



## MINUTES OF MEETING

Financial Accounting Standards Advisory Council  
March 20, 2007

The Advisory Council met at the offices of the Financial Accounting Standards Board in Norwalk, Connecticut.

### Members Attending

Dennis Chookaszian, Chairman  
David Bianco  
Richard H. Booth

Joe Joseph  
Richard D. Levy  
Nellie Liang

Peter Bridgman  
James L. Brown  
Curtis L. Buser

Krista M. McMasters  
John B. Morse, Jr.  
Mark W. Nelson

Michael P. Cangemi  
Vincent P. Colman  
Stephen J. Cosgrove

Klaus D. Patzak  
Samuel J. Ranzilla  
Steven A. Rogers

Leslie Culbertson  
Timothy J. Curt  
Richard K. Dinkel

David E. Runkle  
Terry D. Warfield  
Brent A. Woodford

Leonard F. Griehs  
Charles L. Hall  
Gregory J. Jonas

William L. Yeates  
Michael R. Young

### Members Not Attending

Marc E. Lackritz  
Kevin B. Reilly

Arleen R. Thomas  
E. Anson Thrower

### Others Attending

Financial Accounting Standards Board:  
Robert H. Herz, Chairman  
George J. Batavick  
G. Michael Crooch

Thomas J. Linsmeier  
Edward W. Trott  
Donald M. Young

FASB Staff:

Richard B. Beckendorff, Postgraduate Technical Assistant  
 Paul A. Beswick, Fellow  
 Suzanne Q. Bielstein, Director of Major Projects and Technical Activities  
 Christopher A. Cornett, Postgraduate Technical Assistant  
 Louis E. Fanzini, Fellow  
 Kimberly R. Petrone, Senior Project Manager  
 Larry W. Smith, Director of Technical Activities and Implementation  
 Kevin M. Stoklosa, Project Manager  
 Danielle T. Zeyher, Project Manager

Others:

James Kroeker, Deputy Chief Accountant, Securities and Exchange Commission  
 Teresa S. Polley, Executive Director, FASB Advisory Groups, Financial  
 Accounting Standards Advisory Council  
 Thomas J. Ray, Chief Auditor, Public Company Accounting Oversight Board

**Introductory Remarks**

1. Mr. Chookaszian called the meeting to order at 9:00 a.m. He welcomed the FASAC members and guests and introduced nine new Council members and Jim Kroeker, the recently appointed SEC deputy chief accountant. He also welcomed Frank Minter, trustee of the Financial Accounting Foundation, who was sitting in the audience.

**Report of the FASB Chairman**

2. Mr. Herz reported on the following matters:
  - a. The issuance in February 2007 of FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*
  - b. The Board's plans to begin redeliberations of the FASB Exposure Draft, *Disclosures about Derivative Instruments and Hedging Activities*, in April 2007
  - c. The issuance in January 2007 of the FASB Invitation to Comment, *Valuation Guidance for Financial Reporting*, which FASAC will discuss later in the meeting
  - d. The issuance in March 2007 of a proposed FASB Staff Position that would extend certain provisions of SEC Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements*, to private companies and not-for-profit entities
  - e. The addition of a project to the Board's agenda in January 2007 on disclosures related to the allowance for credit losses associated with loans and other financing receivables

- f. The Board's decision not to defer the effective date of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, and its decision to issue implementation guidance on the definition of *settlement*
  - g. The status of the codification project and the Board's plans to release the codification by the end of 2007 for an extended verification period
  - h. The formation of the Private Company Financial Reporting Committee, which will hold its first meeting in May 2007 and which will evaluate whether reporting requirements for private companies should differ in specific areas due to different user needs and cost-benefit considerations
  - i. The formation of the Investors Technical Advisory Committee, which comprises 12 investors with strong technical accounting knowledge and which held its first meeting in January 2007.
3. Ms. Bielstein reported on the following limited-scope convergence issues:
- a. The issuance of IFRS 8 on operating segments, which substantially converges with U.S. GAAP on this issue.
  - b. The issuance by the IASB of a discussion paper on fair value measurements, which considers convergence with U.S. GAAP on the definition of fair value.
  - c. The issuance of Statement 159, which converges U.S. GAAP with IAS 39 on the fair value option.
  - d. Discontinued operations. The FASB and IASB have agreed on a definition of a discontinued operation. In April, the Boards will decide whether to add a short-term convergence project to resolve the issue and achieve full convergence.
  - e. Earnings per share. The Boards continue to modify the scope of the projects and have renewed their commitment to converging in the short term.
  - f. Taxes. The U.S. GAAP and IFRS standards on deferred taxes are substantially similar, but several outstanding differences remain. An Exposure Draft is expected in September.
  - g. Borrowing costs. The IASB is developing a standard to converge with U.S. GAAP on this issue and hopes to issue a final standard by the second quarter of 2007.
  - h. Research and development. R&D acquired in a business combination will be addressed in the joint project on business combinations. In the near future, the Board will discuss the timing of plans to address R&D acquired other than in a business combination. On the issue of internal R&D, in April, the Boards will discuss a potential project on intangible assets, which would include the treatment of internal R&D.
4. Ms. Bielstein reported on the following major projects with convergence implications:

- a. Business combinations. The most significant unresolved issue is the use of the full goodwill method versus the partial goodwill method. The FASB supports the full goodwill method. A majority of the IASB members do not support the full goodwill method; the IASB is considering how a partial goodwill method would work in practice. The IASB also is considering allowing an option for IFRS filers to use the full goodwill method.
  - b. Revenue recognition. The FASB and IASB have created two teams of Board members and staff to develop two models: the fair value model and the allocated customer consideration model. The teams plan to present those models to both Boards for discussion in the next few months.
  - c. Pensions, phase 2. The FASB is in the initial stages of research on phase 2. The first phase of an IASB project on pensions is under way. In making its decisions on the scope of phase 2 of its project, the FASB will consider how best to progress toward convergence with the IASB.
  - d. Conceptual framework. The Board received approximately 180 comment letters in response to its Preliminary Views on the objective of financial reporting and the qualitative characteristics. Respondents support including stewardship as an objective, along with decision usefulness. A majority of respondents prefer reliability to faithful representation as a qualitative characteristic, and many suggested adding verifiability as a characteristic as well. The Boards held three roundtable meetings in London, Norwalk, and Hong Kong to begin the measurement phase of the project.
5. Mr. Smith reported that the Board received 55 comment letters on the Exposure Draft on derivatives disclosures. Users generally supported the proposed new disclosures. Investment banks generally expressed a preference for harmonizing the disclosure requirements for all financial instruments, including derivatives, because they manage risk with a combination of different types of financial instruments. Preparers said that the disclosure requirements are voluminous and would require major systems changes in some cases and that the effective date should be deferred.
  6. In response to a question, Mr. Smith described the interaction between the SEC staff and the FASB staff. He stated that the two staffs communicate frequently and that, generally, the SEC staff refers issues observed in practice to the FASB for resolution. Mr. Smith noted that a recent speech by an SEC staff member on the implementation of paragraph 65 of Statement 133 prompted some preparers and auditors to question whether and how the positions expressed in the speech should be applied to specific fact patterns in practice. The FASB staff and SEC staff have reviewed a paper prepared by a group of constituents on this issue. The FASB staff will present the Board with several alternatives for a project to address hedge accounting issues broadly.

## Report of the SEC

### 7. Mr. Kroeker reported on the following matters:

- a. Following up on Mr. Smith's comments, Mr. Kroeker noted that, in the time since an SEC staff speech in December 2006 addressing the "critical terms match" approach in Statement 133, the SEC staff has reviewed a white paper from constituents on foreign currency and commodity hedging and has discussed it with the FASB staff. Mr. Kroeker stated that the SEC staff did not intend for *de minimis* sources of ineffectiveness to invalidate hedge accounting in its entirety. The goal is for companies to ensure that, in effect, a hedge is a highly effective hedge and that sources of ineffectiveness are, in fact, *de minimis*, and for this to be done on a quantitative basis. In contrast, some in practice have looked at this issue intuitively. The SEC staff has been talking to the FASB staff, and, as noted above by Mr. Smith, the FASB may consider taking up a project in this area. Mr. Kroeker noted that he made similar comments on this issue at the most recent EITF meeting.
- b. The SEC held a roundtable on March 6 on the international financial reporting standards "roadmap." There were 21 participants with a broad variety of viewpoints. There was almost unanimous support by the participants for the prospect of removing the reconciliation to U.S. GAAP that is currently required, although there were varying views on what might need to occur as next steps. Certain panelists also raised the prospect of allowing domestic issuers to report using IFRS. The comments by the participants will be helpful to the SEC staff and Commission as they move forward on the roadmap.
- c. The SEC received approximately 200 comment letters in response to its proposed management guidance on implementation of Section 404 of the Sarbanes-Oxley Act. The SEC staff has been talking with the PCAOB staff to address comments about the need for greater alignment between the guidance for management and for auditors in this area. The SEC staff is preparing a comment letter summary, which will be available on the SEC website when it is complete.
- d. The SEC held a roundtable on March 19 on the use of interactive data by public companies. Mr. Kroeker stated that initial feedback from participants in the SEC's voluntary program is that the implementation of XBRL is not overly costly.

### 8. Council members questioned the commitment of the regulators and standard setters to principles-based standards and the extent to which well-intentioned judgments made by preparers and practitioners are second guessed by regulators. Council members noted that many large financial institutions have ceased to apply the shortcut method due to concerns that the provisions of Statement 133 were being reinterpreted by the SEC staff. Mr. Kroeker noted that the previously mentioned SEC staff speech at the AICPA conference in

December 2006 addressed the “critical terms match” approach in Statement 133 and not the shortcut method.

### **Report of the PCAOB**

9. Mr. Ray reported on the following matters:
  - a. The proposed auditing standard that would supersede Auditing Standard No. 2 on internal controls. The comment period ended on February 26. The PCAOB received 172 comment letters on the proposed standard. The PCAOB staff is preparing a comment letter analysis and discussing issues raised by respondents with the SEC staff.
  - b. The recent meeting of the Standing Advisory Group. The SAG discussed several issues identified during the comment period on the proposed auditing standard on internal controls, and the role of forensic auditing procedures as a part of or supplement to an audit of the financial statements of a public company. An archive of the meeting webcast is available on the PCAOB website.
  - c. The issuance of the PCAOB’s recent report on observations from its inspections process relating to the auditor’s responsibility with respect to fraud. The report is available on the PCAOB’s website.

### **Current Business and Financial Reporting Environment**

10. Mr. Chookaszian noted that because Andy Thrower was not able to attend the FASAC meeting, Mr. Thrower had sent the FASB a copy of his response to a recent op-ed piece, “Standards Deviation,” by Arthur Levitt, Jr., that was published on March 9, 2007, in *The Wall Street Journal*. A copy of Mr. Thrower’s response was distributed to FASAC members. Mr. Chookaszian asked Council members for comments.
11. Many Council members disagreed with several of the assertions made by Mr. Levitt in the op-ed piece and expressed disappointment that someone who is very knowledgeable about the process would have those views. Council members also had the following comments:
  - a. The markets do not seem to be pricing in the same level of risk as was observed in the aftermath of the Enron and WorldCom scandals, which indicates that the market has broad-based faith in the reported financial results of public companies, rather than an emergence of credibility issues.
  - b. The FASB has tackled many difficult subjects on a timely basis in the past few years, such as accounting for stock compensation and pension accounting, and continues to do so with issues such as lease accounting and the next phase of the pensions project.

- c. Complexity in accounting standards arises from a process that is open to constituent input. The FASB does a good job of listening to opposing viewpoints and then finding the right balance in its decisions.
  - d. Complexity in accounting standards also is driven by the economic complexity of the underlying transactions.
  - e. The SEC is, and should remain, an important constituent of the FASB, but it is not the only constituent of the FASB. The SEC and the FASB should work closely together. The SEC should refer standard-setting matters to the FASB, as the FASB has a due process in place to address those matters.
12. Mr. Kroeker urged all parties involved to examine the issues that create unnecessary complexity and to take actions to address them before determining whether wholesale changes to the standard-setting structure are necessary. He noted that the SEC has been clear in its policy statements in recognizing the FASB as the U.S. standard setter for public companies.
13. Mr. Chookaszian noted that the general consensus of Council members is disappointment with Mr. Levitt's op-ed. He asked Mr. Kroeker to communicate that view to the SEC. He stated that it would be helpful for the SEC to communicate its support for the FASB.

### **Valuation Guidance for Financial Reporting**

14. Mr. Smith stated that in January 2007, the Board issued the Invitation to Comment (ITC) on valuation guidance for financial reporting. The purpose of the document is to obtain comments on the need for valuation guidance and whether the FASB should be responsible for providing that guidance.
15. Council members expressed the following views:
- a. In today's financial reporting environment, with the increased emphasis on fair value measurements, valuation and measurement are central to what accountants do, and the skills necessary to perform these tasks will become an indispensable part of every accountant's skill set.
  - b. Financial reporting is the FASB's mandate. The Board should not abdicate its responsibility to set standards for accounting measurements to another organization. It is appropriate to include valuation experts in the process, as the Board did with its stock option valuation task force.
  - c. The FASB should take the lead in this area and start with a principles-based approach that fosters good judgment. Some Council members said that valuation standards should be sufficiently detailed such that two different practitioners using the same set of facts and circumstances would arrive at roughly the same measurement. Other members felt that this would be nearly impossible to achieve given the inherent subjectivity in any valuation exercise.

- d. Current standards on measurement provide adequate guidance. Attempts to set valuation standards would inevitably lead to complex, issue-specific guidance similar to the DIG issues under Statement 133. Preparers and auditors will want safe harbor provisions rather than high-level guidance.
- e. It is uncertain whether the Board and staff possess the requisite knowledge of valuation principles to effectively issue guidance in this area.

### **Lease Accounting**

- 16. Ms. Zeyher described the status of the leasing project, a joint project with the IASB. The objective is a fundamental revision of the leasing guidance in IAS 17, *Leases*, and FASB Statement No. 13, *Accounting for Leases*.
- 17. Ms. Zeyher noted that a joint international working group was formed in 2006 to provide input on the issues to be considered in the project. The working group had its first meeting in February 2007 in London. The materials for the FASAC discussion included several memos from the working group meeting, with the objective of soliciting input from the Council members on several topics, including the identification of assets and liabilities arising in a simple lease, the analysis of different accounting models for a simple lease, and the initial recognition of assets and liabilities in lease contracts.
- 18. Council members briefly discussed the scope of the project and noted the challenges of limiting the scope to leases without considering other types of executory contracts.
- 19. Several Council members questioned whether the FASB and the IASB could develop a comprehensive model addressing both lessee and lessor accounting within a reasonable period of time. Some noted that the revenue recognition project has implications for the leasing project.
- 20. On the topic of the different accounting models for a simple lease, Council members expressed the following views:
  - a. The right-of-use model would be difficult to implement in a way that does not introduce substantial complexity to the accounting model, particularly when considering the complexity of lease contracts seen in practice. The measurement under a right-of-use model could become highly complex when considering renewal options, purchase options, and other features outside the simple lease provided as an example.
  - b. For companies that have a large number of short-term, low-value leases, the right-of-use model could introduce significant bookkeeping complexity while having a minimal impact on the balance sheet.
  - c. Significant financial ratios could be impacted by the adoption of a right-of-use model for leases of less than 100 percent of the economic life of an asset. This could potentially represent the underlying economics more clearly than the current accounting model.

- d. In certain circumstances, the whole asset model would not be representative of the underlying economics. For example, if an organization leases a stadium for only one day a year, would it make sense to recognize the entire stadium on its books?
- e. Companies create economic value through their operating decisions, not their financing decisions. Further, companies that lease core assets for a small percentage of their economic lives will have to either re-lease or purchase the assets at the end of the lease terms to continue their core operations. Given this, is it appropriate to record a partial percentage of the asset's value on the balance sheet?
- f. There are economic differences between leased and purchased assets that are not reflected in a "full gross-up" method such as the whole asset approach. Analysts and other users look to a company's financing decisions to gauge a company's various risk exposures.

21. On the topic of initial recognition of assets and liabilities in a lease contract, Council members expressed the following views:

- a. Several Council members supported the signing of the contract as the appropriate recognition threshold because the occurrence of the event is clear and easily defined and because the signing of the contract has legal significance.
- b. Others disagreed that the signing of the contract is the appropriate recognition threshold because such treatment conflicts with the treatment of construction contracts under U.S. GAAP, which are not recognized at the time of signing but upon performance. They noted that the difference would create structuring opportunities. Several Council members also noted that a presumption of performance is not always appropriate upon the signing of the contract. For example, in the entertainment industry, contracts are signed for the transfer of rights to assets that do not exist and may never exist, such as unfinished television programming.
- c. Some questioned what a "stand-ready obligation of the lessor" represents and whether the recognition of such assets would result in short-term assets and liabilities that would be derecognized upon delivery of the asset.
- d. Some Council members supported initial recognition as of the date that the assets are delivered to the lessee, noting that the delivery date represents the point in time at which the right to use is economically transferred.
- e. Some questioned whether the recognition threshold should be different for a purchased asset, and if so, why?
- f. Some Council members supported the commencement of the lease term as the appropriate recognition threshold.

22. Council members representing the user constituency had the following additional observations:
- a. The FASB should consider the impact of any potential standard on the cash flow statement.
  - b. The FASB should consider requiring a disclosure that would present the interest and depreciation components of rental expense on a disaggregated basis. Such a disclosure would be the most helpful to users and allow the users to apply a capitalization approach of their choice, depending on their analytical objectives.
  - c. Investors are interested in isolating fixed costs, whether they are operating leverage or financial leverage. However, they do not use the financial statements as the primary means to assess the riskiness of the enterprise, but rather to assess the performance of the enterprise.

### **Statement 133 Issues**

23. Mr. Fanzini described the Board's recent decisions to clarify the applicability of the shortcut method in Statement 133 in certain narrowly defined circumstances. He noted that the Board's action was undertaken in response to constituent input about perceived "reinterpretation risk," which was prompting some constituents to forgo the use of hedge accounting entirely, out of fear of misapplying the shortcut method and being forced to restate.
24. Several Council members reiterated earlier comments that they no longer use the shortcut method because they believe that the criteria are reinterpreted by regulators and standard setters to the extent that implementation is impracticable.
25. Several Council members questioned the appropriateness of disallowing hedge accounting in every instance where the shortcut method was misapplied. Some members acknowledged that the issue was beyond the scope of the FASB's efforts and asserted that this position was largely the result of enforcement efforts by the SEC.
26. Mr. Kroeker stated that he believes that the FASB could decide to provide additional guidance that would allow an entity that failed the shortcut method criteria for technical reasons to determine retroactively whether the objective of hedge accounting had been met. He noted that Statement 133 does not provide that type of guidance currently.
27. Several Council members stated that the shortcut method best represents the economic reality of the hedging relationship. Others believe that a full fair value accounting model for the hedging instrument and the hedged item is most appropriate.
28. Mr. Stoklosa stated that the FASB staff is working with constituents to understand existing practice issues relating to hedge accounting. The staff will develop scope alternatives for the Board to consider.

29. Mr. Herz described the following two approaches that the Board could take in a project to reconsider hedge accounting:
- a. Eliminate hedge accounting and replace it with a full fair value model.
  - b. Implement a principles-based “critical terms match” approach to hedge effectiveness, based on the original principles in Statement 133, which would result in measuring and recording any ineffectiveness.
30. Mr. Trott stated that eliminating the bifurcation-by-risk model in Statement 133 would eliminate a large amount of the complexity currently inherent in the process.
31. Several Council members stated that eliminating the ability to hedge by risk was not necessary. Rather, they suggested that providing flexibility in the standard to allow for multiple reasonable approaches to measuring ineffectiveness was needed, as well as a commitment by regulators and standard setters not to “second-guess” well-intentioned application of professional judgment in practice.
32. Mr. Chookaszian asked Council members whether they believe the Board should reconsider the hedge accounting model. Council members overwhelmingly supported a reconsideration of the hedge accounting model in Statement 133.
33. Mr. Herz stated that a reconsideration of the hedge accounting model would not further convergence, and may lead to differences between FASB and IASB standards. Several Council members stated that developing a higher quality standard takes priority over convergence.
34. A Council member commented that the current debate over assessing hedge effectiveness misses the key concerns of users. Users are more interested in how companies use derivatives, whether they are taking speculative positions or hedging their market exposures, and how their risk management strategy impacts the results of the business. The Council member further noted that the derivatives disclosures Exposure Draft failed to address all of those concerns.
35. A Council member representing the user constituency described his analysis of derivatives-related restatements. A primary concern is whether the restatement is driven by technical violations or whether the company is attempting to disguise massive speculation as hedging. In situations when companies restate due to technical violations, the restatement generally is ignored.
36. Mr. Smith asked whether the Board should continue to develop implementation guidance on narrow issues, in light of FASAC members’ preference for the Board to reconsider the hedge accounting model.
37. Council members stated generally that the Board should address the issues on a case-by-case basis. In some cases, the Board should issue

implementation guidance even while developing a more comprehensive solution.

38. Mr. Young stated his view that users likely would prefer moving to a full fair value model for financial instruments, which may have a much different implication than the FASAC view of reconsidering the model in Statement 133.

### **Financial Statement Presentation**

39. FASAC members divided into two groups to discuss (a) the FASB and IASB's preliminary views on the financial statement presentation format and classification guidelines, and (b) disaggregation of changes in assets and liabilities. Messrs. Cosgrove and Rogers summarized the discussions each group held.
40. FASAC members expressed the following views on the presentation format and classification guidelines:
- a. The presentation format and the classification guidelines are a good working start.
  - b. The company used in the sample financial statements is too simple to represent a real-life situation. FASAC members suggested applying the format and guidelines to more complex companies to make sure they are operable.
  - c. The judgment required in classifying items into the various functional categories may be cause for concern. Items like cash and accounts payable could be considered both operating and financing and may need to be split. Those types of allocations may impede comparability and could result in second-guessing by regulators.
  - d. Several FASAC members expressed concern about the lack of short-term and long-term categories (and the inability to calculate working capital) on the statement of financial position. Others disagreed as to the relevance of that information.
  - e. The indirect method of presenting cash flows is useful. If necessary, capital expenditures could be classified in the operating segment of an indirect method cash flow statement. Members generally do not believe that a direct method cash flow statement is necessary, but they noted that some analysts want that information.
  - f. Several FASAC members support a normalized earnings figure in the statement of comprehensive income that would not include nonrecurring or unusual items.
  - g. Several FASAC members support the allocation of income taxes in the statement of comprehensive income despite the judgments required in making those allocations.

- h. Preparers and users generally agreed that disaggregating certain costs in the statement of comprehensive income would be beneficial, but they disagreed on the degree of disaggregation.
41. FASAC members expressed the following views on the disaggregation of changes in assets and liabilities:
- a. The concept of a reconciliation process that ties the financial statements together has merit.
  - b. Understanding changes that result from changes in estimates and pricing is useful. However, disaggregating those changes for every element of a business may not be necessary. Some suggested disaggregating changes in estimates and pricing only for important, unusual, and nonrecurring type items.
  - c. The costs and benefits of disaggregating the assets and liabilities must be weighed. Several FASAC members representing the user constituency questioned the benefit of some of the proposed disaggregations.
  - d. To test the operationality of the reconciliation, the FASB staff should apply it to a more realistic, complex company.
  - e. FASAC members generally did not support breaking down cash collections into current versus prior or future period income.
  - f. FASAC members suggested that disaggregating the effects of acquisitions, divestitures, and foreign currency adjustments would be useful.
  - g. Current systems do not capture the information required to prepare the reconciliation.
42. Ms. Petrone introduced the next topic for discussion, the level at which an entity should apply the classification guidelines. The classification guidelines that the Board has developed so far are based on a management view. The entity determines how the assets and liabilities should be classified based on how management views the business and financing activities. The Board has acknowledged that financial institutions will classify items differently than nonfinancial entities, which raises the question of how an entity with both significant financial and nonfinancial operations should classify its assets and liabilities. Ms. Petrone stated that the same question might also arise for an entity with both manufacturing and retail operations.
43. Ms. Petrone stated that there are two alternatives to applying the guidelines:
- a. Apply the guidelines at the segment level and allow different operations to classify similar items differently.
  - b. Apply the guidelines at the “top level” of the business irrespective of how management views different operations.
44. FASAC members generally agreed that the guidelines should have enough flexibility to allow management to determine the best classification of assets

and liabilities. A FASAC member noted that transparency should be more important than consistency and that an “eyes of management” approach will provide the most transparency.

45. A FASAC member commented that the Board should consider the implications of XBRL and the tagging of data in this project.

**ADJOURNMENT**

46. Mr. Chookaszian thanked the Board and Council members for their participation and stated that the next meeting is scheduled for June 19, 2007. He adjourned the meeting at 3:00 p.m.