



MB Insight on AI Data Centers: Complex Accounting. Practical Advisory Solutions.

Advisory and consulting support for companies navigating the accounting, reporting, transaction and internal-control complexities of AI infrastructure.

We assist non-audit clients as an advisory and consulting firm. Our in-depth audit, SEC/PCAOB and financial-reporting experience gives our professionals a practical understanding of the issues auditors, audit committees, lenders and investors focus on.

WHY THIS MATTERS

AI infrastructure companies are deploying enormous amounts of capital into data centers, GPUs, power and cooling while simultaneously entering long-term customer contracts and sophisticated financing arrangements. The result is a convergence of technology, real estate, energy and capital-markets accounting.

Complex Area	Typical Challenges
PP&E, GPUs & Construction	CIP capitalization, capitalized interest, placed-in-service dates, GPU useful lives, component depreciation and impairment.
Revenue & Customer Contracts	ASC 606 versus ASC 842, dedicated compute capacity, take-or-pay terms, variable consideration and customer concentration.
Leases, Power & Infrastructure	ASC 606 versus ASC 842, dedicated compute capacity, take-or-pay terms, variable consideration and customer concentration.
Leases, Power & Infrastructure	Project debt, convertibles, derivatives, refinancing, guarantees, VIEs, consolidation and equity-method investments.
Valuation, M&A & Equity	Purchase accounting, fair value, stock compensation, impairment, intangible assets and complex financial instruments.
SOX, IT & Reporting	ITGCs, automated controls, system-generated data, SOC reliance, SOX readiness, SEC reporting and IPO readiness.

LET'S TALK

If your organization is building, financing, acquiring or operating AI data-center infrastructure, MaloneBailey can help management work through the accounting and reporting issues with an auditor-informed advisory perspective. **Reach out to crosen@malonebailey.com or 713.343.4286**

HOW MALONEBAILEY CAN ASSIST AS AN ADVISORY FIRM

Our role is to help management address complex accounting and reporting matters before they become audit issues, filing delays, transaction obstacles or control deficiencies. Because MaloneBailey professionals have extensive audit experience, we understand the documentation, evidence and analysis that independent auditors typically expect.

01

Technical Accounting & Position Papers

Analyze complex transactions and prepare management's accounting conclusions and supporting memoranda for matters such as revenue recognition, leases, VIEs, debt, derivatives, business combinations, impairment and stock compensation.

02

Audit Readiness & PBC Support

Help management build audit-ready schedules, reconciliations, rollforwards and supporting documentation; identify gaps before the external audit; organize PBC requests and improve the quality and traceability of audit evidence.

03

Financial Statements & SEC Reporting Readiness

Assist with financial-statement preparation, footnotes, accounting-policy disclosures and reporting processes for private companies, IPO candidates and SEC registrants, when permitted by applicable independence requirements.

04

IPO & Capital-Markets Readiness

Help companies prepare for PCAOB-level audit expectations, registration statements, historical financial statements, complex transaction accounting, close-process acceleration, SOX readiness and post-transaction reporting.

05

SOX, ICFR & IT Controls

Assist with risk assessments, process documentation, control design, remediation, ITGCs, automated controls, system implementations, SOC-report considerations and evidence supporting completeness and accuracy of system-generated information.

06

Valuation & Transaction Advisory

Support purchase accounting, impairment, stock compensation, complex instruments and other fair-value matters, as well as financial due diligence and transaction-related accounting analysis.

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THE AUDIT EXPERIENCE ADVANTAGE

MaloneBailey's audit background is a differentiator in advisory engagements. We can approach a complex accounting matter through the lens of the questions an experienced auditor is likely to ask:

- Is management's accounting conclusion supported by the authoritative literature and the actual contract terms?
- Are significant judgments, estimates and assumptions documented clearly enough for independent review?
- Is the underlying data complete, accurate and reconcilable to the general ledger and source systems?
- Are controls designed to support the accounting conclusion on an ongoing basis?
- Do financial-statement disclosures explain the economics, judgments, commitments and risks appropriately?
- Will the analysis withstand scrutiny from external auditors, an audit committee, lenders, investors or regulators?

AI DATA CENTER ADVISORY FOCUS AREAS

Capital Assets & Construction

Develop capitalization policies; evaluate direct and indirect project costs; analyze capitalized interest; establish placed-in-service criteria; support GPU/server useful lives; evaluate impairment indicators; document mining-to-AI asset conversions.

Revenue, Compute & Capacity Contracts

Evaluate whether arrangements are services or leases; identify performance obligations; assess dedicated assets and substitution rights; analyze take-or-pay commitments, variable consideration, service credits and contract modifications.

Power, Real Estate & Leasing

Analyze PPAs, embedded leases, site and equipment leases, tenant improvements, sale-leasebacks, commencement dates and long-term infrastructure commitments.

Financing, VIEs & Joint Ventures

Evaluate consolidation and primary-beneficiary conclusions; analyze project financing, debt modifications, guarantees, convertibles, embedded derivatives and equity-method arrangements.

Valuation, M&A & Equity Compensation

Support ASC 805 purchase accounting, ASC 820 fair value, ASC 718 awards, goodwill and intangible impairment, complex capital structures and transaction modeling.

Controls, Systems & Audit Readiness

Map processes and risks; design or remediate controls; evaluate ITGCs and automated controls; support SOC-report reliance; improve close and reporting processes; prepare management for external-audit and capital-markets scrutiny.

WHO WE CAN SUPPORT

AI cloud and GPU-compute providers; hyperscale data-center developers and operators; energy and power infrastructure companies; Bitcoin miners transitioning capacity to AI/HPC; private-equity and infrastructure-backed platforms; pre-IPO companies; and public companies seeking advisory support from a firm other than their independent auditor.

Independence matters. This brochure is positioned for advisory and consulting services to non-audit clients. MaloneBailey would evaluate client acceptance, scope and applicable independence requirements before undertaking any engagement.

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