or abandoned. At the end of the asset's life, management intends either to close the asset permanently because the costs of remediating the asset exceed the proceeds that likely would be received if the asset were sold or, alternatively, to idle the asset by reducing production to a minimal or nominal amount. (Although the environmental remediation costs are excluded from this Subtopic's recoverability test, the recoverability test shall incorporate the entity's own assumptions about its use of the asset. That is, the recoverability test shall consider the likelihood of the alternative courses of action [either closing or idling the asset] and the resulting cash flows associated with those alternative courses.)

> > > **Management Expects to Sell Asset and Remediation Costs Not Required**

360-10-55-11 Management expects to sell the asset in the future, and the asset's sale will not require the environmental remediation costs to be incurred. (Although the environmental remediation costs are excluded from this Subtopic's recoverability test, the fair value of the asset is likely to be affected by the existence of those costs. The diminished fair value shall be considered in estimating the cash flows expected to arise from the eventual sale of the asset.)

> > **Environmental Exit Costs that Shall Be Included in this Subtopic's Recoverability Test**

360-10-55-12 The following guidance demonstrates the consideration of restoration and environmental exit costs when testing a long-lived asset for impairment. In all of the following situations, environmental exit costs would be included in this Subtopic's recoverability test.

> > > **Management Expects Remediation Costs to Be Incurred but Uncertainties Exist in Application of Laws**

360-10-55-13 Management expects to take a future action related to the asset that may cause the environmental remediation costs to be incurred. However, uncertainties or inconsistencies exist in how the related laws or regulatory requirements are applied. Management estimates, based on the weight of the available evidence, a 60 percent chance that the remediation costs will not be incurred and a 40 percent chance that those costs will be incurred. Pursuant to this Subtopic, other situations may exist in which cash flows are estimated using a single set or best estimate of cash flows.

> > > **Useful Life Limited and then Asset Disposition Required**

360-10-55-14 The useful life of the asset is limited as a result of any of the following:

- a. Actual or expected technological advances

- b. Contractual provisions
- c. Regulatory restrictions.

Also, when the asset's service potential has ended, management will be required to dispose of the asset under paragraph [360-10-55-16](#) or [360-10-55-17](#).

> > > **Continuing Losses May Require Asset Disposition**

360-10-55-15 The asset has a current period cash flow loss from operations combined with a projection or forecast that anticipates continuing losses. Management expects the asset to achieve profitability in the future but uncertainty exists about management's ability to fund the future cash outflows up to the time that net cash inflows are expected from the asset's use. In the event of a forced liquidation, management would likely dispose of the asset under the following paragraph or paragraph [360-10-55-17](#).

> > > **Intent to Abandon or Close an Asset**

360-10-55-16 Management intends to abandon or close the asset in the future, and the event of abandonment or closure will cause the environmental remediation costs to be incurred.

> > > **Future Sale Will Require Remediation Costs to Be Incurred**

360-10-55-17 Management intends to sell the asset in the future, and the applicable laws, regulations, or interpretations thereof require that appropriate environmental remediation (not within the scope of Subtopic [410-20](#)) occur in connection with the sale.

> > > **Management Expects to Operate Asset and Retirement Costs to Be Incurred over Its Life**

360-10-55-18 Management expects to operate the asset for the remainder of its useful life. Related asset retirement costs are incurred over the life of the asset (for example, the operation of a landfill). Estimated cash flows associated with the asset retirement costs yet to be incurred and recognized shall be included in this Subtopic's recoverability test.

> > **Disposal Disclosure Requirements**

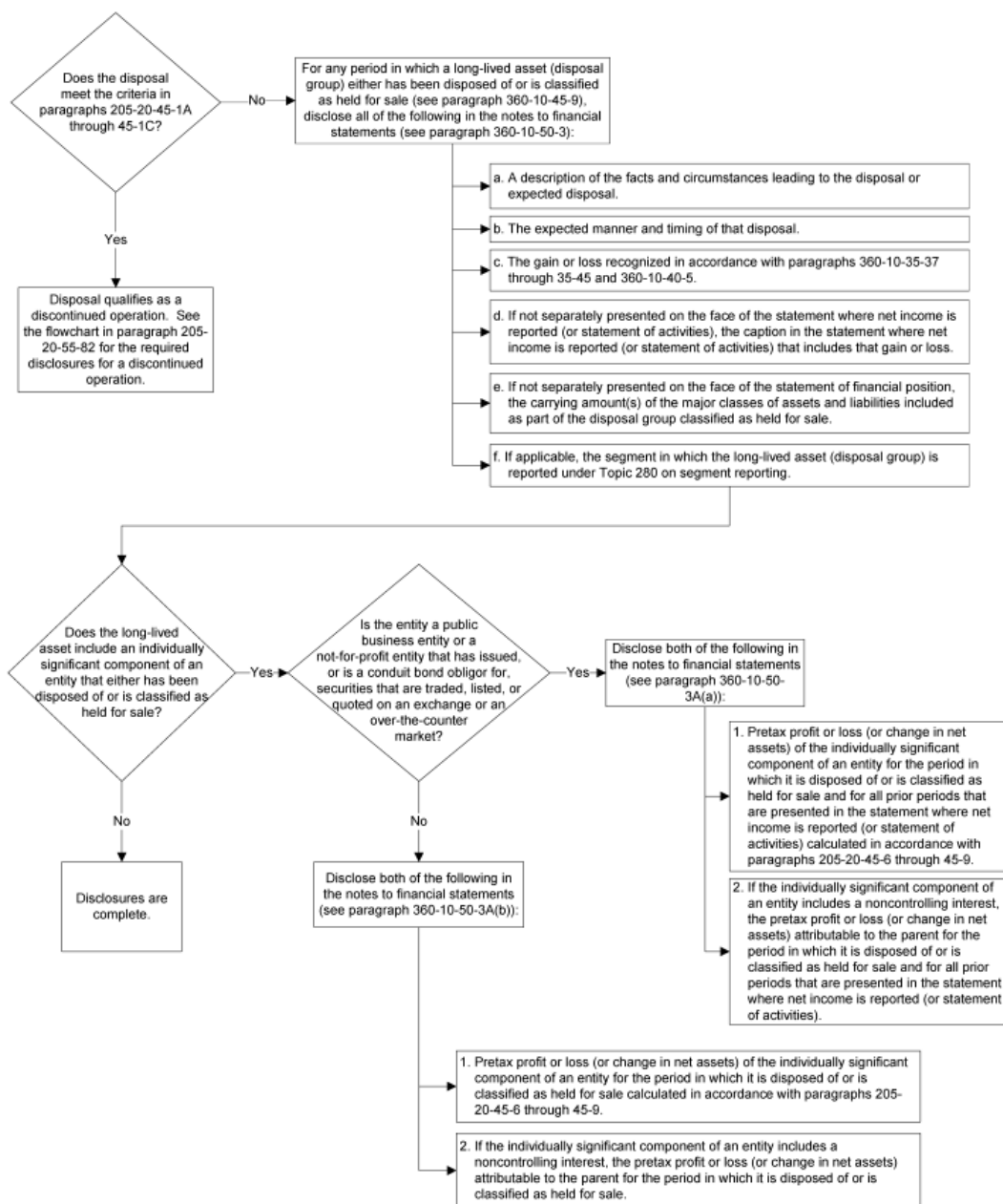
360-10-55-18A

Pending Content:

Transition Date: (P) December 15, 2014; (N) December 15, 2014 | **Transition Guidance:** [205-20-65-1](#)

The following flowchart provides an overview of the disclosures required for disposals of long-lived assets and individually significant components of an entity that do not qualify for presentation and disclosure as a discontinued operation (see Subtopic [205-20](#) on discontinued operations).

Required Disclosures for the Disposal of an Asset and Component of an Entity



> Illustrations

360-10-55-19 The following Examples illustrate application of some of the provisions of this Subtopic. The Examples do not address all possible situations or applications of this Subtopic.

> > Example 1: Allocation of Impairment Loss

360-10-55-20 This Example illustrates the allocation of an impairment loss to the long-lived assets of an **asset group** (see paragraph 360-10-35-28).

360-10-55-21 An entity owns a manufacturing facility that together with other assets is tested for recoverability as a group. In addition to long-lived assets (Assets A–D), the asset group includes inventory, which is reported at the lower of cost or market in accordance with Topic 330, and other current assets and liabilities that are not covered by this Subtopic. The \$2.75 million aggregate carrying amount of the asset group is not recoverable and exceeds its fair value by \$600,000. In accordance with paragraph 360-10-35-28, the impairment loss of \$600,000 would be allocated as shown below to the long-lived assets of the group.

Asset Group	Carrying Amount (in \$ 000s)	Pro Rata Allocation Factor	Allocation of Impairment (Loss) (in \$ 000s)	Adjusted Carrying Amount (in \$ 000s)
Current assets	\$ 400	-	\$ -	\$ 400
Liabilities	(150)	-	-	(150)
Long-lived assets:				
Asset A	590	24%	(144)	446
Asset B	780	31	(186)	594
Asset C	950	38	(228)	722
Asset D	180	7	(42)	138
Subtotal—long-lived assets	2,500	100	(600)	1,900
Total	\$ 2,750	100%	\$ (600)	\$ 2,150

Pending Content:

Transition Date: (P) December 16, 2016; (N) December 16, 2016 | **Transition Guidance:** [330-10-65-1](#)

An entity owns a manufacturing facility that together with other assets is tested for recoverability as a group. In addition to long-lived assets (Assets A–D), the asset group includes inventory measured using first-in, first-out (FIFO), which is reported at the lower of cost and **net realizable value** in accordance with Topic 330, and other current assets and liabilities that are not covered by this Subtopic. The \$2.75 million aggregate carrying amount of the asset group is not recoverable and exceeds its fair value by \$600,000. In accordance with paragraph [360-10-35-28](#), the impairment loss of \$600,000 would be allocated as shown below to the long-lived assets of the group.

Asset Group	Carrying Amount (in \$ 000s)	Pro Rata Allocation Factor	Allocation of Impairment (Loss) (in \$ 000s)	Adjusted Carrying Amount (in \$ 000s)
Current assets	\$ 400	-	\$ -	\$ 400
Liabilities	(150)	-	-	(150)
Long-lived assets:				
Asset A	590	24%	(144)	446
Asset B	780	31	(186)	594
Asset C	950	38	(228)	722
Asset D	180	7	(42)	138
Subtotal—long-lived assets	2,500	100	(600)	1,900
Total	\$ 2,750	100%	\$ (600)	\$ 2,150

360-10-55-22 If the fair value of an individual long-lived asset of an asset group is determinable without undue cost and effort and exceeds the adjusted carrying amount of that asset after an impairment loss is allocated initially, the excess impairment loss initially allocated to that asset would be reallocated to the other long-lived assets of the group. For example, if the fair value of Asset C is \$822,000, the excess impairment loss of \$100,000 initially allocated to that asset (based on its adjusted carrying amount of \$722,000) would be reallocated as shown below to the other long-lived assets of the group on a pro rata basis using the relative adjusted carrying amounts of those assets.

Long-Lived Assets of Asset Group	Adjusted Carrying Amount (in \$ 000s)	Pro Rata Reallocation Factor	Reallocation of Excess Impairment (Loss) (in \$ 000s)	Adjusted Carrying Amount after Reallocation (in \$ 000s)
Asset A	\$ 446	38%	\$ (38)	\$ 408
Asset B	594	50	(50)	544
Asset D	138	12	(12)	126
Subtotal	1,178	100%	(100)	1,078
Asset C	722		100	822
Total—long-lived assets	\$ 1,900		\$ -	\$ 1,900

> > Example 2: Probability-Weighted Cash Flows

360-10-55-23 This Example illustrates the use of a probability-weighted approach for developing estimates of future cash flows used to test a long-lived asset for recoverability when alternative courses of action are under consideration (see paragraph [360-10-35-30](#)). This Example has the following Cases:

- Probability-weighted cash flows (Case A)
- Expected cash flows technique (Case B).

360-10-55-24 Cases A and B share all of the following assumptions.

360-10-55-25 As of December 31, 20X2, a manufacturing facility with a carrying amount of \$48 million is tested for recoverability. At that date, 2 courses of action to recover the carrying amount of the facility are under consideration—sell in 2 years or sell in 10 years (at the end of its remaining useful life).

360-10-55-26 The possible cash flows associated with each of those courses of action are \$41 million and \$48.7 million, respectively. They are developed based on entity-specific assumptions about future sales (volume and price) and costs in varying scenarios that consider the likelihood that existing customer relationships will continue, changes in economic (market) conditions, and other relevant factors.

> > > Case A: Probability-Weighted Cash Flows

360-10-55-27 The following table shows the possible cash flows associated with each of the courses of action—sell in 2 years or sell in 10 years.

<u>Course of Action</u>	<u>Cash Flows (Use) (in \$ millions)</u>	<u>Cash Flows (Disposition) (in \$ millions)</u>	<u>Cash Flows (Total) (in \$ millions)</u>	<u>Probability Assessment</u>	<u>Possible Cash Flows (Probability-Weighted) (in \$ millions)</u>
Sell in 2 years	\$ 8	\$ 30	\$ 38	20%	\$ 7.6
	11	30	41	50	20.5
	13	30	43	30	12.9
					<u>\$ 41.0</u>
Sell in 10 years	36	1	37	20%	\$ 7.4
	48	1	49	50	24.5
	55	1	56	30	16.8
					<u>\$ 48.7</u>

360-10-55-28 As further indicated in the following table, there is a 60 percent probability that the facility will be sold in 2 years and a 40 percent probability that the facility will be sold in 10 years.

360-10-55-29 The alternatives of whether to sell or use an asset are not necessarily independent of each other. In many situations, after estimating the possible future cash flows relating to those potential courses of action, an entity might select the course of action that results in a significantly higher estimate of possible future cash flows. In that situation, the entity generally would use the estimates of possible future cash flows relating only to that course of action in computing future cash flows. As shown, the expected cash flows are \$44.1 million (undiscounted). Therefore, the carrying amount of the facility of \$48 million would not be recoverable.

<u>Course of Action</u>	<u>Possible Cash Flows (Probability-Weighted) (in \$ millions)</u>	<u>Probability Assessment (Course of Action)</u>	<u>Expected Cash Flows (Undiscounted) (in \$ millions)</u>
Sell in 2 years	\$ 41.0	60%	\$ 24.6
Sell in 10 years	48.7	40	19.5
			<u>\$ 44.1</u>

> > > Case B: Expected Cash Flows Technique

360-10-55-30 This Case illustrates the application of an expected present value technique to estimate the fair value of a long-lived asset in an impairment situation.

360-10-55-31 The following table shows by year the computation of the expected cash flows used in the measurement. They reflect the possible cash flows (probability-weighted) used to test the manufacturing facility for recoverability in Case A, adjusted for relevant marketplace assumptions, which increases the possible cash flows in total by approximately 15 percent.

Year	Possible Cash Flows (Market) (in \$ millions)	Probability Assessment	Expected Cash Flows (Undiscounted) (in \$ millions)
1	\$ 4.6	20%	\$ 0.9
	6.3	50	3.2
	7.5	30	2.3
			<u>\$ 6.4</u>
2	\$ 4.6	20%	\$ 0.9
	6.3	50	3.2
	7.5	30	2.3
			<u>\$ 6.4</u>
3	\$ 4.3	20%	\$ 0.9
	5.8	50	2.9
	6.7	30	2.0
			<u>\$ 5.8</u>
4	\$ 4.3	20%	\$ 0.9
	5.8	50	2.9
	6.7	30	2.0
			<u>\$ 5.8</u>
5	\$ 4.0	20%	\$ 0.8
	5.4	50	2.7
	6.4	30	1.9
			<u>\$ 5.4</u>
6	\$ 4.0	20%	\$ 0.8
	5.4	50	2.7
	6.4	30	1.9
			<u>\$ 5.4</u>
7	\$ 3.9	20%	\$ 0.8
	5.1	50	2.6
	5.6	30	1.7
			<u>\$ 5.1</u>
8	\$ 3.9	20%	\$ 0.8
	5.1	50	2.6
	5.6	30	1.7
			<u>\$ 5.1</u>
9	\$ 3.9	20%	\$ 0.8
	5.0	50	2.5
	5.5	30	1.7
			<u>\$ 5.0</u>
10	\$ 4.9	20%	\$ 1.0
	6.0	50	3.0
	6.5	30	2.0
			<u>\$ 6.0</u>

360-10-55-32 The following table shows the computation of the expected present value; that is, the sum of the present values of the expected cash flows by year, each discounted at a risk-free interest rate determined from the yield curve for U.S. Treasury instruments. In this Case, a market risk premium is included in the expected cash flows; that is, the cash flows are certainty equivalent cash flows. As shown, the expected present value is \$42.3 million, which is less than the carrying amount of \$48 million. In accordance with paragraph [360-10-35-17](#) the entity would recognize an impairment loss of \$5.7 million.

Year	Expected Cash Flows (Undiscounted) (in \$ millions)	Risk-Free Rate of Interest	Expected Present Value (in \$ millions)
1	\$ 6.4	5.0%	\$ 6.1
2	6.4	5.1	5.8
3	5.8	5.2	5.0
4	5.8	5.4	4.7
5	5.4	5.6	4.1
6	5.4	5.8	3.9
7	5.1	6.0	3.4
8	5.1	6.2	3.2
9	5.0	6.4	2.9
10	6.0	6.6	3.2
	<u>\$ 56.4</u>		<u>\$ 42.3</u>

> > Example 3: Estimates of Future Cash Flows Used to Test an Asset Group for Recoverability

360-10-55-33 A long-lived asset that is under development may be part of an asset group that is in use. In that situation, estimates of future cash flows used to test the recoverability of that group shall include the cash flows associated with future expenditures necessary to maintain the existing service potential of the group as well as the cash flows associated with future expenditures necessary to substantially complete the asset that is under development (see paragraph [360-10-35-35](#)).

360-10-55-34 An entity engaged in mining and selling phosphate estimates future cash flows from its commercially minable phosphate deposits in order to test the recoverability of the asset group that includes the mine and related long-lived assets (plant and equipment). Deposits from the mined rock must be processed in order to extract the phosphate. As the active mining area expands along the geological structure of the mine, a new processing plant is constructed near the production area. Depending on the size of the mine, extracting the minable deposits may require building numerous processing plants over the life of the mine. In testing the recoverability of the mine and related long-lived assets, the estimates of future cash flows from its commercially minable phosphate deposits would include cash flows associated with future expenditures necessary to build all of the required processing plants.

> > Example 4: Grouping Assets for Impairment Review

360-10-55-35 Varying facts and circumstances will inevitably justify different groupings of assets for impairment review. While grouping at the lowest level for which there are identifiable cash flows for recognition and measurement of an impairment loss is understood, determining that lowest level requires considerable judgment.

360-10-55-36 This Example illustrates the need for judgment in grouping assets for impairment, as discussed in paragraphs [360-10-35-23](#) through [35-25](#). In this Example, an entity operates a bus entity that provides service under contract with a municipality that requires minimum service on each of five separate routes. Assets devoted to serving each route and the cash flows from each route are discrete. One of the routes operates at a significant deficit that results in the inability to recover the carrying amounts of the dedicated assets. The five bus routes would be an appropriate level at which to group assets to test for and measure impairment because the entity does not have the option to curtail any one bus route.

> > **Example 5: Plan to Sell Headquarters Building**

360-10-55-37 This Example illustrates the classification as held for sale of a long-lived asset (**disposal group**) in accordance with paragraph [360-10-45-9\(b\)](#).

360-10-55-38 An entity commits to a plan to sell its headquarters building and has initiated actions to locate a buyer. The following illustrate situations in which the criterion in paragraph [360-10-45-9\(b\)](#) would or would not be met:

- a. The entity intends to transfer the building to a buyer after it vacates the building. The time necessary to vacate the building is usual and customary for sales of such assets. The criterion in paragraph [360-10-45-9\(b\)](#) would be met at the plan commitment date.
- b. The entity will continue to use the building until construction of a new headquarters building is completed. The entity does not intend to transfer the existing building to a buyer until after construction of the new building is completed (and it vacates the existing building). The delay in the timing of the transfer of the existing building imposed by the entity (seller) demonstrates that the building is not available for immediate sale. The criterion in paragraph [360-10-45-9\(b\)](#) would not be met until construction of the new building is completed, even if a **firm purchase commitment** for the future transfer of the existing building is obtained earlier.

> > **Example 6: Plan to Sell Manufacturing Facility with Backlog of Orders**

360-10-55-39 This Example illustrates the classification as held for sale of a long-lived asset (disposal group) in accordance with paragraph [360-10-45-9\(b\)](#).

360-10-55-40 An entity commits to a plan to sell a manufacturing facility and has initiated actions to locate a buyer. At the plan commitment date, there is a backlog of uncompleted customer orders. The following illustrate situations in which the criterion in paragraph [360-10-45-9\(b\)](#) would or would not be met:

- a. The entity intends to sell the manufacturing facility with its operations. Any uncompleted customer orders at the sale date would transfer to the buyer. The transfer of uncompleted customer orders at the sale date will not affect the timing of the transfer of the facility. The criterion in paragraph [360-10-45-9\(b\)](#) would be met at the plan commitment date.
- b. The entity intends to sell the manufacturing facility, but without its operations. The entity does not intend to transfer the facility to a buyer until after it ceases all operations of the facility and eliminates the backlog of uncompleted customer orders. The delay in the timing of the transfer of the facility imposed by the entity (seller) demonstrates that the facility is not available for immediate sale. The criterion in paragraph [360-10-45-9\(b\)](#) would not be met until the operations of the facility cease, even if a firm purchase commitment for the future transfer of the facility is obtained earlier.

> > **Example 7: Intent to Sell Acquired Real Estate Foreclosure**

360-10-55-41 This Example illustrates the classification as held for sale of a long-lived asset (disposal group) in accordance with paragraph [360-10-45-9\(b\)](#).

360-10-55-42 An entity acquires through foreclosure a real estate property that it intends to sell. The following illustrate situations in which the criterion in paragraph [360-10-45-9\(b\)](#) would not be met:

- a. The entity does not intend to transfer the property to a buyer until after it completes renovations to increase its sales value. The delay in the timing of the transfer of the property imposed by the entity (seller) demonstrates that the property is not available for immediate sale. The criterion in paragraph [360-10-45-9\(b\)](#) would not be met until the renovations are completed.
- b. After the renovations are completed and the property is classified as held for sale but before a firm purchase commitment is obtained, the entity becomes aware of environmental damage requiring remediation. The entity still intends to sell the property. However, the entity does not have the ability to transfer the property to a buyer until after the remediation is completed. The delay in the timing of the transfer of the property imposed by others before a firm purchase commitment is obtained demonstrates that the property is not available for immediate sale. The criterion in paragraph [360-10-45-9\(b\)](#) would not continue to be met. The property would be reclassified as held and used in accordance with paragraph [360-10-45-7](#).

> > **Example 8: Proposed Disposition Not Expected to Qualify as Completed Sale**

360-10-55-43 This Example illustrates the classification as held for sale of a long-lived asset (disposal group) in accordance with the criterion in paragraph [360-10-45-9\(d\)](#). The following illustrates situations in which that criterion would not be met:

- a. An entity that is a commercial leasing and finance company is holding for sale or lease equipment that has recently come off lease and the ultimate form of a future transaction (sale or lease) has not yet been determined.
- b. An entity commits to a plan to sell a property that is in use, and the transfer of the property will be accounted for as a sale-leaseback through which the seller-lessee will retain more than a minor portion of the use of the property. The property would continue to be classified as held and used following the appropriate guidance in Sections [360-10-35](#), [360-10-45](#), and [360-10-50](#). If at the date of the sale-leaseback the fair value of the property is less than its undepreciated cost, a loss would be recognized immediately up to the amount of the difference between undepreciated cost and fair value in accordance with paragraphs [840-40-25-3\(c\)](#) and [840-40-30-3](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

This Example illustrates the classification as held for sale of a long-lived asset (disposal group) in accordance with the criterion in paragraph [360-10-45-9\(d\)](#). The following illustrates situations in which that criterion would not be met:

a. An entity that is a commercial leasing and finance company is holding for sale or lease equipment that has recently come off lease and the ultimate form of a future transaction (sale or lease) has not yet been determined.

b. An entity commits to a plan to sell an asset that is in use and lease back that asset; however, the transfer of the asset will not be accounted for as a sale and leaseback transaction because the buyer-lessor does not obtain control of the asset based on the guidance in paragraphs [842-40-25-1 through 25-3](#). The asset would continue to be classified as held and used following the appropriate guidance in Sections [360-10-35](#), [360-10-45](#), and [360-10-50](#).

> > Example 9: Regulatory Approval of Sale Required

360-10-55-44 This Example illustrates an exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) to complete the sale of a long-lived asset (disposal group) (see paragraph [360-10-45-11](#)). The following illustrates situations in which the conditions for an exception to the criterion in paragraph [360-10-45-9\(d\)](#) would be met.

360-10-55-45 An entity in the utility industry commits to a plan to sell a disposal group that represents a significant portion of its regulated operations. The sale will require regulatory approval, which could extend the period required to complete the sale beyond one year. Actions necessary to obtain that approval cannot be initiated until after a buyer is known and a firm purchase commitment is obtained. However, a firm purchase commitment is probable within one year. In that situation, the conditions in paragraph [360-10-45-11\(a\)](#) for an exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) would be met.

> > Example 10: Environmental Damage Identified During Buyer's Inspection

360-10-55-46 This Example illustrates an exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) to complete the sale of a long-lived asset (disposal group) (see paragraph [360-10-45-11](#)). The following illustrates a situation in which the conditions for an exception to the criterion in paragraph [360-10-45-9\(d\)](#) would be met.

360-10-55-47 An entity commits to a plan to sell a manufacturing facility in its present condition and classifies the facility as held for sale at that date. After a firm purchase commitment is obtained, the buyer's inspection of the property identifies environmental damage not previously known to exist. The entity is required by the buyer to remediate the damage, which will extend the period required to complete the sale beyond one year. However, the entity has initiated actions to remediate the damage, and satisfactory remediation of the damage is probable. In that situation, the conditions in paragraph [360-10-45-11\(b\)](#) for an exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) would be met.

> > Example 11: Deterioration of Market Conditions

360-10-55-48 This Example illustrates an exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) to complete the sale of a long-lived asset (disposal group) (see paragraph [360-10-45-11](#)).

360-10-55-49 An entity commits to a plan to sell a long-lived asset and classifies the asset as held for sale at that date. The following illustrates situations in which the conditions for an exception to the criterion in paragraph [360-10-45-9\(d\)](#) would or would not be met:

a. During the initial one-year period, the market conditions that existed at the date the asset was classified initially as held for sale deteriorate and, as a result, the asset is not sold by the end of that period. During that period, the entity actively solicited but did not receive any reasonable offers to purchase the asset and, in response, reduced the price. The asset continues to be actively marketed at a price that is reasonable given the change in market conditions, and the criteria in paragraph [360-10-45-9](#) are met. In that situation, the conditions in paragraph [360-10-45-11\(c\)](#) for an exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) would be met. At the end of the initial one-year period, the asset would continue to be classified as held for sale.

b. During the following one-year period, market conditions deteriorate further, and the asset is not sold by the end of that period. The entity believes that the market conditions will improve and has not further reduced the price of the asset. The asset continues to be held for sale, but at a price in excess of its current fair value. In that situation, the absence of a price reduction demonstrates that the asset is not available for immediate sale as required by the criterion in paragraph [360-10-45-9\(b\)](#). In addition, the criterion in paragraph [360-10-45-9\(e\)](#) requires that an asset be marketed at a price that is reasonable in relation to its current fair value. Therefore, the conditions in paragraph [360-10-45-11\(c\)](#) for an exception to the one-year requirement in paragraph [360-10-45-9\(d\)](#) would not be met. The asset would be reclassified as held and used in accordance with paragraph [360-10-35-44](#).

> > Example 12: Specialized Equipment—Potential Impairment

360-10-55-50 Offshore Industries is a manufacturer of offshore drilling rigs and platforms. The entity's manufacturing process requires significant specialized equipment, which it currently owns. As a result of a decline in the price of oil, the demand for its products and services has fallen dramatically in the past two years, resulting in a significant underutilization of its manufacturing capacity.

360-10-55-51 The entity depreciates its investments in specialized equipment based on its original estimate of the remaining useful lives of the equipment using the units-of-production method, since it believes that the exhaustion of usefulness of these specialized assets relates more to their use than to the passage of time. The entity reevaluates these estimates in light of current conditions in accordance with generally accepted accounting principles (GAAP). The entity also monitors the policies of its major competitors and is aware that several have reported large write-downs of similar assets. Nevertheless, while the entity believes that it is at least reasonably possible that its estimate that it will recover the carrying amount of those assets from future operations will change during the next year, it believes it is more likely that conditions in the industry will improve and that no write-down for impairment will be necessary.

360-10-55-52 The entity would make the following disclosure:

Offshore's policy is to depreciate specialized manufacturing equipment (with a net book value of \$25 million at December 31, 19X7) over its remaining useful life using the units-of-production method and to evaluate the remaining life and recoverability of such equipment in light of current conditions. [Given the excess capacity in the industry,] it is reasonably possible that the entity's estimate that it will recover the carrying amount of this equipment from future operations will change in the near term.

360-10-55-53 Regarding the preceding illustrative disclosure, if the information in the first sentence is already disclosed elsewhere in the notes, it need not be repeated. Also, the bracketed material in the second sentence represents an example of voluntary disclosure that is encouraged by paragraph [275-10-50-9](#).

360-10-55-54 In this Example, the entity acknowledges that the carrying amount of the specialized assets is subject to significant uncertainty based on current conditions. The uncertainty relates to the measurement of the specialized assets at the date of the financial statements, and the entity's disclosure makes clear that it is at least reasonably possible that the carrying amount will change in the near term.

360-10-60 Relationships

General Note: The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

General

> Real Estate—Real Estate Investment Trusts

360-10-60-1 For a discussion of the appropriate accounting affecting property, plant, and equipment by a real estate investment trust for operating support from its adviser, see paragraph [974-605-25-2](#).

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

For a discussion of the appropriate accounting affecting property, plant, and equipment by a real estate investment trust for operating support from its adviser, see paragraph [974-720-25-2](#).

360-10-75 XBRL Elements

General Note: This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

Accumulated Depreciation, Depletion and Amortization, Property, Plant and Equipment, Period Increase (Decrease) {78}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AccumulatedDepreciationDepletionAndAmortizationPropertyPlantAndEquipmentPeriodIncreaseDecrease*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(a\)](#)

Accumulated Depreciation, Depletion and Amortization, Property, Plant, and Equipment {5773}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AccumulatedDepreciationDepletionAndAmortizationPropertyPlantAndEquipment*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(c\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.14\)](#)

Accumulated Depreciation, Depletion and Amortization, Property, Plant, and Equipment, Excluding Capital Leased Assets {57}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AccumulatedDepreciationDepletionAndAmortizationPropertyPlantAndEquipmentExcludingCapitalLeasedAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.14\)](#)

Asset Impairment Charges {1965}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetImpairmentCharges*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Assets Disposed of by Method Other than Sale, in Period of Disposition, Gain (Loss) on Disposition {21}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetsDisposedOfByMethodOtherThanSaleInPeriodOfDispositionGainLossOnDisposition1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 40 Derecognition > Impairment or Disposal of Long-lived Assets, 40-4](#)

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)

Assets Held-for-sale, Not Part of Disposal Group { 13 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetsHeldForSaleNotPartOfDisposalGroup*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 15 Scope > Impairment or Disposal of Long-Lived Assets, 15-4\(b\)\(2\)](#)

Assets Held-for-sale, Not Part of Disposal Group, Current { 24 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetsHeldForSaleNotPartOfDisposalGroupCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 15 Scope > Impairment or Disposal of Long-Lived Assets, 15-4\(b\)\(2\)](#)

Assets Held-for-sale, Not Part of Disposal Group, Current, Other { 2 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetsHeldForSaleNotPartOfDisposalGroupCurrentOther*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 15 Scope > Impairment or Disposal of Long-Lived Assets, 15-4\(b\)\(2\)](#)

Assets Held-for-sale, Not Part of Disposal Group, Other { 2 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetsHeldForSaleNotPartOfDisposalGroupOther*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 15 Scope > Impairment or Disposal of Long-Lived Assets, 15-4\(b\)\(2\)](#)

Building Improvements [Member] { 377 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *BuildingImprovementsMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Building [Member] { 1880 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *BuildingMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Buildings and Improvements, Gross { 950 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *BuildingsAndImprovementsGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > 45 Other Presentation > General, 45-4\(f\)](#)

Construction in Progress, Gross { 956 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ConstructionInProgressGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Cost of Goods and Services Sold, Amortization { 8 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *CostOfGoodsAndServicesSoldAmortization*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

Cost of Goods and Services Sold, Depreciation and Amortization { 31 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *CostOfGoodsAndServicesSoldDepreciationAndAmortization*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

Cost of Goods and Services Sold, Depreciation { 25 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *CostOfGoodsAndServicesSoldDepreciation*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

Depreciation Expense on Reclassified Assets { 34 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DepreciationExpenseOnReclassifiedAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > Impairment or Disposal of Long-Lived Assets, 35-44\(a\)](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-7](#)

Depreciation { 4358 }

[Label and/or reference(s) most recently revised on 08/18/2015 after the last taxonomy release.]

Element Name: *Depreciation*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(a\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Depreciation, Depletion and Amortization, Nonproduction { 2606 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DepreciationAndAmortization*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(a\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Depreciation, Nonproduction { 280 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DepreciationNonproduction*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(a\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Details of Impairment of Long-Lived Assets Held and Used by Asset [Table Text Block] { 93 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *DetailsOfImpairmentOfLongLivedAssetsHeldAndUsedByAssetTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

Disclosure of Long Lived Assets Held-for-sale [Table Text Block] { 171 }

[Label and/or reference(s) most recently revised on 11/23/2015 after the last taxonomy release.]

Element Name: *DisclosureOfLongLivedAssetsHeldForSaleTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3](#)

Disposal Group Classification [Axis] { 67 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupClassificationAxis*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Disposal Group](#)

Disposal Group Classification [Domain] { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupClassificationDomain*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Disposal Group](#)

Disposal Group Name [Axis] { 1179 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *IncomeStatementBalanceSheetAndAdditionalDisclosuresByDisposalGroupsIncludingDiscontinuedOperationsAxis*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Disposal Group](#)

Disposal Group Name [Domain] { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupsIncludingDiscontinuedOperationsNameDomain***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [Disposal Group](#)

Disposal Group, Disposed of by Means Other than Sale, Not Discontinued Operations [Member] { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupDisposedOfByMeansOtherThanSaleNotDiscontinuedOperationsMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)

Disposal Group, Disposed of by Means Other than Sale, Not Discontinued Operations, Abandonment [Member] { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupDisposedOfByMeansOtherThanSaleNotDiscontinuedOperationsAbandonmentMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)

Disposal Group, Disposed of by Means Other than Sale, Not Discontinued Operations, Exchange [Member] { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupDisposedOfByMeansOtherThanSaleNotDiscontinuedOperationsExchangeMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)

Disposal Group, Disposed of by Means Other than Sale, Not Discontinued Operations, Spinoff [Member] { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupDisposedOfByMeansOtherThanSaleNotDiscontinuedOperationsSpinoffMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)

Disposal Group, Disposed of by Sale, Not Discontinued Operations [Member] { 16 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupDisposedOfBySaleNotDiscontinuedOperationsMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3](#)

Disposal Group, Held-for-sale or Disposed of by Sale, Not Discontinued Operations [Member] { 2 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupHeldForSaleOrDisposedOfBySaleNotDiscontinuedOperationsMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-14](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3](#)

Disposal Group, Held-for-sale, Not Discontinued Operations [Member] { 34 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupHeldforsaleNotDiscontinuedOperationsMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-14](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3](#)

Disposal Group, Including Discontinued Operation, Accounts Payable and Accrued Liabilities { 67 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccountsPayableAndAccruedLiabilities***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accounts Payable and Accrued Liabilities, Current {68}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccountsPayableAndAccruedLiabilitiesCurrent***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accounts Payable {206}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccountsPayable***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accounts Payable, Current {125}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccountsPayableCurrent***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accounts, Notes and Loans Receivable, Net {394}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccountsNotesAndLoansReceivableNet***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accrued Income Tax Payable {11}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccruedIncomeTaxPayable***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accrued Income Tax Payable, Current {31}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccruedIncomeTaxesPayable***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accrued Income Tax Payable, Noncurrent {1}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccruedIncomeTaxPayableNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accrued Liabilities { 178 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccruedLiabilities*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Accrued Liabilities, Current { 95 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAccruedLiabilitiesCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Assets { 665 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetsOfDisposalGroupIncludingDiscontinuedOperation*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Assets, Current { 714 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AssetsOfDisposalGroupIncludingDiscontinuedOperationCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Assets, Noncurrent { 143 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationAssetsNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Capital Leased Assets { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationCapitalLeasedAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Capital Leased Assets, Current {0}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationCapitalLeasedAssetsCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Capital Leased Assets, Noncurrent {0}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationCapitalLeasedAssetsNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Cash and Cash Equivalents {294}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationCashAndCashEquivalents*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [Cash](#)
- [Cash Equivalents](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Revenue {57}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredRevenue*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Revenue, Current {44}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredRevenueCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Revenue, Noncurrent {3}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredRevenueNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Tax Asset, Current { 26 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredTaxAssetCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Tax Assets { 46 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredTaxAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Tax Assets, Noncurrent { 21 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredTaxAssetsNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Tax Liabilities { 45 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredTaxLiabilities*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Tax Liabilities, Current { 10 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredTaxLiabilitiesCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Deferred Tax Liabilities, Noncurrent { 36 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDeferredTaxLiabilitiesNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Description and Timing of Disposal {21}

[Label and/or reference(s) most recently revised on 12/02/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationDescriptionAndTimingOfDisposal*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(a\)](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1\(a\)](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > S99 SEC Materials > General, S99-2\(SAB Topic 5.7.5.O2\)](#)

Disposal Group, Including Discontinued Operation, Goodwill {121}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationGoodwill1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Goodwill, Current {28}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationGoodwillCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Goodwill, Noncurrent {58}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationGoodwillNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Intangible Assets {130}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationIntangibleAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Intangible Assets, Current {33}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationIntangibleAssetsCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Intangible Assets, Noncurrent { 39 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationIntangibleAssetsNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Inventory { 90 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationInventory1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Inventory, Current { 27 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationInventoryCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Inventory, Noncurrent { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationInventoryNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Liabilities { 564 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *LiabilitiesOfDisposalGroupIncludingDiscontinuedOperation*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Liabilities, Current { 514 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *LiabilitiesOfDisposalGroupIncludingDiscontinuedOperationCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Liabilities, Noncurrent { 224 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *LiabilitiesOfDisposalGroupIncludingDiscontinuedOperationNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Other Assets { 195 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationOtherAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Other Assets, Current { 235 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationOtherCurrentAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Other Assets, Noncurrent { 217 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationOtherNoncurrentAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Other Liabilities { 159 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationOtherLiabilities*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Other Liabilities, Current { 158 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationOtherCurrentLiabilities*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Other Liabilities, Noncurrent { 138 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationOtherNoncurrentLiabilities*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Pension Plan Benefit Obligation { 18 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPensionPlanBenefitObligation*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Pension Plan Benefit Obligation, Current { 6 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPensionPlanBenefitObligationCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Pension Plan Benefit Obligation, Noncurrent { 4 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPensionPlanBenefitObligationNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Postretirement Plan Benefit Obligation { 3 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPostretirementPlanBenefitObligation*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Postretirement Plan Benefit Obligation, Current { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPostretirementPlanBenefitObligationCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Postretirement Plan Benefit Obligation, Noncurrent { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPostretirementPlanBenefitObligationNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Prepaid and Other Assets { 53 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPrepaidAndOtherAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Prepaid and Other Assets, Current { 128 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPrepaidAndOtherAssetsCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Property, Plant and Equipment { 300 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPropertyPlantAndEquipment*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Property, Plant and Equipment, Current { 101 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPropertyPlantAndEquipmentCurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-9](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Property, Plant and Equipment, Noncurrent { 123 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationPropertyPlantAndEquipmentNoncurrent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-11](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(e\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-10](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B\(e\)](#)

Disposal Group, Including Discontinued Operation, Segment that Includes Disposal Group {7}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupIncludingDiscontinuedOperationSegmentThatIncludesDisposalGroup***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(f\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1\(d\)](#)

Disposal Group, Not Discontinued Operation, Gain (Loss) on Disposal {354}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupNotDiscontinuedOperationGainLossOnDisposal***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(c\)](#)

Disposal Group, Not Discontinued Operation, Loss (Gain) on Write-down {76}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupNotDiscontinuedOperationLossGainOnWriteDown***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-5](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3\(c\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Disposal Group, Not Discontinued Operations [Member] {9}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupNotDiscontinuedOperationsMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [Disposal Group](#)

Disposal Groups, Including Discontinued Operations [Table Text Block] {1120}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ScheduleOfDisposalGroupsIncludingDiscontinuedOperationsIncomeStatementBalanceSheetAndAdditionalDisclosuresTextBlock***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3A](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-3](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-7](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-3A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-4A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-4B](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5B](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5C](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5D](#)

Disposal Groups, Including Discontinued Operations [Table]

[Label and/or reference(s) most recently revised on 07/11/2014 after the last taxonomy release.]

Element Name: *IncomeStatementBalanceSheetAndAdditionalDisclosuresByDisposalGroupsIncludingDiscontinuedOperationsTable***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3A](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General, 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-3](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-7](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-3A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-4A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-4B](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-5A](#)

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-5B](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-5C](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-5D](#)

Disposal Groups, Including Discontinued Operations, Disclosure [Text Block] { 1383 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *DisposalGroupsIncludingDiscontinuedOperationsDisclosureTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets. 50-3](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets. 50-3A](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 45 Other Presentation > General. 45-11](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-1](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-3](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-7](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-3A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-4A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-4B](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-5A](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-5B](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-5C](#)
- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-5D](#)

Electric Generation Equipment [Member] { 31 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ElectricGenerationEquipmentMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General. 50-1\(b\)](#)

Furniture and Fixtures, Gross { 917 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *FurnitureAndFixturesGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General. 50-1\(b\)](#)

Gain (Loss) on Disposition of Assets { 841 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *GainLossOnDispositionOfAssets1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets. 45-5](#)

Gain (Loss) on Disposition of Property Plant Equipment, Excluding Oil and Gas Property and Timber Property { 1274 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *GainLossOnDispositionOfAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets. 50-3](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-1\(b\)](#)

Gain (Loss) on Disposition of Timber Property { 3 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *GainLossOnSaleOfTimberProperty*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets. 50-3](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-1\(b\)](#)
- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General. 45-28\(b\)](#)

Gain (Loss) on Sale of Interest in Projects { 14 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *GainLossOnSaleOfInterestInProjects*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets. 50-3](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General. 50-1\(b\)](#)

Impaired Assets to be Disposed of by Method Other than Sale [Table Text Block] {5}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleTextBlock***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Impaired Assets to be Disposed of by Method Other than Sale [Table]**Element Name:** *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleTable***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Impaired Assets to be Disposed of by Method Other than Sale by Type [Axis] {7}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleByTypeAxis***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Impaired Assets to be Disposed of by Method Other than Sale, Amount of Impairment Loss {31}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleAmountOfImpairmentLoss***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

Impaired Assets to be Disposed of by Method Other than Sale, Asset Name [Domain] {3}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleAssetNameDomain***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Impaired Assets to be Disposed of by Method Other than Sale, Carrying Value of Asset {16}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleCarryingValueOfAsset***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Impaired Assets to be Disposed of by Method Other than Sale, Facts and Circumstances Leading to Impairment {1}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleFactsAndCircumstancesLeadingToImpairment***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(a\)](#)

Impaired Assets to be Disposed of by Method Other than Sale, Method for Determining Fair Value {1}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleMethodForDeterminingFairValue***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(c\)](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

Impaired Assets to be Disposed of by Method Other than Sale, Segment Classification {0}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleSegmentClassification***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(d\)](#)

Impaired Long-Lived Assets Held and Used by Type [Axis] {151}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedLongLivedAssetsHeldAndUsedByTypeAxis***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Impaired Long-Lived Assets Held and Used, Asset Description { 6 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedLongLivedAssetsHeldAndUsedAssetDescription*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(a\)](#)

Impaired Long-Lived Assets Held and Used, Asset Name [Domain] { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedLongLivedAssetsHeldAndUsedAssetNameDomain*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Impaired Long-Lived Assets Held and Used, Facts and Circumstances Leading to Impairment { 5 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedLongLivedAssetsHeldAndUsedFactsAndCircumstancesLeadingToImpairment*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(a\)](#)

Impaired Long-Lived Assets Held and Used, Income Statement Classification { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairedLongLivedAssetsHeldAndUsedIncomeStatementClassification*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

Impaired Long-Lived Assets Held and Used, Method for Determining Fair Value { 5 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImpairedLongLivedAssetsHeldAndUsedMethodForDeterminingFairValue*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(c\)](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

Impairment Charge on Reclassified Assets { 29 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentChargeOnReclassifiedAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > Impairment or Disposal of Long-Lived Assets, 35-44](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-7](#)

Impairment Losses Related to Real Estate Partnerships { 15 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentLossesRelatedToRealEstatePartnerships*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28](#)

Impairment of Leasehold { 77 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentOfLeasehold*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Impairment of Long-Lived Assets Held-for-use { 1000 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentOfLongLivedAssetsHeldForUse*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Impairment](#)
- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-4](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)
- [958 Not-for-Profit Entities > 225 Income Statement > 45 Other Presentation > General, 45-11\(a\)](#)

Impairment of Long-Lived Assets to be Disposed of { 581 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentOfLongLivedAssetsToBeDisposedOf*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-15](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Impairment of Oil and Gas Properties { 224 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentOfOilAndGasProperties*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)
- [932 Extractive Activities—Oil and Gas > 360 Property, Plant, and Equipment > 35 Subsequent Measurement > General, 35-11](#)

Impairment of Ongoing Project { 34 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentOfOngoingProject*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Impairment of Real Estate { 339 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentOfRealEstate*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28](#)

Impairment or Disposal of Long-Lived Assets, Policy [Policy Text Block] { 2988 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImpairmentOrDisposalOfLongLivedAssetsPolicyTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 05 Background > Impairment or Disposal of Long-Lived Assets, 05-4](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Income (Loss) from Individually Significant Component Disposed of or Held-for-sale, Excluding Discontinued Operations, Attributable to Parent, before Income Tax { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element

Name: *IncomeLossFromIndividuallySignificantComponentDisposedOfOrHeldForSaleExcludingDiscontinuedOperationsAttributableToParentBeforeIncomeTax*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3A\(a\)\(2\)](#)

Income (Loss) from Individually Significant Component Disposed of or Held-for-sale, Excluding Discontinued Operations, before Income Tax { 4 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *IncomeLossFromIndividuallySignificantComponentDisposedOfOrHeldForSaleExcludingDiscontinuedOperationsBeforeIncomeTax*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3A\(a\)\(1\)](#)

Land Available-for-sale { 31 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *LandAvailableForSale*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 45 Other Presentation > Impairment or Disposal of Long-Lived Assets, 45-14](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [944 Financial Services—Insurance > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.7-03.\(a\).1\(d\)\)](#)

Leasehold Improvements [Member] { 2384 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *LeaseholdImprovementsMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Leasehold Improvements, Gross { 759 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *LeaseholdImprovementsGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > 45 Other Presentation > General, 45-4\(f\)](#)

Leaseholds and Leasehold Improvements [Member] { 225 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *LeaseholdsAndLeaseholdImprovementsMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Machinery and Equipment, Gross { 1041 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *MachineryAndEquipmentGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > 45 Other Presentation > General, 45-4\(f\)](#)

Manufacturing Facility [Member] { 99 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ManufacturingFacilityMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Mineral Properties, Gross { 31 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *MineralPropertiesGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [932 Extractive Activities—Oil and Gas > 235 Notes to Financial Statements > 50 Disclosure > General, 50-4](#)
- [932 Extractive Activities—Oil and Gas > 360 Property, Plant, and Equipment > 25 Recognition > General, 25-7](#)

Mineral Properties, Net { 87 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *MineralPropertiesNet*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [932 Extractive Activities—Oil and Gas > 360 Property, Plant, and Equipment > 25 Recognition > General, 25-7](#)

Oil and Gas Properties Policy [Policy Text Block] { 210 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *OilAndGasPropertiesPolicyPolicyTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1](#)
- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Operating Leases, Income Statement, Depreciation Expense on Property Subject to or Held-for-lease { 56 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *OperatingLeasesIncomeStatementDepreciationExpenseOnPropertySubjectToOrHeldForLease*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(a\)](#)

Other Asset Impairment Charges { 374 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *OtherAssetImpairmentCharges*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28](#)

Other Capitalized Property Plant and Equipment [Member] {266}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *OtherCapitalizedPropertyPlantAndEquipmentMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Other Depreciation and Amortization {377}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *OtherDepreciationAndAmortization*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(a\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [225 Income Statement > 10 Overall > S99 SEC Materials > General, S99-2\(SX 210.5-03.3\)](#)
- [230 Statement of Cash Flows > 10 Overall > 45 Other Presentation > General, 45-28\(b\)](#)

Other Energy Equipment [Member] {17}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *OtherEnergyEquipmentMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

Productive Land [Member] {13}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ProductiveLandMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

Property, Plant and Equipment Disclosure [Text Block] {4533}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentDisclosureTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)
- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1](#)
- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.13-14\)](#)

Property, Plant and Equipment Impairment or Disposal Disclosure {7}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentImpairmentOrDisposalDisclosure*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB TOPIC 5.CC\)](#)

Property, Plant and Equipment Income Statement Disclosures {4}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentIncomeStatementDisclosures*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(a\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1\(b\)](#)

Property, Plant and Equipment [Table Text Block] {5216}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02\(13\)\)](#)

Property, Plant and Equipment [Table]

[Label and/or reference(s) most recently revised on 12/11/2012 after the last taxonomy release.]

Element Name: *ScheduleOfPropertyPlantAndEquipmentTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.14\)](#)

Property, Plant and Equipment, Cost Capitalization { 9 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentCostCapitalization*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.13\(a\)\)](#)
- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Property, Plant and Equipment, Depreciation Methods { 156 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentDepreciationMethods*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(d\)](#)

Property, Plant and Equipment, Estimated Useful Lives { 943 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentEstimatedUsefulLives*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > General, 35-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Property, Plant and Equipment, Gross { 5426 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.13\)](#)

Property, Plant and Equipment, Gross, Excluding Capital Leased Assets { 29 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentGrossExcludingCapitalLeasedAssets*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.13\)](#)

Property, Plant and Equipment, Impairment [Policy Text Block] { 141 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentImpairment*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(c\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Property, Plant and Equipment, Net { 6363 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentNet*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02\(13\)\)](#)
- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02\(14\)\)](#)

Property, Plant and Equipment, Net, Excluding Capital Leased Assets {42}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentNetExcludingCapitalLeasedAssets***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.13\)](#)

Property, Plant and Equipment, Other, Gross {465}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentOther***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

Property, Plant and Equipment, Planned Major Maintenance Activities, Policy [Policy Text Block] {43}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentPlannedMajorMaintenanceActivitiesPolicy***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 25 Recognition > General, 25-5](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Property, Plant and Equipment, Policy [Policy Text Block] {5762}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentPolicyTextBlock***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.13\(a\)\)](#)
- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Property, Plant and Equipment, Transfers and Changes {112}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentTransfersAndChanges***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(a\)](#)

Property, Plant and Equipment, Type [Axis] {5631}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentByTypeAxis***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02.14\)](#)

Property, Plant and Equipment, Type [Domain] {0}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentTypeDomain***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02\(13\)\)](#)

Real Estate Owned [Text Block] {189}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *RealEstateOwnedTextBlock***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > Impairment or Disposal of Long-Lived Assets, 35-17](#)
- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > Impairment or Disposal of Long-Lived Assets, 35-43](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 10 Overall > S99 SEC Materials > General, S99-6\(SX 210.5-04\(c\)\(Schedule III\)\)](#)
- [310 Receivables > 10 Overall > 45 Other Presentation > General, 45-3](#)
- [310 Receivables > 40 Troubled Debt Restructurings by Creditors > 40 Derecognition > General, 40-3](#)

[310 Receivables > 40 Troubled Debt Restructurings by Creditors > 40 Derecognition > General, 40-4](#)

- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03\(10\)\(4\)\)](#)
- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03\(8\)\)](#)
- [970 Real Estate—General > 360 Property, Plant, and Equipment > S99 SEC Materials > General, S99-1\(SX 210.12-28\)](#)

Real Estate Owned, Valuation Allowance, Component { 16 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RealEstateOwnedValuationAllowanceComponent*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > Impairment or Disposal of Long-Lived Assets, 35-17](#)
- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > Impairment or Disposal of Long-Lived Assets, 35-43](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03.10\(4\)\)](#)

Real Estate Owned, Valuation Allowance, Valuation Increase { 4 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RealEstateOwnedValuationAllowanceValuationIncrease*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 35 Subsequent Measurement > Impairment or Disposal of Long-Lived Assets, 35-40](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03.10\(4\)\)](#)

Schedule of Impaired Long-Lived Assets Held and Used [Table]

Element Name: *ScheduleOfImpairedLongLivedAssetsHeldAndUsedTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)

Schedule of Long Lived Assets Held-for-sale [Table]

Element Name: *ScheduleOfLongLivedAssetsHeldForSaleTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-3](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1](#)

Tangible Asset Impairment Charges { 209 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *TangibleAssetImpairmentCharges*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [205 Presentation of Financial Statements > 20 Discontinued Operations > 50 Disclosure > General, 50-1\(b\)](#)

Timber Properties [Member] { 9 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *TimberPropertiesMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1](#)

Timber and Timberlands { 16 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *TimberAndTimberlands*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

360-10-S00 Status

General Note: The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and

similar corrections are included separately in Maintenance Updates.

General

360-10-S00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
360-10-S99-2	Amended	Accounting Standards Update No. 2012-03	08/27/2012

360-10-S45 Other Presentation Matters

General Note: The Other Presentation Matters Section provides guidance on other presentation matters not addressed in the Recognition, Initial Measurement, Subsequent Measurement, and Derecognition Sections. Other presentation matters may include items such as current or long-term balance sheet classification, cash flow presentation, earnings per share matters, and so forth. The FASB Codification also contains Presentation Topics, which provide guidance for general presentation and display items. See those Topics for general guidance.

General

> Presentation of Disposal Gains or Losses in Continuing Operations

360-10-S45-1 See paragraph [360-10-S99-1](#), SAB Topic 5.B, for SEC Staff views on the presentation of gains or losses from the disposition of equipment.

> Presentation of Accumulated Depreciation

360-10-S45-2 See paragraph [210-10-S99-1](#), Regulation S-X Rule 5-02.14, for the presentation requirements of accumulated depreciation within the balance sheet or notes thereto.

Impairment or Disposal of Long-lived Assets

> Presentation of Disposal Gains or Losses

360-10-S45-3 See paragraph [360-10-S99-1](#), SAB Topic 5.B, for SEC Staff views on the presentation of gains or losses from the disposal of equipment.

360-10-S50 Disclosure

General Note: The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

General

> Required Disclosure Regarding Basis for Determining Amounts of Property, Plant, and Equipment

360-10-S50-1 See paragraph [210-10-S99-1](#), Regulation S-X Rule 5-02.13(a), for required disclosure regarding the basis for determining amounts of property, plant, and equipment.

360-10-S55 Implementation Guidance and Illustrations

General Note: The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and

circumstances in relation to the requirements of the Subtopic.

Impairment or Disposal of Long-lived Assets

> Long-Lived Assets to Be Abandoned

360-10-S55-1 See paragraph [360-10-S99-2](#), SAB Topic 5.CC, for SEC Staff views on the accounting for long-lived assets that are to be abandoned in the near future.

> Estimates of Future Cash Flows Used to Test a Long-Lived Asset for Recoverability

360-10-S55-2 See paragraph [360-10-S99-2](#), SAB Topic 5.CC, for SEC Staff views on estimating future cash flows for the purposes of performing an impairment test.

360-10-S75 XBRL Elements

General Note: This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

Details of Impairment of Long-Lived Assets Held and Used by Asset [Table Text Block] { 93 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *DetailsOfImpairmentOfLongLivedAssetsHeldAndUsedByAssetTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

Impaired Assets to be Disposed of by Method Other than Sale, Method for Determining Fair Value { 1 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImpairedAssetsToBeDisposedOfByMethodOtherThanSaleMethodForDeterminingFairValue*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(c\)](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

Impaired Long-Lived Assets Held and Used, Method for Determining Fair Value { 5 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImpairedLongLivedAssetsHeldAndUsedMethodForDeterminingFairValue*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2\(c\)](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

Impairment of Tangible Assets, Other Descriptors { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpairmentOfTangibleAssetsOtherDescriptors*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2](#)

Impairment or Disposal of Long-Lived Assets, Policy [Policy Text Block] { 2988 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImpairmentOrDisposalOfLongLivedAssetsPolicyTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 05 Background > Impairment or Disposal of Long-Lived Assets, 05-4](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB Topic 5.CC\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

Property, Plant and Equipment Impairment or Disposal Disclosure { 7 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentImpairmentOrDisposalDisclosure*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > 50 Disclosure > Impairment or Disposal of Long-lived Assets, 50-2](#)
- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-2\(SAB TOPIC 5.CC\)](#)

Property, Plant and Equipment, Dispositions { 6 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *PropertyPlantAndEquipmentDispositions*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 10 Overall > S99 SEC Materials > Impairment or Disposal of Long-lived Assets, S99-1](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)

360-10-S99 SEC Materials

General Note: As more fully described in [About the Codification](#), the Codification includes selected SEC and SEC Staff content for reference by public companies. The Codification does not replace or affect how the SEC or SEC Staff issues or updates SEC content. SEC Staff content does not constitute Commission-approved rules or interpretations of the SEC.

Impairment or Disposal of Long-lived Assets

> SEC Staff Guidance

> > Staff Accounting Bulletins

> > > SAB Topic 5.B, Gain or Loss from Disposition of Equipment

360-10-S99-1 The following is the text of SAB Topic 5.B, Gain or Loss from Disposition of Equipment.

Facts: Company A has adopted the policy of treating gains and losses from disposition of revenue producing equipment as adjustments to the current year's provision for depreciation. Company B reflects such gains and losses as a separate item in the statement of income.

Question: Does the staff have any views as to which method is preferable?

Interpretive Response: Gains and losses resulting from the disposition of revenue producing equipment should not be treated as adjustments to the provision for depreciation in the year of disposition, but should be shown as a separate item in the statement of income.

If such equipment is depreciated on the basis of group of composite accounts for fleets of like vehicles, gains (or losses) may be charged (or credited) to accumulated depreciation with the result that depreciation is adjusted over a period of years on an average basis. It should be noted that the latter treatment would not be appropriate for (1) an enterprise (such as an airline) which replaces its fleet on an episodic rather than a continuing basis or (2) an enterprise (such as a car leasing company) where equipment is sold after limited use so that the equipment on hand is both fairly new and carried at amounts closely related to current acquisition cost.

> > > SAB Topic 5.CC, Impairments

360-10-S99-2 The following is the text of SAB Topic 5.CC, Impairments.

Standards for recognizing and measuring impairment of the carrying amount of long-lived assets including certain identifiable intangibles to be held and used in operations are found in FASB ASC Topic [360](#), Property, Plant, and Equipment. Standards for recognizing and measuring impairment of the carrying amount of goodwill and identifiable intangible assets that are not currently being amortized are found in FASB ASC Topic [350](#), Intangibles—Goodwill and Other.

Facts: Company X has mainframe computers that are to be abandoned in six to nine months as replacement computers are put in place. The mainframe computers were placed in service in January 20X0 and were being depreciated on a straight-line basis over seven years. No salvage value had been projected at the end of seven years and the original cost of the computers was \$8,400. The board of directors, with the appropriate authority, approved the abandonment of the computers in March 20X3 when the computers had a remaining carrying value of \$4,600. No proceeds are expected upon abandonment. Abandonment cannot occur prior to the receipt and installation of replacement computers, which is expected prior to the end of 20X3. Management had begun reevaluating its mainframe computer capabilities in January 20X2 and had included in its 20X3 capital expenditures budget an estimated amount for new mainframe computers. The 20X3 capital expenditures budget had been prepared by management in August 20X2, had been discussed with the company's board of directors in September 20X2 and was formally approved by the board of directors in March 20X3. Management had also begun soliciting bids for new mainframe computers beginning in the fall of 20X2. The mainframe computers, when grouped with assets at the lowest level of identifiable cash flows, were not impaired on a "held and used" basis throughout this time period. Management had not adjusted the original estimated useful life of the computers (seven years) since 20X0.

Question 1: Company X proposes to recognize an impairment charge under FASB ASC Topic [360](#) for the carrying value of the mainframe computers of \$4,600 in March 20X3. Does Company X meet the requirements in FASB ASC Topic [360](#) to classify the mainframe computer assets as "to be abandoned?"

Interpretive Response: No. FASB ASC paragraph [360-10-35-47](#) provides that "a long-lived asset to be abandoned is disposed of when it ceases to be used. If an entity commits to a plan to abandon a long-lived asset before the end of its previously estimated useful life, depreciation estimates shall be revised in accordance with FASB ASC Topic [250](#), Accounting Changes and Error Corrections, to reflect the use of the asset over its shortened useful life."

Question 2: Would the staff accept an adjustment to write down the carrying value of the computers to reflect a "normalized depreciation" rate for the period from March 20X3 through actual abandonment (e. g., December 20X3)? Normalized depreciation would represent the amount of depreciation otherwise expected to be recognized during that period without adjustment of the asset's useful life, or \$1,000 (\$100/month for ten months) in the example fact pattern.

Interpretive Response: No. The mainframe computers would be viewed as "held and used" at March 20X3 under the fact pattern described. There is no basis under FASB ASC Topic [360](#) to write down an asset to an amount that would subsequently result in a "normalized depreciation" charge through the disposal date, whether disposal is to be by sale, abandonment, or other means. FASB ASC paragraph [360-10-35-43](#) requires the asset to be valued at the lower of carrying amount or fair value less cost to sell in order to be classified as "held for sale."

For assets that are classified as "held and used" under FASB ASC Topic [360](#), an assessment must first be made as to whether the asset (asset group) is impaired. FASB ASC paragraph [360-10-35-17](#) indicates that an impairment loss shall be recognized only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). The staff would object to a write down of long-lived assets to a "normalized depreciation" value as representing an acceptable alternative to the approaches required in FASB ASC Topic [360](#).

The staff also believes that registrants must continually evaluate the appropriateness of useful lives assigned to long-lived assets, including identifiable intangible assets and goodwill. In the above fact pattern, management had contemplated removal of the mainframe computers beginning in January 20X2 and, more formally, in August 20X2 as part of compiling the 20X3 capital expenditures budget. At those times, at a minimum, management should have reevaluated the original useful life assigned to the computers to determine whether a seven year amortization period remained appropriate given the company's current facts and circumstances, including ongoing technological changes in the market place. This reevaluation process should have continued at the time of the September 20X2 board of directors' meeting to discuss capital expenditure plans and, further, as the company pursued mainframe computer bids. Given the contemporaneous evidence that management's best estimate during much of 20X2 was that the current mainframe computers would be removed from service in 20X3, the depreciable life of the computers should have been adjusted prior to 20X3 to reflect this new estimate. The staff does not view the recognition of an impairment charge to be an acceptable substitute for choosing the appropriate initial amortization or depreciation period or subsequently adjusting this period as company or industry conditions change. The staff's view applies also to selection of, and changes to, estimated residual values. Consequently, the staff may challenge impairment charges for which the timely evaluation of useful life and residual value cannot be demonstrated.

Question 3: Has the staff expressed any views with respect to company-determined estimates of cash flows used for assessing and measuring impairment of assets under FASB ASC Topic [360](#)?

Interpretive Response: In providing guidance on the development of cash flows for purposes of applying the provisions of that Topic, FASB ASC paragraph [360-10-35-30](#) indicates that "estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) shall incorporate the entity's own assumptions about its use of the asset (asset group) and shall consider all available evidence. The assumptions used in developing those estimates shall be reasonable in relation to the assumptions used in developing other information used by the entity for comparable periods, such as internal budgets and projections, accruals related to incentive compensation plans, or information communicated to others."

The staff recognizes that various factors, including management's judgments and assumptions about the business plans and strategies, affect the development of future cash flow projections for purposes of applying FASB ASC Topic [360](#). The staff, however, cautions registrants that the judgments and assumptions made for purposes of applying FASB ASC Topic [360](#) must be consistent with other financial statement calculations and disclosures and disclosures in MD&A. The staff also expects that forecasts made for purposes of applying FASB ASC Topic [360](#) be consistent with other forward-looking information prepared by the company, such as that used for internal budgets, incentive compensation plans, discussions with lenders or third parties, and/or reporting to management or the board of directors.

For example, the staff has reviewed a fact pattern where a registrant developed cash flow projections for purposes of applying the provisions of FASB ASC Topic [360](#) using one set of assumptions and utilized a second, more conservative set of assumptions for purposes of determining whether deferred tax valuation allowances were necessary when applying the provisions of FASB ASC Topic [740](#), Income Taxes. In this case, the staff objected to the use of inconsistent assumptions.

In addition to disclosure of key assumptions used in the development of cash flow projections, the staff also has required discussion in MD&A of the implications of assumptions. For example, do the projections indicate that a company is likely to violate debt covenants in the future? What are the ramifications to the cash flow projections used in the impairment analysis? If growth rates used in the impairment analysis are lower than those used by outside analysts, has the company had discussions with the analysts regarding their overly optimistic projections? Has the company appropriately informed the market and its shareholders of its reduced expectations for the future that are sufficient to cause an impairment charge? The staff believes that cash flow projections used in the impairment analysis must be both internally consistent with the company's other projections and externally consistent with financial statement and other public disclosures.

360 Property, Plant, and Equipment

20 Real Estate Sales

360-20-00 Status

General Note: The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

General

360-20-00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
Conduit Debt Securities	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Conduit Debt Security	Added	Maintenance Update 2014-20	09/29/2014
Cost Recovery Method	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Deposit Method	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Fair Value (2nd def.)	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Fair Value (3rd def.)	Added	Accounting Standards Update No. 2012-04	10/01/2012
Installment Method	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Integral Equipment	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Market Participants	Superseded	Accounting Standards Update No. 2016-02	02/25/2016

Nonpublic Entity (1st def.)	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Nonpublic Entity (1st def.)	Amended	Maintenance Update 2014-20	09/29/2014
Orderly Transaction	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Reduced-Profit Method	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Related Parties	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Sale-Leaseback Accounting	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
Sale-Leaseback Accounting	Added	Accounting Standards Update No. 2014-09	05/28/2014
360-10-05-1	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-20-05-1	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-10-05-2	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-10-15-1 through 15-10	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-20-15-1 through 15-3	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-20-15-3	Amended	Accounting Standards Update No. 2011-10	12/14/2011
360-20-15-4	Amended	Accounting Standards Update No. 2012-04	10/01/2012
360-20-15-5	Amended	Accounting Standards Update No. 2012-04	10/01/2012
360-20-15-7	Amended	Accounting Standards Update No. 2012-04	10/01/2012
360-20-15-8	Amended	Accounting Standards Update No. 2012-04	10/01/2012
360-20-15-10	Amended	Accounting Standards Update No. 2016-01	01/05/2016
360-20-40-1 through 40-64	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-20-55-1 through 55-10	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-20-55-10	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-20-55-11	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
360-20-55-12 through 55-17	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-20-55-18	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
360-20-55-19 through 55-67	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-20-55-21	Amended	Accounting Standards Update No. 2014-09	05/28/2014
360-20-55-68 through 55-77	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
360-20-55-68 through 55-77	Added	Accounting Standards Update No. 2011-10	12/14/2011
360-20-60-1 through 60-3	Superseded	Accounting Standards Update No. 2016-02	02/25/2016
360-20-65-2	Added	Accounting Standards Update No. 2011-10	12/14/2011

360-20-05 Overview and Background

General Note: The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

General

360-20-05-1 This Subtopic provides accounting guidance for the sale of real estate other than retail land. The real estate sales guidance was placed under the Property, Plant, and Equipment Topic because it is applicable to all entities involved with real estate sales transactions. Other guidance specific to the real estate subindustries is found in the related Real Estate Topics.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

This Subtopic provides accounting guidance to determine if a sale of real estate has occurred for purposes of applying **sale-leaseback accounting** in Subtopic [840-40](#). The real estate sales guidance was placed under the Property, Plant, and Equipment Topic because it is applicable to all entities involved with real estate sale-leaseback transactions. Other guidance specific to the real estate subindustries is found in the related Real Estate Topics (Topics [970](#), [972](#), [974](#), [976](#), and [978](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-05-2 The Codification contains several Topics for Real Estate due to the differing accounting treatment for various Real Estate subindustries. The Topics include:

- a. Real Estate—General
- b. Real Estate—Common Interest Realty Associations
- c. Real Estate—Real Estate Investment Trusts

- d. Real Estate—Retail Land
- e. Real Estate—Time-Sharing Activities.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-15 Scope and Scope Exceptions

General Note: The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

General Note for Financial Instruments: Some of the items subject to the guidance in this Subtopic are [financial instruments](#). For guidance on matters related broadly to all financial instruments, (including the fair value option, accounting for registration payment arrangements, and broad financial instrument disclosure requirements), see Topic [825](#). See Section [825-10-15](#) for guidance on the scope of the Financial Instruments Topic.

General

> Entities

360-20-15-1 This Subtopic establishes standards for recognition of profit on all real estate sales transactions, other than retail land sales (see Topic [976](#) for retail land sales), without regard to the nature of the seller's business.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

This Subtopic establishes standards for recognition of profit on all real estate sale-leaseback transactions (see Subtopic [840-40](#) for additional guidance on **sale-leaseback accounting**) without regard to the nature of the seller's business.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-15-1 will be superseded upon transition, together with its heading.

>Entities

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> Transactions

360-20-15-2 Determining whether a transaction is in substance the sale of real estate requires judgment. However, in making that determination, one shall consider the nature of the entire real estate component being sold (that is, the land plus the property improvements and **integral equipment**), and not the land only, in relation to the entire transaction. Further, that determination shall not consider whether the operations in which the assets are involved are traditional or nontraditional real estate activities. For example, if a ski resort is sold and the lodge and ski lifts are considered to be affixed to the land (that is, they cannot be removed and used separately without incurring significant cost), then it would appear that the sale is in substance the sale of real estate and that the entire sale transaction would be subject to the provisions of this Subtopic. Transactions involving the sale of underlying land (or the sale of the property improvements or integral equipment subject to a lease of the underlying land) shall not be bifurcated into a real estate component (the sale of the underlying land) and a non-real-estate component (the sale of the lodge and lifts) for purposes of determining profit recognition on the transaction.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

Determining whether a transaction is in substance the sale of real estate requires judgment. However, in making that determination, one shall consider the nature of the entire real estate component being sold (that is, the land plus the property improvements and **integral equipment**), and not the land only, in relation to the entire sale-leaseback transaction. Further, that determination shall not consider whether the operations in which the assets are involved are traditional or nontraditional real estate activities. For example, if a ski resort is sold and the lodge and ski lifts are considered to be affixed to the land (that is, they cannot be removed and used separately without incurring significant cost), then it would appear that the sale is in substance the sale of real estate and that the entire sale transaction would be subject to the provisions of this Subtopic. Transactions involving the sale of underlying land (or the sale of the property improvements or integral equipment subject to a lease of the underlying land) shall not be bifurcated into a real estate component (the sale of the underlying land) and a non-real-estate component (the sale of the lodge and lifts) for purposes of determining profit recognition on the transaction.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)**Editor's Note:** The content of 360-20-15-2 will be superseded upon transition, together with its heading.

>Transactions

[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)**360-20-15-3** The guidance in this Subtopic applies to the following transactions and activities:

- a. All sales of real estate, including real estate with property improvements or integral equipment. The terms *property improvements* and *integral equipment* as they are used in this Subtopic refer to any physical structure or equipment attached to the real estate that cannot be removed and used separately without incurring significant cost. Examples include an office building, a manufacturing facility, a power plant, and a refinery.
- b. Sales of property improvements or integral equipment subject to an existing lease of the underlying land should be accounted for in accordance with paragraphs [360-20-40-56 through 40-59](#).
- c. The sale or transfer of an investment in the form of a financial asset that is in substance real estate.
- d. The sale of timberlands or farms (that is, land with trees or crops attached to it).
- e. Real estate time-sharing transactions (see Topic [978](#)).
- f. Loss of a controlling financial interest (as described in Subtopic [810-10](#)) in a subsidiary that is in substance real estate because of a default by the subsidiary on its nonrecourse debt.

Pending Content:**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)The guidance in this Subtopic applies to the following assets that are part of a sale-leaseback transaction within the scope of Subtopic [840-40](#):

- a. Real estate, including real estate with property improvements or integral equipment. The terms *property improvements* and *integral equipment* as they are used in this Subtopic refer to any physical structure or equipment attached to the real estate that cannot be removed and used separately without incurring significant cost. Examples include an office building, a manufacturing facility, a power plant, and a refinery.
- b. Property improvements or integral equipment subject to an existing lease of the underlying land should be accounted for in accordance with paragraphs [360-20-40-56 through 40-59](#).
- c. An investment in the form of a financial asset that is in substance real estate.
- d. Timberlands or farms (that is, land with trees or crops attached to it).
- e. [\[Subparagraph superseded by Accounting Standards Update No. 2014-09\]](#).
- f. [\[Subparagraph superseded by Accounting Standards Update No. 2014-09\]](#).

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)**360-20-15-4** The determination of whether equipment is integral equipment shall be based on the significance of the cost to remove the equipment from its existing location (which would include the cost of repairing damage done to the existing location as a result of the removal), combined with the decrease in the **fair value** of the equipment as a result of that removal.**Pending Content:****Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)**360-20-15-5** At a minimum, the decrease in the fair value of the equipment as a result of its removal is the estimated cost to ship and reinstall the equipment at a new site. If there are multiple potential users of the leased equipment, the estimate of the fair value of the equipment as well as the costs to ship and install the equipment shall assume that the equipment will be sold to the potential user that would result in the greatest net cash proceeds to the seller (current lessor).**Pending Content:****Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)**360-20-15-6** The nature of the equipment, and the likely use of the equipment by other potential users, shall be considered in determining whether any additional diminution in fair value exists beyond that associated with costs to ship and install the equipment.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-15-7 When the combined total of both the cost to remove plus the decrease in fair value (for leasing transactions, the information used to estimate those costs and the decrease in fair value shall be as of lease inception) exceeds 10 percent of the fair value of the equipment (installed) (for leasing transactions, at lease inception), the equipment is integral equipment.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-15-8 The phrase *cannot be removed and used separately without incurring significant cost* contains both of the following distinct concepts:

- a. The ability to remove the equipment without incurring significant cost
- b. The ability of a different entity to use the equipment at another location without significant diminution in utility or fair value.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-15-9 The guidance in paragraphs [360-20-40-50 through 40-55](#) applies only to individual units in a condominium project or time-sharing interests being sold separately.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-15-10 The guidance in this Subtopic does not apply to the following transactions and activities:

- a. The sale of only property improvements or integral equipment without a concurrent (or contemplated) sale of the underlying land, except for sales of property improvements or integral equipment with the concurrent lease (whether explicit or implicit in the transaction) of the underlying land to the buyer
- b. The sale of the stock or net assets of a subsidiary or a segment of a business if the assets of that subsidiary or that segment, as applicable, contain real estate, unless the transaction is, in substance, the sale of real estate
- c. Exchanges of real estate for other real estate (see Topic [845](#))
- d. The sale of securities that are accounted for in accordance with Topic [320](#) (sales of such securities are addressed in Topic [860](#))
- e. Retail land sales
- f. Natural assets such as those that have been extracted from the land (for example, oil, gas, coal, and gold). Mineral interests in properties include fee ownership or a lease, concession, or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest. Mineral interests in properties also include royalty interests, production payments payable in oil or gas, and other nonoperating mineral interests in properties operated by others. See Topic [932](#).

Pending Content:**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [825-10-65-2](#)

The guidance in this Subtopic does not apply to the following transactions and activities:

- a. The sale of only property improvements or integral equipment without a concurrent (or contemplated) sale of the underlying land, except for sales of property improvements or integral equipment with the concurrent lease (whether explicit or implicit in the transaction) of the underlying land to the buyer
- b. The sale of the stock or net assets of a subsidiary or a segment of a business if the assets of that subsidiary or that segment, as applicable, contain real estate, unless the transaction is, in substance, the sale of real estate
- c. Exchanges of real estate for other real estate (see Topic [845](#))
- d. The sale of securities that are accounted for in accordance with Topic [320](#) or Topic [321](#) (sales of such securities are addressed in Topic [860](#))
- e. Retail land sales
- f. Natural assets such as those that have been extracted from the land (for example, oil, gas, coal, and gold). Mineral interests in properties include fee ownership or a lease, concession, or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest. Mineral interests in properties also include royalty interests, production payments payable in oil or gas, and other nonoperating mineral interests in properties operated by others. See Topic [932](#).

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-20 Glossary

General Note: The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

Conduit Debt Securities

Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing financing for a specific third party (the conduit bond obligor) that is not a part of the state or local government's financial reporting entity. Although conduit debt securities bear the name of the governmental entity that issues them, the governmental entity often has no obligation for such debt beyond the resources provided by a lease or loan agreement with the third party on whose behalf the securities are issued. Further, the conduit bond obligor is responsible for any future financial reporting requirements.

Cost Recovery Method

Under the cost recovery method, no profit is recognized until cash payments by the buyer, including principal and interest on debt due to the seller and on existing debt assumed by the buyer, exceed the seller's cost of the property sold.

Deposit Method

Under the deposit method, the seller does not recognize any profit, does not record notes receivable, continues to report in its financial statements the property and the related existing debt even if it has been assumed by the buyer, and discloses that those items are subject to a sales contract.

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Installment Method

The installment method apportions each cash receipt and principal payment by the buyer on debt assumed between cost recovered and profit. The apportionment is in the same ratio as total cost and total profit bear to the sales value.

Integral Equipment

Integral equipment is any physical structure or equipment attached to the real estate that cannot be removed and used separately without incurring significant cost.

Market Participants

Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:

- They are independent of each other, that is, they are not related parties, although the price in a related-party transaction may be used as an input to a fair value measurement if the reporting entity has evidence that the transaction was entered into at market terms
- They are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary
- They are able to enter into a transaction for the asset or liability
- They are willing to enter into a transaction for the asset or liability, that is, they are motivated but not forced or otherwise compelled to do so.

Nonpublic Entity

Any entity that does not meet any of the following conditions:

- Its debt or equity securities trade in a public market either on a stock exchange (domestic or foreign) or in an over-the-counter market, including securities quoted only locally or regionally.
- It is a conduit bond obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets).
- It files with a regulatory agency in preparation for the sale of any class of debt or equity securities in a public market.
- It is required to file or furnish financial statements with the Securities and Exchange Commission.
- It is controlled by an entity covered by criteria (a) through (d).

Orderly Transaction

A transaction that assumes exposure to the market for a period before the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities; it is not a forced transaction (for example, a forced liquidation or distress sale).

Reduced-Profit Method

A reduced profit is determined by discounting the receivable from the buyer to the present value of the lowest level of annual payments required by the sales contract over the maximum period specified in paragraphs 360-20-40-19 through 360-20-40-20 and excluding requirements to pay lump sums.

Sale-Leaseback Accounting

A method of accounting for a sale-leaseback transaction in which the seller-lessee records the sale, removes all property and related liabilities from its balance sheet, recognizes gain or loss from the sale, and classifies the leaseback in accordance with the Lessees Subsections of Subtopic [840-40](#).

Note: The following definition is Pending Content; see Transition Guidance in [842-10-65-1](#).

[Glossary term superseded by Accounting Standards Update No. 2016-02]

360-20-40 Derecognition

General Note: The Derecognition Section provides guidance on determining whether and when an entity should remove an item from the financial statements. For example, the entity would derecognize an asset because it no longer has rights to the asset or it would derecognize a liability because it no longer has any obligation.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

General

360-20-40-1 This Section presents the real estate derecognition standards primarily from the perspective of the profit recognition upon a sale. It addresses various conditions that may or may not result in derecognition of the real estate asset (and related profit or loss recognition, if any). Depending on the specific conditions, a real estate sale transaction may not qualify as a final sale for accounting and reporting purposes. In such cases, the applicable standards provide different approaches to derecognizing the asset and recognizing the profit. In certain conditions, the **deposit method** (as described more fully in Section [360-20-55](#)) results in the entity maintaining the real estate asset and continuing to depreciate the asset.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-2 This Section is divided between sales with full profit recognition, and sales with less than full profit recognition.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> Criteria for Recognizing Profit on Sales of Real Estate Under Full Accrual Method

360-20-40-3 Profit shall be recognized in full when real estate is sold, provided that both of the following conditions are met:

- a. The profit is determinable, that is, the collectibility of the sales price is reasonably assured or the amount that will not be collectible can be estimated.
- b. The earnings process is virtually complete, that is, the seller is not obliged to perform significant activities after the sale to earn the profit.

Unless both conditions exist, recognition of all or part of the profit shall be postponed. Recognition of all of the profit at the time of sale or at some later date when both conditions exist is referred to as the full accrual method in this Subtopic.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-3 will be superseded upon transition, together with its heading.

>Criteria for Recognizing Profit on Sales of Real Estate Under Full Accrual Method

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-4 In accounting for sales of real estate, collectibility of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectibility shall also be assessed by considering factors such as the credit standing of the buyer, age and location of the property, and adequacy of cash flow from the property.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-5 Profit on real estate sales transactions shall not be recognized by the full accrual method until all of the following criteria are met:

- a. A sale is consummated (see the following paragraph).

- b. The buyer's initial and continuing investments are adequate to demonstrate a commitment to pay for the property (see paragraphs [360-20-40-9 through 40-24](#)).
- c. The seller's receivable is not subject to future subordination (see paragraph [360-20-40-25](#)).
- d. The seller has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property (see paragraph [360-20-40-26](#)).

Profit on a sale of a partial interest in real estate shall be subject to the same criteria for profit recognition as a sale of a whole interest.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-6 The following provides the detailed standards relevant to (a) through (d) in the preceding paragraph.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Consummation of a Sale

360-20-40-7 A sale shall not be considered consummated until all of the following conditions are met:

- a. The parties are bound by the terms of a contract.
- b. All consideration has been exchanged.
- c. Any permanent financing for which the seller is responsible has been arranged.
- d. All conditions precedent to closing have been performed. Paragraph [360-20-40-28](#) provides an exception to this requirement if the seller is constructing office buildings, condominiums, shopping centers, or similar structures.

Usually, those four conditions are met at the time of closing or after closing, not when an agreement to sell is signed or at a preclosing.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-7 will be superseded upon transition, together with its heading.

> > Consummation of a Sale

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Buyer's Initial and Continuing Investment

360-20-40-8 Sales value shall be determined by both of the following:

- a. Adding to the stated sales price the proceeds from the issuance of a real estate option that is exercised and other payments that are in substance additional sales proceeds. These nominally may be management fees, points, or prepaid interest or fees that are required to be maintained in an advance status and applied against the amounts due to the seller at a later date.
- b. Subtracting from the sale price a discount to reduce the receivable to its present value and by the net present value of services that the seller commits to perform without compensation or by the net present value of the services in excess of the compensation that will be received. Paragraph [360-20-40-43\(d\)](#) specifies appropriate accounting if services are to be provided by the seller without compensation or at less than prevailing rates.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-8 will be superseded upon transition, together with its heading.

> > Buyer's Initial and Continuing Investment

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-9 Adequacy of a buyer's initial investment shall be measured by its composition (see the following paragraph and paragraph [360-20-40-13](#)) and its size compared with the sales value of the property (see paragraph [360-20-40-18](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-10 The buyer's initial investment shall include only the following:

- a. Cash paid as a down payment
- b. The buyer's notes supported by irrevocable letters of credit from an independent established lending institution, that is, an unrelated institution such as a commercial bank unaffiliated with the seller
- c. Payments by the buyer to third parties to reduce existing indebtedness on the property
- d. Other amounts paid by the buyer that are part of the sales value.

Other consideration received by the seller, including other notes of the buyer, shall be included as part of the buyer's initial investment only when that consideration is sold or otherwise converted to cash without recourse to the seller.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-11 An irrevocable financial instrument, such as a surety bond, from an established independent insuring institution (such as the Federal Housing Administration or Veterans Administration) insuring that the instrument has all the rights and obligations of an irrevocable letter of credit may be considered by the seller to be equivalent to an irrevocable letter of credit and included as part of the buyer's initial and continuing investment in determining whether it is appropriate to recognize profit under the full accrual method. The requirement in this Subtopic to demonstrate the buyer's commitment to pay is an important criterion that must be met before profit is recognized by the full accrual method.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-12 Mortgage insurance shall not be considered the equivalent of an irrevocable letter of credit in the determination of whether it is appropriate to recognize profit under the full accrual method because the purchase of mortgage insurance is not deemed to demonstrate a commitment by the buyer to honor its obligation to pay for the property.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-13 The initial investment shall not include any of the following:

- a. Payments by the buyer to third parties for improvements to the property
- b. A permanent loan commitment by an independent third party to replace a loan made by the seller
- c. Any funds that have been or will be loaned, refunded, or directly or indirectly provided to the buyer by the seller or loans guaranteed or collateralized by the seller for the buyer. As an example, if unimproved land is sold for \$100,000, with a down payment of \$50,000 in cash, and the seller plans to loan the buyer \$35,000 at some future date, the initial investment is \$50,000 minus \$35,000, or \$15,000.

Pending Content:

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[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-14 The sale of real estate often involves significant financing relative to the sales price. That financing may be provided by independent third parties, the seller, or both. The financing may involve a nonrecourse mortgage (that is, the lender's only recourse upon default of the buyer is to repossess the underlying real estate) and it may involve the buyer's assumption of preexisting recourse or nonrecourse mortgage obligations of the seller.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-15 In considering how profit should be recognized under this Subtopic when a real estate sales transaction involves various forms of financing, the initial and continuing investment requirements for the full accrual method of profit recognition of this Subtopic shall be applicable unless the seller receives any of the following as the full sales value of the property:

- a. Cash, without any seller contingent liability on any debt on the property incurred or assumed by the buyer
- b. The buyer's assumption of the seller's existing nonrecourse debt on the property
- c. The buyer's assumption of all recourse debt on the property with the complete release of the seller from those obligations
- d. Any combination of such cash and debt assumption.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-16 When the seller has unconditionally received all amounts it is entitled to from the sale and is not at risk related to the financing, the buyer's commitment to pay for the property is not a factor in the seller's recognition of profit.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-17 To recognize profit by the full accrual method, debt incurred by the buyer that is secured by the property, whether incurred directly from the seller or other parties or indirectly through assumption, and payments to the seller from the proceeds of such indebtedness shall not be included as part of the buyer's initial investment. A sufficient amount of the buyer's own cash or other qualifying forms of investment demonstrates the buyer's commitment to pay for the property; however, the buyer's borrowing secured by the property does not demonstrate such a commitment.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-18 The buyer's initial investment shall be adequate to demonstrate the buyer's commitment to pay for the property and shall indicate a reasonable likelihood that the seller will collect the receivable. Lending practices of independent established lending institutions provide a reasonable basis for assessing the collectibility of receivables from buyers of real estate. Therefore, to qualify, the initial investment shall be equal to at least a major part of the difference between usual loan limits and the sales value of the property. Guidance on minimum initial investments in various types of real estate is provided in paragraphs [360-20-55-1](#) through [55-2](#).

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-19 The buyer's continuing investment in a real estate transaction shall not qualify unless the buyer is contractually required to pay each year on its total debt for the purchase price of the property an amount at least equal to the level annual payment that would be needed to pay that debt and interest on the unpaid balance over no more than the following:

- a. Twenty years for debt for land
- b. The customary amortization term of a first mortgage loan by an independent established lending institution for other real estate.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-40-20 For the purpose of evaluating the buyer's continuing investment, contractually required payments by the buyer on its debt shall be in the forms specified in paragraph [360-20-40-10](#) as acceptable for an initial investment. Except as indicated in the following sentence, funds to be provided directly or indirectly by the seller (see paragraph [360-20-40-13](#)[c]) shall be subtracted from the buyer's contractually required payments in determining whether the initial and continuing investments are adequate. If a future loan on normal terms from an established lending institution bears a fair market interest rate and the proceeds of the loan are conditional on use for specified development of or construction on the property, the loan need not be subtracted in determining the buyer's investment.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)**> > Release Provisions**

360-20-40-21 An agreement to sell property (usually land) may provide that part or all of the property may be released from liens securing related debt by payment of a release price or that payments by the buyer may be assigned first to released property. If either of those conditions is present, a buyer's initial investment shall be sufficient both to pay release prices on property released at the date of sale and to constitute an adequate initial investment on property not released or not subject to release at that time in order to meet the criterion of an adequate initial investment for the property as a whole.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-21 will be superseded upon transition, together with its heading.

> > Release Provisions

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-22 If the release conditions described in the preceding paragraph are present, the buyer's investment shall be sufficient, after the released property is paid for, to constitute an adequate continuing investment on property not released in order to meet the criterion of an adequate continuing investment for the property as a whole (see paragraphs [360-20-40-19 through 40-20](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-23 If the amounts applied to unreleased portions do not meet the initial and continuing-investment criteria as applied to the sales value of those unreleased portions, profit shall be recognized on each released portion when it meets the criteria in paragraph [360-20-40-5](#) as if each release were a separate sale.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-24 Tests of adequacy of a buyer's initial and continuing investments described in paragraphs [360-20-40-9 through 40-23](#) shall be applied cumulatively when the sale is consummated and annually afterward. If the initial investment exceeds the minimum prescribed, the excess shall be applied toward the required annual increases in the buyer's investment.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Future Subordination**

360-20-40-25 The seller's receivable shall not be subject to future subordination. This restriction shall not apply if a receivable is subordinate to a first mortgage on the property existing at the time of sale or a future loan, including an existing permanent loan commitment, is provided for by the terms of the sale and the proceeds of the loan will be applied first to the payment of the seller's receivable.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-25 will be superseded upon transition, together with its heading.

> > **Future Subordination**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Continuing Involvement without Transfer of Risks and Rewards**

360-20-40-26 If a seller is involved with a property after it is sold in any way that results in retention of substantial risks or rewards of ownership, except as indicated in paragraph [360-20-40-64](#), the absence-of-continuing-involvement criterion has not been met. Forms of involvement that result in retention of substantial risks or rewards by the seller, and accounting therefore, are described in paragraphs [360-20-40-37 through 40-63](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-26 will be superseded upon transition, together with its heading.

> > **Continuing Involvement without Transfer of Risks and Rewards**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> **Recognition of Profit When the Full Accrual Method Is Not Appropriate**

360-20-40-27 If a real estate sales transaction does not satisfy the criteria in paragraphs [360-20-40-3 through 40-26](#) for recognition of profit by the full accrual method, the transaction shall be accounted for as specified in paragraphs [360-20-40-28 through 40-64](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-27 will be superseded upon transition, together with its heading.

> > **Recognition of Profit When the Full Accrual Method Is Not Appropriate**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Sale Not Consummated**

360-20-40-28 The deposit method of accounting described in paragraphs 360-20-55-17 through 55-20 shall be used until a sale has been consummated (see paragraph 360-20-40-7). Consummation usually requires that all conditions precedent to closing have been performed, including that the building be certified for occupancy. However, because of the length of the construction period of office buildings, apartments, condominiums, shopping centers, and similar structures, such sales and the related income may be recognized during the process of construction, subject to the criteria in paragraphs 360-20-40-61 through 40-63, even though a certificate of occupancy, which is a condition precedent to closing, has not been obtained.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-28 will be superseded upon transition, together with its heading.

> > **Sale Not Consummated**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-29 If the net carrying amount of the property exceeds the sum of the deposit received, the fair value of the unrecorded note receivable, and the debt assumed by the buyer, the seller shall recognize the loss at the date the agreement to sell is signed. If a buyer defaults, or if circumstances after the transaction indicate that it is probable the buyer will default and the property will revert to the seller, the seller shall evaluate whether the circumstances indicate a decline in the value of the property for which an allowance for loss should be provided.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-30 Paragraph [970-360-35-3](#) specifies the accounting for property that is substantially completed and that is to be sold.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Buyer's Initial or Continuing Investments Do Not Qualify**

360-20-40-31 If the buyer's initial investment does not meet the criteria specified in paragraphs 360-20-40-9 through 40-18 for recognition of profit by the full accrual method and if recovery of the cost of the property is reasonably assured if the buyer defaults, the **installment method** described in paragraphs 360-20-55-7 through 55-12 shall be used. If recovery of the cost of the property is not reasonably assured if the buyer defaults or if cost has already been recovered and collection of additional amounts is uncertain, the **cost recovery method** (described in paragraphs 360-20-55-13 through 55-15) or the deposit method (described in paragraphs 360-20-55-17 through 55-20) shall be used. The cost recovery method may be used to account for sales of real estate for which the installment method would be appropriate.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-31 will be superseded upon transition, together with its heading.

> > **Buyer's Initial or Continuing Investments Do Not Qualify**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-32 Under the installment, cost recovery, and reduced-profit recognition methods, debt incurred by the buyer that is secured by the property, whether incurred directly from the seller or other parties or indirectly through assumption, and payments to the seller from the proceeds of such indebtedness shall not be considered buyer's cash payments. However, if the profit deferred under the applicable method exceeds the outstanding amount of seller financing and the outstanding amount of buyer's debt secured by the property for which the seller is contingently liable, the seller shall recognize the excess in income.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-33 If the initial investment meets the criteria in paragraphs 360-20-40-9 through 40-18 but the continuing investment by the buyer does not meet the criteria in paragraphs 360-20-40-19 through 40-20 and 360-20-40-24, the seller shall recognize profit by the reduced profit method

described in paragraphs [360-20-55-16](#) and [360-20-55-61 through 55-64](#) at the time of sale if payments by the buyer each year will at least cover both of the following:

- a. The interest and principal amortization on the maximum first mortgage loan that could be obtained on the property
- b. Interest, at an appropriate rate, on the excess of the aggregate actual debt on the property over such a maximum first mortgage loan (paragraphs [835-30-25-12 through 25-13](#) provide criteria for selecting an appropriate rate for present-value calculations).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-34 If the criteria specified in the preceding paragraph for use of the reduced profit method are not met, the seller may recognize profit by the installment method (see paragraphs [360-20-55-7 through 55-12](#)) or the cost recovery method (see paragraphs [360-20-55-13 through 55-15](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Graduated Payment Mortgage

360-20-40-35 A sale involving a graduated payment mortgage that does not meet the continuing investment tests in this Subtopic (because of the negative loan amortization) shall not result in full immediate profit recognition.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-35 will be superseded upon transition, together with its heading.

> > Graduated Payment Mortgage

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Future Subordination

360-20-40-36 If the seller's receivable is subject to future subordination as described in paragraph [360-20-40-25](#), profit shall be recognized by the cost recovery method (see paragraphs [360-20-55-13 through 55-15](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-36 will be superseded upon transition, together with its heading.

> > Future Subordination

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Continuing Involvement without Transfer of Risks and Rewards

360-20-40-37 If the seller has some continuing involvement with the property and does not transfer substantially all of the risks and rewards of ownership, profit shall be recognized by a method determined by the nature and extent of the seller's continuing involvement. Generally, profit shall be recognized at the time of sale if the amount of the seller's loss of profit because of continued involvement with the property is limited by the terms of the sales contract. The profit recognized shall be reduced by the maximum exposure to loss. Paragraphs [360-20-40-38 through 40-64](#) describe some common forms of continuing involvement and specify appropriate accounting if those forms of involvement are present. If the seller has some other form of continuing involvement with the property, the transaction shall be accounted for according to the nature of the involvement.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-37 will be superseded upon transition, together with its heading.

> > Continuing Involvement without Transfer of Risks and Rewards

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Seller Option or Obligation to Repurchase**

360-20-40-38 If the seller has an obligation to repurchase the property, or the terms of the transaction allow the buyer to compel the seller or give an option to the seller to repurchase the property, the transaction shall be accounted for as a financing, leasing, or profit-sharing arrangement rather than as a sale. A right of first refusal based on a bona fide offer by a third party ordinarily is not an obligation or an option to repurchase. See paragraph [360-20-55-21A](#) for implementation guidance related to evaluating a buy-sell agreement in cases where the seller of the real estate has otherwise met the criteria to recognize a partial sale.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-38 will be superseded upon transition, together with its heading.

> > > **Seller Option or Obligation to Repurchase**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-39 Land sale agreements sometimes contain antispeculation clauses that require the buyer to develop the land in a specific manner or within a stated period of time. Antispeculation clauses may also prohibit certain uses of the property. If the buyer fails to comply with the provisions of the sales contract, the seller has the right, but not the obligation, to reacquire the property. The seller's contingent option described would not preclude recognition of a sale if the probability of the buyer not complying is remote. A number of factors might lead one to conclude that buyer noncompliance is remote, including the economic loss to the buyer from repurchase and the buyer's perceived ability to comply with the provisions of the sales contract. A probability test would not be appropriate if the seller's repurchase option is not contingent upon compliance by the buyer.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Seller Is General Partner in Acquiring Limited Partnership**

360-20-40-40 If the seller is a general partner in a limited partnership that acquires an interest in the property sold (or has an extended, noncancelable management contract requiring similar obligations) and holds a receivable from the buyer for a significant part of the sales price, the transaction shall be accounted for as a financing, leasing, or profit-sharing arrangement. For this purpose, a significant receivable is a receivable in excess of 15 percent of the maximum first-lien financing that could be obtained from an independent established lending institution for the property. It would include any of the following:

- a. A construction loan made or to be made by the seller to the extent that it exceeds the minimum funding commitment for permanent financing from a third party that the seller will not be liable for
- b. An all-inclusive or wraparound receivable held by the seller to the extent that it exceeds prior-lien financing for which the seller has no personal liability
- c. Other funds provided or to be provided directly or indirectly by the seller to the buyer
- d. The present value of a land lease when the seller is the lessor (see paragraph [360-20-40-58](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-40 will be superseded upon transition, together with its heading.

> > > **Seller Is General Partner in Acquiring Limited Partnership**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Seller Guarantees**

360-20-40-41 The seller may guarantee the return of the buyer's investment or a return on that investment for a limited or extended period. For example, the seller guarantees cash flows, subsidies, or net tax benefits. If the seller guarantees return of the buyer's investment or if the seller guarantees a return on the investment for an extended period, the transaction shall be accounted for as a financing, leasing, or profit-sharing arrangement. If the guarantee of a return on the investment is for a limited period, the deposit method shall be used until operations of the property cover all operating expenses, debt service, and contractual payments. At that time, profit shall be recognized on the basis of performance of the services required, as illustrated in paragraphs [360-20-55-44](#) through [55-48](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-41 will be superseded upon transition, together with its heading.

> > > **Seller Guarantees**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > Seller Supports Operations

360-20-40-42 The seller may be required to initiate or support operations or continue to operate the property at its own risk, or may be presumed to have such a risk, for an extended period, for a specified limited period, or until a specified level of operations has been obtained, for example, until rentals of a property are sufficient to cover operating expenses and debt service.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-42 will be superseded upon transition, together with its heading.

> > > Seller Supports Operations

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-43 If support is required or presumed to be required for an extended period of time, the transaction shall be accounted for as a financing, leasing, or profit-sharing arrangement. Support shall be presumed to be required if any of the following conditions exist:

- a. A seller obtains an interest as a general partner in a limited partnership that acquires an interest in the property sold.
- b. A seller retains an equity interest in the property, such as an undivided interest or an equity interest in a joint venture that holds an interest in the property.
- c. A seller holds a receivable from a buyer for a significant part of the sales price and collection of the receivable depends on the operation of the property.
- d. A seller agrees to manage the property for the buyer on terms not usual for the services to be rendered, and the agreement is not terminable by either the seller or the buyer. If the sales contract requires the seller to provide management services relating to the property after the sale without compensation or at compensation less than prevailing rates for the service required (see paragraph [360-20-40-8](#)) or on terms not usual for the services to be rendered, compensation shall be imputed when the sale is recognized and shall be recognized in income as the services are performed over the term of the management contract.
- e. If the sales contract does not stipulate the period during which the seller is obligated to support operations of the property, support shall be presumed for at least two years from the time of initial rental unless actual rental operations cover operating expenses, debt service, and other contractual commitments before that time. If the seller is contractually obligated for a longer time, profit recognition shall continue on the basis of performance until the obligation expires. Calculation of profits on the basis of performance of services is illustrated in Example 2 (see paragraph [360-20-55-44](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-44 If support is required or presumed to be required for a limited time, profit on the sale shall be recognized on the basis of performance of the services required. Performance of those services shall be measured by the costs incurred and to be incurred over the period during which the services are performed. Profit shall begin to be recognized when there is reasonable assurance that future rent receipts will cover operating expenses and debt service including payments due the seller under the terms of the transaction. Reasonable assurance that rentals will be adequate would be indicated by objective information regarding occupancy levels and rental rates in the immediate area. In assessing whether rentals will be adequate to justify recognition of profit, total estimated future rent receipts of the property shall be reduced by one-third as a reasonable safety factor unless the amount so computed is less than the rents to be received from signed leases. In this event, the rents from signed leases shall be substituted for the computed amount. Application of this method is illustrated in Example 2 (see paragraph [360-20-55-44](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > Buyer Option to Purchase Property

360-20-40-45 The transaction may be merely an option to purchase the property. For example, undeveloped land may be sold under terms that call for a very small initial investment by the buyer (substantially less than the percentages specified in paragraph [360-20-55-2](#)) and postponement of additional payments until the buyer obtains zoning changes or building permits or other contingencies specified in the sales agreement are satisfactorily resolved. Proceeds from the issuance of the option by a property owner shall be accounted for as a deposit (see paragraphs [360-20-55-17 through 55-20](#)). Profit shall not be recognized until the option either expires or is exercised. When an option to purchase real estate is sold by an option holder, the seller of the option shall recognize income by the cost recovery method (see paragraphs [360-20-55-13 through 55-15](#)) to the extent nonrefundable cash proceeds exceed the seller's cost of the option if the buyer's initial and continuing investments are not adequate for profit recognition by the full accrual method (see paragraphs [360-20-40-8 through 40-24](#)). When an option to purchase real estate is sold by an option holder, the sales value includes the exercise price of the option and the sales price of the option. For example, if the option is sold for \$150,000 (\$50,000 cash and a \$100,000 note) and the exercise price is \$500,000, the sales value is \$650,000.

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Editor's Note: The content of 360-20-40-45 will be superseded upon transition, together with its heading.

> > > **Buyer Option to Purchase Property**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Partial Sale by Seller**

360-20-40-46 A sale is a partial sale if the seller retains an equity interest in the property or has an equity interest in the buyer. Profit (the difference between the sales value and the proportionate cost of the partial interest sold) shall be recognized at the date of sale if all of the following conditions are met:

- a. The buyer is independent of the seller.
- b. Collection of the sales price is reasonably assured (see paragraph [360-20-40-4](#)).
- c. The seller will not be required to support the operations of the property or its related obligations to an extent greater than its proportionate interest.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-46 will be superseded upon transition, together with its heading.

> > > **Partial Sale by Seller**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-47 If the buyer is not independent of the seller, for example, if the seller holds or acquires an equity interest in the buyer, the seller shall recognize the part of the profit proportionate to the outside interests in the buyer at the date of sale. If the seller controls the buyer, no profit on the sale shall be recognized until it is realized from transactions with outside parties through sale or operations of the property.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-48 If collection of the sales price is not reasonably assured, the cost recovery or installment method of recognizing profit shall be used.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-49 If the seller is required to support the operations of the property after the sale, the accounting shall be based on the nature of the support obligation. For example, the seller may retain an interest in the property sold and the buyer may receive preferences as to profits, cash flows, return on investment, and so forth. If the transaction is in substance a sale, the seller shall recognize profit to the extent that proceeds from the sale, including receivables from the buyer, exceed all of the seller's costs related to the entire property. Other examples of support obligations are described in paragraphs [360-20-40-42](#) through [40-43](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Sale of Condominium Units**

360-20-40-50 The following guidance through paragraph [360-20-40-55](#) is limited to the sale of individual units in a condominium project. A condominium project may be a building, a group of buildings, or a complete project. If individual units in condominium projects or time-sharing interests are being sold separately and all the following criteria are met, profit shall be recognized by the percentage-of-completion method on the sale of individual units or interests:

- a. Construction is beyond a preliminary stage. Construction is not beyond a preliminary stage if engineering and design work, execution of construction contracts, site clearance and preparation, excavation, and completion of the building foundation are incomplete.
- b. The buyer is committed to the extent of being unable to require a refund except for nondelivery of the unit or interest. The buyer may be able to require a refund, for example, if a minimum status of completion of the project is required by state law and that status has not been attained; if state law requires that a declaration of condominium be filed and it has not been filed, except that in some states the filing of the declaration is a routine matter and the lack of such filing may not make the sales contract voidable; if the sales contract provides that permanent financing at an acceptable cost must be available to the buyer at the time of closing and it is not available; or if the condominium units must be registered with either the Office of Interstate Land Sales Registration of the Department of Housing and Urban Development or the Securities and Exchange Commission (SEC), and they are not so registered.

c. Sufficient units have already been sold to assure that the entire property will not revert to rental property. In determining whether this condition has been met, the seller shall consider the requirements of state laws, the condominium or time-sharing contract, and the terms of the financing agreements.

d. Sales prices are collectible (see paragraph [360-20-40-4](#)).

e. Aggregate sales proceeds and costs can be reasonably estimated. Consideration shall be given to sales volume, trends of unit prices, demand for the units including seasonal factors, developer's experience, geographical location, and environmental factors.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of [360-20-40-50](#) will be superseded upon transition, together with its heading.

> > > **Sale of Condominium Units**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-51 In assessing the collectibility of the sales price pursuant to paragraph [360-20-40-50\(d\)](#), an entity shall evaluate the adequacy of the buyer's initial and continuing investment to conclude that the sales price is collectible.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-52 Consistent with the requirements for sales of other types of real estate, the buyer's initial and continuing investments shall be in any of the forms specified in paragraph [360-20-40-10](#) and shall consider only the nonrefundable portion of such investments.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-53 An entity can meet the continuing investment criterion in paragraphs [360-20-40-19](#) through [40-20](#) by requiring the buyer to do either of the following:

- Make additional payments during the construction term at least equal to the level annual payments that would be required to fund principal and interest on an amortizing customary mortgage for the remaining purchase price of the property (excess of the purchase price over the initial investment by the buyer)
- Increase the minimum initial investment by an equivalent aggregate amount.

The remaining purchase price shall be determined based on the sales price of the property. The test shall be performed using a hypothetical loan between the seller and the buyer for the amount of the purchase price less the buyer's initial investment.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-54 If an entity is unable to meet the criteria in paragraph [360-20-40-50](#), including an assessment of collectibility using the initial and continuing investment tests described in paragraphs [360-20-40-9](#) through [40-20](#), then the entity shall apply the deposit method as described in paragraphs [360-20-55-17](#) through [55-20](#) until the criteria in paragraph [360-20-40-50](#) are met.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-55 On a reassessment date, an entity shall reassess all of the criteria in paragraph [360-20-40-50](#) to determine whether profit shall be recognized under the percentage-of-completion method. In reassessing the collectibility of the sales price, the initial and continuing investment tests shall be applied prospectively from the reassessment date (as if the deposit was received on the reassessment date).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > Seller Sells Property Improvements and Leases the Underlying Land to the Buyer of the Improvements

360-20-40-56 If the seller sells property improvements (including integral improvements) and leases the underlying land to the buyer of the improvements, the transactions are interdependent and it is impracticable to distinguish between profits on the sale of the improvements and profits

under the related lease (for guidance on leases, see Topic [840](#)). The transaction shall be accounted for as a lease of both the land and improvements if the term of the land lease to the buyer from the seller of the improvements either:

- a. Does not cover substantially all of the economic life of the property improvements, thus strongly implying that the transaction is in substance a lease of both land and improvements
- b. Is not for a substantial period, for example, 20 years.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-40-56 will be superseded upon transition, together with its heading.

> > > **Seller Sells Property Improvements and Leases the Underlying Land to the Buyer of the Improvements**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-57 If the land lease described in the preceding paragraph covers substantially all of the economic life of the improvements and extends for at least 20 years, the profit to be recognized on the sale of the improvements at the time of sale shall be the present value of the rental payments not in excess of the seller's cost of the land plus the sales value of the improvements minus the carrying value of the improvements and the land.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-58 The present value of the specified rental payments is the present value of the lease payments specified in the lease over the term of the primary indebtedness, if any, on the improvements, or over the customary amortization term of primary debt instruments on the type of improvements involved. The present value is computed at an interest rate appropriate for either:

- a. Primary debt if the lease is not subordinated
- b. Secondary debt if the lease is subordinated to loans with prior liens.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-59 Profit on either of the following shall be recognized when the land is sold or the rents in excess of the seller's cost of the land are accrued under the lease:

- a. The buyer's rental payments on the land in excess of the seller's cost of the land
- b. The rent to be received on the land after the maturity of the primary indebtedness on the improvements or other customary amortization term.

Calculations of profit in those circumstances are illustrated in Example 1, Cases C and D (see paragraphs [360-20-55-33](#) through [55-43](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Sale of Property with Leaseback to Seller for All or Part of Its Remaining Economic Life**

360-20-40-60 The sale of the property may be accompanied by a leaseback to the seller of all or any part of the property for all or part of its remaining economic life. Real estate sale-leaseback transactions shall be accounted for in accordance with Subtopic [840-40](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: Paragraph 360-20-40-60 will be superseded upon transition, together with its heading:

> > > **Sale of Property with Leaseback to Seller for All or Part of Its Remaining Economic Life**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Future Development Required by Seller**

360-20-40-61 The sales contract or an accompanying agreement may require the seller to develop the property in the future, to construct facilities on

the land, or to provide off-site improvements or amenities. The seller is involved with future development or construction work if the buyer is unable to pay amounts due for that work or has the right under the terms of the arrangement to defer payment until the work is done. If future costs of development can be reasonably estimated at the time of sale, profit allocable to the following shall be recognized when the sale of the land meets the criteria in paragraph [360-20-40-5](#):

- a. Performance before the sale of the land
- b. The sale of the land.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: Paragraph 360-20-40-61 will be superseded upon transition, together with its heading:

> > > **Future Development Required by Seller**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-62 Profit allocable to performance after the sale shall be recognized by the percentage-of-completion method as development and construction proceed, provided that cost and profit can be reasonably estimated from the seller's previous experience.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-40-63 The profit shall be allocated to the sale of the land and the later development or construction work on the basis of estimated costs of each activity; the same rate of profit shall be attributed to each activity. No profit shall be recognized at the time of sale if future costs of development cannot be reasonably estimated at that time.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > Seller Participation in Future Profit from the Property Without Risk of Loss

360-20-40-64 If the seller will participate in future profit from the property without risk of loss (such as participation in operating profits or residual values without further obligation) and if the transaction otherwise qualifies for recognition of profit by the full accrual method, the transfer of risks and rewards of ownership and absence of continuing involvement criterion shall be considered met. The contingent future profits shall be recognized when they are realized. Paragraphs [450-30-25-1](#) and [450-30-50-1](#) address accounting for gain contingencies. All the costs of the sale shall be recognized at the time of sale; none shall be deferred to periods when the contingent profits are recognized.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: Paragraph 360-20-40-64 will be superseded upon transition, together with its heading:

> > > **Seller Participation in Future Profit from the Property Without Risk of Loss**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55 Implementation Guidance and Illustrations

General Note: The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

General

> Implementation Guidance

> > **Accounting for Real Estate Sales under Full Accrual Method**> > > **Minimum Initial Investment Requirements**

360-20-55-1 Minimum initial investment requirements for sales, other than retail land sales, that are to be accounted for by the full accrual method are specified in paragraph ~~360-20-40-18~~. The table of minimum initial investments in the following paragraph is based on usual loan limits for various types of properties. However, lenders' appraisals of specific properties may differ. Therefore, if a recently placed permanent loan or firm permanent loan commitment for maximum financing of the property exists with an independent established lending institution, the minimum initial investment should be whichever of the following is greater:

- a. The minimum percentage of the sales value (see paragraph ~~360-20-40-8~~) of the property specified in the following paragraph
- b. The lesser of:
 1. The amount of the sales value of the property in excess of 115 percent of the amount of a newly placed permanent loan or firm permanent loan commitment from a primary lender that is an independent established lending institution
 2. Twenty-five percent of the sales value.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-1 will be superseded upon transition, together with its headings.

> **Implementation Guidance**>> **Accounting for Real Estate Sales under Full Accrual Method**>>> **Minimum Initial Investment Requirements**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-2 This table does not cover every type of real estate property. To evaluate initial investments on other types of property, entities may make analogies to the types of properties specified, or the risks of a particular property can be related to the risks of the properties specified. Use of this table is illustrated in Example 1 (see paragraph ~~360-20-55-22~~).

	Minimum Initial Investment Expressed as a Percentage of Sales Value
Land	
Held for commercial, industrial, or residential development to commence within two years after sale	20
Held for commercial, industrial, or residential development to commence after two years	25
Commercial and Industrial Property	
Office and industrial buildings, shopping centers, and so forth:	
Properties subject to lease on a long-term lease basis to parties with satisfactory credit rating; cash flow currently sufficient to service all indebtedness	10
Single-tenancy properties sold to a buyer with a satisfactory credit rating	15
All other	20
Other income-producing properties (hotels, motels, marinas, mobile home parks, and so forth):	
Cash flow currently sufficient to service all indebtedness	15
Start-up situations or current deficiencies in cash flow	25
Multifamily Residential Property	
Primary residence:	
Cash flow currently sufficient to service all indebtedness	10
Start-up situations or current deficiencies in cash flow	15
Secondary or recreational residence:	
Cash flow currently sufficient to service all indebtedness	15
Start-up situations or current deficiencies in cash flow	25
Single-Family Residential Property (including condominium or cooperative housing)	
Primary residence of the buyer	5 ^(a)
Secondary or recreational residence	10 ^(a)

^(a) If collectibility of the remaining portion of the sales price cannot be supported by reliable evidence of collection experience, the minimum initial investment shall be at least 60 percent of the difference between the sales value and the financing available from loans guaranteed by regulatory bodies such as the Federal Housing Authority or the Veterans Administration, or from independent, established lending institutions. This 60-percent test applies when independent first-mortgage financing is not used and the seller takes a receivable from the buyer for the difference between the sales value and the initial investment. If independent first mortgage financing is used, the adequacy of the initial investment on sales of single-family residential property should be determined in accordance with the preceding paragraph.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-3 A seller of owner-occupied single-family residential homes that finances a sale under an Federal Housing Administration or Veterans Administration government-insured program may use the normal down payment requirements or loan limits established under those programs as a surrogate for the down payment criteria set forth in paragraphs [360-20-55-1 through 55-2](#) and may record profit under the full accrual method provided that the mortgage receivable is fully insured from loss under the Federal Housing Administration or Veterans Administration program. In that specific circumstance, departure from the minimum initial investment criteria of this Section is justified because all of the credit risk associated with the receivable from the sale is transferred to the governmental agency. However, in all other circumstances (for example, Federal Housing Administration or Veterans Administration programs that provide for less than full insurance or seller financing using private mortgage insurance) the minimum initial investment criteria set forth in this Section shall be followed.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-4 One type of real estate property identified in the table of minimum initial investment requirements is commercial and industrial property. Although operating facilities such as manufacturing facilities, power plants, and refineries are not specified, those types of operating facilities meet the description of an industrial property.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-5 Other types of industrial property include the following:

- a. Land and/or improvements that can be adapted for industrial use
- b. A combination of land, improvements, and machinery integrated into a functioning unit to assemble, process, and manufacture products from raw materials or fabricated parts
- c. Factories that render service, for example, laundries, dry cleaners, storage warehouses
- d. Properties that produce natural resources, for example, oil wells.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Methods of Accounting for Real Estate Sales when Criteria for Full Accrual Method Are Not Met

360-20-55-6 Section [360-20-40](#) addressed the accounting under the full accrual method and provided the criteria for applying different methods in the absence of the full accrual method. The following describes the methods.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-6 will be superseded upon transition, together with its heading.

>>Methods of Accounting for Real Estate Sales when Criteria for Full Accrual Method Are Not Met

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > Installment Method

360-20-55-7 As defined, the **installment method** apportions each cash receipt and principal payment by the buyer on debt assumed between cost recovered and profit. The apportionment is in the same ratio as total cost and total profit bear to the sales value. The calculation is illustrated in Example 3 (see paragraph [360-20-55-51](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-7 will be superseded upon transition, together with its heading.

>>>Installment Method

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-8 If the stated interest rate is equal to or less than an appropriate interest rate, it is acceptable not to reduce the receivable to its present value. This ordinarily results in reducing profit recognized in the earlier years.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-55-9 Under the installment method, the receivable less profits not recognized does not exceed what the property value would have been if the property had not been sold.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-55-10 The income statement, or related footnotes, for the period including the date of sale presents the sales value, the gross profit that has not yet been recognized, and the total cost of the sale. Revenue and cost of sales (or gross profit) are presented as separate items on the income statement or are disclosed in the footnotes when profit is recognized as earned. This presentation is illustrated in Example 2, Schedule A (see paragraph [976-605-55-13](#)).

Pending Content:**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

The income statement, or related footnotes, for the period including the date of sale presents the sales value, the gross profit that has not yet been recognized, and the total cost of the sale. Revenue and cost of sales (or gross profit) are presented as separate items on the income statement or are disclosed in the footnotes when profit is recognized as earned.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-55-11 Paragraph [976-605-30-3](#) describes accounting for obligations for future improvement costs under the percentage-of-completion method. That description applies as well to accounting for those obligations under the installment method.

Pending Content:**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2014-09\]](#)

360-20-55-12 If after adoption of the installment method the transaction meets the requirements for the full accrual method (specified in paragraphs [360-20-40-3](#) through [40-26](#)) of recognizing profit for real estate sales other than retail land sales, the seller may then change to the full accrual method. The remaining profit that was not recognized is recognized in income at that time.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)> > > **Cost Recovery Method**

360-20-55-13 As defined, under the **cost recovery method**, no profit is recognized until cash payments by the buyer, including principal and interest on debt due to the seller and on existing debt assumed by the buyer, exceed the seller's cost of the property sold. The receivable less profits not recognized, if any, does not exceed what the depreciated property value would have been if the property had not been sold. For an all-inclusive or wraparound receivable held by the seller, interest collected is recognized as income to the extent of, and as an appropriate offset to, interest expense on prior-lien financing for which the seller remains responsible.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)**Editor's Note:** The content of 360-20-55-13 will be superseded upon transition, together with its heading.> > > **Cost Recovery Method**[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-55-14 The income statement for the period including the date of sale presents the sales value, the gross profit that has not yet been recognized, and the total cost of the sale. Gross profit not yet recognized is offset against the related receivable on the balance sheet. Principal collections reduce the related receivable, and interest collections on such receivables increase the unrecognized gross profit on the balance sheet. Gross profit is presented as a separate item of revenue on the income statement when it is recognized as earned.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[\[Paragraph superseded by Accounting Standards Update No. 2016-02\]](#)

360-20-55-15 If, after the adoption of the cost recovery method, the transaction meets the requirements for the full accrual method (specified in paragraphs [360-20-40-3 through 40-26](#)), the seller may then change to the full accrual method. The remaining profit that was not recognized is recognized in income at that time.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Reduced-Profit Method**

360-20-55-16 As defined, a reduced profit is determined by discounting the receivable from the buyer to the present value of the lowest level of annual payments required by the sales contract over the maximum period specified in paragraphs [360-20-40-19 through 40-20](#) and excluding requirements to pay lump sums. The present value is calculated using an appropriate interest rate, but not less than the rate stated in the sales contract. Paragraphs [835-30-25-12 through 25-13](#) provide criteria for selecting an appropriate rate for present-value calculations. This method permits profit to be recognized from level payments on the buyer's debt over the maximum term established in paragraphs [360-20-40-19 through 40-20](#) and postpones recognition of other profits until lump sum or other payments are made. See Example 6 (paragraph [360-20-55-60](#)) for an illustration of the **reduced-profit method**.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-16 will be superseded upon transition, together with its heading.

> > > **Reduced-Profit Method**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Deposit Method**

360-20-55-17 As defined, under the **deposit method**, the seller does not recognize any profit, does not record notes receivable, continues to report in its financial statements the property and the related existing debt even if it has been assumed by the buyer, and discloses that those items are subject to a sales contract. The seller continues to charge depreciation to expense as a period cost for the property for which deposits have been received unless the property has been classified as held for sale in accordance with paragraphs [360-10-45-9 through 45-10](#). Cash received from the buyer, including the initial investment and subsequent collections of principal and interest, is reported as a deposit on the contract except that, for sales that are not retail land sales, portions of cash received that are designated by the contract as interest and are not subject to refund offset carrying charges (property taxes and interest on existing debt) on the property. Interest collected that is subject to refund and is included in the deposit account before a sale is consummated is accounted for as part of the buyer's initial investment (see paragraph [360-20-40-8](#)) at the time the sale is consummated.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-17 will be superseded upon transition, together with its heading.

> > > **Deposit Method**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-18 See the [Real Estate Project Costs Subsection](#) of Section 970-360-55 for guidance concerning use of the deposit method in the accounting for the sale of a lot and construction of a home by a homebuilder.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-19 When a contract is cancelled without a refund, deposits forfeited are recognized as income. When deposits on retail land sales are ultimately recognized as sales, the interest portion is recognized as interest income.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-20 The seller's balance sheet presents nonrecourse debt assumed by the buyer among the liabilities; the debt assumed is not offset against the related property. The seller reports the buyer's principal payments on mortgage debt assumed as additional deposits with corresponding reductions of the carrying amount of the mortgage debt.

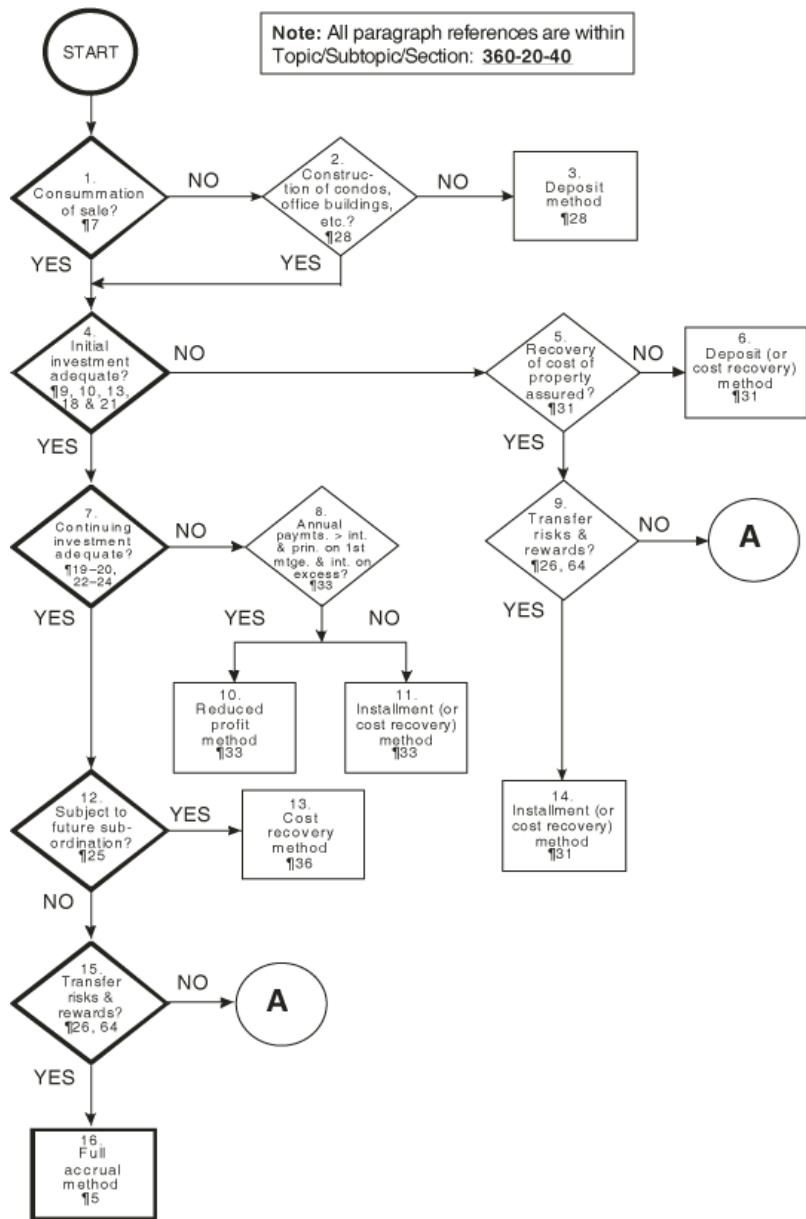
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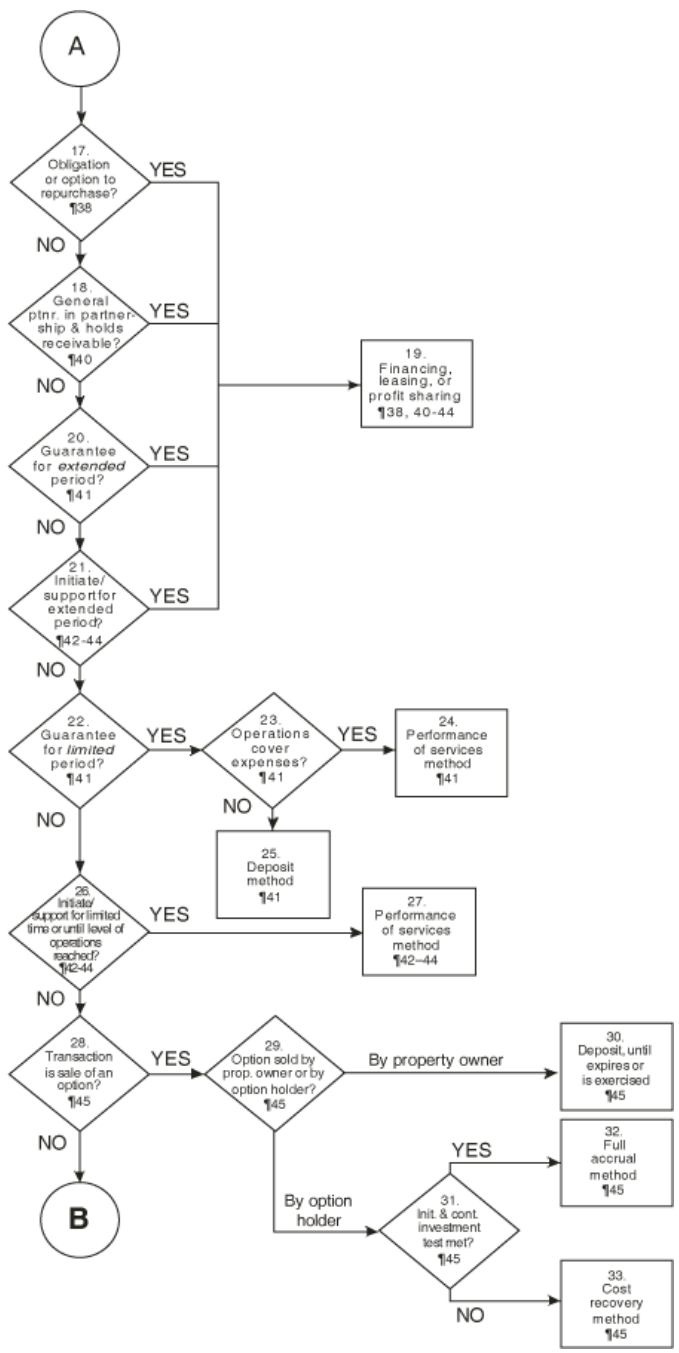
Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

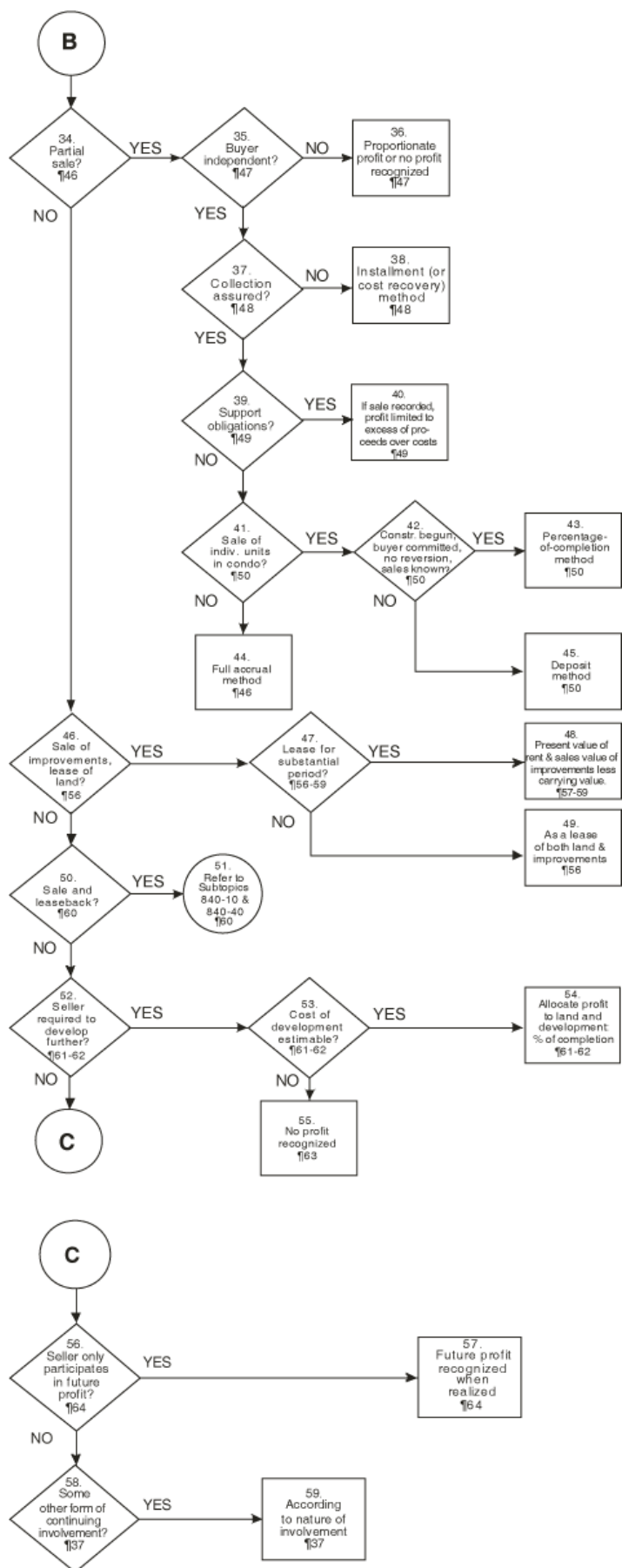
[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Decision Trees**

360-20-55-21 The following decision tree is intended to provide an overview of the major provisions in this Subtopic that relate to the accounting for sales of real estate. It should not be used without further reference to the Subtopic. Two decision trees are provided—one for retail land sales (found in paragraph 976-605-55-1) and a second for all other sales of real estate (found in this paragraph). The highlighted boxes describe the general requirements for recognizing all of the profit on a sale of real estate other than a retail land sale at the date of sale.







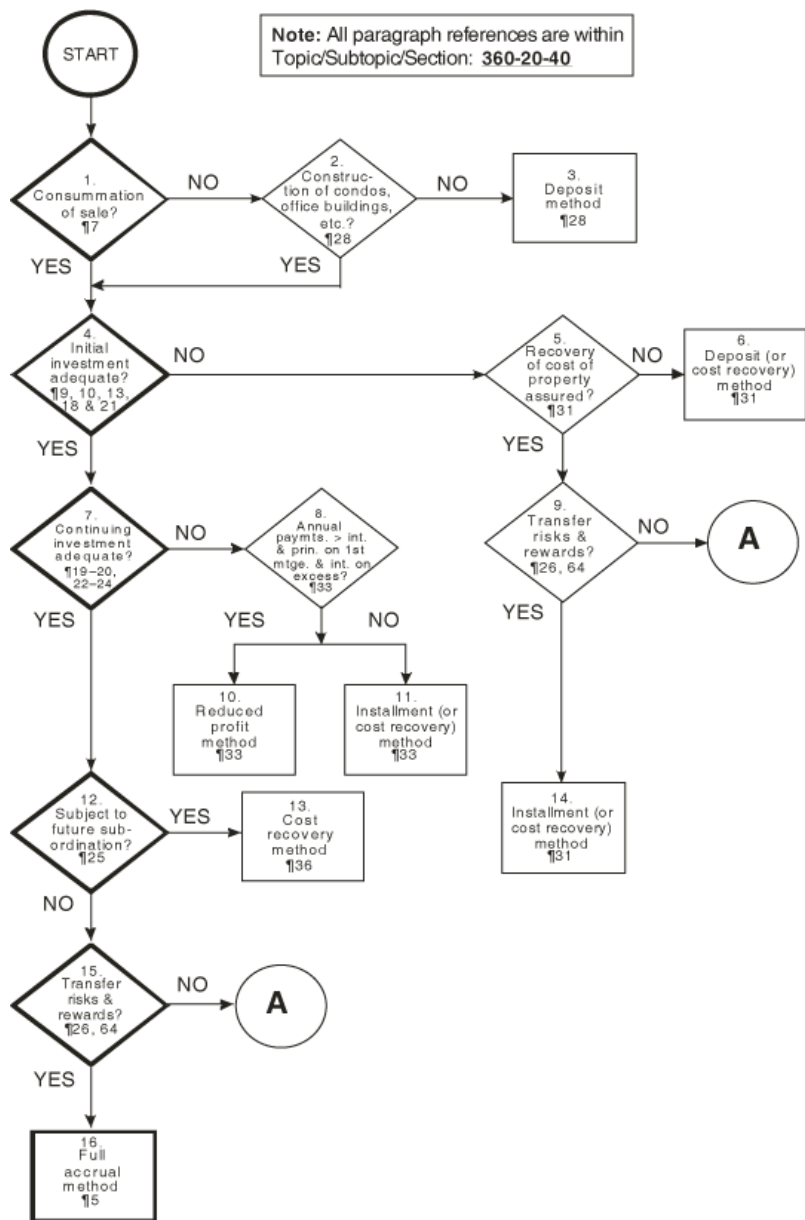
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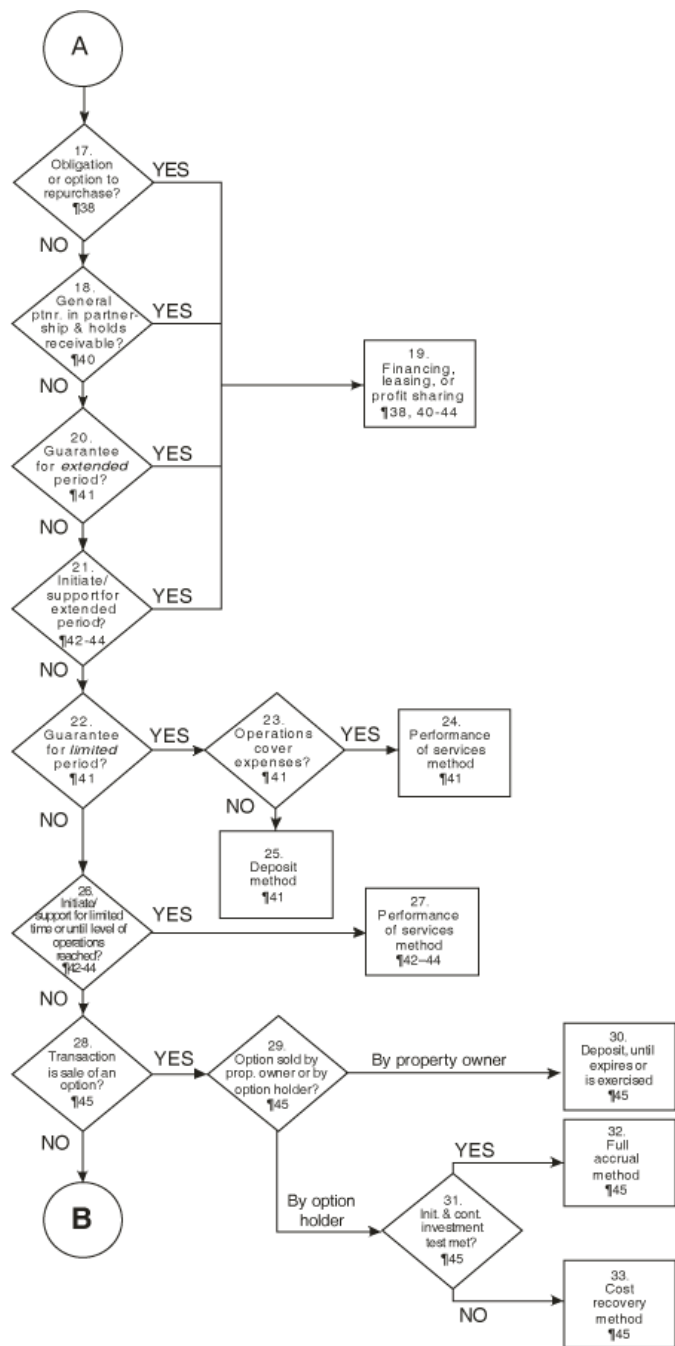
Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** 606-10-65-1

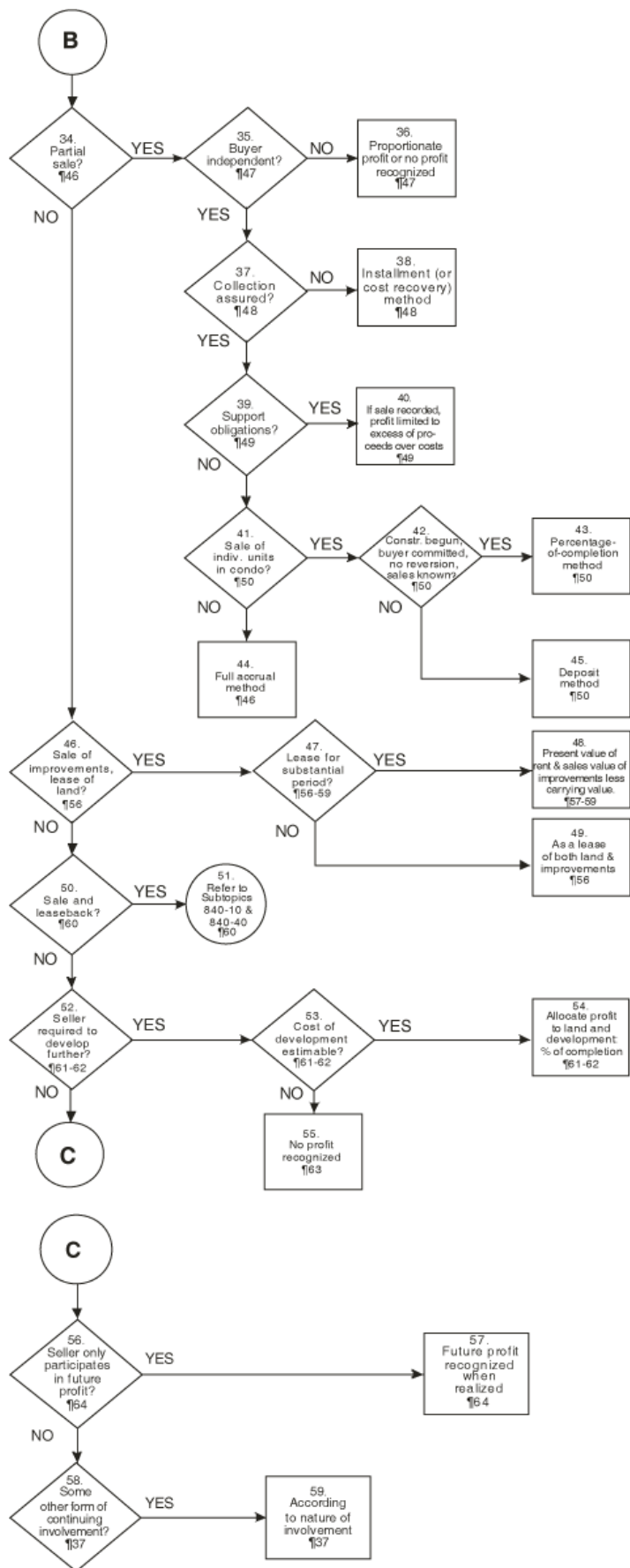
Editor's Note: The content of 360-20-55-21 will change upon transition, together with a change in the heading noted below.

> > **Decision Tree**

The following decision tree is intended to provide an overview of the major provisions in this Subtopic that relate to the accounting for sales of real estate. It should not be used without further reference to the Subtopic. The decision tree is provided for sales of real estate in a sale-leaseback transaction. The highlighted boxes describe the general requirements for recognizing all of the profit on a sale of real estate other than a retail land sale at the date of sale.







Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-21 will be superseded upon transition, together with its heading.

>> **Decision Tree**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Influence of a Buy-Sell Clause in Relation to Transfer of Risks and Rewards**

360-20-55-21A This paragraph provides implementation guidance related to paragraph [360-20-40-38](#) regarding the transfer of risks and rewards. Determining whether the terms of a buy-sell clause indicate that the seller has transferred the usual risks and rewards of ownership and does not have substantial continuing involvement pursuant to that paragraph is a matter of judgment and requires consideration of all relevant facts and circumstances of the transaction at the time the real estate is sold. For purposes of this illustration, it is assumed that the seller of the real estate has met the criteria to recognize a partial sale, except for the potential effect of the buy-sell clause. A buy-sell clause, in and of itself, does not constitute a prohibited form of continuing involvement that would preclude partial sales treatment. However, a buy-sell clause should be evaluated, in consideration of all the relevant facts and circumstances, to determine whether the buy-sell clause gives the buyer an in-substance option to put its interest back to the seller or gives the seller an in-substance option to acquire the buyer's interest in the real estate. In the case of sales of real estate to an entity that is partially owned by the seller and the arrangement between the seller and the other investor of the jointly owned entity includes a buy-sell clause, the buy-sell clause should be evaluated, in consideration of all the relevant facts and circumstances, to determine whether the buy-sell clause gives the buyer an in-substance option to put its interest in the jointly owned entity back to the seller or gives the seller an in-substance option to acquire the buyer's interest in the jointly owned entity (thereby reacquiring the real estate).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-21A will be superseded upon transition, together with its heading.

>> **Influence of a Buy-Sell Clause in Relation to Transfer of Risks and Rewards**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> **Illustrations**

> > **Example 1: Effect of Land Lease—New Multifamily Residential Property**

360-20-55-22 This Example illustrates the guidance in paragraph [360-20-55-2](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-22 will be superseded upon transition, together with its headings.

> **Illustrations**

>> **Example 1: Effect of Land Lease—New Multifamily Residential Property**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-23 Land improvements may be sold and concurrently the land under the improvements may be leased to the buyer of the improvements.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-24 This Example illustrates the effect of loans issued in connection with long-term land leases on evaluations of the adequacy of a buyer's initial investment if improvements on the land are sold separately. In addition, it demonstrates the limit that a lease places on profit recognition if the leased land is owned by the seller of the improvements, making the lease of land and sale of improvements interdependent transactions.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-25 The calculations are illustrated in the following Cases:

- a. Primary land lease—land owned by third party lessor—nonqualifying (Case A)
- b. Primary land lease—land owned by third party lessor—qualifying (Case B)
- c. Subordinated land lease—land owned by seller—qualifying (Case C)
- d. Subordinated land lease—land owned by seller—nonqualifying (Case D).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Case A: Primary Land Lease—Land Owned by Third Party Lessor—Nonqualifying****360-20-55-26** This Case has the following assumptions.

Assumptions:	
Sales price of improvements	<u>\$ 875,000</u>
Represented by proceeds of:	
Cash down payment	\$ 125,000
Loan by insurance company—lien on leasehold improvements, 28-year term, 8½%, payable in equal monthly installments of principal and interest	657,000
Note received by seller from buyer: 12-year term, 9½%, payable in equal monthly installments of principal and interest	<u>93,000</u>
	<u>\$ 875,000</u>
Land lease for 99 years @ \$19,000 per year, net, payable monthly in advance	
Cost of constructing improvements—\$750,000	
No continuing involvement by seller	
Computations:	
Present value of 336 monthly payments on land lease of \$1,583.33 discounted at 8½% (interest rate on loan from insurance company): \$1,583.33 + (\$1,583.33 x 127.9071)	\$ 204,000
Loan from insurance company	<u>657,000</u>
Equivalent primary debt	861,000
Note receivable from buyer	<u>93,000</u>
Total debt or equivalent	954,000
Down payment	<u>125,000</u>
Sales value	<u>\$ 1,079,000</u>

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)**Editor's Note:** The content of 360-20-55-26 will be superseded upon transition, together with its heading.> > > **Case A: Primary Land Lease—Land Owned by Third Party Lessor—Nonqualifying**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-27 Because 15% of the sales value of the improvements is \$161,850, the initial investment of \$125,000 (about 12% of adjusted sales value) is inadequate to recognize profit on the sale of improvements. The second test is therefore irrelevant.**Pending Content:****Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > **Case B: Primary Land Lease—Land Owned by Third Party Lessor—Qualifying****360-20-55-28** This Case has the following assumptions.

Sales price of improvements	<u>\$ 875,000</u>
Represented by proceeds of:	
Cash down payment	\$165,000
Loan by insurance company: lien on leasehold improvements, 28-year term, 8½%, payable in equal monthly installments of principal and interest	657,000
Note received by seller from buyer: 12-year term, 9½%, payable in equal monthly installments of principal and interest	<u>53,000</u>
	<u>\$ 875,000</u>
Land lease for 99 years @ \$17,880 per year, net, payable monthly in advance	
Cost of constructing improvements—\$750,000	
No continuing involvement by seller	
Computations:	
Present value of 336 monthly payments on land lease of \$1,490 discounted at 8½% (interest rate on loan from insurance company): \$1,490 + (\$1,490 x 127.9071)	\$ 192,000
Loan from insurance company	<u>657,000</u>
Equivalent primary debt	849,000
Note receivable from buyer	<u>53,000</u>
Total debt or equivalent	902,000
Down payment	<u>165,000</u>
Sales value	<u>\$ 1,067,000</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-28 will be superseded upon transition, together with its heading.

>>> **Case B: Primary Land Lease—Land Owned by Third Party Lessor—Qualifying**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-29 Because 15% of the sales value of the improvements is \$160,050, the initial investment of \$165,000 (15% of the sales value) is adequate to recognize profit on the sale of improvements. However, the second test must also be applied.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-30 The initial investment required by the second test is as follows.

Sales value	\$1,067,000
115% of \$849,000 (loan from primary lender)	<u>976,350</u>
	<u>\$ 90,650</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-31 The initial investment of \$165,000 exceeds the amount required, so recognition of profit on sale of improvements is appropriate. The second test may alternatively be applied as the ratio of total debt or equivalent to the equivalent primary debt: $\$902,000/\$849,000 = 106\%$. Because 106% is less than 115%, the initial investment exceeds the difference between the sales value of the property and 115% of the equivalent primary debt.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-32 The following table illustrates profit recognition.

Sales price of improvements	\$875,000
Less: Cost of improvements	<u>750,000</u>
Profit recognized at time of sale	<u>\$125,000</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

>>> **Case C: Subordinated Land Lease—Land Owned by Seller—Qualifying**

360-20-55-33 This Case has the following assumptions.

Sales price of improvements	<u>\$ 914,000</u>
Represented by proceeds of:	
Cash down payment	\$ 154,000
Loan by insurance company: first lien on the fee or on subordinated leasehold, 28-year term, 8 1/4%, payable in equal monthly installments of principal and interest	<u>760,000</u>
	<u>\$ 914,000</u>

Land lease for 99 years @ \$11,580/year, net, payable monthly in advance, and 5% of gross rents

Cost of land—\$200,000

Cost of constructing improvements—\$750,000

No continuing involvement by seller

Computations:

Present value of 336 monthly payments on land lease at \$965 discounted at 12% (imputed interest for a second lien receivable): \$965 + (\$965 x 96.432696)	\$ 94,000
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Loan from insurance company (primary debt)	<u>760,000</u>
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Total debt or equivalent	854,000
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Down payment	<u>154,000</u>
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Sales value	<u>\$1,008,000</u>
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The initial investment (\$154,000) is more than 15% of the sales value.

(15% x \$1,008,000 = \$151,200).

The initial investment is also larger than the excess of the sales value over 115% of the primary debt.

Sales value	\$1,008,000
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115% of \$760,000	<u>874,000</u>
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Excess of sales value over 115% of debt	<u>\$ 134,000</u>
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Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-33 will be superseded upon transition, together with its heading.

>>>Case C: Subordinated Land Lease—Land Owned by Seller—Qualifying

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-34 Therefore, the initial investment of \$154,000 is adequate, and recognizing profit on the sale of the improvements is appropriate.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-35 Profit recognition is as follows.

Sales value		\$1,008,000
Less: Cost of improvements	\$750,000	
Cost of land	<u>200,000</u>	<u>950,000</u>
Profit recognized at time of sale		<u>\$ 58,000</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-36 The effect of including the present value of the lease is to reduce profit recognized by \$106,000: \$94,000 (present value of the land lease)—\$200,000 (cost of land).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

>>> Case D: Subordinated Land Lease—Land Owned by Seller—Nonqualifying

360-20-55-37 This Case has the following assumptions.

Sales price of improvements	<u>\$ 875,000</u>
Represented by proceeds of:	
Cash down payment	\$ 132,000
Loan by insurance company: first lien on the fee or on subordinated leasehold, 28-year term, 8 1/4%, payable in equal monthly installments of principal and interest	<u>743,000</u>
	<u>\$ 875,000</u>
Land lease for 99 years @ \$19,332/year, net, payable monthly in advance	
Cost of land—\$200,000	
Cost of improvements—\$750,000	
No continuing involvement by seller	
Computations:	
Present value of 336 monthly payments on land lease of \$1,611 discounted at 12% (imputed interest for a second lien receivable): \$1,611 + (\$1,611 × 96.432696)	\$ 157,000
Loan from insurance company (primary debt)	<u>743,000</u>
Total debt or equivalent	<u>900,000</u>
Down payment	<u>132,000</u>
Sales value	<u>\$1,032,000</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-37 will be superseded upon transition, together with its heading.

>>> **Case D: Subordinated Land Lease—Land Owned by Seller—Nonqualifying**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-38 The initial investment (\$132,000) is less than 15% of the sales value (15% × \$1,032,000 = \$154,800), and therefore is inadequate to recognize profit on sale of improvements. Profit recognized at time of sale should not exceed that recognizable under the installment method as if the subordinated lease were an installment receivable.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-39 Profit recognition on the installment method is as follows.

Sales value		\$1,032,000
Less: Cost of improvements	\$750,000	
Cost of land	<u>200,000</u>	<u>950,000</u>
Anticipated profit on sale of improvements		<u>\$ 82,000</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-40 Cash received or to be received by the seller, other than the proceeds of the primary loan, is as follows.

Down payment	\$ 132,000
Present value of land lease payments	<u>157,000</u>
	<u>\$ 289,000</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-41 The percentage of profit in each collection is therefore as follows.

The percentage of profit in each collection is therefore:

$$\frac{\$82,000}{\$289,000} = 28.37\%$$

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-42 Profit recognizable in the period of sale is 28.37% of the down payment of \$132,000, or \$37,450. The remaining profit of \$44,550 will be

recognized at the rate of 28.37% of the portion of each lease payment that is equivalent to a reduction of principal on a loan of \$157,000 for 28 years at 12%.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-43 The effect of including the present value of the lease in the sales value of the improvements is to reduce the profit recognized on the improvements by \$43,000: \$157,000 (present value of the land lease) — \$200,000 (cost of the land).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Example 2: Profit Recognition—Sale of Property with Construction and Support Obligations by Seller

360-20-55-44 This Example illustrates the method of accounting required for a sale of property in which the seller is obligated to construct multifamily units and in which cash flow deficits are anticipated. The Example applies to obligations of the seller specified in paragraphs [360-20-40-41](#) through [40-44](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-44 will be superseded upon transition, together with its heading.

>> **Example 2: Profit Recognition—Sale of Property with Construction and Support Obligations by Seller**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-45 This Example has the following assumptions:

- Entity X develops and sells multifamily residential projects. The Entity performs directly all developmental activities, including initial planning, site acquisition, obtaining of financing, and physical construction of the project.
- During the year ended December 31, 19X1, the Entity began a project of 100 units. The project was planned and substantial activity had been performed in 19X1 but physical construction had not started as of December 31, 19X1. However, all contracts had been let, and the Entity had obtained construction financing.
- On December 31, 19X1, the Entity sold the project to a limited partnership syndication (fully formed) in which it is the sole general partner, as illustrated in the following table.

Sales value		<u>\$ 1,100,000</u>
Represented by proceeds of:		
Cash down payment		\$ 165,000
Permanent financing assumed by the buyer, consisting of a 28-year 8½% fully amortizing first mortgage loan by a conventional lender, payable in equal monthly payments of principal and interest to maturity		825,000
Second mortgage note received by the Entity payable in equal monthly installments including interest at 9 1/2% over 12 years		<u>110,000</u>
		<u>\$ 1,100,000</u>

- The closing occurred on December 31, 19X1, and included delivery or performance of all of the following:
 - The Entity delivered to the buyer a legal title to the land and all existing improvements.
 - The Entity delivered to the buyer a firm commitment from an outside lender for permanent financing, and the buyer assumed permanent financing formerly in the name of the Entity.
 - The Entity received from the buyer \$165,000 cash and a second mortgage note for \$110,000.
 - The Entity signed a contract to deliver the completed project for a single price of \$1,100,000.
- Costs incurred by the Entity and total costs estimated to complete the project, as of December 31, 19X1, were as follows.

	<u>Costs to Date</u>	<u>Estimated Costs to Complete</u>	<u>Total Estimated Costs</u>
Land	\$117,000		\$117,000
Feasibility, zoning, architectural	35,000		35,000
Finance and other	85,000	\$ 10,000	95,000
Site improvements		20,000	20,000
Building construction		571,000	571,000
Total	<u>\$237,000</u>	<u>\$601,000</u>	<u>\$838,000</u>

f. The Entity has completed an extensive market research and feasibility study analyzing its cost estimates, the rent-up incubation period, and subsequent rent levels. The initial rent-up will commence in 19X2. Accordingly, a support period of two years is presumed for 19X3 and 19X4.

g. Based on its market analysis, the projected results are as follows.

	<u>19X2</u>	<u>19X3</u>	<u>19X4</u>
Rental expense	\$ 37,000	\$ 58,000	\$ 58,000
Debt service	<u>93,000</u>	<u>93,000</u>	<u>93,000</u>
Total	130,000	151,000	151,000
Rental revenue	<u>(75,000)</u>	<u>(150,000)</u>	<u>(180,000)</u> ^(a)
Anticipated net deficit (surplus) in cash flow	55,000	1,000	(29,000)
Safety factor of 1/3 of rental revenue	<u>25,000</u>	<u>50,000</u>	<u>60,000</u>
Adjusted anticipated net deficit in cash flow	<u>\$ 80,000</u>	<u>\$ 51,000</u>	<u>\$ 31,000</u>

(a) \$180,000 equals 95% of gross scheduled rents.

h. Initial cost estimates by the Entity on previous projects have never varied from final costs by more than one-half of one percent of total costs.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-46 Schedules A and B illustrate calculations of profit to be recognized in the period of sale, in the period of construction, and in each period in which the seller will support operations (19X2 – 19X4). All of the following features should be noted:

- The percentage of estimated total profit to be recognized each period is determined by the ratio of gross costs incurred to the end of the period to total estimated gross costs of the project, including gross costs during the period of support of operations. (Construction costs should be included even if construction is performed by parties other than the seller.)
- The estimated total profit that is the basis of the calculation in each period (that is, the profit to which the percentage in [a] is applied) is determined by adding the sales value and two-thirds of the projected revenue during the period of support of operations and deducting the estimated total costs of the project, including costs of operating the property and debt service.
 - Actual amounts of revenue and costs are substituted for estimated amounts in the calculation as the actual amounts are known. However, in this Example, remaining estimates of future revenue and expense are not changed because of actual results even though experience might indicate that projections of future amounts should be revised.
 - Projected and actual revenues in the calculation should exclude amounts that accrue to the buyer, for example, revenue in excess of the sum of operating expenses and debt service.
 - One-third of projected revenue should be excluded from the estimate of profit to provide a margin of safety (see [g] in the preceding paragraph). Actual results incorporated in the calculation need not be reduced by a safety factor.
 - The calculation illustrated should be applied only if objective information is available regarding occupancy levels and rental rates for similar property in the immediate area. This will provide reasonable assurance that rent revenue from the project will be sufficient to cover operating expenses and debt service, including payments due to the seller under the terms of the transaction. Unless that evidence is available, no profit should be recognized on the transaction until rent revenue actually reaches levels that assure coverage of those costs.
- Schedule A shows calculation of profit to be recognized each period on the assumption that actual revenue and costs are the same as those projected in (g) in the preceding paragraph adjusted for the safety margin of one-third of revenue.
- Schedule B shows calculation of profit to be recognized each period on the assumption that actual revenue and costs are the same as those projected in (g) in the preceding paragraph before adjustment for safety margin.
- Schedule C illustrates the calculation of estimated future rent receipts by adjustment for a safety margin.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > > Schedule A: Example of Profit Calculation (Assuming Actual Rental Revenue Equals Adjusted Projection)

360-20-55-47 The following tables illustrate profit calculation.

Example of Profit Calculation

(assuming actual rental revenue equals adjusted projection)

REVENUES

Sales value	\$ 1,100,000
Adjusted—projected rental revenue ^(a)	
19X2	50,000
19X3	100,000
19X4	120,000
	<u>\$ 1,370,000</u>

(a) Two-thirds of projected revenue during periods of support of operations; this can also be calculated as projected rental expenses plus projected debt service less projected deficit cash flow.

COSTS

Total estimated costs of project (paragraph 360-20-55-45(e))	\$ 838,000
Estimated rental expenses and debt service	
19X2	130,000
19X3	151,000
19X4	151,000
	<u>1,270,000</u>

TOTAL PROJECTED PROFIT\$ 100,000

Profit to be recognized:

$$\frac{\text{Cost to date}}{\text{Total costs}} \times \text{Projected profit}$$

Profit recognized in period of sale:

$$\frac{\$ 237,000}{1,270,000} \times \$100,000 = \$18,661$$

Total profit to date	\$18,661
Less profit previously reported	-
Current profit recognition	<u>\$18,661</u>

Profit recognized in period of construction:

$$\frac{\$ 838,000}{1,270,000} \times \$100,000 = \$65,984$$

Total profit to date	\$65,984
Less profit previously recognized	18,661
Current profit recognition	<u>\$47,323</u>

Profit recognized during support period (19X2):

$$\frac{\$ 968,000}{1,270,000} \times \$100,000 = \$76,221$$

Total profit to date	\$ 76,221
Less profit previously recognized	65,984
Current profit recognition	<u>\$ 10,237</u>

Profit recognized during support period (19X3):

$$\frac{\$ 1,119,000}{1,270,000} \times \$100,000 = \$88,110$$

Total profit to date	\$88,110
Less profit previously recognized	76,221
Current profit recognition	<u>\$11,889</u>

Profit recognized during support period (19X4):

$$\frac{\$ 1,270,000}{1,270,000} \times \$100,000 = \$100,000$$

Total profit to date	\$100,000
Less profit previously recognized	88,110
Current profit recognition	<u>\$ 11,890</u>

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | Transition Guidance: [842-10-65-1](#)**Editor's Note:** The content of 360-20-55-47 will be superseded upon transition, together with its heading.**>>> Schedule A: Example of Profit Calculation (Assuming Actual Rental Revenue Equals Adjusted Projection)**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

>>> Schedule B: Example of Profit Calculation (Assuming Actual Rental Revenue Equals Unadjusted Projection)**360-20-55-48** The following tables illustrate profit calculation.

Example of Profit Calculation
(assuming actual rental revenue equals unadjusted projection)
(in thousands)

	Profit Recognized in Period of Sale	Profit Recognized in Period of Construction	Profit Recognized during Support Period		
			19X2	19X3	19X4
REVENUES					
Sales value	\$ 1,100	\$ 1,100	\$1,100	\$1,100	\$1,100
Adjusted—projected rental revenue ^(a)					
19X2	50	50	75 ^(b)	75 ^(b)	75 ^(b)
19X3	100	100	100	150 ^(b)	150 ^(b)
19X4	120	120	120	150 ^(c)	151 ^(d)
	<u>1,370</u>	<u>1,370</u>	<u>1,395</u>	<u>1,475</u>	<u>1,476</u>
COSTS					
Same as Schedule A	<u>1,270</u>	<u>1,270</u>	<u>1,270</u>	<u>1,270</u>	<u>1,270</u>
TOTAL PROJECTED PROFIT	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 125</u>	<u>\$ 205</u>	<u>\$ 206</u>

(a) Two-thirds of projected revenue during periods of support of operations; this can also be calculated as projected rental expenses plus projected debt service less projected deficit cash flow.

(b) Actual rental revenue.

(c) Actual rental revenue excluding amounts not needed to meet cash flow requirements of the property.

(d) Because the property has attained a level of occupancy in excess of the original adjusted projection, and there is no reason to believe that such occupancy level cannot be sustained, the projected 19X4 rental revenue should be adjusted to 19X3 actual rental revenue.

Profit to be recognized:

$$\frac{\text{Cost to date}}{\text{Total costs}} \times \text{Projected profit}$$

Profit recognized in period of sale:

$$\frac{\$ 237,000}{1,270,000} \times \$100,000 = \$18,661$$

Total profit to date	\$ 18,661
Less profit previously reported	<u>-</u>
Current profit recognition	<u>\$ 18,661</u>

Profit recognized in period of construction:

$$\frac{\$ 838,000}{1,270,000} \times \$100,000 = \$65,984$$

Total profit to date	\$65,984
Less profit previously reported	<u>18,661</u>
Current profit recognition	<u>\$47,323</u>

Profit recognized during support period

$$\frac{\$ 968,000}{1,270,000} \times \$125,000 = \$95,276$$

Total profit to date	\$95,276
Less profit previously reported	<u>65,984</u>
Current profit recognition	<u>\$29,292</u>

Profit recognized during support period

$$\frac{\$1,119,000}{1,270,000} \times \$205,000 = \$180,626$$

Total profit to date	\$180,626
Less profit previously reported	<u>95,276</u>
Current profit recognition	<u>\$ 85,350</u>

Profit recognized during support period (19X4):

$$\frac{\$ 1,270,000}{1,270,000} \times \$206,000 = \$206,000$$

Total profit to date	\$206,000
Less profit previously reported	<u>180,626</u>
Current profit recognition	<u>\$ 25,374</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-48 will be superseded upon transition, together with its heading.

>>> **Schedule B: Example of Profit Calculation (Assuming Actual Rental Revenue Equals Unadjusted Projection)**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

>>> Schedule C: Calculation of Adjusted Projected Rental Revenue

360-20-55-49 Assume an office building under development is sold together with an agreement to support operations of the property for three years. The projected annual rent roll is \$1,000,000 of which \$350,000 is supported by signed lease agreements. The projected rental revenue for the first year of operation is \$600,000; the second year \$750,000; and the third year \$1,000,000. At the time of sale, the amounts to be included in the calculation would be as follows.

Year	Projected Rental Revenue	Safety Factor (33⅓%)	Adjusted Projected Rental Revenue
1	\$ 600,000	\$ 200,000	\$400,000
2	750,000	250,000	500,000
3	1,000,000	333,333	666,667

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-49 will be superseded upon transition, together with its heading.

>>> **Schedule C: Calculation of Adjusted Projected Rental Revenue**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-50 If at the time of sale there were signed lease agreements for \$450,000, then the \$450,000 would be used in Year 1 because it is greater than the adjusted projected rental revenue. The adjusted projected rental revenue for Years 2 and 3 would remain \$500,000 and \$666,667, respectively.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

>>> Example 3: Profit Recognition—Installment Method, with Debt Assumed by Buyer

360-20-55-51 This Example illustrates the guidance in paragraph [360-20-55-7](#). This Example has the following assumptions.

Cash down payment	\$ 150,000
Second mortgage payable by buyer to seller (10-year amortization of principal plus interest)	<u>350,000</u>
Total cash to be received by seller	500,000
First mortgage assumed by buyer (20-year amortization of principal plus interest)	<u>500,000</u>
Total sales price and sales value	1,000,000
Cost	<u>600,000</u>
Total profit	<u>\$ 400,000</u>

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)**Editor's Note:** The content of 360-20-55-51 will be superseded upon transition, together with its heading.>>**Example 3: Profit Recognition—Installment Method, with Debt Assumed by Buyer**[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-52 The initial investment is assumed to be inadequate for full profit recognition, and the installment method of accounting is assumed to be appropriate. It is also assumed that, after the down payment, the buyer pays \$25,000 of principal on the first mortgage and \$35,000 of principal on the second mortgage.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-53 Under the installment method, profit recognition attributable to the down payment is \$60,000, representing 40% (\$400,000/\$1,000,000) of \$150,000.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-54 Profit recognition attributable to the principal payments by the buyer on the first and second mortgages is \$24,000, representing 40% of \$60,000 (\$25,000 + \$35,000).

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)[Paragraph superseded by Accounting Standards Update No. 2016-02]> > **Example 4: Profit Recognition with Various Forms of Financing**

360-20-55-55 This Example illustrates the guidance in paragraphs [360-20-40-14](#) through [40-17](#) and [360-20-40-32](#). This Example has the following assumptions:

- a. Sales price: \$100
- b. Seller's basis in property sold: \$70
- c. Initial investment requirement: 20%
- d. All mortgage obligations meet the continuing investment requirements of this Subtopic.

Pending Content:**Transition Date:** (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)**Editor's Note:** The content of 360-20-55-55 will be superseded upon transition, together with its heading.>>**Example 4: Profit Recognition with Various Forms of Financing**[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-56 The following table illustrates profit recognition with various forms of financing.

Situation	Components of Cash Received by Seller at Closing				Assumption of Seller's Nonrecourse Mortgage	Seller Financing ^(a)	Assumption of Seller's Recourse Mortgage ^(b)	Recognition Under Paragraph(s) in Topic/Subtopic/Section 360-20-40	Profit Recognized at Date of Sale ^(c)		
	Cash Received by Seller at Closing	Buyer's Initial Investment	Buyer's Independent 1st Mortgage	Assumption of Seller's Nonrecourse Mortgage					Full Accrual	Installment	Cost Recovery
1	\$ 100	\$ 20	\$ 80				15 through 16	\$ 30			
2	100	-	100				15 through 16	30			
3	20	20		\$ 80			15 through 16	30			
4	-	-		100			15 through 16	30			
5	20	20			80(1)		17	30			
6	20	20				\$ 80	17	30			
7	80	20	60		20(2)		17	30			
8	20	20		60	20(2)		17	30			
9	20	20			20(2)		17	30			
10	-	-				100	32		\$ -	\$ -	
11	-	-			100(1)		32		-	-	
12	-	-			20(2)	80	32		-	-	
13	80	-	80		20(2)		32		10	10	
14	10	10			90(1)		32		3	-	
15	10	10				90	32		3	-	
16	90	10	80		10(2)		32		20	20	
17	10	10		80	10(2)		32		20	20	
18	10	10			10(2)	80	32		3	-	

(a) First or second mortgage indicated in parentheses.

(b) Seller remains contingently liable.

(c) The profit recognized under the reduced profit method is dependent on various interest rates and payment terms. An illustration is not presented due to the complexity of those factors and the belief that this method is not frequently used in practice. Under this method, the profit recognized at the consummation of the sale would be less than under the full accrual method, but normally more than the amount under the installment method.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Example 5: Determining Whether Equipment Is Integral Equipment

360-20-55-57 This Example illustrates the guidance in paragraphs [360-20-15-4 through 15-8](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-57 will be superseded upon transition, together with its heading.

>> **Example 5: Determining Whether Equipment Is Integral Equipment**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-58 Entity A leases equipment to Entity B for use in a manufacturing facility. The fair value of the production equipment (installed) at lease inception is \$1,075,000. The estimated cost to remove the equipment after installation (estimate is as of the beginning of the lease term) is \$80,000, which includes \$30,000 to repair damage to the existing location as a result of the removal. The estimated cost to ship and reinstall the equipment at a new site (estimated as of the beginning of the lease term) is \$85,000. For this Example, assume that the equipment would have the same fair value (installed) to the seller and a potential buyer. Therefore, there is no diminution in fair value of the equipment beyond the discount a purchaser would presumably require to cover the cost to ship and reinstall the equipment.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-59 Entity A would assess whether or not the production equipment is **integral equipment** as follows: $(\$80,000 + \$85,000) \div \$1,075,000 = 15.3$ percent. Because the cost of removal combined with the diminution in value exceeds 10 percent of the fair value (installed) of the production equipment, the cost to remove the equipment and use it separately is deemed to be significant. Therefore, the production equipment is integral equipment.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > Example 6: The Reduced-Profit Method

360-20-55-60 This Example illustrates the reduced-profit method of accounting for the sale of real estate (see paragraph [360-20-55-16](#)).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-60 will be superseded upon transition, together with its heading.

>> **Example 6: The Reduced-Profit Method**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-61 This Example assumes a sale of land that cost the seller \$800,000 and is being sold for \$1,000,000 with the following financing.

Buyer's initial investment	\$ 250,000
First mortgage note payable to an independent lending institution (Terms—15 percent interest payable annually over 20 years: \$79,881 per year including principal and interest)	500,000
Second mortgage note payable to seller (Terms—12 percent interest payable annually over 25 years: \$31,875 per year including principal and interest)	250,000
Total selling price	<u>\$ 1,000,000</u>

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-62 The amortization term of the second mortgage (25 years) exceeds the term permitted by paragraphs [360-20-40-19](#) through [40-20](#) (20 years for sales of land). It is assumed that the payments by the buyer each year will meet the requirement in paragraphs [360-20-40-33](#) through [40-34](#), that the reduced-profit method is to be applied, and that the market interest rate is 16 percent.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-63 The present value of \$31,875 per year for 20 years at a market rate of 16 percent is $\$31,875 \times 5.92884 = \$188,982$.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-64 The profit to be recognized at the time of sale is reduced by the difference between the face amount of the seller's receivable (\$250,000) and the reduced amount (\$188,982), or \$61,018. The profit recognized at the time of sale is \$1,000,000 (sales price) minus \$800,000 (cost) minus \$61,018, or \$138,982. Additional profit of \$61,018 is recognized as the second mortgage payments are received in Years 21 through 25.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Example 7: Profit Recognition Is Precluded Under Full Accrual Method when Part of Down Payment Involves a Transfer of Ownership Interest in Pledged Security**

360-20-55-65 This Example illustrates the guidance in paragraph [360-20-40-9](#).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: The content of 360-20-55-65 will be superseded upon transition, together with its heading.

>> **Example 7: Profit Recognition Is Precluded Under Full Accrual Method when Part of Down Payment Involves a Transfer of Ownership Interest in Pledged Security**

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-66 In this Example, before a real estate sale, Party A has a 75 percent interest in the real estate and Party B has the other 25 percent interest. Party A sells its interest to Party B and receives a 10 percent cash down payment and a note for the balance of the sales price. For this transaction, paragraph [360-20-55-2](#) specifies a minimum required initial investment of 15 percent of the sales value. Party B pledges the 100 percent interest in the property as security for the note to Party A; no debt is outstanding on the property.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-55-67 This Subtopic precludes profit recognition under the full accrual method for this transaction because purchased property or other assets pledged as security for a note should not be included as part of the buyer's initial investment.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> > **Example 8: Conveyance of Real Estate to the Lender in Full Satisfaction of the Entity's Obligation**

360-20-55-68 This Example illustrates the application of paragraph [360-20-40-5](#) for a parent (reporting entity) to derecognize the in substance real estate when the reporting entity ceases to have a controlling financial interest (as described in Subtopic [810-10](#)) in the in substance real estate subsidiary as a result of a default by the subsidiary on its nonrecourse debt.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

Editor's Note: Paragraph 360-20-55-68 will be superseded upon transition, together with its heading:

> > **Example 8: Conveyance of Real Estate to the Lender in Full Satisfaction of the Entity's Obligation**

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-69 This Example uses the following assumptions:

- A reporting entity establishes a single-purpose entity with \$200,000 of equity to purchase commercial real estate
- The single-purpose entity is wholly owned and consolidated by the reporting entity
- The single-purpose entity borrows \$1 million from a lender on a nonrecourse basis (for which the lender's recourse is limited to the assets of the single-purpose entity) to acquire real estate for \$1.2 million
- The single-purpose entity has no other significant assets or liabilities other than the real estate and related nonrecourse debt
- The reporting entity's ownership interest in the single-purpose entity is considered in substance real estate.

Years later, the carrying value and fair value of the real estate and the carrying value of the debt are as follows.

As of June 30, 20X1, before the impairment loss on real estate	
Carrying value of real estate	\$ 1,000,000
Fair value of real estate	\$ 600,000
Carrying amount of related nonrecourse indebtedness	\$ 800,000
As of December 30, 20X1, before the transfer of real estate	
Carrying value of real estate	\$ 600,000
Fair value of real estate	\$ 600,000
Carrying amount of related nonrecourse indebtedness	\$ 800,000

For simplicity purposes, this Example ignores the recurring accounting that is associated with the continuing ownership of real estate (for example, depreciation and other property expenses) and the associated indebtedness (for example, debt service paid or accrual of interest if unpaid) in the period between June 30, 20X1, and December 31, 20X1. Also, for simplicity purposes, this Example ignores consideration of Subtopic [470-60](#) with respect to measurement and disclosure (derecognition of in substance real estate is addressed by this Subtopic as illustrated in this Example).

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-70 By applying the guidance in paragraphs [360-10-35-16 through 35-36](#) for long-lived assets classified as held and used, the entity recognizes a \$400,000 impairment loss on the real estate on June 30, 20X1. The entity applies the guidance in this Topic that requires that it measure the impairment loss without regard to the carrying amount of the single-purpose entity's nonrecourse indebtedness.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-71 As of September 30, 20X1, the single-purpose entity defaults on its obligation to the lender and expects to transfer the ownership of the real estate to the lender to satisfy the nonrecourse obligation. As a result of defaulting on the obligation, the reporting entity applies the guidance in Topic [810](#) and concludes that it ceases to have a controlling financial interest in the single-purpose entity. Although the reporting entity has a plan to transfer ownership of the real estate to the lender, a transfer has not occurred as of the reporting date and, therefore, the derecognition criteria in paragraph [360-20-40-7](#) have not been met. The reporting entity should not derecognize the in substance real estate as of September 30, 20X1.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-72 On December 31, 20X1, an exchange of the real estate for a release from the nonrecourse indebtedness (in accordance with paragraph [405-20-40-1](#)) occurs, and a sale is consummated in accordance with paragraph [360-20-40-7](#). The reporting entity need not evaluate the adequacy of the lender's investment in accordance with paragraphs [360-20-40-15 through 40-16](#) because the single-purpose entity has been completely released from its nonrecourse indebtedness and has received all consideration to which it is entitled. If the single-purpose entity was not fully released or had not received all amounts it was entitled to, then the initial and continuing investment requirements for the full accrual method of profit recognition would be applicable. Therefore, upon completion of the exchange and satisfaction of the requirements for the full accrual method of profit recognition, the reporting entity would report a \$200,000 gain as a result of the release (extinguishment) of the nonrecourse indebtedness.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-73 The reporting entity would need to consider whether the single-purpose entity has been fully released from the nonrecourse indebtedness and whether it or the reporting entity has other related and continuing obligations to the lender (through, for example, a guarantee or other forms of contingent consideration) and then evaluate whether it has conveyed the usual risks and rewards of ownership. If the reporting entity provides a guarantee or if the lender has recourse to the reporting entity or other assets of the reporting entity, the reporting entity would need to assess the nature of the continuing involvement in accordance with this Subtopic.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-74 Paragraphs [360-20-55-68 through 55-72](#) illustrate when the single-purpose entity exchanges real estate at the same time as and in exchange for a release from the related nonrecourse indebtedness. In some circumstances, the single-purpose entity might legally transfer the real estate to the lender without contemporaneously obtaining evidence of a legal release of its related indebtedness from the lender. In those circumstances, in accordance with paragraph [405-20-40-1\(b\)](#), the transfer of real estate accomplishes a legal release of the reporting entity, unless the reporting entity has provided a guarantee to the lender or the lender has recourse to the reporting entity or other assets of the reporting entity.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

> > **Example 9: Effect of Loss of a Controlling Financial Interest in an Entity That Is in Substance Real Estate**

360-20-55-75 This Example illustrates the application of paragraph [360-20-40-5](#) to determine the effect of a loss of a controlling financial interest (as described in Subtopic [810-10](#)) in a subsidiary that is in substance real estate as a result of a default by the subsidiary on its nonrecourse debt.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

Editor's Note: Paragraph 360-20-55-75 will be superseded upon transition, together with its heading:

> > **Example 9: Effect of Loss of a Controlling Financial Interest in an Entity That Is in Substance Real Estate**

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-76 For this Example, assume the same facts as those in Example 8. Also assume that the reporting entity ceases to have a controlling financial interest in the single-purpose entity as a result of default on its nonrecourse obligation and would otherwise be required to deconsolidate the single-purpose entity in accordance with Topic [810](#). However, the reporting entity and the lender wish to defer the income and transfer tax consequences of a legal transfer of the property and a legal extinguishment of the related debt. The reporting entity and lender agree to maintain their existing legal relationship until a third-party purchaser of the property is identified. Accordingly, the parties agree that the single-purpose entity will not make future payments to the lender, the reporting entity retains its legal ownership of all of the equity of the single-purpose entity, and the debt remains legally outstanding. During the time that the property continues to be held by the single-purpose entity, the lender makes substantially all of the operating decisions with respect to the property and receives all of the cash flows from the property's operations. The reporting entity does not expect to have future participation in the management or economics of the single-purpose entity (because the fair value of the property is significantly less than the carrying amount of the related indebtedness). In addition, the reporting entity has waived its rights of ownership of the single-purpose entity, which provides the lender with the ability to foreclose and otherwise sell or transfer the underlying property without the reporting entity's consent. However, the reporting entity does have the ability to cure the event of default and retain ownership of the real estate.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-55-77 In this Example, derecognition of the in substance real estate by the reporting entity in its consolidated statement of financial position is not appropriate before the date that the reporting entity's interest in the real estate is conveyed to the lender or a third-party purchaser and the single-purpose entity is released from its debt obligation.

Pending Content:

Transition Date: (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [606-10-65-1](#)

[Paragraph superseded by Accounting Standards Update No. 2014-09]

360-20-60 Relationships

General Note: The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

General

> Property, Plant, And Equipment

360-20-60-1 For guidance concerning environmental exit costs that may be incurred if an asset is sold, is abandoned, or ceases operations, see the [Impairment or Disposal of Long-Lived Assets Subsection](#) of Section 360-10-55.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: Paragraph 360-20-60-1 will be superseded upon transition, together with its heading:

> Property, Plant, And Equipment

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> Leases

360-20-60-2 For the evaluation of whether leases of certain **integral equipment** meet the ownership transfer requirements of Topic [840](#), see the [Lessors Subsection](#) of Section 840-10-25.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: Paragraph 360-20-60-2 will be superseded upon transition, together with its heading:

> Leases

[Paragraph superseded by Accounting Standards Update No. 2016-02]

> Real Estate—General

360-20-60-3 For the accounting or internal costs relating to real estate property acquisitions, see the [Real Estate Project Costs Subsection](#) of Section 970-340-25.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2019 | **Transition Guidance:** [842-10-65-1](#)

Editor's Note: Paragraph 360-20-60-3 will be superseded upon transition, together with its heading:

> Real Estate—General

[Paragraph superseded by Accounting Standards Update No. 2016-02]

360-20-65 Transition and Open Effective Date Information

General Note: The Transition Section contains a description of the required transition provisions and a list of the related paragraphs that have been modified. This Section will retain the transition content during the transition period. After the transition period, the transition content will be removed yet will be available in archived versions of the Section.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

General

360-20-65-1 Paragraph superseded on 03/23/2010 after the end of the transition period stated in EITF Issue No. 07-6, "Accounting for the Sale of Real Estate Subject to the Requirements of FASB Statement No. 66 When the Agreement Includes a Buy-Sell Clause."

360-20-65-2 Paragraph superseded on 06/26/2015 after the end of the transition period stated in Accounting Standards Update No. 2011-10, *Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification*.

360-20-75 XBRL Elements

General Note: This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

General Note on Property, Plant, and Equipment—Real Estate Sales: Upon the effective date of Accounting Standards Update 2014-09, the title of this Subtopic will change to Property, Plant, and Equipment—Real Estate Sales—Sale-Leaseback Accounting.

Employee Stock Ownership Plan (ESOP), Deferred Shares, Fair Value { 89 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *EmployeeStockOwnershipPlanESOPDeferredSharesFairValue*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Fair Value](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [718 Compensation—Stock Compensation > 40 Employee Stock Ownership Plans > 50 Disclosure > General, 50-1\(e\)](#)

Retail Land Sales, Deposit Method, Deposit Received { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RetailLandSalesDepositMethodDepositReceived*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 55 Implementation > General, 55-17](#)

Retail Land Sales, Deposit Method, Property Carrying Value { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RetailLandSalesDepositMethodPropertyCarryingValue*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 55 Implementation > General, 55-17](#)

Retail Land Sales, Description [Text Block] { 4 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RetailLandSalesDescriptionTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 55 Implementation > General, 55-10](#)
- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 55 Implementation > General, 55-17](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [976 Real Estate—Retail Land > 310 Receivables > 50 Disclosure > General, 50-1](#)
- [976 Real Estate—Retail Land > 330 Inventory > 50 Disclosure > General, 50-1](#)
- [976 Real Estate—Retail Land > 605 Revenue Recognition > 55 Implementation > General, 55-11](#)

Retail Land Sales, Installment Method, Cost of Sales { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RetailLandSalesInstallmentMethodTotalCostOfSale*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 55 Implementation > General, 55-10](#)

Retail Land Sales, Installment Method, Gross Profit, Deferred { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RetailLandSalesInstallmentMethodGrossProfitDeferred*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 55 Implementation > General, 55-10](#)

Retail Land Sales, Installment Method, Sales Value { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RetailLandSalesInstallmentMethodSalesValue*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 55 Implementation > General, 55-10](#)

Revenue Recognition, Real Estate Transactions, Policy [Policy Text Block] { 42 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RevenueRecognitionRealEstateTransactionsPolicy*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 40 Derecognition > General, 40-7](#)
- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 40 Derecognition > General, 40-28](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [235 Notes to Financial Statements > 10 Overall > 50 Disclosure > General, 50-3](#)
- [605 Revenue Recognition > 10 Overall > S99 SEC Materials > General, S99-1\(SAB TOPIC 13.B.Q1\)](#)
- [970 Real Estate—General > 605 Revenue Recognition > 05 Background > General, 05-1](#)

Time Sharing Transactions, Seller's Policies with Respect to Meeting Criteria for Buyer's Commitment { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *TimeSharingTransactionsSellersPoliciesWithRespectToMeetingCriteriaForBuyersCommitment*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 40 Derecognition > General, 40-5\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [978 Real Estate—Time-Sharing Activities > 310 Receivables > 50 Disclosure > General, 50-1\(e\)](#)

Time Sharing Transactions, Seller's Policies with Respect to Meeting Criteria for Collectibility of Sales Price { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *TimeSharingTransactionsSellersPoliciesWithRespectToMeetingCriteriaForCollectibilityOfSalesPrice*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [360 Property, Plant, and Equipment > 20 Real Estate Sales > 40 Derecognition > General, 40-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [978 Real Estate—Time-Sharing Activities > 310 Receivables > 50 Disclosure > General, 50-1\(e\)](#)

May 04, 2016

250 Accounting Changes and Error Corrections

250 Accounting Changes and Error Corrections 10 Overall

250-10-00 Status

General Note: The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

General

250-10-00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
Direct Effects of a Change in Accounting Principle	Amended	Accounting Standards Update No. 2015-11	07/22/2015
250-10-50-5	Amended	Accounting Standards Update No. 2012-04	10/01/2012
250-10-50-6	Amended	Accounting Standards Update No. 2015-01	01/09/2015
250-10-50-10	Amended	Maintenance Update 2014-20	09/29/2014

250-10-05 Overview and Background

General Note: The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

General

250-10-05-1 This Subtopic provides guidance on the accounting for and reporting of accounting changes and error corrections. An **accounting change** can be a change in an accounting principle, an accounting estimate, or the reporting entity. Guidance for each of these types of changes is presented in separate headings within each Section. Guidance for error corrections is also presented under a separate heading within each Section.

> Accounting Changes

250-10-05-2 This Subtopic establishes, unless impracticable, **retrospective application** as the required method for reporting a **change in accounting principle** in the absence of explicit transition requirements specific to a newly adopted accounting principle.

250-10-05-3 This Subtopic provides guidance for determining whether retrospective application of a change in accounting principle is impracticable and for reporting a change when retrospective application is impracticable.

> Error Corrections

250-10-05-4 The correction of an **error in previously issued financial statements** is not an accounting change. However, the reporting of an error correction involves adjustments to previously issued financial statements similar to those generally applicable to reporting an accounting change retrospectively. Therefore, the reporting of a correction of an error by restating previously issued financial statements is also addressed by this Subtopic.

250-10-05-5 This Subtopic also:

- a. Specifies the method of treating error corrections in comparative statements for two or more periods
- b. Specifies the disclosures required when previously issued statements of income are restated
- c. Recommends methods of presentation of historical, statistical-type financial summaries that are affected by error corrections.

250-10-15 Scope and Scope Exceptions

General Note: The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

General

> Overall Guidance

250-10-15-1 The Scope Section of the Overall Subtopic establishes the pervasive scope for the Accounting Changes and Error Corrections Topic.

> Entities

250-10-15-2 The guidance in this Subtopic applies to all entities.

> Other Considerations

250-10-15-3 The guidance in this Subtopic applies to each of the following items for business entities and not-for-profit entities (NFPs):

- a. Financial statements
- b. Historical summaries of information based on primary financial statements that include an accounting period in which an **accounting change** or error correction is reflected.

250-10-15-4 This Topic does not change the transition provisions of any existing guidance.

250-10-20 Glossary

General Note: The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

Accounting Change

A change in an accounting principle, an accounting estimate, or the reporting entity. The correction of an error in previously issued financial statements is not an accounting change.

Change in Accounting Estimate

A change that has the effect of adjusting the carrying amount of an existing asset or liability or altering the subsequent accounting for existing or future assets or liabilities. A change in accounting estimate is a necessary consequence of the assessment, in conjunction with the periodic presentation of financial statements, of the present status and expected future benefits and obligations associated with assets and liabilities. Changes in accounting estimates result from new information. Examples of items for which estimates are necessary are uncollectible receivables, inventory obsolescence, service lives and salvage values of depreciable assets, and warranty obligations.

Change in Accounting Estimate Effected by a Change in Accounting Principle

A change in accounting estimate that is inseparable from the effect of a related change in accounting principle. An example of a

change in estimate effected by a change in principle is a change in the method of depreciation, amortization, or depletion for long-lived, nonfinancial assets.

Change in Accounting Principle

A change from one generally accepted accounting principle to another generally accepted accounting principle when there are two or more generally accepted accounting principles that apply or when the accounting principle formerly used is no longer generally accepted. A change in the method of applying an accounting principle also is considered a change in accounting principle.

Change in the Reporting Entity

A change that results in financial statements that, in effect, are those of a different reporting entity. A change in the reporting entity is limited mainly to the following:

- a. Presenting consolidated or combined financial statements in place of financial statements of individual entities
- b. Changing specific subsidiaries that make up the group of entities for which consolidated financial statements are presented
- c. Changing the entities included in combined financial statements.

Neither a business combination accounted for by the acquisition method nor the consolidation of a variable interest entity (VIE) pursuant to Topic [810](#) is a change in reporting entity.

Direct Effects of a Change in Accounting Principle

Those recognized changes in assets or liabilities necessary to effect a change in accounting principle. An example of a direct effect is an adjustment to an inventory balance to effect a change in inventory valuation method. Related changes, such as an effect on deferred income tax assets or liabilities or an impairment adjustment resulting from applying the lower-of-cost-or-market test to the adjusted inventory balance, also are examples of direct effects of a change in accounting principle.

Note: The following definition is Pending Content; see Transition Guidance in [330-10-65-1](#).

Those recognized changes in assets or liabilities necessary to effect a change in accounting principle. An example of a direct effect is an adjustment to an inventory balance to effect a change in inventory valuation method. Related changes, such as an effect on deferred income tax assets or liabilities or an impairment adjustment resulting from applying the subsequent measurement guidance in Subtopic [330-10](#) to the adjusted inventory balance, also are examples of direct effects of a change in accounting principle.

Error in Previously Issued Financial Statements

An error in recognition, measurement, presentation, or disclosure in financial statements resulting from mathematical mistakes, mistakes in the application of generally accepted accounting principles (GAAP), or oversight or misuse of facts that existed at the time the financial statements were prepared. A change from an accounting principle that is not generally accepted to one that is generally accepted is a correction of an error.

Indirect Effects of a Change in Accounting Principle

Any changes to current or future cash flows of an entity that result from making a change in accounting principle that is applied retrospectively. An example of an indirect effect is a change in a nondiscretionary profit sharing or royalty payment that is based on a reported amount such as revenue or net income.

Restatement

The process of revising previously issued financial statements to reflect the correction of an error in those financial statements.

Retrospective Application

The application of a different accounting principle to one or more previously issued financial statements, or to the statement of financial position at the beginning of the current period, as if that principle had always been used, or a change to financial statements of prior accounting periods to present the financial statements of a new reporting entity as if it had existed in those prior years.

250-10-45 Other Presentation Matters

General Note: The Other Presentation Matters Section provides guidance on other presentation matters not addressed in the Recognition, Initial Measurement, Subsequent Measurement, and Derecognition Sections. Other presentation matters may include items such as current or long-term balance sheet classification, cash flow presentation, earnings per share matters, and so forth. The FASB Codification also contains Presentation Topics, which provide guidance for general presentation and display items. See those Topics for general guidance.

General

> **Accounting Changes**

> > **Change in Accounting Principle**

250-10-45-1 A presumption exists that an accounting principle once adopted shall not be changed in accounting for events and transactions of a similar type. Consistent use of the same accounting principle from one accounting period to another enhances the utility of financial statements for users by facilitating analysis and understanding of comparative accounting data. Neither of the following is considered to be a **change in accounting principle**:

- a. Initial adoption of an accounting principle in recognition of events or transactions occurring for the first time or that previously were immaterial in their effect
- b. Adoption or modification of an accounting principle necessitated by transactions or events that are clearly different in substance from those previously occurring.

250-10-45-2 A reporting entity shall change an accounting principle only if either of the following apply:

- a. The change is required by a newly issued Codification update.
- b. The entity can justify the use of an allowable alternative accounting principle on the basis that it is preferable.

250-10-45-3 It is expected that Codification updates normally will provide specific transition requirements. However, in the unusual instance that there are no transition requirements specific to a particular Codification update, a change in accounting principle effected to adopt the requirements of that Codification update shall be reported in accordance with paragraphs 250-10-45-5 through 45-8. Early adoption of a Codification update, when permitted, shall be effected in a manner consistent with the transition requirements of that update.

250-10-45-4 This requirement is not limited to newly issued Codification updates. For example, if existing Codification guidance permits a choice between two or more alternative accounting principles, and provides requirements for changing from one to another, those requirements shall be followed.

250-10-45-5 An entity shall report a change in accounting principle through **retrospective application** of the new accounting principle to all prior periods, unless it is impracticable to do so. Retrospective application requires all of the following:

- a. The cumulative effect of the change to the new accounting principle on periods prior to those presented shall be reflected in the carrying amounts of assets and liabilities as of the beginning of the first period presented.
- b. An offsetting adjustment, if any, shall be made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period.
- c. Financial statements for each individual prior period presented shall be adjusted to reflect the period-specific effects of applying the new accounting principle.

250-10-45-6 If the cumulative effect of applying a change in accounting principle to all prior periods can be determined, but it is impracticable to determine the period-specific effects of that change on all prior periods presented, the cumulative effect of the change to the new accounting principle shall be applied to the carrying amounts of assets and liabilities as of the beginning of the earliest period to which the new accounting principle can be applied. An offsetting adjustment, if any, shall be made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period.

250-10-45-7 If it is impracticable to determine the cumulative effect of applying a change in accounting principle to any prior period, the new accounting principle shall be applied as if the change was made prospectively as of the earliest date practicable. See Example 1 (paragraphs 250-10-55-3 through 55-11) for an illustration of a change from the first-in, first-out (FIFO) method of inventory valuation to the last-in, first-out (LIFO) method. That Example does not imply that such a change would be considered preferable as required by paragraph 250-10-45-12.

250-10-45-8 Retrospective application shall include only the **direct effects of a change in accounting principle**, including any related income tax effects. Indirect effects that would have been recognized if the newly adopted accounting principle had been followed in prior periods shall not be included in the retrospective application. If indirect effects are actually incurred and recognized, they shall be reported in the period in which the **accounting change** is made.

> > > **Impracticability**

250-10-45-9 It shall be deemed impracticable to apply the effects of a change in accounting principle retrospectively only if any of the following conditions exist:

- a. After making every reasonable effort to do so, the entity is unable to apply the requirement.
- b. Retrospective application requires assumptions about management's intent in a prior period that cannot be independently substantiated.
- c. Retrospective application requires significant estimates of amounts, and it is impossible to distinguish objectively information about those estimates that both:
 1. Provides evidence of circumstances that existed on the date(s) at which those amounts would be recognized, measured, or disclosed under retrospective application

2. Would have been available when the financial statements for that prior period were issued.

250-10-45-10 This Subtopic requires a determination of whether information currently available to develop significant estimates would have been available when the affected transactions or events would have been recognized in the financial statements. However, it is not necessary to maintain documentation from the time that an affected transaction or event would have been recognized to determine whether information to develop the estimates would have been available at that time.

> > > Justification for a Change in Accounting Principle

250-10-45-11 In the preparation of financial statements, once an accounting principle is adopted, it shall be used consistently in accounting for similar events and transactions.

250-10-45-12 An entity may change an accounting principle only if it justifies the use of an allowable alternative accounting principle on the basis that it is preferable. However, a method of accounting that was previously adopted for a type of transaction or event that is being terminated or that was a single, nonrecurring event in the past shall not be changed. For example, the method of accounting shall not be changed for a tax or tax credit that is being discontinued. Additionally, the method of transition elected at the time of adoption of a Codification update shall not be subsequently changed. However, a change in the estimated period to be benefited by an asset, if justified by the facts, shall be recognized as a **change in accounting estimate**.

250-10-45-13 The issuance of a Codification update that requires use of a new accounting principle, interprets an existing principle, expresses a preference for an accounting principle, or rejects a specific principle may require an entity to change an accounting principle. The issuance of such an update constitutes sufficient support for making such a change.

> > > Reporting a Change in Accounting Principle Made in an Interim Period

250-10-45-14 A change in accounting principle made in an interim period shall be reported by retrospective application in accordance with paragraphs 250-10-45-5 through 45-8. However, the impracticability exception in paragraph 250-10-45-9 may not be applied to prechange interim periods of the fiscal year in which the change is made. When retrospective application to prechange interim periods is impracticable, the desired change may only be made as of the beginning of a subsequent fiscal year.

250-10-45-15 If a public entity that regularly reports interim information makes an accounting change during the fourth quarter of its fiscal year and does not report the data specified by paragraph 270-10-50-1 in a separate fourth-quarter report or in its annual report, that entity shall include disclosure of the effects of the accounting change on interim-period results, as required by paragraph 250-10-50-1, in a note to the annual financial statements for the fiscal year in which the change is made.

250-10-45-16 As indicated in paragraph 270-10-45-15, whenever possible, entities should adopt any accounting changes during the first interim period of a fiscal year. Changes in accounting principles and practices adopted after the first interim period in a fiscal year tend to obscure operating results and complicate disclosure of interim financial information.

> > Change in Accounting Estimate

250-10-45-17 A change in accounting estimate shall be accounted for in the period of change if the change affects that period only or in the period of change and future periods if the change affects both. A **change in accounting estimate** shall not be accounted for by restating or retrospectively adjusting amounts reported in financial statements of prior periods or by reporting pro forma amounts for prior periods.

250-10-45-18 Distinguishing between a change in an accounting principle and a change in an accounting estimate is sometimes difficult. In some cases, a change in accounting estimate is effected by a change in accounting principle. One example of this type of change is a change in method of depreciation, amortization, or depletion for long-lived, nonfinancial assets (hereinafter referred to as depreciation method). The new depreciation method is adopted in partial or complete recognition of a change in the estimated future benefits inherent in the asset, the pattern of consumption of those benefits, or the information available to the entity about those benefits. The effect of the **change in accounting principle**, or the method of applying it, may be inseparable from the effect of the change in accounting estimate. Changes of that type often are related to the continuing process of obtaining additional information and revising estimates and, therefore, shall be considered changes in estimates for purposes of applying this Subtopic.

250-10-45-19 Like other changes in accounting principle, a change in accounting estimate that is effected by a change in accounting principle may be made only if the new accounting principle is justifiable on the basis that it is preferable. For example, an entity that concludes that the pattern of consumption of the expected benefits of an asset has changed, and determines that a new depreciation method better reflects that pattern, may be justified in making a **change in accounting estimate effected by a change in accounting principle**. (See paragraph 250-10-45-12.)

250-10-45-20 However, a change to the straight-line method at a specific point in the service life of an asset may be planned at the time some depreciation methods, such as the modified accelerated cost recovery system, are adopted to fully depreciate the cost over the estimated life of the asset. Consistent application of such a policy does not constitute a change in accounting principle for purposes of applying this Subtopic.

> > Change in Reporting Entity

250-10-45-21 When an accounting change results in financial statements that are, in effect, the statements of a different reporting entity, the change shall be retrospectively applied to the financial statements of all prior periods presented to show financial information for the new reporting entity for those periods. Previously issued interim financial information shall be presented on a retrospective basis. However, the amount of interest cost previously capitalized through application of Subtopic 835-20 shall not be changed when retrospectively applying the accounting change to the financial statements of prior periods.

> Correction of an Error in Previously Issued Financial Statements

250-10-45-22 As indicated in paragraph [225-10-45-1](#), net income for the period shall include all items of profit and loss recognized during the period, including accruals of estimated losses from loss contingencies, but shall not include corrections of errors from prior periods. As used in this Subtopic, the term *period* refers to both annual and interim reporting periods.

250-10-45-23 Any error in the financial statements of a prior period discovered after the financial statements are issued or are available to be issued (as discussed in Section [855-10-25](#)) shall be reported as an error correction, by restating the prior-period financial statements. **Restatement** requires all of the following:

- a. The cumulative effect of the error on periods prior to those presented shall be reflected in the carrying amounts of assets and liabilities as of the beginning of the first period presented.
- b. An offsetting adjustment, if any, shall be made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period.
- c. Financial statements for each individual prior period presented shall be adjusted to reflect correction of the period-specific effects of the error.

250-10-45-24 Those items that are reported as error corrections shall, in single period statements, be reflected as adjustments of the opening balance of retained earnings. When comparative statements are presented, corresponding adjustments should be made of the amounts of net income (and the components thereof) and retained earnings balances (as well as of other affected balances) for all of the periods reported therein, to reflect the retroactive application of the error corrections.

> > Corrections Related to Prior Interim Periods of the Current Fiscal Year

250-10-45-25 For purposes of this Subtopic, an adjustment related to prior interim periods of the current fiscal year is an adjustment or settlement of litigation or similar claims, of income taxes (except for the effects of retroactive tax legislation), of renegotiation proceedings, or of utility revenue under rate-making processes provided that the adjustment or settlement meets all of the following criteria:

- a. The effect of the adjustment or settlement is material in relation to income from continuing operations of the current fiscal year or in relation to the trend of income from continuing operations or is material by other appropriate criteria.
- b. All or part of the adjustment or settlement can be specifically identified with and is directly related to business activities of specific prior interim periods of the current fiscal year.
- c. The amount of the adjustment or settlement could not be reasonably estimated prior to the current interim period but becomes reasonably estimable in the current interim period.

The criterion in (b) is not met solely because of incidental effects such as interest on a settlement. The criterion in (c) would be met by the occurrence of an event with currently measurable effects such as a final decision on a rate order. Treatment as adjustments related to prior interim periods of the current fiscal year shall not be applied to the normal recurring corrections and adjustments that are the result of the use of estimates inherent in the accounting process. Changes in provisions for doubtful accounts shall not be considered to be adjustments related to prior interim periods of the current fiscal year even though the changes result from litigation or similar claims.

250-10-45-26 If an item of profit or loss occurs in other than the first interim period of the entity's fiscal year and all or a part of the item of profit or loss is an adjustment related to prior interim periods of the current fiscal year, as defined in the preceding paragraph, the item shall be reported as follows:

- a. The portion of the item that is directly related to business activities of the entity during the current interim period, if any, shall be included in the determination of net income for that period.
- b. Prior interim periods of the current fiscal year shall be restated to include the portion of the item that is directly related to business activities of the entity during each prior interim period in the determination of net income for that period.
- c. The portion of the item that is directly related to business activities of the entity during prior fiscal years, if any, shall be included in the determination of net income of the first interim period of the current fiscal year.

> Materiality Determination for Correction of an Error

250-10-45-27 In determining materiality for the purpose of reporting the correction of an error, amounts shall be related to the estimated income for the full fiscal year and also to the effect on the trend of earnings. Changes that are material with respect to an interim period but not material with respect to the estimated income for the full fiscal year or to the trend of earnings shall be separately disclosed in the interim period.

> Historical Summaries of Financial Data

250-10-45-28 It has become customary for business entities to present historical, statistical-type summaries of financial data for a number of periods—commonly 5 or 10 years. Whenever error corrections have been recorded during any of the periods included therein, the reported amounts of net income (and the components thereof), as well as other affected items, shall be appropriately restated, with disclosure in the first summary published after the adjustments.

250-10-50 Disclosure

General Note: The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

General

> Accounting Changes

> > Change in Accounting Principle

250-10-50-1 An entity shall disclose all of the following in the fiscal period in which a **change in accounting principle** is made:

- a. The nature of and reason for the change in accounting principle, including an explanation of why the newly adopted accounting principle is preferable.
- b. The method of applying the change, including all of the following:
 1. A description of the prior-period information that has been retrospectively adjusted, if any.
 2. The effect of the change on income from continuing operations, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), any other affected financial statement line item, and any affected per-share amounts for the current period and any prior periods retrospectively adjusted. Presentation of the effect on financial statement subtotals and totals other than income from continuing operations and net income (or other appropriate captions of changes in the applicable net assets or performance indicator) is not required.
 3. The cumulative effect of the change on retained earnings or other components of equity or net assets in the statement of financial position as of the beginning of the earliest period presented.
 4. If **retrospective application** to all prior periods is impracticable, disclosure of the reasons therefore, and a description of the alternative method used to report the change (see paragraphs [250-10-45-5 through 45-7](#)).
- c. If **indirect effects of a change in accounting principle** are recognized both of the following shall be disclosed:
 1. A description of the indirect effects of a change in accounting principle, including the amounts that have been recognized in the current period, and the related per-share amounts, if applicable
 2. Unless impracticable, the amount of the total recognized indirect effects of the **accounting change** and the related per-share amounts, if applicable, that are attributable to each prior period presented. Compliance with this disclosure requirement is practicable unless an entity cannot comply with it after making every reasonable effort to do so.

Financial statements of subsequent periods need not repeat the disclosures required by this paragraph. If a change in accounting principle has no material effect in the period of change but is reasonably certain to have a material effect in later periods, the disclosures required by (a) shall be provided whenever the financial statements of the period of change are presented.

250-10-50-2 An entity that issues interim financial statements shall provide the required disclosures in the financial statements of both the interim period of the change and the annual period of the change.

250-10-50-3 In the fiscal year in which a new accounting principle is adopted, financial information reported for interim periods after the date of adoption shall disclose the effect of the change on income from continuing operations, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), and related per-share amounts, if applicable, for those post-change interim periods.

> > Change in Accounting Estimate

250-10-50-4 The effect on income from continuing operations, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), and any related per-share amounts of the current period shall be disclosed for a change in estimate that affects several future periods, such as a change in service lives of depreciable assets. Disclosure of those effects is not necessary for estimates made each period in the ordinary course of accounting for items such as uncollectible accounts or inventory obsolescence; however, disclosure is required if the effect of a change in the estimate is material. When an entity effects a change in estimate by changing an accounting principle, the disclosures required by paragraphs [250-10-50-1 through 50-3](#) also are required. If a change in estimate does not have a material effect in the period of change but is reasonably certain to have a material effect in later periods, a description of that change in estimate shall be disclosed whenever the financial statements of the period of change are presented.

> > > Change in Estimate Used in Valuation Technique

250-10-50-5 The disclosure provisions of this Subtopic for a **change in accounting estimate** are not required for revisions resulting from a change in a valuation technique used to measure fair value or its application when the resulting measurement is fair value in accordance with Topic [820](#).

> > Change in Reporting Entity

250-10-50-6 When there has been a **change in the reporting entity**, the financial statements of the period of the change shall describe the nature of the change and the reason for it. In addition, the effect of the change on income before extraordinary items, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), other comprehensive income, and any related per-share amounts shall be disclosed for all periods presented. Financial statements of subsequent periods need not repeat the disclosures required by this paragraph. If a change in reporting entity does not have a material effect in the period of change but is reasonably certain to have a material effect in later periods, the nature of and reason for the change shall be disclosed whenever the financial statements of the period of change are presented. (Sections [805-10-50](#), [805-20-50](#), [805-30-50](#), and [805-740-50](#) describe the manner of reporting and the disclosures required for a business combination.)

Pending Content:

Transition Date: (P) December 16, 2015; (N) December 16, 2015 | **Transition Guidance:** [225-20-65-1](#)

When there has been a **change in the reporting entity**, the financial statements of the period of the change shall describe the nature of the change and the reason for it. In addition, the effect of the change on income from continuing operations, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), other comprehensive income, and any related per-share amounts shall be disclosed for all periods presented. Financial statements of subsequent periods need not repeat the disclosures required by this paragraph. If a change in reporting entity does not have a material effect in the period of change but is reasonably certain to have a material effect in later periods, the nature of and reason for the change shall be disclosed whenever the financial statements of the period of change are presented. (Sections [805-10-50](#), [805-20-50](#), [805-30-50](#), and [805-740-50](#) describe the manner of reporting and the disclosures required for a business combination.)

> Correction of an Error in Previously Issued Financial Statements

250-10-50-7 When financial statements are restated to correct an error, the entity shall disclose that its previously issued financial statements have been restated, along with a description of the nature of the error. The entity also shall disclose both of the following:

- a. The effect of the correction on each financial statement line item and any per-share amounts affected for each prior period presented
- b. The cumulative effect of the change on retained earnings or other appropriate components of equity or net assets in the statement of financial position, as of the beginning of the earliest period presented.

250-10-50-8 When prior period adjustments are recorded, the resulting effects (both gross and net of applicable income tax) on the net income of prior periods shall be disclosed in the annual report for the year in which the adjustments are made and in interim reports issued during that year after the date of recording the adjustments.

250-10-50-9 When financial statements for a single period only are presented, this disclosure shall indicate the effects of such **restatement** on the balance of retained earnings at the beginning of the period and on the net income of the immediately preceding period. When financial statements for more than one period are presented, which is ordinarily the preferable procedure, the disclosure shall include the effects for each of the periods included in the statements. (See Section [205-10-45](#) and paragraph [205-10-50-1](#).) Such disclosures shall include the amounts of income tax applicable to the prior period adjustments. Disclosure of restatements in annual reports issued after the first such post-revision disclosure would ordinarily not be required.

250-10-50-10 Financial statements of subsequent periods shall not repeat the disclosures required by paragraphs [250-10-50-7](#) through [50-9](#). See paragraph [250-10-50-2](#).

> > Error Corrections Related to Prior Interim Periods of the Current Fiscal Year

250-10-50-11 The following disclosures shall be made in interim financial reports about an adjustment related to prior interim periods of the current fiscal year. In financial reports for the interim period in which the adjustment occurs, disclosure shall be made of both of the following:

- a. The effect on income from continuing operations, net income, and related per-share amounts for each prior interim period of the current fiscal year
- b. Income from continuing operations, net income, and related per-share amounts for each prior interim period restated in accordance with paragraph [250-10-45-26](#).

250-10-55 Implementation Guidance and Illustrations

General Note: The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

General

> Implementation Guidance

> > Change in the Composition of Inventory Costs

250-10-55-1 A change in composition of the elements of cost included in inventory is an **accounting change**. An entity that makes such a change for financial reporting shall conform to the requirements of this Subtopic, including justifying the change on the basis of preferability as specified by paragraphs [250-10-45-11 through 45-13](#). In applying the guidance in this Subtopic, preferability among accounting principles shall be determined on the basis of whether the new principle constitutes an improvement in financial reporting and not on the basis of the income tax effect alone.

> Illustrations

250-10-55-2 This Section presents generalized Examples intended to illustrate how to apply certain provisions of this Subtopic. The Examples do not address all possible situations or applications of this Subtopic, nor do they establish additional requirements.

> > Example 1: Retrospective Application of a Change in Accounting Principle

250-10-55-3 This Example illustrates the guidance in paragraphs [250-10-45-5 through 45-8](#). Entity A decides at the beginning of 20X7 to adopt the first-in, first-out (FIFO) method of inventory valuation. Entity A had used the last-in, first-out (LIFO) method for financial and tax reporting since its inception on January 1, 20X5, and had maintained records that are adequate to apply the FIFO method retrospectively. Entity A concluded that the FIFO method is the preferable inventory valuation method for its inventory. The **change in accounting principle** is reported through **retrospective application** as described in paragraph [250-10-45-5](#).

250-10-55-4 The effects of the change in accounting principle on inventory and cost of sales are presented in the following table.

Date	Inventory Determined by		Cost of Sales Determined by	
	LIFO Method	FIFO Method	LIFO Method	FIFO Method
1/1/20X5	\$ -	\$ -	\$ -	\$ -
12/31/20X5	100	80	800	820
12/31/20X6	200	240	1,000	940
12/31/20X7	320	390	1,130	1,100

250-10-55-5 This Example is based on the following assumptions:

- For each year presented, sales are \$3,000 and selling, general, and administrative costs are \$1,000. Entity A's effective income tax rate for all years is 40 percent, and there are no permanent or temporary differences under Subtopic [740-10](#) prior to the change.
- Entity A has a nondiscretionary profit-sharing agreement in place for all years. Under that agreement, Entity A is required to contribute 10 percent of its reported income before tax and profit sharing to a profit-sharing pool to be distributed to employees. For simplicity, it is assumed that the profit-sharing contribution is not an inventoriable cost.
- Entity A determined that its profit-sharing expense would have decreased by \$2 in 20X5 and increased by \$6 in 20X6 if it had used the FIFO method to compute its inventory cost since inception. The terms of the profit-sharing agreement do not address whether Entity A is required to adjust its profit-sharing accrual for the incremental amounts. At the time of the accounting change, Entity A decides to contribute the additional \$6 attributable to 20X6 profit and to make no adjustment related to 20X5 profit. The \$6 payment is made in 20X7.
- Profit sharing and income taxes accrued at each year-end under the LIFO method are paid in cash at the beginning of each following year.
- Entity A's annual report to shareholders provides two years of financial results, and Entity A is not subject to the requirements of Subtopic [260-10](#).

250-10-55-6 In accordance with paragraph [250-10-45-8](#), recognized **indirect effects of a change in accounting principle** are recorded in the period of change. That provision applies even if recognition of the indirect effect is explicitly required by the terms of the profit-sharing contract.

250-10-55-7 Entity A's income statements as originally reported under the LIFO method are presented below.

250-10-55-8 Income Statement

	<u>20X6</u>	<u>20X5</u>
Sales	\$ 3,000	\$ 3,000
Cost of goods sold	1,000	800
Selling, general, and administrative expenses	1,000	1,000
Income before profit sharing and income taxes	1,000	1,200
Profit sharing	100	120
Income before income taxes	900	1,080
Income taxes	360	432
Net income	<u>\$ 540</u>	<u>\$ 648</u>

250-10-55-9 Entity A's income statements reflecting the retrospective application of the accounting change from the LIFO method to the FIFO method are presented below.

250-10-55-10 Income Statement

	<u>20X7</u>	<u>20X6</u> <u>As Adjusted</u> <u>(Note A)</u>
Sales	\$ 3,000	\$ 3,000
Cost of goods sold	1,100	940
Selling, general, and administrative expenses	1,000	1,000
Income before profit sharing and income taxes	900	1,060
Profit sharing	96	100
Income before income taxes	804	960
Income taxes	322	384
Net income	<u>\$ 482</u>	<u>\$ 576</u>

250-10-55-11 Entity A's disclosure related to the accounting change is presented below.

NOTE A:

Change in Method of Accounting for Inventory Valuation

On January 1, 20X7, Entity A elected to change its method of valuing its inventory to the FIFO method, whereas in all prior years inventory was valued using the LIFO method. The new method of accounting for inventory was adopted [state justification for change in accounting principle] and comparative financial statements of prior years have been adjusted to apply the new method retrospectively. The following financial statement line items for fiscal years 20X7 and 20X6 were affected by the change in accounting principle.

Income Statement

20X7

	<u>As Computed</u> <u>under LIFO</u>	<u>As Reported</u> <u>under FIFO</u>	<u>Effect of</u> <u>Change</u>
Sales	\$ 3,000	\$ 3,000	\$ -
Cost of goods sold	1,130	1,100	(30)
Selling, general, and administrative expenses	1,000	1,000	-
Income before profit sharing and income taxes	870	900	30
Profit sharing	87	96 ^(a)	9
Income before income taxes	783	804	21
Income taxes	313	322	9
Net income	<u>\$ 470</u>	<u>\$ 482</u>	<u>\$ 12</u>

(a) This amount includes a \$90 profit-sharing payment attributable to 20X7 profits and \$6 profit-sharing payment attributable to 20X6 profits, which is an indirect effect of the change in accounting principle. The incremental payment attributable to 20X6 would have been recognized in 20X6 if Entity A's inventory had originally been accounted for using the FIFO method.

20X6

	<u>As Originally</u> <u>Reported</u>	<u>As Adjusted</u>	<u>Effect of</u> <u>Change</u>
Sales	\$ 3,000	\$ 3,000	\$ -
Cost of goods sold	1,000	940	(60)
Selling, general, and administrative expenses	1,000	1,000	-
Income before profit sharing and income taxes	1,000	1,060	60
Profit sharing	100	100	-
Income before income taxes	900	960	60
Income taxes	360	384	24
Net income	<u>\$ 540</u>	<u>\$ 576</u>	<u>\$ 36</u>

Balance Sheet

12/31/X7

	As Computed under LIFO	As Reported under FIFO	Effect of Change
Cash	\$ 2,738	\$ 2,732	\$ (6)
Inventory	320	390	70
Total assets	<u>\$ 3,058</u>	<u>\$ 3,122</u>	<u>\$ 64</u>
Accrued profit sharing	\$ 87	\$ 90	\$ 3
Income tax liability	313	338	25
Total liabilities	400	428	28
Paid-in capital	1,000	1,000	-
Retained earnings	1,658	1,694	36
Total stockholders' equity	2,658	2,694	36
Total liabilities and stockholders' equity	<u>\$ 3,058</u>	<u>\$ 3,122</u>	<u>\$ 64</u>

12/31/X6

	As Originally Reported	As Adjusted	Effect of Change
Cash	\$ 2,448	\$ 2,448	\$ -
Inventory	200	240	40
Total assets	<u>\$ 2,648</u>	<u>\$ 2,688</u>	<u>\$ 40</u>
Accrued profit sharing	100	100	-
Income tax liability	360	376	16
Total liabilities	460	476	16
Paid-in capital	1,000	1,000	-
Retained earnings	1,188	1,212	24
Total stockholders' equity	2,188	2,212	24
Total liabilities and stockholders' equity	<u>\$ 2,648</u>	<u>\$ 2,688</u>	<u>\$ 40</u>

As a result of the accounting change, retained earnings as of January 1, 20X6, decreased from \$648, as originally reported using the LIFO method, to \$636 using the FIFO method.

Statement of Cash Flows

20X7

	As Computed under LIFO	As Reported under FIFO	Effect of Change
Net income	\$ 470	\$ 482	\$ 12
Adjustments to reconcile net income to net cash provided by operating activities			
Increase in inventory	(120)	(150)	(30)
Decrease in accrued profit sharing	(13)	(10)	3
Decrease in income tax liability	(47)	(38)	9
Net cash provided by operating activities	290	284	(6)
Net increase in cash	290	284	(6)
Cash, January 1, 20X7	2,448	2,448	-
Cash, December 31, 20X7	<u>\$ 2,738</u>	<u>\$ 2,732</u>	<u>\$ (6)</u>

20X6

	As Originally Reported	As Adjusted	Effect of Change
Net income	\$ 540	\$ 576	\$ 36
Adjustments to reconcile net income to net cash provided by operating activities			
Increase in inventory	(100)	(160)	(60)
Decrease in accrued profit sharing	(20)	(20)	-
Decrease in income tax liability	(72)	(48)	24
Net cash provided by operating activities	348	348	-
Net increase in cash	348	348	-
Cash, January 1, 20X6	2,100	2,100	-
Cash, December 31, 20X6	<u>\$ 2,448</u>	<u>\$ 2,448</u>	<u>\$ -</u>

> > **Example 2: Reporting an Accounting Change when Determining Cumulative Effect for All Prior Years is Not Practicable**

250-10-55-12 This Example illustrates the guidance in paragraphs 250-10-45-9 through 45-10. Assume Entity A changed its accounting principle for inventory measurement from FIFO to LIFO effective January 1, 20X4. Entity A reports its financial

statements on a calendar year-end basis and had used the FIFO method since its inception. Entity A determined that it is impracticable to determine the cumulative effect of applying this change retrospectively because records of inventory purchases and sales are no longer available for all prior years. However, Entity A has all of the information necessary to apply the LIFO method on a prospective basis beginning in 20X1. Therefore, Entity A should present prior periods as if it had carried forward the 20X0 ending balance in inventory (measured on a FIFO basis) and begun applying the LIFO method to its inventory beginning January 1, 20X1. (The example assumes that Entity A established that the LIFO method was preferable for Entity A's inventory. No particular inventory measurement method is necessarily preferable in all instances.)

250-10-60 Relationships

General Note: The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

General

> Earnings per Share

250-10-60-1 For guidance on the effect of restatements expressed in per-share terms, see paragraphs [260-10-55-15 through 55-16](#).

> Investments—Equity Method and Joint Ventures

250-10-60-2 For guidance on classification of an investor's share of error corrections reported in the financial statements of the investee, see paragraphs [323-10-45-1 through 45-2](#).

250-10-75 XBRL Elements

General Note: This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

Accounting Changes and Error Corrections [Text Block] {467}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *AccountingChangesAndErrorCorrectionsTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-23](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB TOPIC 1.N.Q3\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-4\(SAB Topic 6.G.2.b\(b\)\(1\)\)](#)

Adjustments for Change in Accounting Principle [Domain] {2}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ChangeInAccountingPrincipleMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1\(b\)\(1\)-\(2\)](#)

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)

Adjustments for Error Corrections [Axis] {343}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ErrorCorrectionsAndPriorPeriodAdjustmentsRestatementByRestatementPeriodAndAmountAxis*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Adjustments for New Accounting Principle, Early Adoption [Member] {26}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *AdjustmentsForNewAccountingPrincipleEarlyAdoptionMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-3](#)

Adjustments for New Accounting Pronouncement [Member] {27}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)

Change in Accounting Estimate by Type [Axis] {244}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ChangeInAccountingEstimateByTypeAxis*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-18](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-14](#)
- [270 Interim Reporting > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.10-01\(a\)\(5\)\)](#)

Change in Accounting Estimate, Description {11}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ChangeInAccountingEstimateDescription*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-14](#)

Change in Accounting Estimate, Type [Domain] {0}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ChangeInAccountingEstimateTypeDomain*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Estimate](#)
- [Change in Accounting Estimate Effected by a Change in Accounting Principle](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-18](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-14](#)
- [270 Interim Reporting > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.10-01.\(a\)\(5\)\)](#)

Change in Accounting Method Accounted for as Change in Estimate [Member] {25}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ChangeInAccountingMethodAccountedForAsChangeInEstimateMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-18](#)

Change in Reporting Entity {0}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ChangeInReportingEntity*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in the Reporting Entity](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-6](#)

Cumulative Effect on Retained Earnings, Net of Tax {28}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *CumulativeEffectOnRetainedEarningsNetOfTax1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Cumulative Effect on Retained Earnings, Tax {9}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *CumulativeEffectOnRetainedEarningsTax1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Cumulative Effect on Retained Earnings, before Tax {10}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *CumulativeEffectOnRetainedEarningsBeforeTax1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Error Corrections and Prior Period Adjustments, Description {15}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ErrorCorrectionsAndPriorPeriodAdjustmentsDescription*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)

Gain (Loss) from Adjustments to Prior Period Extraordinary Items {1}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *GainLossFromAdjustmentsToPriorPeriodExtraordinaryItems*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-23](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [225 Income Statement > 20 Extraordinary and Unusual Items > 45 Other Presentation > General, 45-13](#)
- [225 Income Statement > 20 Extraordinary and Unusual Items > 45 Other Presentation > General, 45-14](#)
- [225 Income Statement > 20 Extraordinary and Unusual Items > 50 Disclosure > General, 50-2](#)

Immaterial Error Correction {34}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImmaterialErrorCorrection*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-1\(SAB Topic 1.M.1\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB Topic 1.N.Q2\)](#)

Impact of Restatement on Earnings Per Share, Basic { 10 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpactOfRestatementOnEarningsPerShareBasic*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(a\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [260 Earnings Per Share > 10 Overall > 55 Implementation > General, 55-15](#)

Impact of Restatement on Earnings Per Share, Diluted { 10 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpactOfRestatementOnEarningsPerShareDiluted*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(a\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [260 Earnings Per Share > 10 Overall > 55 Implementation > General, 55-15](#)

Impact of Restatement on Opening Retained Earnings, Net of Tax { 18 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpactOfRestatementOnOpeningRetainedEarningsNetOfTax*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(b\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Impact of Restatement on Opening Retained Earnings, before Tax { 3 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ImpactOfRestatementOnOpeningRetainedEarningsBeforeTax*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(b\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

New Accounting Principles, Early Adoption [Domain] { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPrinciplesEarlyAdoptionMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

New Accounting Pronouncement or Change in Accounting Principle, Cumulative Effect of Change on Equity or Net Assets { 48 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleCumulativeEffectOfChangeOnEquityOrNetAssets1*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)
- [Retrospective Application](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1\(b\)\(3\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

New Accounting Pronouncement or Change in Accounting Principle, Description of Financial Statement Line Items, Prospective Transition

[Label and/or reference(s) most recently revised on 04/22/2015 after the last taxonomy release.]

Element

Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleDescriptionOfFinancialStatementLineItemsProspectiveTransition*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-7](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [350 Intangibles—Goodwill and Other > 40 Internal-Use Software > 65 Transition > General, 65-1\(e\)\(3\)](#)

New Accounting Pronouncement or Change in Accounting Principle, Description of Prior-period Information Retrospectively Adjusted

[Label and/or reference(s) most recently revised on 04/20/2015 after the last taxonomy release.]

Element

Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleDescriptionOfPriorperiodInformationRetrospectivelyAdjusted*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1\(b\)\(1\)](#)

New Accounting Pronouncement or Change in Accounting Principle, Description of Transition Method

[Label and/or reference(s) most recently revised on 05/11/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleDescriptionOfTransitionMethod*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [835 Interest > 30 Imputation of Interest > 65 Transition > General, 65-1\(c\)\(2\)](#)

New Accounting Pronouncement or Change in Accounting Principle, Description { 33 }

[Label and/or reference(s) most recently revised on 12/02/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleDescription*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)
- [Retrospective Application](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-5\(SAB Topic 11.M\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-12](#)
- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-13](#)
- [270 Interim Reporting > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.10-01\(b\)\(6\)\)](#)

New Accounting Pronouncement or Change in Accounting Principle, Effect of Change on Basic Earnings Per Share { 14 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleEffectOfChangeOnBasicEarningsPerShare*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1\(b\)\(2\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

New Accounting Pronouncement or Change in Accounting Principle, Effect of Change on Diluted Earnings Per Share { 10 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleEffectOfChangeOnDilutedEarningsPerShare*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)

Direct Effects of a Change in Accounting Principle

- Indirect Effects of a Change in Accounting Principle
- Retrospective Application
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1(b)(2)
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- 260 Earnings Per Share > 10 Overall > 45 Other Presentation > General, 45-2
- 260 Earnings Per Share > 10 Overall > 45 Other Presentation > General, 45-3

New Accounting Pronouncement or Change in Accounting Principle, Effect of Change on Net Income { 57 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleEffectOfChangeOnNetIncome*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1(b)(2)
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3

New Accounting Pronouncement or Change in Accounting Principle, Effect of Change on Operating Results { 13 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleEffectOfChangeOnOperatingResults*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1(b)(2)
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3

New Accounting Pronouncement or Change in Accounting Principle, Indirect Effects { 1 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleIndirectEffects*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- Accounting Change
- Change in Accounting Principle
- Direct Effects of a Change in Accounting Principle
- Indirect Effects of a Change in Accounting Principle
- Retrospective Application
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1(c)
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3

New Accounting Pronouncement or Change in Accounting Principle, Retrospective Application Impracticable { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleRetrospectiveApplicationImpracticable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- Accounting Change
- Change in Accounting Principle
- Direct Effects of a Change in Accounting Principle
- Indirect Effects of a Change in Accounting Principle
- Retrospective Application
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1(b)(4)
- 250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2

New Accounting Pronouncement, Early Adoption [Axis] { 31 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementEarlyAdoptionAxis*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

New Accounting Pronouncement, Early Adoption [Table Text Block] {21}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementEarlyAdoptionTableTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

New Accounting Pronouncement, Early Adoption [Table]

[Label and/or reference(s) most recently revised on 11/21/2013 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementEarlyAdoptionTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

New Accounting Pronouncement, Early Adoption, Effect [Member] {32}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementEarlyAdoptionEffectMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

New Accounting Pronouncement, Transition Guidance Not Significant or Not Practical {0}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementTransitionGuidanceNotSignificantOrNotPractical*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-3](#)

New Accounting Pronouncements and Changes in Accounting Principles [Text Block] {1544}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementsAndChangesInAccountingPrinciplesTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)
- [Retrospective Application](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-12](#)
- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-13](#)
- [270 Interim Reporting > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.10-01.\(b\)\(6\)\)](#)

New Accounting Pronouncements or Change in Accounting Principle [Table]

Element Name: *NewAccountingPronouncementsOrChangeInAccountingPrincipleTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)
- [Retrospective Application](#)

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

Quarterly Financial Information, Quarterly Charges and Credits, Amount Reconciling to Previously Reported Results { 9 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *QuarterlyFinancialInformationQuarterlyChargesAndCreditsAmountReconcilingToPreviouslyReportedResults*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1\(b\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-11](#)

Restatement Adjustment [Member] { 690 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RestatementAdjustmentMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)

Restatement of Prior Year Income, Gross { 10 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RestatementOfPriorYearIncomeGross*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(a\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Restatement of Prior Year Income, Net of Tax { 16 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RestatementOfPriorYearIncomeNetOfTax*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(a\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Restatement of Prior Year Income, Tax Effects { 5 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RestatementOfPriorYearIncomeTaxEffects*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(a\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Restatement to Prior Year Income [Table Text Block] { 95 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *RestatementToPriorYearIncomeTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Scenario, Previously Reported [Member] { 974 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ScenarioPreviouslyReportedMember*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Schedule of Change in Accounting Estimate [Table Text Block] { 30}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ScheduleOfChangeInAccountingEstimateTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-18](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-14](#)
- [270 Interim Reporting > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.10-01.\(a\)\(5\)\)](#)

Schedule of Change in Accounting Estimate [Table]

Element Name: *ScheduleOfChangeInAccountingEstimateTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Estimate](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-18](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-14](#)

Schedule of Error Corrections and Prior Period Adjustment Restatement [Table]

Element Name: *ScheduleOfErrorCorrectionsAndPriorPeriodAdjustmentRestatementTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Schedule of Error Corrections and Prior Period Adjustments [Table Text Block] { 343}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ScheduleOfErrorCorrectionsAndPriorPeriodAdjustmentsTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-8](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Schedule of New Accounting Pronouncements and Changes in Accounting Principles [Table Text Block] { 240}

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ScheduleOfNewAccountingPronouncementsAndChangesInAccountingPrinciplesTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)
- [Retrospective Application](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-12](#)
- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-13](#)
- [270 Interim Reporting > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.10-01.\(b\)\(6\)\)](#)

Schedule of Retained Earnings Adjustments [Table]**Element Name:** *ScheduleOfRetainedEarningsAdjustmentsTable***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1\(b\)\(3\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7\(b\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-9](#)

Service Life [Member] { 48 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *ServiceLifeMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)

Stockholders' Equity, Change in Reporting Entity { 20 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *StockholdersEquityChangeInReportingEntity***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [Change in the Reporting Entity](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-6](#)

Time Sharing Transactions, Effect of Changes in Estimate in Relative Sales Value Method { 0 }

[Label and/or reference(s) most recently revised on 08/06/2015 after the last taxonomy release.]

Element Name: *TimeSharingTransactionsEffectOfChangesInEstimateInRelativeSalesValueMethod***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [Relative Sales Value Method](#)
- [978 Real Estate—Time-Sharing Activities > 330 Inventory > 35 Subsequent Measurement > General, 35-1](#)

250-10-S00 Status

General Note: The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

General

250-10-S00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
250-10-S99-1 through S99-5	Amended	Accounting Standards Update No. 2012-03	08/27/2012

250-10-S50 Disclosure

General Note: The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

General

> Disclosure of the Impact that Recently Issued Accounting Standards Will Have on the Financial Statements of the Registrant when Adopted in a Future Period

250-10-S50-1 See paragraph [250-10-S99-5](#), SAB Topic 11.M, for SEC Staff views regarding disclosure of the impact of recently issued accounting standards.

> Retrospective Accounting Changes

250-10-S50-2 See paragraph [225-10-S99-1\(c\)](#), Regulation S-X Rule 3-03(c), for income statement requirements regarding retrospective accounting changes.

> Adjustments Made to Beginning Stockholders' Equity for Retroactive Adjustments

250-10-S50-3 See paragraph [505-10-S99-1](#), Regulation S-X Rule 3-04, for disclosure requirements pertaining to retroactive adjustments made to beginning stockholders' equity for items before that period.

> Interim Financial Statement Disclosure of Date and Reasons for Material Accounting Changes

250-10-S50-4 See paragraph [270-10-S99-1\(b\)\(6\) and \(b\)\(7\)](#), Regulation S-X Rules 10-01(b)(6) and (7), for rules regarding accounting changes in interim financial statements.

250-10-S55 Implementation Guidance and Illustrations

General Note: The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

General

> Materiality

> > Assessing Materiality

250-10-S55-1 See paragraph [250-10-S99-1](#), SAB Topic 1.M, for SEC Staff views regarding the assessment of materiality.

> > Immaterial Misstatements that Are Intentional

250-10-S55-2 See paragraph [250-10-S99-1](#), SAB Topic 1.M, for SEC Staff views regarding intentionally made immaterial misstatements.

> Accounting for Changes Not Retroactively Applied Due to Immateriality

250-10-S55-3 See paragraph [250-10-S99-3](#), SAB Topic 5.F, for SEC Staff views regarding accounting for changes not retroactively applied due to immateriality.

> Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements

250-10-S55-4 See paragraph [250-10-S99-2](#), SAB Topic 1.N, for SEC Staff views regarding considering the effects of prior year misstatements when quantifying misstatements in the current year.

> Reporting Requirements for Accounting Changes

> > Preferability

250-10-S55-5 See paragraph [250-10-S99-4](#), SAB Topic 6.G.2.b.1, for SEC Staff views regarding preferability among accounting alternatives.

> > **Filing a Preferability Letter from the Accountant**

250-10-S55-6 See paragraph [250-10-S99-4](#), SAB Topic 6.G.2.b.2, for SEC Staff views regarding requirements to file an accountant's preferability letter.

> **A Change by an Insurance Entity in Its Method of Selecting a Discount Rate Used to Discount Claims Liabilities Related to Short-Duration Contracts**

250-10-S55-7 See paragraph [944-20-S99-1](#), SAB Topic 5.N, Question 2, for SEC Staff views regarding a change from a statutory rate to an investment related rate.

250-10-S75 XBRL Elements

General Note: This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

Accounting Changes and Error Corrections [Text Block] {467}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *AccountingChangesAndErrorCorrectionsTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 45 Other Presentation > General, 45-23](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-4](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB TOPIC 1.N.Q3\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-4\(SAB Topic 6.G.2.b\(b\)\(1\)\)](#)

Description of New Accounting Pronouncements Not yet Adopted [Text Block] {649}

[Label and/or reference(s) most recently revised on 12/02/2015 after the last taxonomy release.]

Element Name: *DescriptionOfNewAccountingPronouncementsNotYetAdopted*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-5\(SAB Topic 11.M\)](#)

Immaterial Error Correction {34}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ImmaterialErrorCorrection*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-7](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-1\(SAB Topic 1.M.1\)](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB Topic 1.N.Q2\)](#)

Nature of Error [Axis] {106}

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *QuantifyingMisstatementInCurrentYearFinancialStatementsByNatureOfErrorAxis*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB Topic 1.N\)](#)

Nature of Error [Domain] {0}

[Label and/or reference(s) most recently revised on 11/25/2015 after the last taxonomy release.]

Element Name: *NatureOfErrorDomain*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB Topic 1.N\)](#)

New Accounting Pronouncement or Change in Accounting Principle, Description {33}

[Label and/or reference(s) most recently revised on 12/02/2015 after the last taxonomy release.]

Element Name: *NewAccountingPronouncementOrChangeInAccountingPrincipleDescription*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [Accounting Change](#)
- [Change in Accounting Principle](#)
- [Direct Effects of a Change in Accounting Principle](#)
- [Indirect Effects of a Change in Accounting Principle](#)
- [Retrospective Application](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-1](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-2](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > 50 Disclosure > General, 50-3](#)
- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-5\(SAB Topic 11.M\)](#)

This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):

- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-12](#)
- [270 Interim Reporting > 10 Overall > 45 Other Presentation > General, 45-13](#)
- [270 Interim Reporting > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.10-01\(b\)\(6\)\)](#)

Quantifying Misstatement in Current Year Financial Statements, Amount { 165 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *QuantifyingMisstatementInCurrentYearFinancialStatementsAmount*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB Topic 1.N\)](#)

Schedule of Quantifying Prior Year Misstatement Corrected in Current Year Financial Statements [Table]

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ScheduleOfQuantifyingPriorYearMisstatementCorrectedInCurrentYearFinancialStatementsTable*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB Topic 1.N\)](#)

Schedule of Quantifying Prior Year Misstatements Corrected in Current Year Financial Statements [Table Text Block] { 26 }

[Label and/or reference(s) most recently revised on 11/24/2015 after the last taxonomy release.]

Element Name: *ScheduleOfQuantifyingPriorYearMisstatementsCorrectedInCurrentYearFinancialStatementsTextBlock*

This XBRL element references the following paragraph(s)/term(s) in this Subtopic:

- [250 Accounting Changes and Error Corrections > 10 Overall > S99 SEC Materials > General, S99-2\(SAB Topic 1.N\)](#)

250-10-S99 SEC Materials

General Note: As more fully described in *About the Codification*, the Codification includes selected SEC and SEC Staff content for reference by public companies. The Codification does not replace or affect how the SEC or SEC Staff issues or updates SEC content. SEC Staff content does not constitute Commission-approved rules or interpretations of the SEC.

General

- > SEC Staff Guidance
- > > Staff Accounting Bulletins
- > > > SAB Topic 1.M, Assessing Materiality

250-10-S99-1 The following is the text of SAB Topic 1.M, Assessing Materiality.

1. Assessing materiality

Facts: During the course of preparing or auditing year-end financial statements, financial management or the registrant's independent auditor becomes aware of misstatements in a registrant's financial statements. When combined, the misstatements result in a 4% overstatement of net income and a \$.02 (4%) overstatement of earnings per share. Because no item in the registrant's consolidated financial statements is misstated by more than 5%, management and the independent auditor conclude that the deviation from GAAP is immaterial and that the accounting is permissible. FN24

FN24 AU 312 states that the auditor should consider audit risk and materiality both in (a) planning and setting the scope for the audit and (b) evaluating whether the financial statements taken as a whole are fairly presented in all material respects in conformity with GAAP. The purpose of this SAB is to provide guidance to financial management and independent auditors with respect to the evaluation of the materiality of misstatements that are identified in the audit process or preparation of the financial statements (i. e., (b) above). This SAB is not intended to provide definitive guidance for assessing "materiality" in other contexts, such as evaluations of auditor independence, as other factors may apply. There may be other rules that address financial presentation. See, e.g., Rule 2a-4, 17 CFR 270.2a-4, under the Investment Company Act of 1940.

Question: FASB ASC paragraph [105-10-05-6](#) (Generally Accepted Accounting Principles Topic) states, "The provisions of the Codification need not be applied to immaterial items." In the staff's view, may a registrant or the auditor of its financial statements assume the immateriality of items that fall below a percentage threshold set by management or the auditor to determine whether amounts and items are material to the financial statements?

Interpretive Response: No. The staff is aware that certain registrants, over time, have developed quantitative thresholds as "rules of thumb" to assist in the preparation of their financial statements, and that auditors also have used these thresholds in their evaluation of whether items might be considered material to users of a registrant's financial statements. One rule of thumb in particular suggests that the misstatement or omission FN25 of an item that falls under a 5% threshold is not material in the absence of particularly egregious circumstances, such as self-dealing or misappropriation by senior management. The staff reminds registrants and the auditors of their financial statements that exclusive reliance on this or any percentage or numerical threshold has no basis in the accounting literature or the law.

FN25 As used in this SAB, "misstatement" or "omission" refers to a financial statement assertion that would not be in conformity with GAAP.

The use of a percentage as a numerical threshold, such as 5%, may provide the basis for a preliminary assumption that - without considering all relevant circumstances - a deviation of less than the specified percentage with respect to a particular item on the registrant's financial statements is unlikely to be material. The staff has no objection to such a "rule of thumb" as an initial step in assessing materiality. But quantifying, in percentage terms, the magnitude of a misstatement is only the beginning of an analysis of materiality; it cannot appropriately be used as a substitute for a full analysis of all relevant considerations. Materiality concerns the significance of an item to users of a registrant's financial statements. A matter is "material" if there is a substantial likelihood that a reasonable person would consider it important. In its Concepts Statement 2, Qualitative Characteristics of Accounting Information, the FASB stated the essence of the concept of materiality as follows:

The omission or misstatement of an item in a financial report is material if, in the light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item. FN26

FN26 Concepts Statement 2, paragraph 132. See also Concepts Statement 2, Glossary of Terms - Materiality.

This formulation in the accounting literature is in substance identical to the formulation used by the courts in interpreting the federal securities laws. The Supreme Court has held that a fact is material if there is -

a substantial likelihood that the...fact would have been viewed by the reasonable investor as having significantly altered the "total mix" of information made available. FN27

FN27 TSC Industries v. Northway, Inc., 426 U.S. 438, 449 (1976). See also Basic, Inc. v. Levinson, 485 U.S. 224 (1988). As the Supreme Court has noted, determinations of materiality require "delicate assessments of the inferences a 'reasonable shareholder' would draw from a given set of facts and the significance of those inferences to him...." TSC Industries, 426 U.S. at 450.

Under the governing principles, an assessment of materiality requires that one views the facts in the context of the "surrounding circumstances," as the accounting literature puts it, or the "total mix" of information, in the words of the Supreme Court. In the context of a misstatement of a financial statement item, while the "total mix" includes the size in numerical or percentage terms of the misstatement, it also includes the factual context in which the user of financial statements would view the financial statement item. The shorthand in the accounting and auditing literature for this analysis is that financial management and the auditor must consider both "quantitative" and "qualitative" factors in assessing an item's materiality. FN28 Court decisions, Commission rules

and enforcement actions, and accounting and auditing literature FN29 have all considered "qualitative" factors in various contexts.

FN28 See, e.g., Concepts Statement 2, paragraphs 123-124; AU 312A.10 (materiality judgments are made in light of surrounding circumstances and necessarily involve both quantitative and qualitative considerations); AU 312A.34 ("Qualitative considerations also influence the auditor in reaching a conclusion as to whether misstatements are material."). As used in the accounting literature and in this SAB, "qualitative" materiality refers to the surrounding circumstances that inform an investor's evaluation of financial statement entries. Whether events may be material to investors for non-financial reasons is a matter not addressed by this SAB.

FN29 See, e.g., Rule 1-02(o) of Regulation S-X, 17 CFR 210.1-02(o), Rule 405 of Regulation C, 17 CFR 230.405, and Rule 12b-2, 17 CFR 240.12b-2; AU 312A.10 -.11, 317.13, 411.04 n. 1, and 508.36; In re Kidder Peabody Securities Litigation, 10 F. Supp. 2d 398 (S.D.N.Y. 1998); Parnes v. Gateway 2000, Inc., 122 F.3d 539 (8th Cir. 1997); In re Westinghouse Securities Litigation, 90 F.3d 696 (3d Cir. 1996); In the Matter of W.R. Grace & Co., Accounting and Auditing Enforcement Release ("AAER") 1140 (June 30, 1999); In the Matter of Eugene Gaughan, AAER 1141 (June 30, 1999); In the Matter of Thomas Scanlon, AAER 1142 (June 30, 1999); and In re Sensormatic Electronics Corporation, Sec. Act Rel. No. 7518 (March 25, 1998).

The FASB has long emphasized that materiality cannot be reduced to a numerical formula. In its Concepts Statement 2, the FASB noted that some had urged it to promulgate quantitative materiality guides for use in a variety of situations. The FASB rejected such an approach as representing only a "minority view, stating -

The predominant view is that materiality judgments can properly be made only by those who have all the facts. The Board's present position is that no general standards of materiality could be formulated to take into account all the considerations that enter into an experienced human judgment. FN30

FN30 Concepts Statement 2, paragraph 131.

The FASB noted that, in certain limited circumstances, the Commission and other authoritative bodies had issued quantitative materiality guidance, citing as examples guidelines ranging from one to ten percent with respect to a variety of disclosures. FN31 And it took account of contradictory studies, one showing a lack of uniformity among auditors on materiality judgments, and another suggesting widespread use of a "rule of thumb" of five to ten percent of net income. FN32 The FASB also considered whether an evaluation of materiality could be based solely on anticipating the market's reaction to accounting information. FN33

FN31 Concepts Statement 2, paragraphs 131 and 166.

FN32 Concepts Statement 2, paragraph 167.

FN33 Concepts Statement 2, paragraphs 168-169.

The FASB rejected a formulaic approach to discharging "the onerous duty of making materiality decisions" FN34 in favor of an approach that takes into account all the relevant considerations. In so doing, it made clear that -

FN34 Concepts Statement 2, paragraph 170.

[M]agnitude by itself, without regard to the nature of the item and the circumstances in which the judgment has to be made, will not generally be a sufficient basis for a materiality judgment. FN35

FN35 Concepts Statement 2, paragraph 125.

Evaluation of materiality requires a registrant and its auditor to consider all the relevant circumstances, and the staff believes that there are numerous circumstances in which misstatements below 5% could well be material. Qualitative factors may cause misstatements of quantitatively small amounts to be material; as stated in the auditing literature:

As a result of the interaction of quantitative and qualitative considerations in materiality judgments, misstatements of relatively small amounts that come to the auditor's attention could have a material effect on the financial statements. FN36

FN36 AU 312.11.

Among the considerations that may well render material a quantitatively small misstatement of a financial statement item are -

whether the misstatement arises from an item capable of precise measurement or whether it arises from an estimate and, if so, the degree of imprecision inherent in the estimate FN37.

FN37 As stated in Concepts Statement 2, paragraph 130: Another factor in materiality judgments is the degree of precision that is attainable in estimating the judgment item. The amount of deviation that is considered immaterial may increase as the attainable degree of precision decreases. For example, accounts payable usually can be estimated more accurately than can contingent liabilities arising from litigation or threats of it, and a deviation considered to be material in the first case may be quite trivial in the second. This SAB is not intended to change current law or guidance in the accounting literature regarding accounting estimates. See, e.g., Accounting Principles Board Opinion 20, Accounting Changes 10, 11, 31-33 (July 1971) [Subtopic [250-10](#)].

whether the misstatement masks a change in earnings or other trends.

whether the misstatement hides a failure to meet analysts' consensus expectations for the enterprise.

whether the misstatement changes a loss into income or vice versa.

whether the misstatement concerns a segment or other portion of the registrant's business that has been identified as playing a significant role in the registrant's operations or profitability.

whether the misstatement affects the registrant's compliance with regulatory requirements.

whether the misstatement affects the registrant's compliance with loan covenants or other contractual requirements.

whether the misstatement has the effect of increasing management's compensation - for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.

whether the misstatement involves concealment of an unlawful transaction.

This is not an exhaustive list of the circumstances that may affect the materiality of a quantitatively small misstatement. FN38 Among other factors, the demonstrated volatility of the price of a registrant's securities in response to certain types of disclosures may provide guidance as to whether investors regard quantitatively small misstatements as material. Consideration of potential market reaction to disclosure of a misstatement is by itself "too blunt an instrument to be depended on" in considering whether a fact is material. FN39 When, however, management or the independent auditor expects (based, for example, on a pattern of market performance) that a known misstatement may result in a significant positive or negative market reaction, that expected reaction should be taken into account when considering whether a misstatement is material. FN40

FN38 The staff understands that the Big Five Audit Materiality Task Force ("Task Force") was convened in March of 1998 and has made recommendations to the Auditing Standards Board including suggestions regarding communications with audit committees about unadjusted misstatements. See generally Big Five Audit Materiality Task Force. "Materiality in a Financial Statement Audit - Considering Qualitative Factors When Evaluating Audit Findings" (August 1998).

FN39 See Concepts Statement 2, paragraph 169.

FN40 If management does not expect a significant market reaction, a misstatement still may be material and should be evaluated under the criteria discussed in this SAB.

For the reasons noted above, the staff believes that a registrant and the auditors of its financial statements should not assume that even small intentional misstatements in financial statements, for example those pursuant to actions to "manage" earnings, are immaterial. FN41 While the intent of management does not render a misstatement material, it may provide significant evidence of materiality. The evidence may be particularly compelling where management has intentionally misstated items in the financial statements to "manage" reported earnings. In that instance, it presumably has done so believing that the resulting amounts and trends would be significant to users of the registrant's financial statements. FN42 The staff believes that investors generally would regard as significant a management practice to over- or under-state earnings up to an amount just short of a percentage threshold in order to "manage" earnings. Investors presumably also would regard as significant an accounting practice that, in essence, rendered all earnings figures subject to a management-directed margin of misstatement.

FN41 Intentional management of earnings and intentional misstatements, as used in this SAB, do not include insignificant errors and omissions that may occur in systems and recurring processes in the normal course of business. See notes 37 and 49 infra.

FN42 Assessments of materiality should occur not only at year-end, but also during the preparation of each quarterly or interim financial statement. See, e.g., In the Matter of Venator Group, Inc., AAER 1049 (June 29, 1998).

The materiality of a misstatement may turn on where it appears in the financial statements. For example, a misstatement may involve a segment of the registrant's operations. In that instance, in assessing materiality of a misstatement to the financial statements taken as a whole, registrants and their auditors should consider not only the size of the misstatement but also the significance of the segment information to the financial statements taken as a whole. FN43 "A misstatement of the revenue and operating profit of a relatively small segment that is represented by management to be important to the future profitability of the entity" FN44 is more likely to be material to investors than a misstatement in a segment that management has not identified as especially important. In assessing the materiality of misstatements in segment information - as with materiality generally -

FN43 See, e.g., In the Matter of W.R. Grace & Co., AAER 1140 (June 30, 1999).

FN44 AU 9326.33.

situations may arise in practice where the auditor will conclude that a matter relating to segment information is qualitatively material even though, in his or her judgment, it is quantitatively immaterial to the financial statements taken as a whole. FN45

FN45 Id.

Aggregating and Netting Misstatements.

In determining whether multiple misstatements cause the financial statements to be materially misstated, registrants and the auditors of their financial statements should consider each misstatement separately and the aggregate effect of all misstatements. FN46 A registrant and its auditor should evaluate misstatements in light of quantitative and qualitative factors and "consider whether, in relation to individual amounts, subtotals, or totals in the financial statements, they materially misstate the financial statements taken as a whole." FN47 This requires consideration of -

FN46 The auditing literature notes that the "concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles." AU 312.03. See also AU 312.04.

FN47 AU 312.34. Quantitative materiality assessments often are made by comparing adjustments to revenues, gross profit, pretax and net income, total assets, stockholders' equity, or individual line items in the financial statements. The particular items in the financial statements to be considered as a basis for the materiality determination depend on the proposed adjustment to be made and other factors, such as those identified in this SAB. For example, an adjustment to inventory that is immaterial to pretax income or net income may be material to the financial statements because it may affect a working capital ratio or cause the registrant to be in default of loan covenants.

the significance of an item to a particular entity (for example, inventories to a manufacturing company), the pervasiveness of the misstatement (such as whether it affects the presentation of numerous financial statement items), and the effect of the misstatement on the financial statements taken as a whole.... FN48

FN48 AU 508.36.

Registrants and their auditors first should consider whether each misstatement is material, irrespective of its effect when combined with other misstatements. The literature notes that the analysis should consider whether the misstatement of "individual amounts" causes a material misstatement of the financial statements taken as a whole. As with materiality generally, this analysis requires consideration of both quantitative and qualitative factors.

If the misstatement of an individual amount causes the financial statements as a whole to be materially misstated, that effect cannot be eliminated by other misstatements whose effect may be to diminish the impact of the misstatement on other financial statement items. To take an obvious example, if a registrant's revenues are a material financial statement item and if they are materially overstated, the financial statements taken as a whole will be materially misleading even if the effect on earnings is completely offset by an equivalent overstatement of expenses.

Even though a misstatement of an individual amount may not cause the financial statements taken as a whole to be materially misstated, it may nonetheless, when aggregated with other misstatements, render the financial statements taken as a whole to be materially misleading. Registrants and the auditors of their financial statements accordingly should consider the effect of the misstatement on subtotals or totals. The auditor should aggregate all misstatements that affect each subtotal or total and consider whether the misstatements in the aggregate affect the subtotal or total in a way that causes the registrant's financial statements taken as a whole to be materially misleading. FN49

FN49 AU 312.34.

The staff believes that, in considering the aggregate effect of multiple misstatements on a subtotal or total, registrants and the auditors of their financial statements should exercise particular care when considering whether to offset (or the appropriateness of offsetting) a misstatement of an estimated amount with a misstatement of an item capable of precise measurement. As noted above, assessments of materiality should never be purely mechanical; given the imprecision inherent in estimates, there is by definition a corresponding imprecision in the aggregation of misstatements involving estimates with those that do not involve an estimate.

Registrants and auditors also should consider the effect of misstatements from prior periods on the current financial statements. For example, the auditing literature states,

Matters underlying adjustments proposed by the auditor but not recorded by the entity could potentially cause future financial statements to be materially misstated, even though the auditor has concluded that the adjustments are not material to the current financial statements. FN50

FN50 AU 380.09.

This may be particularly the case where immaterial misstatements recur in several years and the cumulative effect becomes material in the current year.

2. Immaterial Misstatements that are Intentional

Facts: A registrant's management intentionally has made adjustments to various financial statement items in a manner inconsistent with GAAP. In each accounting period in which such actions were taken, none of the individual adjustments is by itself material, nor is the aggregate effect on the financial statements taken as a whole material for the period. The registrant's earnings "management" has been effected at the direction or acquiescence of management in the belief that any deviations from GAAP have been immaterial and that accordingly the accounting is permissible.

Question: In the staff's view, may a registrant make intentional immaterial misstatements in its financial statements?

Interpretive Response: No. In certain circumstances, intentional immaterial misstatements are unlawful.

Considerations of the books and records provisions under the Exchange Act.

Even if misstatements are immaterial, FN51 registrants must comply with Sections 13(b)(2) - (7) of the Securities Exchange Act of 1934 (the "Exchange Act"). FN52 Under these provisions, each registrant with securities registered pursuant to Section 12 of the Exchange Act, FN53 or required to file reports pursuant to Section 15(d), FN54 must make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the registrant and must maintain internal accounting controls that are sufficient to provide reasonable assurances that, among other things, transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP. FN55 In this context, determinations of what constitutes "reasonable assurance" and "reasonable detail" are based not on a "materiality" analysis but on the level of detail and degree of assurance that would satisfy prudent officials in the conduct of their own affairs. FN56 Accordingly, failure to record accurately immaterial items, in some instances, may result in violations of the securities laws.

FN51 FASB ASC paragraph [105-10-05-6](#) states that "[t]he provisions of the Codification need not be applied to immaterial items." This SAB is consistent with that provision of the Codification. In theory, this language is subject to the interpretation that the registrant is free intentionally to set forth immaterial items in financial statements in a manner that plainly would be contrary to GAAP if the misstatement were material. The staff believes that the FASB did not intend this result.

FN52 15 U.S.C. 78m(b)(2) - (7).

FN53 15 U.S.C. 78l.

FN54 15 U.S.C. 78o(d).

FN55 Criminal liability may be imposed if a person knowingly circumvents or knowingly fails to implement a system of internal accounting controls or knowingly falsifies books, records or accounts. 15 U.S.C. 78m(4) and (5). See also Rule 13b2-1 under the Exchange Act, 17 CFR 240.13b2-1, which states, "No person shall, directly or indirectly, falsify or cause to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Securities Exchange Act."

FN56 15 U.S.C. 78m(b)(7). The books and records provisions of section 13(b) of the Exchange Act originally were passed as part of the Foreign Corrupt Practices Act ("FCPA"). In the conference committee report regarding the 1988 amendments to the FCPA, the committee stated: The conference committee adopted the prudent man qualification in order to clarify that the current standard does not connote an unrealistic degree of exactitude or precision. The concept of reasonableness of necessity contemplates the weighing of a number of relevant factors, including the costs of compliance. Cong. Rec. H2116 (daily ed. April 20, 1988).

The staff recognizes that there is limited authoritative guidance FN57 regarding the "reasonableness" standard in Section 13(b)(2) of the Exchange Act. A principal statement of the Commission's policy in this area is set forth in an address given in 1981 by then Chairman Harold M. Williams. FN58 In his address, Chairman Williams noted that, like materiality, "reasonableness" is not an "absolute standard of exactitude for corporate records." FN59 Unlike materiality, however, "reasonableness" is not solely a measure of the significance of a financial statement item to investors. "Reasonableness," in this context, reflects a judgment as to whether an issuer's failure to correct a known misstatement implicates the purposes underlying the accounting provisions of Sections 13(b)(2) - (7) of the Exchange Act. FN60

FN57 So far as the staff is aware, there is only one judicial decision that discusses Section 13(b)(2) of the Exchange Act in any detail, *SEC v. World-Wide Coin Investments, Ltd.*, 567 F. Supp. 724 (N.D. Ga. 1983), and the courts generally have found that no private right of action exists under the accounting and books and records provisions of the Exchange Act. See e.g., *Lamb v. Phillip Morris Inc.*, 915 F.2d 1024 (6th Cir. 1990) and *JS Service Center Corporation v. General Electric Technical Services Company*, 937 F. Supp. 216 (S.D.N.Y. 1996).

FN58 The Commission adopted the address as a formal statement of policy in Securities Exchange Act Release No. 17500 (January 29, 1981), 46 FR 11544 (February 9, 1981), 21 SEC Docket 1466 (February 10, 1981).

FN59 *Id.* at 46 FR 11546.

FN60 *Id.*

In assessing whether a misstatement results in a violation of a registrant's obligation to keep books and records that are accurate "in reasonable detail," registrants and their auditors should consider, in addition to the factors discussed above concerning an evaluation of a misstatement's potential materiality, the factors set forth below.

The significance of the misstatement. Though the staff does not believe that registrants need to make finely calibrated determinations of significance with respect to immaterial items, plainly it is "reasonable" to treat misstatements whose effects are clearly inconsequential differently than more significant ones.

How the misstatement arose. It is unlikely that it is ever "reasonable" for registrants to record misstatements or not to correct known misstatements - even immaterial ones - as part of an ongoing effort directed by or known to senior management for the purposes of "managing" earnings. On the other hand, insignificant misstatements that arise from the operation of systems or recurring processes in the normal course of business generally will not cause a registrant's books to be inaccurate "in reasonable detail." FN61

FN61 For example, the conference report regarding the 1988 amendments to the FCPA stated: The Conferees intend to codify current Securities and Exchange Commission (SEC) enforcement policy that penalties not be imposed for insignificant or technical infractions or inadvertent conduct. The amendment adopted by the Conferees [Section 13(b)(4)] accomplishes this by providing that criminal penalties shall not be imposed for failing to comply with the FCPA's books and records or accounting provisions. This

provision [Section 13(b)(5)] is meant to ensure that criminal penalties would be imposed where acts of commission or omission in keeping books or records or administering accounting controls have the purpose of falsifying books, records or accounts, or of circumventing the accounting controls set forth in the Act. This would include the deliberate falsification of books and records and other conduct calculated to evade the internal accounting controls requirement. Cong. Rec. H2115 (daily ed. April 20, 1988).

The cost of correcting the misstatement. The books and records provisions of the Exchange Act do not require registrants to make major expenditures to correct small misstatements. FN62 Conversely, where there is little cost or delay involved in correcting a misstatement, failing to do so is unlikely to be "reasonable."

FN62 As Chairman Williams noted with respect to the internal control provisions of the FCPA, "[t]housands of dollars ordinarily should not be spent conserving hundreds." 46 FR 11546.

The clarity of authoritative accounting guidance with respect to the misstatement. Where reasonable minds may differ about the appropriate accounting treatment of a financial statement item, a failure to correct it may not render the registrant's financial statements inaccurate "in reasonable detail." Where, however, there is little ground for reasonable disagreement, the case for leaving a misstatement uncorrected is correspondingly weaker.

There may be other indicators of "reasonableness" that registrants and their auditors may ordinarily consider. Because the judgment is not mechanical, the staff will be inclined to continue to defer to judgments that "allow a business, acting in good faith, to comply with the Act's accounting provisions in an innovative and cost-effective way." FN63

FN63 Id., at 11547.

The Auditor's Response to Intentional Misstatements.

Section 10A(b) of the Exchange Act requires auditors to take certain actions upon discovery of an "illegal act." FN64 The statute specifies that these obligations are triggered "whether or not [the illegal acts are] perceived to have a material effect on the financial statements of the issuer...." Among other things, Section 10A(b)(1) requires the auditor to inform the appropriate level of management of an illegal act (unless clearly inconsequential) and assure that the registrant's audit committee is "adequately informed" with respect to the illegal act.

FN64 Section 10A(f) defines, for purposes of Section 10A, an "illegal act" as "an act or omission that violates any law, or any rule or regulation having the force of law." This is broader than the definition of an "illegal act" in AU 317.02, which states, "Illegal acts by clients do not include personal misconduct by the entity's personnel unrelated to their business activities."

As noted, an intentional misstatement of immaterial items in a registrant's financial statements may violate Section 13(b)(2) of the Exchange Act and thus be an illegal act. When such a violation occurs, an auditor must take steps to see that the registrant's audit committee is "adequately informed" about the illegal act. Because Section 10A(b)(1) is triggered regardless of whether an illegal act has a material effect on the registrant's financial statements, where the illegal act consists of a misstatement in the registrant's financial statements, the auditor will be required to report that illegal act to the audit committee irrespective of any "netting" of the misstatements with other financial statement items.

The requirements of Section 10A echo the auditing literature. See, e.g. Statement on Auditing Standards (SAS) Nos. 54 and 99. Pursuant to paragraph 77 of SAS 99, if the auditor determines there is evidence that fraud may exist, the auditor must discuss the matter with the appropriate level of management that is at least one level above those involved, and with senior management and the audit committee. The auditor must report directly to the audit committee fraud involving senior management and fraud that causes a material misstatement of the financial statements. Paragraph 6 of SAS 99 states that "misstatements arising from fraudulent financial reporting are intentional misstatements or omissions of amounts or disclosures in financial statements designed to deceive financial statement users..." FN65 SAS 99 further states that fraudulent financial reporting may involve falsification or alteration of accounting records; misrepresenting or omitting events, transactions or other information in the financial statements; and the intentional misapplication of accounting principles relating to amounts, classifications, the manner of presentation, or disclosures in the financial statements. FN66 The clear implication of SAS 99 is that immaterial misstatements may be fraudulent financial reporting. FN67

FN65 An unintentional illegal act triggers the same procedures and considerations by the auditor as a fraudulent misstatement if the illegal act has a direct and material effect on the financial statements. See AU 110 n. 1, 317.05 and 317.07. Although distinguishing between intentional and unintentional misstatements is often difficult, the auditor must plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements in either case.

FN66 Although the auditor is not required to plan or perform the audit to detect misstatements that are immaterial to the financial statements, SAS 99 requires the auditor to evaluate several fraud "risk factors" that may bring such misstatements to his or her attention. For example, an analysis of fraud risk factors under SAS 99 must include, among other things, consideration of management's interest in maintaining or increasing the registrant's stock price or earnings trend through the use of unusually aggressive accounting practices, whether management has a practice of committing to analysts or others that it will achieve unduly aggressive or clearly unrealistic forecasts, and the existence of assets, liabilities, revenues, or expenses based on significant estimates that involve unusually subjective judgments or uncertainties.

FN67 In requiring the auditor to consider whether fraudulent misstatements are material, and in requiring differing responses depending on whether the misstatement is material, SAS 99 makes clear that fraud can involve immaterial misstatements. Indeed, a misstatement can be "inconsequential" and still involve fraud. Under SAS 99, assessing whether misstatements due to fraud are material to the financial statements is a "cumulative process" that should occur both during and at the completion of the audit. SAS 99 further states that this accumulation is primarily a "qualitative matter" based on the auditor's judgment. The staff believes that in

making these assessments, management and auditors should refer to the discussion in Part 1 of this SAB.

Auditors that learn of intentional misstatements may also be required to (1) re-evaluate the degree of audit risk involved in the audit engagement, (2) determine whether to revise the nature, timing, and extent of audit procedures accordingly, and (3) consider whether to resign. FN68

FN68 Auditors should document their determinations in accordance with SAS 96, SAS 99, and other appropriate sections of the audit literature.

Intentional misstatements also may signal the existence of reportable conditions or material weaknesses in the registrant's system of internal accounting control designed to detect and deter improper accounting and financial reporting. FN69 As stated by the National Commission on Fraudulent Financial Reporting, also known as the Treadway Commission, in its 1987 report,

FN69 See, e.g., SAS 99.

The tone set by top management—the corporate environment or culture within which financial reporting occurs - is the most important factor contributing to the integrity of the financial reporting process. Notwithstanding an impressive set of written rules and procedures, if the tone set by management is lax, fraudulent financial reporting is more likely to occur. FN70

FN70 Report of the National Commission on Fraudulent Financial Reporting at 32 (October 1987). See also Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees (February 8, 1999).

An auditor is required to report to a registrant's audit committee any reportable conditions or material weaknesses in a registrant's system of internal accounting control that the auditor discovers in the course of the examination of the registrant's financial statements. FN71

FN71 AU 325.02. See also AU 380.09, which, in discussing matters to be communicated by the auditor to the audit committee, states: The auditor should inform the audit committee about adjustments arising from the audit that could, in his judgment, either individually or in the aggregate, have a significant effect on the entity's financial reporting process. For purposes of this section, an audit adjustment, whether or not recorded by the entity, is a proposed correction of the financial statements.

GAAP precedence over industry practice.

Some have argued to the staff that registrants should be permitted to follow an industry accounting practice even though that practice is inconsistent with authoritative accounting literature. This situation might occur if a practice is developed when there are few transactions and the accounting results are clearly inconsequential, and that practice never changes despite a subsequent growth in the number or materiality of such transactions. The staff disagrees with this argument. Authoritative literature takes precedence over industry practice that is contrary to GAAP. FN72

FN72 See AU 411.05.

General comments.

This SAB is not intended to change current law or guidance in the accounting or auditing literature. FN73 This SAB and the authoritative accounting literature cannot specifically address all of the novel and complex business transactions and events that may occur. Accordingly, registrants may account for, and make disclosures about, these transactions and events based on analogies to similar situations or other factors. The staff may not, however, always be persuaded that a registrant's determination is the most appropriate under the circumstances. When disagreements occur after a transaction or an event has been reported, the consequences may be severe for registrants, auditors, and, most importantly, the users of financial statements who have a right to expect consistent accounting and reporting for, and disclosure of, similar transactions and events. The staff, therefore, encourages registrants and auditors to discuss on a timely basis with the staff proposed accounting treatments for, or disclosures about, transactions or events that are not specifically covered by the existing accounting literature.

FN73 The FASB Discussion Memorandum, "Criteria for Determining Materiality," states that the financial accounting and reporting process considers that "a great deal of the time might be spent during the accounting process considering insignificant matters.... If presentations of financial information are to be prepared economically on a timely basis and presented in a concise intelligible form, the concept of materiality is crucial." This SAB is not intended to require that misstatements arising from insignificant errors and omissions (individually and in the aggregate) arising from the normal recurring accounting close processes, such as a clerical error or an adjustment for a missed accounts payable invoice, always be corrected, even if the error is identified in the audit process and known to management. Management and the auditor would need to consider the various factors described elsewhere in this SAB in assessing whether such misstatements are material, need to be corrected to comply with the FCPA, or trigger procedures under Section 10A of the Exchange Act. Because this SAB does not change current law or guidance in the accounting or auditing literature, adherence to the principles described in this SAB should not raise the costs associated with recordkeeping or with audits of financial statements.

> > > **SAB Topic 1.N, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements**

250-10-S99-2 The following is the text of SAB Topic 1.N, Considering the Effects of Prior Year Misstatements when Quantifying

Misstatements in Current Year Financial Statements.

(Added by SAB 108).

Facts: During the course of preparing annual financial statements, a registrant is evaluating the materiality of an improper expense accrual (e. g., overstated liability) in the amount of \$100, which has built up over 5 years, at \$20 per year. FN74 The registrant previously evaluated the misstatement as being immaterial to each of the prior year financial statements (i. e., years 1-4). For the purpose of evaluating materiality in the current year (i. e., year 5), the registrant quantifies the error as a \$20 overstatement of expenses.

FN74 For purposes of these facts, assume the registrant properly determined that the overstatement of the liability resulted from an error rather than a change in accounting estimate. See the FASB ASC Master Glossary for the distinction between an error and a change in accounting estimate.

Question 1: Has the registrant appropriately quantified the amount of this error for the purpose of evaluating materiality for the current year?

Interpretive Response: No. In this example, the registrant has only quantified the effects of the identified unadjusted error that arose in the current year income statement. The staff believes a registrants materiality evaluation of an identified unadjusted error should quantify the effects of the identified unadjusted error on each financial statement and related financial statement disclosure.

Topic 1M notes that a materiality evaluation must be based on all relevant quantitative and qualitative factors. FN75 This analysis generally begins with quantifying potential misstatements to be evaluated. There has been diversity in practice with respect to this initial step of a materiality analysis.

FN75 Topic 1N addresses certain of these quantitative issues, but does not alter the analysis required by Topic 1M.

The diversity in approaches for quantifying the amount of misstatements primarily stems from the effects of misstatements that were not corrected at the end of the prior year (prior year misstatements). These prior year misstatements should be considered in quantifying misstatements in current year financial statements.

The techniques most commonly used in practice to accumulate and quantify misstatements are generally referred to as the rollover and iron curtain approaches.

The rollover approach, which is the approach used by the registrant in this example, quantifies a misstatement based on the amount of the error originating in the current year income statement. Thus, this approach ignores the effects of correcting the portion of the current year balance sheet misstatement that originated in prior years (i. e., it ignores the carryover effects of prior year misstatements).

The iron curtain approach quantifies a misstatement based on the effects of correcting the misstatement existing in the balance sheet at the end of the current year, irrespective of the misstatements year(s) of origination. Had the registrant in this fact pattern applied the iron curtain approach, the misstatement would have been quantified as a \$100 misstatement based on the end of year balance sheet misstatement. Thus, the adjustment needed to correct the financial statements for the end of year error would be to reduce the liability by \$100 with a corresponding decrease in current year expense.

As demonstrated in this example, the primary weakness of the rollover approach is that it can result in the accumulation of significant misstatements on the balance sheet that are deemed immaterial in part because the amount that originates in each year is quantitatively small. The staff is aware of situations in which a registrant, relying on the rollover approach, has allowed an erroneous item to accumulate on the balance sheet to the point where eliminating the improper asset or liability would itself result in a material error in the income statement if adjusted in the current year. Such registrants have sometimes concluded that the improper asset or liability should remain on the balance sheet into perpetuity.

In contrast, the primary weakness of the iron curtain approach is that it does not consider the correction of prior year misstatements in the current year (i. e., the reversal of the carryover effects) to be errors. Therefore, in this example, if the misstatement was corrected during the current year such that no error existed in the balance sheet at the end of the current year, the reversal of the \$80 prior year misstatement would not be considered an error in the current year financial statements under the iron curtain approach. Implicitly, the iron curtain approach assumes that because the prior year financial statements were not materially misstated, correcting any immaterial errors that existed in those statements in the current year is the correct accounting, and is therefore not considered an error in the current year. Thus, utilization of the iron curtain approach can result in a misstatement in the current year income statement not being evaluated as an error at all.

The staff does not believe the exclusive reliance on either the rollover or iron curtain approach appropriately quantifies all misstatements that could be material to users of financial statements.

In describing the concept of materiality, Concepts Statement 2, Qualitative Characteristics of Accounting Information, indicates that materiality determinations are based on whether it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by *the inclusion or correction of the item* (emphasis added). FN76 The staff believes registrants must quantify the impact of correcting all misstatements, including both the carryover and reversing effects of prior year misstatements, on the current year financial statements. The staff believes that this can be accomplished by quantifying an error under both the rollover and iron curtain approaches as described above and by evaluating the error measured under each approach. Thus, a registrants financial statements would require adjustment when either approach results in quantifying a misstatement that is material, after considering all relevant quantitative and qualitative factors.

FN76 Concepts Statement 2, paragraph 132. See also Concepts Statement 2, Glossary of Terms - Materiality.

As a reminder, a change from an accounting principle that is not generally accepted to one that is generally accepted is a correction of an error. FN77

FN77 See definition of "error in previously issued financial statements" in the FASB ASC Master Glossary.

The staff believes that the registrant should quantify the current year misstatement in this example using both the iron curtain approach (i. e., \$100) and the rollover approach (i. e., \$20). Therefore, if the \$100 misstatement is considered material to the financial statements, after all of the relevant quantitative and qualitative factors are considered, the registrant's financial statements would need to be adjusted.

It is possible that correcting an error in the current year could materially misstate the current year's income statement. For example, correcting the \$100 misstatement in the current year will:

Correct the \$20 error originating in the current year;

Correct the \$80 balance sheet carryover error that originated in Years 1 through 4; but also

Misstate the current year income statement by \$80.

If the \$80 understatement of current year expense is material to the current year, after all of the relevant quantitative and qualitative factors are considered, the prior year financial statements should be corrected, even though such revision previously was and continues to be immaterial to the prior year financial statements. Correcting prior year financial statements for immaterial errors would not require previously filed reports to be amended. Such correction may be made the next time the registrant files the prior year financial statements.

The following example further illustrates the staff's views on quantifying misstatements, including the consideration of the effects of prior year misstatements:

Facts: During the course of preparing annual financial statements, a registrant is evaluating the materiality of a sales cut-off error in which \$50 of revenue from the following year was recorded in the current year, thereby overstating accounts receivable by \$50 at the end of the current year. In addition, a similar sales cut-off error existed at the end of the prior year in which \$110 of revenue from the current year was recorded in the prior year. As a result of the combination of the current year and prior year cut-off errors, revenues in the current year are understated by \$60 (\$110 understatement of revenues at the beginning of the current year partially offset by a \$50 overstatement of revenues at the end of the current year). The prior year error was evaluated in the prior year as being immaterial to those financial statements.

Question 2: How should the registrant quantify the misstatement in the current year financial statements?

Interpretive Response: The staff believes the registrant should quantify the current year misstatement in this example using both the iron curtain approach (i. e., \$50) and the rollover approach (i. e., \$60). Therefore, assuming a \$60 misstatement is considered material to the financial statements, after all relevant quantitative and qualitative factors are considered, the registrant's financial statements would need to be adjusted.

Further, in this example, recording an adjustment in the current year could alter the amount of the error affecting the current year financial statements. For instance:

If only the \$60 understatement of revenues were to be corrected in the current year, then the overstatement of current year end accounts receivable would increase to \$110; or,

If only the \$50 overstatement of accounts receivable were to be corrected in the current year, then the understatement of current year revenues would increase to \$110.

If the misstatement that exists after recording the adjustment in the current year financial statements is material (considering all relevant quantitative and qualitative factors), the prior year financial statements should be corrected, even though such revision previously was and continues to be immaterial to the prior year financial statements. Correcting prior year financial statements for immaterial errors would not require previously filed reports to be amended. Such correction may be made the next time the registrant files the prior year financial statements.

If the cut-off error that existed in the prior year was not discovered until the current year, a separate analysis of the financial statements of the prior year (and any other prior year in which previously undiscovered errors existed) would need to be performed to determine whether such prior year financial statements were materially misstated. If that analysis indicates that the prior year financial statements are materially misstated, they would need to be restated in accordance with FASB ASC Topic 250, Accounting Changes and Error Corrections. FN78

FN78 FASB ASC paragraph 250-10-45-23.

Facts: When preparing its financial statements for years ending on or before November 15, 2006, a registrant quantified errors by using either the iron curtain approach or the rollover approach, but not both. Based on consideration of the guidance in this Staff Accounting Bulletin, the registrant concludes that errors existing in previously issued financial statements are material.

Question 3: Will the staff expect the registrant to restate prior period financial statements when first applying this guidance?

Interpretive Response: The staff will not object if a registrant FN79 does not restate financial statements for fiscal years ending on or before November 15, 2006, if management properly applied its previous approach, either iron curtain or rollover, so long as all relevant qualitative factors were considered.

FN79 If a registrant's initial registration statement is not effective on or before November 15, 2006, and the registrant's prior year(s) financial statements are materially misstated based on consideration of the guidance in this Staff Accounting Bulletin, the prior year financial statements should be restated in accordance with FASB ASC paragraph [250-10-45-23](#). If a registrant's initial registration statement is effective on or before November 15, 2006, the guidance in the interpretive response to Question 3 is applicable.

To provide full disclosure, registrants electing not to restate prior periods should reflect the effects of initially applying the guidance in Topic 1N in their annual financial statements covering the first fiscal year ending after November 15, 2006. The cumulative effect of the initial application should be reported in the carrying amounts of assets and liabilities as of the beginning of that fiscal year, and the offsetting adjustment should be made to the opening balance of retained earnings for that year. Registrants should disclose the nature and amount of each individual error being corrected in the cumulative adjustment. The disclosure should also include when and how each error being corrected arose and the fact that the errors had previously been considered immaterial.

Early application of the guidance in Topic 1N is encouraged in any report for an interim period of the first fiscal year ending after November 15, 2006, filed after the publication of this Staff Accounting Bulletin. In the event that the cumulative effect of application of the guidance in Topic 1N is first reported in an interim period other than the first interim period of the first fiscal year ending after November 15, 2006, previously filed interim reports need not be amended. However, comparative information presented in reports for interim periods of the first year subsequent to initial application should be adjusted to reflect the cumulative effect adjustment as of the beginning of the year of initial application. In addition, the disclosures of selected quarterly information required by Item 302 of Regulation S-K should reflect the adjusted results.

> > > **SAB Topic 5.F, Accounting Changes Not Retroactively Applied Due to Immateriality**

250-10-S99-3 The following is the text of SAB Topic 5.F, Accounting Changes Not Retroactively Applied Due to Immateriality.

Facts: A registrant is required to adopt an accounting principle by means of retrospective adjustment of prior periods' financial statements. However, the registrant determines that the accounting change does not have a material effect on prior periods' financial statements and, accordingly, decides not to retrospectively adjust such financial statements.

Question: In these circumstances, is it acceptable to adjust the beginning balance of retained earnings of the period in which the change is made for the cumulative effect of the change on the financial statements of prior periods?

Interpretive Response: No. If prior periods are not retrospectively adjusted, the cumulative effect of the change should be included in the statement of income for the period in which the change is made. Even in cases where the total cumulative effect is not significant, the staff believes that the amount should be reflected in the results of operations for the period in which the change is made. However, if the cumulative effect is material to current operations or to the trend of the reported results of operations, then the individual income statements of the earlier years should be retrospectively adjusted.

> > > **SAB Topic 6.G. 2.b, Reporting Requirements for Accounting Changes**

250-10-S99-4 The following is the text of SAB Topic 6.G.2.b, Reporting Requirements for Accounting Changes.

b. Reporting requirements for accounting changes.

1. Preferability.

Facts: Rule 10-01(b)(6) of Regulation S-X requires that a registrant who makes a material change in its method of accounting shall indicate the date of and the reason for the change. The registrant also must include as an exhibit in the first Form 10-Q filed subsequent to the date of an accounting change, a letter from the registrant's independent accountants indicating whether or not the change is to an alternative principle which in his judgment is preferable under the circumstances. A letter from the independent accountant is not required when the change is made in response to a standard adopted by the Financial Accounting Standards Board which requires such a change.

Question 1: For some alternative accounting principles, authoritative bodies have specified when one alternative is preferable to another. However, for other alternative accounting principles, no authoritative body has specified criteria for determining the preferability of one alternative over another. In such situations, how should preferability be determined?

Interpretive Response: In such cases, where objective criteria for determining the preferability among alternative accounting principles have not been established by authoritative bodies, the determination of preferability should be based on the particular circumstances described by and discussed with the registrant. In addition, the independent accountant should consider other significant information of which he is aware. FN5

FN5 Registrants also are reminded that FASB ASC paragraph [250-10-50-1](#) (Accounting Changes and Error Corrections Topic) requires that companies disclose the nature of and justification for the change as well as the effects of the change on net income for the period in which the change is made. Furthermore, the justification for the change should explain clearly why the newly adopted principle is preferable to the previously-applied principle.

Question 2: Management may offer, as justification for a change in accounting principle, circumstances such as: their expectation as to the effect of general economic trends on their business (e. g., the impact of inflation), their expectation regarding expanding consumer demand for the company's products, or plans for change in marketing methods. Are these circumstances which enter into the determination of preferability?

Interpretive Response: Yes. Those circumstances are examples of business judgment and planning and should be evaluated in determining preferability. In the case of changes for which objective criteria for determining preferability have not been established by authoritative bodies, business judgment and business planning often are major considerations in determining that the change is to a preferable method because the change results in improved financial reporting.

Question 3: What responsibility does the independent accountant have for evaluating the business judgment and business planning of the registrant?

Interpretive Response: Business judgment and business planning are within the province of the registrant. Thus, the independent accountant may accept the registrant's business judgment and business planning and express reliance thereon in his letter. However, if either the plans or judgment appear to be unreasonable to the independent accountant, he should not accept them as justification. For example, an independent accountant should not accept a registrant's plans for a major expansion if he believes the registrant does not have the means of obtaining the funds necessary for the expansion program.

Question 4: If a registrant, who has changed to an accounting method which was preferable under the circumstances, later finds that it must abandon its business plans or change its business judgment because of economic or other factors, is the registrant's justification nullified?

Interpretive Response: No. A registrant must in good faith justify a change in its method of accounting under the circumstances which exist at the time of the change. The existence of different circumstances at a later time does not nullify the previous justification for the change.

Question 5: If a registrant justified a change in accounting method as preferable under the circumstances, and the circumstances change, may the registrant revert to the method of accounting used before the change?

Interpretive Response: Any time a registrant makes a change in accounting method, the change must be justified as preferable under the circumstances. Thus, a registrant may not change back to a principle previously used unless it can justify that the previously used principle is preferable in the circumstances as they currently exist.

Question 6: If one client of an independent accounting firm changes its method of accounting and the accountant submits the required letter stating his view of the preferability of the principle in the circumstances, does this mean that all clients of that firm are constrained from making the converse change in accounting (e. g., if one client changes from FIFO to LIFO, can no other client change from LIFO to FIFO)?

Interpretive Response: No. Each registrant must justify a change in accounting method on the basis that the method is preferable under the circumstances of that registrant. In addition, a registrant must furnish a letter from its independent accountant stating that in the judgment of the independent accountant the change in method is preferable under the circumstances of that registrant. If registrants in apparently similar circumstances make changes in opposite directions, the staff has a responsibility to inquire as to the factors which were considered in arriving at the determination by each registrant and its independent accountant that the change was preferable under the circumstances because it resulted in improved financial reporting. The staff recognizes the importance, in many circumstances, of the judgments and plans of management and recognizes that such management judgments may, in good faith, differ. As indicated above, the concern relates to registrants in apparently similar circumstances, no matter who their independent accountants may be.

Question 7: If a registrant changes its accounting to one of two methods specifically approved by the FASB in the Accounting Standards Codification, need the independent accountant express his view as to the preferability of the method selected?

Interpretive Response: If a registrant was formerly using a method of accounting no longer deemed acceptable, a change to either method approved by the FASB may be presumed to be a change to a preferable method and no letter will be required from the independent accountant. If, however, the registrant was formerly using one of the methods approved by the FASB for current use and wishes to change to an alternative approved method, then the registrant must justify its change as being one to a preferable method in the circumstances and the independent accountant must submit a letter stating that in his view the change is to a principle that is preferable in the circumstances.

2. Filing of a letter from the accountants.

Facts: The registrant makes an accounting change in the fourth quarter of its fiscal year. Rule 10-01(b)(6) of Regulation S-X requires that the registrant file a letter from its independent accountants stating whether or not the change is preferable in the circumstances in the next Form 10-Q. Item 601(b)(18) of Regulation S-K provides that the independent accountant's preferability letter be filed as an exhibit to reports on Forms 10-K or 10-Q.

Question: When the independent accountant's letter is filed with the Form 10-K, must another letter also be filed with the first quarter's Form 10-Q in the following year?

Interpretive Response: No. A letter is not required to be filed with Form 10-Q if it has been previously filed as an exhibit to the Form 10-K.

> > > SAB Topic 11.M, Disclosure of the Impact that Recently Issued Accounting Standards Will Have on the Financial Statements of the Registrant when Adopted in a Future Period

250-10-S99-5 The following is the text of SAB Topic 11.M, Disclosure of the Impact that Recently Issued Accounting Standards Will Have on the Financial Statements of the Registrant when Adopted in a Future Period.

Facts: An accounting standard has been issued FN5 that does not require adoption until some future date. A registrant is required to include financial statements in filings with the Commission after the issuance of the standard but before it is adopted by the registrant.

FN5 Some registrants may want to disclose the potential effects of proposed accounting standards not yet issued, (e. g., exposure drafts). Such disclosures, which generally are not required because the final standard may differ from the exposure draft, are not addressed by this SAB. See also FRR 26.

Question 1: Does the staff believe that these filings should include disclosure of the impact that the recently issued accounting standard will have on the financial position and results of operations of the registrant when such standard is adopted in a future period?

Interpretive Response: Yes. The Commission addressed a similar issue and concluded that registrants should discuss the potential effects of adoption of recently issued accounting standards in registration statements and reports filed with the Commission. FN6 The staff believes that this disclosure guidance applies to all accounting standards which have been issued but not yet adopted by the registrant unless the impact on its financial position and results of operations is not expected to be material. FN7 MD&A FN8 requires registrants to provide information with respect to liquidity, capital resources and results of operations and such other information that the registrant believes to be necessary to understand its financial condition and results of operations. In addition, MD&A requires disclosure of presently known material changes, trends and uncertainties that have had or that the registrant reasonably expects will have a material impact on future sales, revenues or income from continuing operations. The staff believes that disclosure of impending accounting changes is necessary to inform the reader about expected impacts on financial information to be reported in the future and, therefore, should be disclosed in accordance with the existing MD&A requirements. With respect to financial statement disclosure, GAAS FN9 specifically address the need for the auditor to consider the adequacy of the disclosure of impending changes in accounting principles if (a) the financial statements have been prepared on the basis of accounting principles that were acceptable at the financial statement date but that will not be acceptable in the future and (b) the financial statements will be retrospectively adjusted in the future as a result of the change. The staff believes that recently issued accounting standards may constitute material matters and, therefore, disclosure in the financial statements should also be considered in situations where the change to the new accounting standard will be accounted for in financial statements of future periods, prospectively or with a cumulative catch-up adjustment.

FN6 FRR 6, Section 2.

FN7 In those instances where a recently issued standard will impact the preparation of, but not materially affect, the financial statements, the registrant is encouraged to disclose that a standard has been issued and that its adoption will not have a material effect on its financial position or results of operations.

FN8 Item 303 of Regulation S-K.

FN9 See AU 9410.13-18.

Question 2: Does the staff have a view on the types of disclosure that would be meaningful and appropriate when a new accounting standard has been issued but not yet adopted by the registrant?

Interpretive Response: The staff believes that the registrant should evaluate each new accounting standard to determine the appropriate disclosure and recognizes that the level of information available to the registrant will differ with respect to various standards and from one registrant to another. The objectives of the disclosure should be to (1) notify the reader of the disclosure documents that a standard has been issued which the registrant will be required to adopt in the future and (2) assist the reader in assessing the significance of the impact that the standard will have on the financial statements of the registrant when adopted. The staff understands that the registrant will only be able to disclose information that is known.

The following disclosures should generally be considered by the registrant:

A brief description of the new standard, the date that adoption is required and the date that the registrant plans to adopt, if earlier.

A discussion of the methods of adoption allowed by the standard and the method expected to be utilized by the registrant, if determined.

A discussion of the impact that adoption of the standard is expected to have on the financial statements of the registrant, unless not known or reasonably estimable. In that case, a statement to that effect may be made.

Disclosure of the potential impact of other significant matters that the registrant believes might result from the adoption of the standard (such as technical violations of debt covenant agreements, planned or intended changes in business practices, etc.) is encouraged.