

A biweekly audit and accounting publication

Accounting

Standards Issued for Accounting for Business Combinations and Noncontrolling Interests

The Financial Accounting Standards Board (FASB) has issued FASB Statements No. 141 (revised 2007), *Business Combinations*, and No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. These new standards represent the completion of the FASB's first major joint project with the International Accounting Standards Board (IASB). The FASB and the IASB first initiated the joint project that resulted in the new standards because U.S. generally accepted accounting principles and International Financial Reporting Standards (IFRS) differed widely in their approach to accounting for business combinations. The IASB plans to issue its counterpart standards IFRS 3 (revised), *Business Combinations*, and International Accounting Standard 27 (as revised in 2007), *Consolidated and Separate Financial Statements*, early next year. The new standards to be issued by the IASB are expected to contain the same fundamental principles as those of the FASB, but will diverge with respect to certain issues.

In Statement No. 141 (revised 2007), the FASB retained the fundamental requirements of Statement No. 141 to account for all business combinations using the acquisition method (formerly the purchase method) and for an acquiring entity to be identified in all business combinations. However, the fair value principles in the revised Statement are a major change from Statement No. 141's cost allocation process, together with other revisions from past practice. Among numerous changes, Statement No. 141(R) requires the acquiring entity in a business combination to:

- Recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions
- Recognize and measure the goodwill acquired in the business combination or a gain from a bargain purchase
- Expense acquisition-related costs, such as legal and due diligence costs, when incurred
- Recognize any restructuring costs that the acquiring entity expects to incur with respect to the acquired business as an expense, rather than capitalize as part of the acquisition
- Disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combination.

FASB Statement No. 160 amends Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, and requires all entities to report noncontrolling (minority) interests in subsidiaries within equity in the consolidated financial statements, but separate from the parent shareholders' equity. Statement No. 160 also requires any acquisitions or dispositions of noncontrolling interests that do not result in a change of control to be accounted for as equity transactions. Further, the Statement requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated.

The final business combinations and noncontrolling interests Statements are effective for annual periods beginning on or after December 15, 2008. The Statements should be applied on a prospective basis, except for the

presentation and disclosure requirements of Statement No. 160, which must be applied retrospectively. Entities are **prohibited** from adopting the Statements before their effective dates.

The Statements are available in full at <http://www.fasb.org/st/index.shtml>.

Determination of the Useful Life of Intangible Assets

Currently, the useful life of a recognized intangible asset under FASB Statement No. 142, *Goodwill and Other Intangible Assets*, often is shorter than the period of expected cash flows used to measure the fair value of the asset under Statement No. 141, *Business Combinations*, (and other applicable accounting literature) when the underlying arrangement includes renewal or extension terms. This difference primarily results from the limited renewal and extension assumptions that can be used to determine the useful life of a recognized intangible asset under Paragraph 11(d) of Statement No. 142, which states that the estimate of the useful life must include consideration of any legal, regulatory, or contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost (provided there is evidence to support renewal or extension and renewal or extension can be accomplished without material modifications of the existing terms and conditions). Statement No. 142 therefore precludes an entity from using its own assumptions about renewal or extension of an arrangement when there is likely to be substantial cost or material modifications.

To improve the consistency between the useful life of a recognized intangible asset under Statement No. 142 and the period of expected cash flows used to measure the fair value of the asset under Statement No. 141 and other applicable accounting literature, the Financial Accounting Standards Board (FASB) has proposed FASB Staff Position (FSP) No. FAS 142-f, *Determination of the Useful Life of Intangible Assets*. If finalized, the FSP would remove the constraints imposed in paragraph 11(d) of Statement No. 142, as mentioned in the preceding paragraph. Instead, the FSP would amend paragraph 11(d) to permit an entity to consider its own historical experience in making assumptions about renewing or extending similar arrangements. These assumptions must be consistent with the entity's intended use of the asset, however. In the absence of that experience, the entity must consider the assumptions that market participants would use about renewal or extension, adjusted for other entity-specific factors such as expected use of the asset. The proposed FSP would require disclosure of certain information that would enable users of financial statements to assess the extent to which the expected future cash flows associated with the recognized intangible asset are affected by the entity's intent and/or ability to reextend the arrangement.

The FSP is expected to be effective for financial statements issued for fiscal years beginning after June 15, 2008, and interim periods within those fiscal years, except that for intangible assets acquired in a combination of two or more mutual entities, the FSP would be effective at the same time that the mutual entities apply Statement No. 141 (revised 2007), *Business Combinations*. The guidance in the proposed FSP for determining the useful life of a recognized intangible asset is to be applied prospectively to intangible assets acquired after the effective date; however, the disclosure requirements would be applied to intangible assets acquired, renewed or extended after the effective date. The proposed FSP may not be applied to intangible assets acquired in a combination between not-for-profit organizations or arising from the acquisition of a for-profit business entity by a not-for-profit organization until interpretive guidance related to the application of the purchase method to those transactions is issued. Early adoption of the FSP would be prohibited. The proposed FSP is available for comment until January 16, 2008 at http://www.fasb.org/fasb_staff_positions/prop_fsp_fas142-f.pdf.

Does Statement No. 157 Apply to Leasing Transactions?

The Financial Accounting Standards Board (FASB) has issued FASB Staff Position (FSP) No. FAS 157-a, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Its Related Interpretive Accounting Pronouncements That Address Leasing Transactions*. If finalized, this FSP would amend FASB Statement No. 157, *Fair Value Measurements*, to exclude from its scope FASB Statement No. 13, *Accounting for Leases*, and its related interpretive accounting pronouncements that address leasing transactions. The FASB has issued this proposed FSP because issues stemming from the interaction between the fair value measurement objective in Statement No. 13 and the

fair value measurement objective in Statement No 157 may result in a change in lease accounting that requires consideration of lease classification criteria and measurements in leasing transactions that are beyond the scope of Statement No. 157. The Board has on its agenda a project to comprehensively reconsider the lease accounting provisions in Statement No. 13.

The proposed FSP would restore the original definition of the term “fair value” in Statement No. 13 to “the price for which the property could be sold in an arm’s-length transaction between unrelated parties.” Statement No. 157 had amended the definition of the term “fair value” in Statement No. 13 to “the price that would be received to sell the property in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers that are independent of the reporting entity, that is, they are not related parties at the measurement date.”

The proposed FSP is expected to be effective upon the initial adoption of Statement No. 157. An entity that applied Statement No. 157 in a manner consistent with the provisions of the FSP would continue to apply the provisions of the FSP from the date of the initial adoption of Statement No. 157. However, an entity that did not apply Statement No. 157 in a manner consistent with the provisions of the FSP would need to retrospectively apply the provisions in the FSP to the date of the initial adoption of Statement No. 157.

The proposed FSP is available for comment until January 4, 2008 at http://www.fasb.org/fasb_staff_positions/prop_fsp_fas157-a.pdf.

Preliminary Views on Accounting for Financial Instruments with Characteristics of Equity

Existing professional guidance related to the accounting for financial instruments with characteristics of equity consists of over 60 documents, many of which are complex to apply. The Financial Accounting Standards Board therefore has issued its Preliminary Views (PV), *Financial Instruments with Characteristics of Equity*, to obtain feedback on a proposal to simplify and improve financial reporting for financial instruments with characteristics of equity by developing a single, less complex standard. The PV describes the FASB’s preferred “basic ownership” approach, which would represent a major change to current accounting and financial reporting.

The basic ownership approach limits the instruments that can be classified as equity to the lowest residual interests in an entity. The holders of those instruments are viewed as the owners of the entity. All other instruments represent either liabilities or assets. An instrument that reduces the net assets available to the owners of the entity is a liability. An instrument that enhances net assets available to the owners is an asset. Under this approach, forward contracts, options, and convertible debt would be classified as liabilities or assets.

The PV is available for comment until May 30, 2008 at http://www.fasb.org/draft/pv_liab_and_equity.pdf.

Public Sector

Accounting for Land and Other Real Estate Held as Investments by Endowments

The Governmental Accounting Standards Board has issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, to establish consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. The Statement requires permanent and term endowments and permanent funds to report the fair value of land and other real estate held as investments and the changes in that fair value. Prior to the issuance of Statement No. 52, accounting standards required permanent and term endowments, which exist to invest resources for the purpose of generating income, to report land and other real estate held as investments at historical cost. In contrast, other entities such as pension and other postemployment benefit plans, external investment pools, and certain deferred compensation plans, which exist for similar income-generating purposes, report land and other real estate held as investments at their fair value. Reporting investments at fair value provides more decision-useful information about their composition, current value, and recent changes in value.

Statement No. 52 also requires governments to report the changes in fair value as investment income. Further, it requires disclosure of the methods and significant assumptions employed to determine fair value, as well as other information that currently is presented for other investments reported at fair value. The requirements of the Statement are effective for financial statements for periods beginning after June 15, 2008. Governments that wish to implement earlier than that date are encouraged to do so.

2007 Effective Date Reminder

This Effective Date Reminder lists only those pronouncements issued as of December 1, 2007, which became effective on or after January 1, 2007 for most entities or have not yet become effective for all entities as of December 1, 2007.

Financial Accounting Standards Board (FASB)

SFAS No. 155, *Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements No. 133 and 140*

This Statement is effective for all financial instruments acquired, issued, or subject to a remeasurement event occurring after the beginning of an entity's first fiscal year that begins after September 15, 2006.

SFAS No. 156, *Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140*

An entity must adopt this Statement as of the beginning of its first fiscal year that begins after September 15, 2006.

SFAS No. 157, *Fair Value Measurements*

This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. As of December 1, 2007 the FASB has proposed a one-year deferral for the implementation of the Statement for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis.

SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)*

The requirement to recognize the funded status of a benefit plan and the disclosure requirements for entities with publicly traded equity securities was effective as of the end of the fiscal year ending after December 15, 2006; for all other entities those requirements are effective at the end of the fiscal year ending after June 15, 2007. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end balance sheet is effective for fiscal years ending after December 15, 2008 for all affected employers.

SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115*

This Statement is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007.

FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109*

This Interpretation is effective for fiscal years beginning after December 15, 2006. As of December 1, 2007 the FASB has proposed a one-year deferral for non-public entities that have not yet implemented the provisions of the Interpretation.

FSP FAS 13-2, *Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction*

This FSP must be applied to fiscal years beginning after December 15, 2006.

FSP FAS 123(R)-4, *Classification of Options and Similar Instruments Issued as Employee Compensation That Allow for Cash Settlement upon the Occurrence of a Contingent Event*

This FSP is effective upon initial adoption of Statement No. 123(R). An entity that adopted Statement No. 123(R) prior to the issuance of the FSP must apply the guidance in the FSP in the first reporting period beginning after February 3, 2006.

FSP FAS 123(R)-5, *Amendment of FASB Staff Position FAS 123 (R)-1*

This FSP must be applied in the first reporting period beginning after October 10, 2006.

FSP FAS 123(R)-6, *Technical Corrections of FASB Statement No. 123 (R)*

This FSP must be applied in the first reporting period beginning after October 20, 2006.

FSP FAS 126-1, *Applicability of Certain Disclosure and Interim Reporting Requirements for Obligors for Conduit Debt Securities*

This FSP must be applied prospectively in fiscal periods beginning after December 15, 2006.

FSP FAS 158-1, *Conforming Amendments to the Illustrations in FASB Statements No. 87, No. 88, and No. 106 and to the Related Staff Implementation Guides*

The conforming amendments made by this FSP are effective as of the effective dates of Statement No. 158.

FSP FIN 39-1, *Amendment of FASB Interpretation No. 39*

This FSP is effective for fiscal years beginning after November 15, 2007.

FSP FIN 46(R)-6, *Determining the Variability to Be Considered in Applying FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities"*

An enterprise must apply this FSP prospectively to all entities with which that enterprise first becomes involved and to all entities previously required to be analyzed under FIN 46(R) when a reconsideration event has occurred pursuant to FIN 46(R) beginning the first day of the first reporting period beginning after June 15, 2006.

FSP FIN 46(R)-7, *Application of FASB Interpretation No. 46(R) to Investment Companies*

This FSP deferred the effective date for applying the provisions of FIN 46(R) for investment companies that are not subject to SEC Regulation S-X, Rule 6-03(c)(1) but are currently accounting for their investments in accordance with the specialized accounting guidance in the AICPA Audit and Accounting Guide, Investment Companies, until the date that the investment company initially adopts SOP 07-01.

FSP FIN 48-1, *Definition of "Settlement" in FASB Interpretation No. 48*

This FSP is effective upon the initial adoption of FIN 48.

FSP EITF 00-19-2, *Accounting for Registration Payment Arrangements*

This FSP is effective for registration payment arrangements and the financial instruments subject to those arrangements that are entered into or modified subsequent to December 21, 2006. For registration payment arrangements and financial instruments subject to those arrangements that were entered into prior to December 21, 2006, the guidance is effective for financial statements issued for fiscal years beginning after December 15, 2006, and interim periods within those fiscal years.

FSP FTB 85-4-1, *Accounting for Life Settlement Contracts by Third-Party Investors*

This FSP must be applied to fiscal years beginning after June 15, 2006.

FSP AUG AIR-1, *Accounting for Planned Major Maintenance Activities*

This FSP must be applied to the first fiscal year beginning after December 15, 2006.

DIG Issue No. B40, *Embedded Derivatives: Application of Paragraph 13(b) to Securitized Interests in Prepayable Financial Assets*

The effective date for the guidance in this Issue is generally upon initial adoption of Statement No. 155.

DIG Issue No. G26, *Cash Flow Hedges: Hedging Interest Cash Flows on Variable-Rate Assets and Liabilities That Are Not Based on a Benchmark Interest Rate*

The effective date of the implementation guidance in this Issue is the first day of the first fiscal quarter beginning after January 8, 2007.

Emerging Issues Task Force (EITF)

Note: Unless the consensus to a specific Issue states otherwise, a public company will be required to adopt an EITF consensus at the beginning of the next quarter after the date the consensus was approved by the FASB. A nonpublic company will be required to adopt a consensus at the beginning of the next reporting period after the date the consensus was approved by the FASB. Thus, a nonpublic company that issues only annual financial statements will not be required to adopt a consensus until the beginning of its next fiscal year. This transition guidance varies by EITF Issue, and in many situations is very complex. Please see the appropriate EITF Issue Abstract for further guidance.

EITF Issue No. 04-13, *Accounting for Purchases and Sales of Inventory with the Same Counterparty*

This consensus must be applied to new arrangements entered into, or modifications or renewals of existing arrangements, in the first interim or annual reporting period beginning after March 15, 2006.

EITF Issue No. 05-1, *Accounting for the Conversion of an Instrument That Became Convertible upon the Issuer's Exercise of a Call Option*

This consensus is effective for all conversions within the scope of this Issue that result from the exercise of call options that occur in interim or annual reporting periods beginning after June 28, 2006, irrespective of whether the instrument was entered into prior or subsequent to that date.

EITF Issue No. 06-1, *Accounting for Consideration Given by a Service Provider to a Manufacturer or Reseller of Equipment Necessary for an End-Customer to Receive Service from the Service Provider*

The consensus is effective for the first annual reporting period beginning after June 15, 2007.

EITF Issue No. 06-2, *Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No. 43, "Accounting for Compensated Absences"*

This consensus is effective for fiscal years beginning after December 15, 2006.

EITF Issue No. 06-3, *How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)*

This consensus is effective for interim and annual reporting periods beginning after December 15, 2006.

EITF Issue No. 06-4, *Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements*

This consensus is effective for fiscal years beginning after December 15, 2007.

EITF Issue No. 06-5, *Accounting for Purchases of Life Insurance—Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4, "Accounting for Purchases of Life Insurance"*

This consensus is effective for fiscal years beginning after December 15, 2006.

EITF Issue No. 06-6, *Debtor's Accounting for a Modification (or Exchange) of Convertible Debt Instruments*

This consensus should be applied to modifications or exchanges of debt instruments occurring in interim or annual reporting periods beginning after November 29, 2006.

EITF Issue No. 06-7, *Issuer's Accounting for a Previously Bifurcated Conversion Option in a Convertible Debt Instrument When the Conversion Option No Longer Meets the Bifurcation Criteria in FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities"*

This consensus should be applied to all previously bifurcated conversion options in convertible debt instruments that no longer meet the bifurcation criteria in Statement No. 133 in interim or annual periods beginning after December 15, 2006, irrespective of whether the debt instrument was entered into prior or subsequent to November 29, 2006.

EITF Issue No. 06-8, *Applicability of the Assessment of a Buyer's Continuing Investment under FASB Statement No. 66 for Sales of Condominiums*

This consensus is effective for the first annual reporting period beginning after March 15, 2007.

EITF Issue No. 06-9, *Reporting a Change in (or the Elimination of) a Previously Existing Difference between the Fiscal Year-End of a Parent Company and That of a Consolidated Entity or between the Reporting Period of an Investor and That of an Equity Method Investee*

This consensus is effective for changes occurring in interim or annual reporting periods beginning after November 29, 2006.

EITF Issue No. 06-10, *Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements*

This consensus is effective for fiscal years beginning after December 15, 2007, including interim periods within those fiscal years.

EITF Issue No. 06-11, *Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards*

This consensus is effective prospectively for the income tax benefits that result from dividends on equity-classified employee share-based payment awards that are declared in fiscal years beginning after December 15, 2007, and interim periods within those fiscal years.

EITF Issue No. 07-3, *Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities*

This consensus is effective for financial statements issued for fiscal years beginning after December 15, 2007, and interim periods within those fiscal years.

AICPA Accounting Standards Executive Committee

SOP 05-1, *Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection with Modifications or Exchanges of Insurance Contracts*

This SOP is effective for internal replacements occurring in fiscal years beginning after December 15, 2006.

SOP 07-1, *Clarification of the Scope of the Audit and Accounting Guide "Investment Companies" and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies*

As of December 1, 2007 the FASB has proposed an indefinite deferral of this SOP.

AICPA Auditing Standards Board

SAS No. 104, *Amendment to Statement on Auditing Standards No. 1, "Codification of Auditing Standards and Procedures" ("Due Professional Care in the Performance of Work")*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 105, *Amendment to Statement on Auditing Standards No. 95, "Generally Accepted Auditing Standards"*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 106, *Audit Evidence*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 107, *Audit Risk and Materiality in Conducting an Audit*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 108, *Planning and Supervision*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 109, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 110, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 111, *Amendment to Statement on Auditing Standards No. 39, "Audit Sampling"*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 113, *Omnibus 2006*

The amendments in this Statement related to SAS No. 95 and SAS No. 99 are effective for audits of financial statements for periods beginning on or after December 15, 2006.

SAS No. 114, *The Auditor's Communication With Those Charged With Governance*

This Statement is effective for audits of financial statements for periods beginning on or after December 15, 2006.

SOP 07-2, *Attestation Engagements That Address Specified Compliance Control Objectives and Related Controls at Entities That Provide Services to Investment Companies, Investment Advisers, or Other Service Providers*

This SOP was effective upon issuance, which was October 15, 2007.

AICPA Accounting and Review Services Committee

SSARS No. 15, *Elimination of Certain References to Statements on Auditing Standards and Incorporation of Appropriate Guidance into Statements on Standards for Accounting and Review Services*

This Statement is effective for compilations and reviews of financial statements for periods ending on or after December 15, 2007.

Government Accountability Office

Revised Government Auditing Standards

The 2007 revision of Government Auditing Standards is effective for financial audits and attestation engagements for periods beginning on or after January 1, 2008, and for performance audits beginning on or after January 1, 2008. For financial audits, certain standards of the Auditing Standards Board (ASB) that affect Government Auditing Standards become effective and should be implemented prior to these dates.

Governmental Accounting Standards Board (GASB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

Plans in which the sole or largest participating employer has total annual revenues in the first fiscal year ending after June 15, 1999 of:

- \$100 million or more were required to implement this Statement in financial statements for periods beginning after December 15, 2005.
- \$10 million or more but less than \$100 million are required to implement this Statement in financial statements for periods beginning after December 15, 2006.

- Less than \$10 million are required to implement this Statement in financial statements for periods beginning after December 15, 2007.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*

Governments with total annual revenues in the first fiscal year ending after June 15, 1999 of:

- \$100 million or more are required to implement this Statement in financial statements for periods beginning after December 15, 2006.
- \$10 million or more but less than \$100 million are required to implement this Statement in financial statements for periods beginning after December 15, 2007.
- Less than \$10 million are required to implement this Statement in financial statements for periods beginning after December 15, 2008.

All component units are required to implement this Statement no later than the same year as the primary government.

GASB Statement No. 47, *Accounting for Termination Benefits*

This Statement was effective for financial statements for periods beginning after June 15, 2005. However, for termination benefits that affect defined benefit postemployment benefits other than pensions, governments should implement Statement No. 47 simultaneously with Statement No. 45.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*

This Statement is effective for financial statements for periods beginning after December 15, 2006.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*

This Statement is effective for financial statements for periods beginning after December 15, 2007.

GASB Statement No. 50, *Pension Disclosures*

The provisions of this Statement generally are effective for financial statements for periods beginning after June 15, 2007. However, the requirements relating to governments using the aggregate actuarial cost method are effective for financial statements and required supplementary information that contains information from actuarial valuations as of June 15, 2007, or later.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*

This Statement is effective for financial statements for periods beginning after June 15, 2009.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*

This Statement is effective for financial statements for periods beginning after June 15, 2008.

GASB Technical Bulletin No. 2006-1, *Accounting and Financial Reporting by Employers and OPEB Plans for Payments From the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D*

This Statement was effective on June 30, 2006, except for portions of answers pertaining specifically to measurement, recognition, or required supplementary information requirements of Statement No. 43, or Statement No. 45. Those provisions should be applied simultaneously with the implementation of Statement No. 43 or Statement No. 45.

U.S. Securities and Exchange Commission

Release No. 33-8760, Final Rule: Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-accelerated Filers and Newly Public Companies

Under this Final Rule, a non-accelerated filer is required to provide management's report on internal control over financial reporting when it files an annual report for a fiscal year ending on or after December 15, 2007. The auditor's attestation report on internal control over financial reporting would not be required until a non-accelerated filer files an annual report for a fiscal year ending on or after December 15, 2008.

Staff Accounting Bulletin No. 109, Written Loan Commitments Recorded at Fair Value Through Earnings

SEC registrants are expected to apply the views in Question 1 of SAB 109 on a prospective basis to derivative loan commitments issued or modified in fiscal quarters beginning after December 15, 2007.

Public Company Accounting Oversight Board

Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements

This Standard is effective for audits of internal control over financial reporting for fiscal years ending on or after November 15, 2007.

Rule 3525, Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting

This Standard is effective for audits of internal control over financial reporting for fiscal years ending on or after November 15, 2007.

International Accounting Standards Board

Revised IAS 1, Presentation of Financial Statements

This revised Standard is effective for annual periods beginning on or after January 1, 2009.

Revised IAS 23, Borrowing Costs

This revised Standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009.

IFRS 7, Financial Instruments: Disclosures

Entities must apply IFRS 7 for annual periods beginning on or after January 1, 2007.

IFRS 8, Operating Segments

IFRS 8 applies to the annual financial statements for periods beginning on or after January 1, 2009.

IFRIC 7, Applying the Restatement Approach under IAS 29, "Financial Reporting in Hyperinflationary Economies"

Entities must apply IFRIC 7 for annual periods beginning on or after March 1, 2006.

IFRIC 8, Scope of IFRS 2

Entities must apply IFRIC 8 for annual periods beginning on or after May 1, 2006.

IFRIC 9, Reassessment of Embedded Derivatives

Entities must apply IFRIC 9 for annual periods beginning on or after June 1, 2006.

IFRIC 10, Interim Financial Reporting and Impairment

Entities must apply IFRIC 10 for annual periods beginning on or after November 1, 2006.

IFRIC 11, IFRS 2—Group and Treasury Share Transactions

Entities must apply IFRIC 11 for annual periods beginning on or after March 1, 2007.

IFRIC 12, *Service Concession Arrangements*

Entities must apply IFRIC 12 for annual periods beginning on or after January 1, 2008.

IFRIC 13, *Customer Loyalty Programmes*

The Interpretation should be applied for annual periods beginning on or after July 1, 2008

IFRIC 14, *IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

Entities must apply IFRIC 14 for annual periods beginning on or after January 1, 2008.

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