

microsoft-10-Q-2024-10-30-Financial_Report - ACCOUNTING POLICIES (Policies)

3 Months Ended

Sep. 30, 2024

of management, the unaudited interim consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair presentation of the results for the interim periods presented. Interim res

Principles of Consolidation The consolidated financial statements include the accounts of Microsoft Corporation and its subsidiaries. Intercompany transactions and balances have been

2025, the information that our chief operating decision maker is regularly provided and reviews for purposes of allocating resources and assessing performance reflects these segment changes. Prior period segment information

as product returns and refunds; loss contingencies; product warranties; the fair value of and/or potential impairment of goodwill and intangible assets for our reporting units; product life cycles; useful lives of our tangible and int

is more likely than not that we will be required to sell the security before recovery, then a decline in fair value below cost is recorded as an impairment charge in other income (expense), net and a new cost basis in the investm

Gains and losses representing hedge components excluded from the assessment of effectiveness are recognized in other income (expense), net. For derivative instruments designated as cash flow hedges, gains and losses are

able inputs including interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices for currencies. Our Level 2 investments include commercial paper, certificates of deposit, U.S. agency securities, fo

0.5 billion, respectively, and are included in other current assets in our consolidated balance sheets. We record financing receivables when we offer certain of our customers the option to acquire our software products and serv

on the board of directors of Inflection. As of the date of the agreement with Inflection, Reprogrammed Interchange LLC ("Reprogrammed") and entities affiliated with Greylock Ventures ("Greylock") each held less than a 10 % ec

umber of shares of common stock outstanding during the period. Diluted EPS is computed based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding dur

e segments benefit and are generally allocated based on relative gross margin. In addition, certain costs are incurred at a corporate level and allocated to our segments. These allocated costs generally include legal, including

beginning with our annual reporting for fiscal year 2025 and interim periods thereafter, with early adoption permitted. We are currently evaluating the impact of this standard on our segment disclosures. Income Taxes – Improvem