5. None of the ab...

i. Which of the following is *not* a category within accumulated other comprehensive income?

1. Foreign currency translation adjustments.
2. Unrealized holding gains and losses on available-for-sale marketable securities.
3. Changes to stockholders' equity resulting from additional minimum pension liability.
4. Unrealized gains and losses from derivative instruments.
5. Extraordinary item.

Cases

CASE 4-1 HOMEBUILDERS

LENNAR CORPORATION AND SUBSIDIARIES*
CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended November 30, 2010, 2009 and 2008

	2010	2009	2008
	(Dollars in thousands, except per share amounts)		
Revenues:			
Lennar Homebuilding	$2,705,639	2,834,285	4,263,038
Lennar Financial services	275,786	285,102	312,379
Rialto Investments	92,597	—	—
Total revenues	3,074,022	3,119,387	4,575,417
Costs and expenses:			
Lennar Homebuilding (1)	2,543,323	3,210,386	4,541,881
Lennar Financial services (2)	244,502	249,120	343,369
Rialto Investments	67,904	2,528	—
Corporate general and administrative	93,926	117,565	129,752
Total costs and expenses	2,949,655	3,579,599	5,015,002
Lennar Homebuilding equity in loss from unconsolidated entities (3)	(10,966)	(130,917)	(59,156)
Lennar Homebuilding other income (expense), net (4)	19,135	(98,425)	(172,387)
Other interest expense	(70,245)	(70,850)	(27,594)
Gain on recapitalization of Lennar Homebuilding unconsolidated entity	—	—	133,097
Rialto Investments equity in earnings from unconsolidated entities	15,363	—	—
Rialto Investments other income, net	17,251	—	—
Earnings (loss) before income taxes	94,725	(760,404)	(565,625)
Benefit (provision) for income taxes (5)	25,734	314,345	(547,557)
Net earnings (loss) (including net earnings (loss) attributable to noncontrolling interests)	120,459	(446,059)	(1,113,182)

*"We are one of the nation's largest homebuilders, a provider of financial services and through our Rialto Investments ("Rialto") segment, an investor in distressed real estate assets." 10-K

Source: Lennar Corporation and Subsidiaries Consolidated 2010 10-K

	2010	2009	2008
	(Dollars in thousands, except per share amounts)		
Less: Net earnings (loss) attributable to noncontrolling interests (6)	25,198	(28,912)	(4,097)
Net earnings (loss) attributable to Lennar	$ 95,261	(417,147)	(1,109,085)
Basic earnings (loss) per share	$ 0.51	(2.45)	(7.01)
Diluted earnings (loss) per share	$ 0.51	(2.45)	(7.01)

(1) Lennar Homebuilding costs and expenses include $51.3 million, $373.5 million and $340.5 million, respectively, of valuation adjustments and write-offs of option deposits and pre-acquisition costs for the years ended November 30, 2010, 2009 and 2008.

(2) Lennar Financial Services costs and expenses for the year ended November 30, 2008 include a $27.2 million impairment of goodwill.

(3) Lennar Homebuilding equity in loss from unconsolidated entities includes the Company's share of valuation adjustments related to assets of unconsolidated entities in which the Company has investments of $10.5 million, $101.9 million and $32.2 million, respectively, for the years ended November 30, 2010, 2009 and 2008.

(4) Lennar Homebuilding other income (expense), net includes valuation adjustments to investments in Lennar Homebuilding unconsolidated entities of $1.7 million, $89.0 million and $172.8 million, respectively, for the years ended November 30, 2010, 2009 and 2008.

(5) Benefit (provision) for income taxes for the year ended November 30, 2010 primarily related to settlements with various taxing authorities. For the year ended November 30, 2009, benefit (provision) for income taxes includes a reversal of the Company's deferred tax asset valuation allowance of $351.8 million. For the year ended November 30, 2008, benefit (provision) for income taxes includes a $730.8 million valuation allowance recorded against the Company's deferred tax assets.

(6) Net earnings (loss) attributable to noncontrolling interests for the year ended November 30, 2010 includes $33.2 million related to the FDIC's interest in the portfolio of real estate loans that the Company acquired in partnership with the FDIC. Net earnings (loss) attributable to noncontrolling interests for the year ended November 30, 2009 includes ($13.6) million recorded as a result of $27.2 million of valuation adjustments to inventories of 50%-owned consolidated joint ventures.

Required

a. Would you consider the presentation to be a multiple-step income statement or a single-step income statement? Comment.
b. Does it appear that there is a 100% ownership in all consolidated subsidiaries?
c. If a subsidiary were not consolidated but rather accounted for using the equity method, would this change net earnings (loss)? Explain.
d. Describe equity in loss from unconsolidated entities.
e. Comment on Note 1. Does this note project favorably on the future of Lennar Corporation? Explain.
f. Comment on Note 2. Why take an impairment for goodwill under financial services?