

Subsequent Events Revised Disclosure Requirements

The FASB issued ASU 2010-09: *Subsequent Events (Topic 855) – Amendments to Certain Recognition and Disclosure Requirements* on February 24, 2010. The ASU **removes** the requirement for SEC filers (see below for definition) to **disclose** the date through which subsequent events have been evaluated in order to remedy potential conflicts with the SEC's requirements. However, in accordance with ASC 855 and existing SEC rules, SEC filers are still required to evaluate subsequent events through the date the financial statements are issued.

A conduit bond obligor for conduit debt securities that are traded in a public market is required to evaluate subsequent events through the date the financial statements are issued and disclose the date. Examples of conduit bond obligors include health care entities and local governments that have issued debt, and companies that have issued industrial revenue bonds, through public agencies, if that debt is traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets).

The definition of a public entity and the concept of expecting to widely distribute financial statements to shareholders or other users have been removed. Instead, to determine the disclosure requirements and the date through which the subsequent events must be evaluated, the entity is considered a SEC filer, a conduit bond obligor, or all other entities.

All other entities are required to evaluate subsequent events through the date the financial statements are available to be issued with no changes to the disclosure requirements for those entities.

The ASU defines a SEC filer as "an entity that is required to file or furnish its financial statements with either (a) the SEC or (b) with respect to an entity subject to Section 12(i) of the SEC Act of 1934, as amended, the appropriate agency under that Section." The definition does not include an entity that is not an SEC filer, but whose financial statements are included in a submission by another SEC filer.

The ASU also changes the scope of the disclosure requirements in reissued financial statements to include only revised financial statements, which are defined as "financial statements revised only for the (a) correction of an error or (b) retrospective application of US GAAP." If the financial statements (other than those of SEC filers) have been revised, the entity should retain the initial date, but also disclose the date through which subsequent events have been evaluated in the revised financial statements.

The amendments in the ASU are effective upon issuance, except for conduit bond obligors, for which the effective date is interim or annual periods ending after June 15, 2010.

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