

1993

## Rescission of Accounting Principles Board statements

American Institute of Certified Public Accountants. Accounting Standards Executive Committee

Follow this and additional works at: [https://egrove.olemiss.edu/aicpa\\_sop](https://egrove.olemiss.edu/aicpa_sop)



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

---

### Recommended Citation

American Institute of Certified Public Accountants. Accounting Standards Executive Committee, "Rescission of Accounting Principles Board statements" (1993). *Statements of Position*. 213.  
[https://egrove.olemiss.edu/aicpa\\_sop/213](https://egrove.olemiss.edu/aicpa_sop/213)

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Statements of Position by an authorized administrator of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

**Statement of  
Position**

**93-3**

**Rescission of Accounting  
Principles Board Statements**

**March 19, 1993**

**Prepared by the  
Accounting Standards Executive Committee**

**American Institute of  
Certified Public Accountants**

**AICPA**

## NOTE

Statements of position of the Accounting Standards Division present the conclusions of at least two thirds of the Accounting Standards Executive Committee, which is the senior technical body of the Institute authorized to speak for the Institute in the areas of financial accounting and reporting. Statement on Auditing Standards No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles in the Independent Auditor's Report*, identifies AICPA statements of position as sources of established accounting principles that an AICPA member should consider if the accounting treatment of a transaction or event is not specified by a pronouncement covered by rule 203 of the AICPA Code of Professional Conduct. In such circumstances, the accounting treatment specified by this statement of position should be used, or the member should be prepared to justify a conclusion that another treatment better presents the substance of the transaction in the circumstances.

Copyright © 1993 by  
American Institute of Certified Public Accountants, Inc.

*All rights reserved. Requests for permission to make copies of any part of this work should be mailed to Permissions Department, AICPA, Harborside Financial Center, 201 Plaza Three, Jersey City, NJ 07311-3881.*

1 2 3 4 5 6 7 8 9 0 AccS 9 9 8 7 6 5 4 3

# Table of Contents

	<i>Page</i>
Summary . . . . .	4
Introduction . . . . .	5
Conclusions . . . . .	5
Current Literature . . . . .	6
Effective Date and Transition . . . . .	8
Appendix A—Legends Included in APB Opinions 1 Through 31 . . . . .	9
Appendix B—References in APB Opinions, FASB Statements, and AICPA Publications to APB Statements . . . . .	12

## **SUMMARY**

This statement of position (SOP) rescinds Accounting Principles Board (APB) Statement Nos. 1 through 4, which do not have standing as rules or standards required to be observed by members of the AICPA by rule 203 of the Code of Professional Conduct and have been substantially superseded by subsequent pronouncements of the Financial Accounting Standards Board. *This SOP will not affect APB Opinions, which are separate and distinct from APB Statements.*

# Rescission of Accounting Principles Board Statements

## Introduction

1. The Accounting Principles Board (APB) of the American Institute of Certified Public Accountants (AICPA) issued thirty-one Opinions. The APB also issued four Statements:

- a. APB Statement No. 1, *Statement by the Accounting Principles Board*, April 1962
- b. APB Statement No. 2, *Disclosure of Supplemental Financial Information by Diversified Companies*, September 1967
- c. APB Statement No. 3, *Financial Statements Restated for General Price-Level Changes*, June 1969
- d. APB Statement No. 4, *Basis Concepts and Accounting Principles Underlying Financial Statements of Business Enterprises*, October 1970

## Conclusions

2. In order to make clear that APB Statement Nos. 1, 2, 3, and 4 do not, and never did, have standing as rules or standards under the AICPA's Rules of Conduct or Code of Professional Conduct and to eliminate misunderstanding and attendant confusion, and because those Statements<sup>1</sup> effectively have been superseded by pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Standards Executive Committee (AcSEC) of the AICPA hereby formally rescinds APB Statement Nos. 1, 2, 3, and 4 enumerated in paragraph 1 hereof.

---

<sup>1</sup> APB Statements have not been included in the FASB's *Original Pronouncements*, paperback edition, for the past several years. However, they are included in the FASB's *Original Pronouncements* loose-leaf service.

## Current Literature

3. Opinions of the APB, to the extent that they have not been superseded by pronouncements of the FASB, are part of the literature encompassed by the AICPA's Code of Professional Conduct, specifically rule 203 thereof, and, as such, must be followed by an AICPA member's client in the preparation of its financial statements in order for the member to issue an unmodified report about whether the client's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). Thus, APB Opinions, to the extent that they have not been superseded by pronouncements of the FASB, are rules or standards that must be observed in the practice of public accountancy by members of the AICPA. The various APB Opinions contained legends explaining their authority. These are cited in appendix A.

4. In Statement on Auditing Standards (SAS) No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles in the Independent Auditor's Report*, APB Statements are not included in categories (a) through (d), which constitute pronouncements covered by rule 203 or by another source of established accounting principles. However, APB Statements are referred to as "other accounting literature" that may be considered in the absence of a pronouncement covered by rule 203 or another source of established accounting principles. Other accounting literature includes, for example, FASB and Governmental Accounting Standards Board (GASB) Concepts Statements; APB Statements; AICPA Issues Papers; AICPA Technical Practice Aids; accounting textbooks; and articles. Paragraph 11 of SAS No. 69 states that FASB Statements of Financial Accounting Concepts would normally be more influential than other sources in the other accounting literature category.

5. APB Statement Nos. 2, 3, and 4 carried the following legends:<sup>2</sup>

### *Statement 2*

This Statement is not an "Opinion of the Accounting Principles Board" as contemplated in the Special Bulletin, *Disclosure of Depar-*

---

<sup>2</sup>APB Statement No. 1 was the APB's commentary on the AICPA's Accounting Research Studies 1 and 3 and, as such, neither required nor carried a legend.

*tures from Opinions of the Accounting Principles Board, October 1964. It is being issued as a special report for the information and assistance of members of the Institute and others interested in the subject. The Board may issue similar Statements in the future when it appears that preliminary analyses or observations on accounting matters should be issued in advance of research and study by the Board.*

#### *Statements 3 and 4*

Statements of the Accounting Principles Board present the conclusions of at least two-thirds of the members of the Board, which is the senior technical body of the Institute authorized to issue pronouncements on accounting principles. This Statement is not an “Opinion of the Accounting Principles Board” covered by action of the Council of the Institute in the Special Bulletin, *Disclosures of Departures from Opinions of the Accounting Principles Board, October, 1964.*

6. Statements issued by the APB were never rules or standards that had to be observed by members of the AICPA in the practice of public accountancy. APB Statements are not comprehended by rule 203 of the Code of Professional Conduct. Nonetheless, some who are not familiar with the distinction between Opinions and Statements issued by the APB have cited, and continue to cite, APB Statements as being rules or standards that must be observed by members of the AICPA in the practice of public accountancy.

7. The FASB effectively superseded APB Statement No. 2 with Statement of Financial Accounting Standards No. 14, *Financial Reporting for Segments of a Business Enterprise*. FASB Statement No. 89, *Financial Reporting and Changing Prices*, effectively superseded APB Statement No. 3. The FASB’s various Statements of Financial Accounting Concepts effectively superseded APB Statement No. 4.

8. Although APB Statement No. 3 is being rescinded because of subsequent FASB action with regard to inflation accounting, it is recognized that the FASB addressed only the presentation of partial price-level data. Since APB Statement No. 3 provided guidance for a comprehensive application of price-level adjusted financial statements, this SOP is not precluding such a presentation (to the

extent it is not inconsistent with guidance in FASB Statement No. 89 regarding historical cost/constant purchasing power accounting, such as the classification of assets and liabilities as monetary or nonmonetary) should a company wish to do so.<sup>3</sup>

9. Various APB Opinions, FASB Statements, and AICPA publications refer to APB Statements. The FASB Concepts Statements subsequently issued discuss essentially the same matters, and, therefore, this SOP has no impact on those pronouncements. In a few instances, the matter in the APB Statement is not included elsewhere in FASB pronouncements, and as indicated in appendix B, AcSEC agrees with the relevant comments from those APB Statements and this rescission is not expected to affect practice. Further, various FASB Concepts Statements also refer to APB Statements. The references are listed in appendix B.

10. AcSEC believes the rescission of the APB Statements should have no effect on financial reporting and should eliminate any confusion over the status of the pronouncements.

## **Effective Date and Transition**

11. This SOP is effective upon issuance.

---

<sup>3</sup> AcSEC agrees with the conclusions of the APB, expressed in paragraph 26 of APB Statement No. 3, regarding general price-level financial statements of companies operating in hyper-inflationary economies. Paragraph 26 states:

The Board recognizes that the degree of inflation or deflation in an economy may become so great that conventional statements lose much of their significance and general price-level statements clearly become more meaningful, and that some countries have experienced this degree of inflation in recent years.<sup>5</sup> The Board concludes that general price-level statements reported in the local currency of those countries are in that respect in conformity with accounting principles generally accepted in the United States, and that they preferably should be presented as the basic foreign currency financial statements of companies operating in those countries when the statements are intended for readers in the United States.<sup>6</sup>

<sup>5</sup> Although the Board believes that this conclusion is obvious with respect to some countries, it has not determined the degree of inflation or deflation at which general price level statements clearly become more meaningful.

<sup>6</sup> This paragraph applies only to statements prepared in the currency of the country in which the operations reported on are conducted. Only conventional statements of foreign subsidiaries should be used to prepare historical-dollar consolidated statements.

## APPENDIX A

### Legends Included in APB Opinions 1 Through 31

A-1. APB Opinions 1 through 5, issued between 1962 and 1964, carried the following legend:

Opinions present the considered opinion of at least two-thirds of the members of the Accounting Principles Board, reached on a formal vote after examination of the subject matter. Except where formal adoption by the Council or the membership of the Institute has been asked and secured, the authority of the Opinions rests upon their general acceptability. While it is recognized that general rules may be subject to exception, the burden of justifying departures from the Board's recommendations must be assumed by those who adopt other practices. Recommendations of the Board are not intended to be retroactive, nor applicable to immaterial items.

A-2. APB Opinions 6 through 15, issued between 1965 and 1969, carried the following legend:

Opinions present the considered opinion of at least two-thirds of the members of the Accounting Principles Board, reached on a formal vote after examination of the subject matter.

Except as indicated in the succeeding paragraph, the authority of the Opinions rests upon their general acceptability. While it is recognized that general rules may be subject to exception, the burden of justifying departures from Board Opinions must be assumed by those who adopt other practices.

Action of Council of the Institute (Special Bulletin, *Disclosure of Departures from Opinions of the Accounting Principles Board*, October 1964) provides that:

- a. "Generally accepted accounting principles" are those principles which have substantial authoritative support.
- b. Opinions of the Accounting Principles Board constitute "substantial authoritative support."
- c. "Substantial authoritative support" can exist for accounting principles that differ from Opinions of the Accounting Principles Board.

The Council action also requires that departures from Board Opinions be disclosed in footnotes to the financial statements or in independent auditors' reports when the effect of the departure on the financial statements is material.

Unless otherwise stated, Opinions of the Board are not intended to be retroactive. They are not intended to be applicable to immaterial items.

A-3. APB Opinions 16 through 27, issued between 1970 and 1972, carried the following legend:

Opinions of the Accounting Principles Board present the conclusions of at least two-thirds of the members of the Board, which is the senior technical body of the Institute authorized to issue pronouncements on accounting principles.

Board Opinions are considered appropriate in all circumstances covered but need not be applied to immaterial items.

Covering all possible conditions and circumstances in an Opinion of the Accounting Principles Board is usually impracticable. The substance of transactions and the principles, guides, rules, and criteria described in Opinions should control the accounting for transactions not expressly covered.

Unless otherwise stated, Opinions of the Board are not intended to be retroactive.

Council of the Institute has resolved that Institute members should disclose departures from Board Opinions in their reports as independent auditors when the effect of the departures on the financial statements is material or see to it that such departures are disclosed in notes to the financial statements and, where practicable, should disclose their effects on the financial statements (Special Bulletin, *Disclosure of Departures from Opinions of the Accounting Principles Board*, October 1964). Members of the Institute must assume the burden of justifying any such departures.

A-4. APB Opinions 28 through 31, issued in 1973, carried the following legend:

Opinions of the Accounting Principles Board present the conclusions of at least two-thirds of the members of the Board.

Board Opinions need not be applied to immaterial items.

Covering all possible conditions and circumstances in an Opinion of the Accounting Principles Board is usually impracticable. The substance of transactions and the principles, guides, rules, and criteria described in Opinions should control the accounting for transactions not expressly covered.

Unless otherwise stated, Opinions of the Board are not intended to be retroactive.

Rule 203 of the Institute's Rules of Conduct prohibits a member from expressing his opinion that financial statements are presented in conformity with generally accepted accounting principles if the statements depart in a

material respect from such principles unless he can demonstrate that due to unusual circumstances application of the principles would result in misleading statements—in which case his report must describe the departure, its approximate effects, if practicable, and the reasons why compliance with the established principles would result in misleading statements.

Pursuant to resolution of Council, this Opinion of the APB establishes, until such time as they are expressly superseded by action of FASB, accounting principles which fall within the provisions of Rule 203 of the Rules of Conduct.

## APPENDIX B

# References in APB Opinions, FASB Statements, and AICPA Publications to APB Statements

### Introduction

B-1. Various APB Opinions, FASB Statements, and AICPA publications refer to APB Statements. Those are listed below along with references to FASB Concepts Statements discussing essentially the same matters that were subsequently issued.

B-2. To use the reference to revenue recognition as an illustration, APB Statement No. 4, paragraph 150, stated:

Realization principle—revenue is generally recognized when both of the following conditions are met: (1) the earning process is complete or virtually complete, and (2) an exchange has taken place. . . .

B-3. Paragraph 83 of the more recently issued FASB Concepts Statement No. 5, *Recognition and Measurement in Financial Statements of Business Enterprises*, discusses revenues and gains. The FASB states that recognition involves consideration of two factors—(a) being realized or realizable and (b) being earned:

- (a) Revenues and gains generally are not recognized until realized or realizable.
- (b) Revenues are not recognized until earned . . . revenues are considered to have been earned when an entity has substantially accomplished what it must do to be entitled to the benefits represented by the revenues.

B-4. Another illustration is paragraph 35 of APB Statement No. 4, which lists “present characteristics and limitations of financial accounting and financial statements” and includes:

*Substance Over Form.* Although financial accounting is concerned with both the legal and economic effects of transactions and other events and many of its conventions are based on legal rules, the economic substance of transactions and other events are usually emphasized when economic substance differs from legal form.

B-5. Subsequently issued FASB Concepts Statement No. 2, *Qualitative Characteristics of Accounting Information*, has several paragraphs on point.

Paragraph 59—The reliability of a measure rests on the faithfulness with which it represents what it purports to represent. . . .

Paragraph 63—Representational faithfulness is correspondence or agreement between a measure or description and the phenomenon it purports to represent.

Paragraph 160 (appendix C)—Substance over form is an idea that also has its proponents, but it is not included [in the FASB Concepts Statement] because it would be redundant. The quality of reliability and, in particular, of representational faithfulness leaves no room for accounting representations that subordinate substance to form. Substance over form is, in any case, a rather vague idea that defies precise definition.

B-6. AcSEC believes the FASB Concepts Statements have effectively superseded the discussion of these matters in APB Statement No. 4 as well as substantially all of those listed on the following pages of this Appendix.

B-7. In addition, the only reference to APB Statements in GASB rules appears in the *Codification of Governmental Accounting and Financial Reporting Standards* as a footnote to paragraph 1600.125, where, in a discussion of recognition of revenues and expenses in proprietary funds, a general reference is made to the more detailed discussion in APB Statement No. 4, paragraphs 147–163. Again, the rescission should have no impact.

## **FASB Concepts Statements**

B-8. Various Concepts Statements refer to APB Statement No. 4, as listed below. However, since the Concepts Statements stand on their own, superseding APB Statement No. 4 has no impact on financial reporting.

<u>Concepts Statement</u>	<u>Topic</u>
No. 1, paragraph 3	Objectives—financial reporting
No. 1, paragraph 57	Background information
No. 2, paragraph 91	Conservatism
No. 2, paragraphs 82–83	Verifiability
No. 2, paragraph 145	Background information
No. 4, footnote 2	Nonreciprocal transfers
No. 5, footnote 1	Financial statements
No. 5, footnote 4	Financial disclosure
No. 5, footnote 50	Revenue recognition
No. 5, footnote 51	Revenue recognition

<u>Concepts Statement</u>	<u>Topic</u>
No. 5, footnote 52	Revenue recognition
No. 6, footnote 52	Transactions, events, circumstances
No. 6, footnote 53	Nonmonetary transactions
No. 6, footnote 57	Expense recognition
No. 6, paragraph 153	Background information

B-9. A footnote to Concepts Statement No. 5 indicates that pronouncements such as APB Statement No. 4 will continue to serve their intended purpose: "They describe objectives and concepts underlying standards and practices existing at the time of their issuance." Since the issuance of APB Statement No. 4 in 1970, it has not been updated for any subsequently issued APB or FASB pronouncement.

## References in APB Opinions, FASB Statements, and AICPA Publications to APB Statements

*Literature Citing APB Statement*      *APB Statement Reference*      *Topic*      *Similar Discussion in FASB Concepts Statement*

<i>Literature Citing APB Statement</i>	<i>APB Statement Reference</i>	<i>Topic</i>	<i>Similar Discussion in FASB Concepts Statement</i>
APB Opinion 22, footnote 1	APBS 4, chapters 6, 7, and 8	GAAP is on three levels: pervasive, broad operating, and detailed principles	See footnote 1 below
APB Opinion 29, pars. 3a and 3b, footnote 2	APBS 3, pars. 17-19 and app. B	Monetary and nonmonetary items	See footnote 2 below
APB Opinion 29, pars. 3c and 3d, footnote 3	APBS 4, pars. 180-183	Exchanges and nonreciprocal transfers	FASBC No. 6, pars. 135 and 137, and see footnote 2 below
FASBS No. 2, par. 42 <sup>3</sup>	APBS 4, par. 57	Economic resources	FASBC No. 6, par. 25
FASBS No. 2, pars. 47-48 <sup>3</sup>	APBS 4, pars. 147 and 156-160	Expense recognition	FASBC No. 5, pars. 85-87 FASBC No. 6, pars. 144-152
FASBS No. 2, par. 50 <sup>3</sup>	APBS 4, par. 160	Expense recognition	FASBC No. 5, pars. 85-87 FASBC No. 6, pars. 144-152
FASBS No. 5, par. 67 <sup>3</sup>	APBS 4, par. 35	Financial accounting and reporting	FASBC No. 1, par. 21

APBS = APB Statement; FASBS = FASB Statement of Financial Accounting Standards; FASBC = FASB Statement of Financial Accounting Concepts.

<sup>1</sup>The footnote reference to APB Statement No. 4 is intended to provide background information and does not affect the Opinion. FASB Concepts Statements do not refer to three levels of principles.

<sup>2</sup>The footnote reference to definitions of certain terms in APB Opinion 29 indicates that a "more complete explanation" of the terms can be found in the APB Statement. Further monetary and nonmonetary items are discussed in FASB Statement No. 89, par. 96.

<sup>3</sup>Citation is in the Basis of Conclusions rather than the actual standard.

## References in APB Opinions, FASB Statements, and AICPA Publications to APB Statements (Continued)

<i>Literature Citing APB Statement</i>	<i>APB Statement Reference</i>	<i>Topic</i>	<i>Similar Discussion in FASB Concepts Statement</i>
FASBS No. 5, par. 70 <sup>3</sup>	APBS 4, par. 58	Economic obligations	FASBC No. 6, par. 35
FASBS No. 5, par. 74(e) <sup>3</sup>	APBS 4, par. 183	Impairment of assets when damaged	FASBC No. 6, par. 32
FASBS No. 5, pars. 77 and 78 <sup>3</sup>	APBS 4, pars. 147 and 156-160	Expense recognition and the matching concept	FASBC No. 5, pars. 85-87 FASBC No. 6, pars. 144-152
FASBS No. 5, pars. 82 and 83 <sup>3</sup>	APBS 4, pars. 35 and 171	Conservatism	FASBC No. 2, pars. 92-97
FASBS No. 7, par. 32 footnote 16 <sup>3</sup>	APBS 4, par. 160	Expense recognition	FASBC No. 5, pars. 85-87 FASBC No. 6, pars. 144-152
FASBS No. 14, par. 66 <sup>3</sup>	APBS 4, par. 90	Verifiability	FASBC No. 2, pars. 81-89
FASBS No. 14, par. 67 <sup>3</sup>	APBS 4, pars. 87-94	Other qualitative objectives	FASBC No. 2
FASBS No. 15, pars. 71, 72, 73, 75, 81, 92, 95, 96, and 112, and footnote 32 <sup>3</sup>	APBS 4, various	General discussion as background	FASBC Nos. 2, 5, and 6
FASBS No. 16, par. 27 <sup>3</sup>	APBS 4, par. 147	Matching	FASBC No. 5, pars. 85-87 FASBC No. 6, pars. 144-152
FASBS No. 19, par. 136 <sup>3</sup>	APBS 4, par. 152	Revenue recognition	FASBC No. 5, par. 84(e)
FASBS No. 19, pars. 179, 181, and 182 <sup>3</sup>	APBS 4, pars. 156-160	Expense recognition and the matching concept	FASBC No. 5, pars. 85-87 FASBC No. 6, pars. 144-152

FASBS No. 34, par. 37, footnotes 6 and 7 <sup>3</sup>	APBS 4, pars. 163 and 164	Monetary and nonmonetary items	FASBC No. 2, par. 65 FASBC No. 5, par. 67(a) FASBC No. 6, par. 246
SOP 75-2 (REITs), par. 27	APBS 4, par. 183	Foreclosed assets are not subsequently written up	See footnote 4 below
SOP 81-1 (Construction Contracts), par. 3	APBS 4, pars. 150, 152, and 174	Revenue recognition	FASBC No. 5, pars. 83 and 84(c), and footnote 53
SOP 85-3 (Agriculture), par. 24	APBS 4, par. 16	Revenue recognition	FASBC No. 5, pars. 84(c) and 84(e)
SOP 85-3, par. 32	APBS 4, par. 152	Inventories carried at market price	See footnote 5 below
SOP 89-5 (Prepaid Health Care), par. 54	APBS 4, par. 157	Expense recognition	FASBC No. 5, par. 86(a) FASBC No. 6, par. 146
<i>Audits of Airlines</i> , chapter 3, par. 1 and footnote 1	APBS 4, par. 150	Revenue recognition	FASBC No. 5, par. 83
<i>Audits of Employee Benefit Plans</i> , chapter 13, footnote 40	APB 4, par. 133	Financial position	FASBC No. 5, par. 26
AU sec. 334.02	APB 4, par. 35	Substance over form	FASBC No. 2, pars. 58, 63, and 160

APBS = APB Statement; FASBS = FASB Statement of Financial Accounting Standards; FASBC = FASB Statement of Financial Accounting Concepts.

<sup>3</sup> Citation is in the Basis of Conclusions rather than the actual standard.

<sup>4</sup> FASB Statement No. 15 contains the guidance on foreclosed assets. Also see SOP 92-3, *Accounting for Foreclosed Assets*.

<sup>5</sup> The same point is made in ARB 43, chapter 4, par. 16.

## References in APB Opinions, FASB Statements, and AICPA Publications to APB Statements (Continued)

<i>Literature Citing APB Statement</i>	<i>APB Statement Reference</i>	<i>Topic</i>	<i>Similar Discussion in FASB Concepts Statement</i>
AU sec. 9508.33	APB 4, par. 117	Liquidation basis of accounting	See footnote 6 below
AU sec. 420.02, footnote 2 and AU sec. 9420.53, footnote 4	APB 4, pars. 95-97	Comparability	FASBC No. 2, pars. III-119
AU sec. 9410.16	APB 4, par. 106	Adequate disclosure	FASBC No. 5, pars. 7-9
AU sec. 411.02	APB 4, par. 138	Description of GAAP	Deletion has no effect on auditing guidance

APBS = APB Statement; FASBS = FASB Statement of Financial Accounting Standards; FASBC = FASB Statement of Financial Accounting Concepts.  
 9 APBS 4, par. 117, states, "An enterprise is not viewed as a going concern if liquidation appears imminent." AcSEC agrees with this statement.

**Accounting Standards Executive Committee**  
(1992–1993)

NORMAN N. STRAUSS, *Chairman*  
ERNEST F. BAUGH, JR.  
G. MICHAEL CROOCH  
H. JOHN DIRKS  
GEORGE P. FRITZ  
STUART H. HARDEN  
JAMES E. HEALEY  
SALLY L. HOFFMAN

JAMES A. JOHNSON  
KRISTA M. KALAND  
ROBERT S. KAY  
ARAM G. KOSTOGLIAN  
JOHN M. LACEY  
JAMES T. PARKS  
EDWARD W. TROTT

**AICPA Staff**

JOHN F. HUDSON  
*Vice President*  
*Technical Standards and Services*

LINDA A. VOLKERT  
*Technical Manager*  
*Technical Information*

ARLEEN K. RODDA  
*Director*  
*Accounting Standards*

AL GOLL  
*Technical Manager*  
*Accounting Standards*

