

The PPC Guide has been updated on recent accounting and auditing developments that may impact your clients, among which are the following:

- * SAS 87 - Restricting the Use of an Auditor's Report - It describes the circumstances in which auditors should restrict their reports, defines the terms general use and restricted use, and specifies the language that should be used in auditors' reports that are restricted as to use. It is effective for reports issued after December 31, 1998, with early application permitted.

- * GASB Technical Bulletin 98-1, Disclosures about Year 2000 Issues, as amended by GASB Technical Bulletin 99-1, Disclosures about Year 2000 Issues - an amendment of GASB Technical Bulletin 98-1 - This Bulletin clarifies the intention of the required disclosures and addressed audit concerns by allowing the required disclosures to be presented either in the notes to the financial statements or as required supplementary information. The Bulletin is effective immediately and allows retroactive application.

- * SOP 98-2, Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fundraising - The SOP provides guidance on accounting for activities of all nongovernmental not-for-profit organizations and all state and local governmental entities that solicit contributions. Accordingly, the adoption of the SOP, whether or not retroactively applied, is an accounting change for which the consistency standard is applicable. If the change has a material effect on the comparability of the entity's financial statements, the auditor should refer to the change in an explanatory paragraph of his or her report in accordance with SAS No. 58, Reports on Audited Financial Statements (AICPA, Professional Standards, vol. 1, AU sec. 508.16). The SOP is effective for financial statements for years beginning on or after December 15, 1998.

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