repurchase shares including the fair value of such shares
Commitments
Purchase, sale, delivery, guarantees etc.
Gain contingencies
Nonmonetary transactions
Transfers of receivable with recourse
Earnings per share
Supplementary earnings per share reflecting recent conversions or issuances of debt or equity securities
Cash flows
Interest and taxes paid, noncash transactions, sales, purchases, and maturities of investment securities
Research and development costs
Restructuring changes
Nature and basis for the charge, description of major restructuring actions, amounts expensed by category, description and number of employees to be terminated, nature and extent to which actual restructuring action differed from original plan
Segment, geographic and currency translation information
Business segment information
Revenues, operating profit or loss, identifiable assets, depreciation and capital expenditures
Revenue from major customers
Foreign operations
Reveues, operating profit or loss, identifiable assets
Currency translation
Balances, nature of foreign currency translated, exchange gains or losses included in net income
Foreign exchange contracts
Contract amounts and nature of foreign currency
Certain Risks and Uncertainties as defined by AICPA SOP 94–6

Disclosures specified by recently issued or proposed FASB standards that would be omitted from abbreviated financial statements

Accounting for the impairment of long-lived assets and for long-lived assets to be disposed of (SFAS 121)
A description of impaired assets and facts and circumstances leading to impairment
The amount of the impairment loss and how fair value was determined
The caption in the income statement in which the impairment loss is recognized
The business segment affected (if applicable)
Accounting for stock options
Any additional disclosures that may be required by the proposed FASB statement with respect to disclosure of stock option compensation.

Appendix B—Disclosure Guidelines From the 1983 Study

The following disclosure guidelines are reproduced from Summary Reporting of Financial Information, published in 1983 by the Financial Executives Research Foundation. The Guidelines were developed by the companies participating in the 1983 FERF study subsequent to the preparation of their prototype summary annual reports.

These guidelines are based on the accounting and disclosure standards in effect in 1983. They have not been updated for changes since then.

General Guidelines

SEC Rule. The guidelines presume that the summary report would not be materially misleading. This is implicit in SEC Rule 10(b)(5) and was among the instructions given to the nineteen companies that prepared mock summary reports.

Format. No specific guidelines are recommended for the format of summary reports. Companies should have flexibility to make the most meaningful presentation of their individual circumstances.

Narrative Financial Review. A summary report should include a narrative financial review. The authors believe that the summary reports that communicated most effectively were those that contained a narrative financial review in which management presented the company's financial results in layman's language. In addition, the financial review serves as a place to include all significant financial information, so as to avoid the duplication which occurs in many of today's annual reports. Also, the financial review provides a place where material now contained in the notes to the financial statements in technical terms can be explained in everyday language.

The reporting on various aspects of the results of operations, of financial position, and of changes in financial position in a narrative financial review should be on an exception basis. For example, companies that are not incurring any liquidity problems or that do not lack resources would not be required to include ''boilerplate'' language covering these matters.

There should be total flexibility as to format and location of a narrative financial review. For example, a company could present such a discussion in an expanded letter to shareholders, if it wishes.

Basic Financial Statements. A summary report should include a balance sheet and an income statement covering a minimum of two years. These could be condensed from those presented in the Form 10–K.

Funds flow information should be presented and should indicate the principal sources and uses of funds for a minimum of two years. This may be a condensed statement of changes in financial position, or any suitable alternative, such as a table or graph with a narrative explanation.

Notes. The style and placement of footnote-type disclosures, when required by the summary reporting guidelines, are optional. The traditional footnote format is acceptable but not required.

Guidelines for Specific Disclosures

Segment Data. A summary annual report should disclose industry and geographic segment data if necessary to give the reader an understanding of the company's business.

Industry segment data should include a description of the segments, sales by segment and some meaningful measure of segment earnings (e.g., operating income or net earnings).

Disclosure of identifiable assets, capital expenditures and depreciation expense by industry segment may be necessary if they would indicate a relationship among industry segments that is different from that which a reader might presume from observing sales and income.

Encouraged disclosure. Companies are encouraged to provide additional information to aid readers in understanding the company's lines of business. Disclosures, such as rate of return on investment by segment, would be helpful in analyzing operations by segment.

Companies are encouraged to disclose major operations outside the United States, especially when such operations are in countries that are politically or economically unstable.

In addition, disclosing major customer information is encouraged.

Accounting Policies and Accounting Changes. A company's accounting policies should be disclosed if:

• The policies are unique to the industry.
• There are acceptable alternative accounting principles that could be used and the choice would result in significantly different reported financial results.

Factors to consider in determining whether or not to disclose an accounting policy include how much impact the policy may have on the financial statements and whether a reader would expect the policy to be disclosed.

In addition, any material accounting changes should be disclosed, along with the effects of the changes on financial position or operating results.

Contingencies and Uncertainties. Summary reports should disclose specific contingencies that could, on resolution, have a material effect on financial position or operation results.

Acquisition and Dispositions. Summary reports should disclose significant acquisitions and dispositions of businesses, so the reader can more easily compare year-to-year reported financial results.

Encourgaged disclosure. A company is encouraged to disclose the business reasons for an acquisition or disposition if that information might aid the reader in understanding the event and its importance.

Long-term Debt. The total amount of long-term debt at the latest balance sheet date should be disclosed, including capitalized lease obligations. Scheduled maturities of this debt for each of the five years subsequent to the latest balance sheet date should be disclosed if it is anticipated that the maturities may cause or contribute to liquidity problems.

Restrictive loan covenants (e.g., dividend restrictions, working capital requirements, interest coverage ratios) should be disclosed if the company is in or near violation of a covenant at the balance sheet date, or the restrictions significantly impede the flow of funds from subsidiaries to the parent company or from the company to the shareholders.

Encouraged disclosure. Disclosure is also encouraged for larger than usual annual debt maturities, unusual financing and abnormal interest rates.

Financial information on Unconsolidated Subsidiaries and Equity Investees. The