

REPORT OF THE FASB CHAIRMAN
TO THE FINANCIAL ACCOUNTING FOUNDATION
April 1, 2011 through June 30, 2011

ITEM 1: TECHNICAL ACTIVITIES

BOARD AND STAFF ACTIVITIES

- a. Final Documents Issued:
1. Accounting Standards Update No. 2011-02, *Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring* (issued April 5, 2011)
 2. Accounting Standards Update No. 2011-03, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements* (issued April 29, 2011)
 3. Accounting Standards Update No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (issued May 12, 2011)
 4. Accounting Standards Update No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income* (issued June 15, 2011).
- b. Exposure Document Issued:
1. Proposed Accounting Standards Update, *Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment* (issued April 22, 2011). Comment deadline: June 6, 2011.
- c. From time to time, the FASB issues Accounting Standards Updates to amend the nonauthoritative portions of the *FASB Accounting Standards Codification*® (such as the nonauthoritative SEC content). No such Updates were issued this quarter.
- d. No new projects were added to the technical agenda.
- e. No projects were removed from the technical agenda.
- f. The FASB and the IASB decided to reexpose their revised proposals for a common revenue recognition standard.
- g. The FASB chairman, a Board member, and the FASB technical director met with representatives from the Clearing House to provide a technical update on current priority projects.
- h. The FASB technical director had periodic calls with the PCAOB and SEC in planning the financial reporting series.

- i. Outreach Activities—Meetings of FASB Standing Advisory Groups:
 - 1. Financial Accounting Standards Advisory Council (FASAC). Seven Board members and several FASB staff members met with FASAC in a June public meeting to discuss critical aspects of standard-setting success in four areas: high-quality financial reporting standards, outreach to stakeholders during the standard-setting process, transition to forthcoming final accounting standards, and education about and implementation of forthcoming final accounting standards. Participants also discussed their views about cross-cutting issues related to accounting for acquisition costs and complexity in financial reporting.
 - 2. Investors Technical Advisory Committee (ITAC). Three Board members and several FASB staff members met with ITAC in an April closed meeting to discuss the projects on accounting for financial instruments, balance sheet—offsetting, leases, and revenue recognition. Participants also discussed potential risk disclosures related to an entity’s involvement in financial instruments and provided feedback about the information provided through the enhanced credit quality disclosure requirements that went into effect at the end of 2010.
 - 3. Small Business Advisory Committee (SBAC). Seven Board members and several staff members met with SBAC members in a May public meeting to discuss private company financial reporting, goodwill impairment assessments, education about forthcoming final standards, and key decisions in the projects on revenue recognition, leases, and accounting for financial instruments.
 - 4. Private Company Financial Reporting Committee (PCFRC). Six Board members and several staff members met with PCFRC members in a May public meeting to discuss projects on goodwill impairment, leases, accounting for financial instruments, hedge accounting, revenue recognition, investment properties, and the Board’s consideration of effective dates and transition methods.
 - 5. Each of the Not-for-Profit Advisory Committee (NAC) subgroups (Reporting Financial Performance, Telling the Story, and Liquidity and Financial Health) held a series of closed meetings to begin the development of proposals for discussion at the September 2011 meeting of the full NAC. Representatives of all three subgroups met in June to update each other on their progress and direction. Several FASB staff members participated in those closed subgroup meetings.
- j. Outreach Activities—Other Consultations with Stakeholders:
 - 1. Financial Executives International Committee on Corporate Reporting (CCR). Seven Board members, the FASB technical director, the FAF chairman, the FAF president and CEO, and an FASB staff member met with CCR in June to discuss the Committee’s views on the SEC staff paper on IFRS, the status of the FASB-IASB Memorandum of Understanding, the FAF’s post implementation review, and the FASB’s projects on disclosure framework, accounting for financial instruments, leases, and revenue recognition.

2. ABA Accounting Committee. Two Board members met in a closed meeting with representatives of the ABA's Accounting Committee in May.
 3. Leaseurope and the US Equipment Leasing and Finance Association (ELFA). One Board member discussed lessor accounting in a May conference call with Leaseurope and ELFA members.
 4. The FASB chairman, the FAF chairman, and the FAF president and CEO met privately with ABA President Frank Keating to discuss matters of mutual interest.
- k. Other significant project-specific outreach activities:
1. Insurance Contracts—Representatives of the FASB met in closed meetings with over 60 users via small group roundtables or individual calls.
 2. Insurance contracts—A Board member and staff participated in a closed half-day Property/Casualty Insurance roundtable meeting sponsored by Deloitte & Touche and attended by approximately 15 property/casualty insurers.
 3. Insurance contracts—Three Board members participated in a closed FASB-sponsored workshop meeting with preparers (insurers, investment bankers, etc.) and audit firms regarding the accounting for various types of guarantees.
 4. Financial Guarantees Workshop—Three Board members and the FASB technical director participated in a closed workshop meeting with representatives from various companies to discuss the accounting for financial guarantees.

COLLABORATION WITH THE INTERNATIONAL ACCOUNTING STANDARDS BOARD

- a. The FASB and the IASB and staff held multi-day joint Board meetings using their video-conferencing capabilities and a three-day face-to-face joint Board meeting in London.
- b. Four FASB Board members and the FASB technical director attended an open meeting of the Leases Working Group in London.
- c. Three FASB Board members and the FASB technical director attended an open meeting of the Insurance Working Group in London.
- d. The FASB and the IASB held public roundtable meetings on balance sheet—offsetting in London, Singapore, and Norwalk.
- e. The FASB and the IASB held joint education sessions on revenue recognition and leases.
- f. The FASB and IASB directors met periodically to discuss technical and administrative matters.

OTHER INTERNATIONAL ACTIVITIES

- a. The FASB chairman and another FASB Board member met with the European Financial Reporting Advisory Group (EFRAG) to discuss potential collaboration of their respective projects to develop a Disclosure Framework. Two FASB staff members attended the May 2011 EFRAG Technical Experts Group meeting in Brussels, Belgium, with the objective of collaborating with EFRAG to issue a discussion paper on a Disclosure Framework in the fall of 2011.

XBRL ACTIVITIES

The FAF is responsible for the ongoing development and maintenance of the taxonomy applicable to public issuers registered with the SEC. The FAF has delegated these responsibilities to the FASB.

- a. On June 14, 2011, the FASB launched a new Taxonomy Online Review and Comment System. This new system provides greater transparency for users of eXtensible Business Reporting Language (XBRL) and makes it easier for stakeholders to submit comments on the U.S. GAAP Financial Reporting Taxonomy. The Taxonomy Online Review and Comment System allows Taxonomy users to review and provide direct input on the Development Taxonomy being updated and maintained by the FASB XBRL team.

ITEM 2: EDUCATION AND COMMUNICATIONS

EDUCATIONAL WEBCASTS AND PODCASTS DELIVERED

- a. The first two webcasts with CPE credit were held in June:
 1. IN FOCUS Webcast: FASB Update for Nonpublic Entities—June 17, 2011
 2. IN FOCUS Webcast: How to Use the XBRL 2011 US GAAP Financial Reporting Taxonomy—June 22, 2011.
- b. The FAF Post-Implementation Review Process—May 20, 2011. The FASB chairman participated in a live FAF webcast explaining its post-implementation review process.
- c. April 2011 podcast—The FASB chairman discussed the April 2011 Progress Report on FASB/IASB MOU projects.
- d. April 2011 podcast—An interview with the FASB chairman and the IASB chairman regarding the timeline for completing the convergence program.
- e. April 2011 podcast—An FASB Board member and staff discussed testing goodwill for impairment proposals.
- f. May 2011 podcast—An FASB Board member discussed FASB Accounting Standards Update No. 2011-04, *Fair Value Measurement (Topic 820): Amendments*

to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.

- g. June 2011 podcast—An FASB Board member discussed the just-issued final Accounting Standards Update on the presentation of comprehensive income.

SPEECHES DELIVERED

FASB Board members or staff delivered speeches during the 2nd quarter 2011 at the following conferences and events:

- American Council of Life Insurers
- AICPA National Conference on Employee Benefit Plans
- AICPA’s NFP Expert Panel
- AICPA Webcast – MOU Update: A U.S. Perspective
- Appraisal Institute Investment Property Accounting Standards
- Baruch College 10th Annual Financial Reporting Conference
- CFO Magazine Core Concerns Conference
- CEASA/CARE Conference
- Chartis Global Finance Leadership Conference
- College of William & Mary, Mason School of Business, Excellence of Financial Reporting Conference
- Compliance Week Annual Conference
- Deloitte & Touche 2011 Professional Practice Directors Meeting
- Deloitte IFRS
- FICPA Accounting & Auditing Conference
- J. H. Cohn LLP – CFO Breakfast Roundtable Accounting Update
- Massachusetts Society of CPAs 42nd Annual Accounting & Auditing Conference
- Moody’s Insurance Executives’ Conference
- Morgan Stanley Insurance Conference –Accounting Controversies: Understanding the Divergent Views
- National Rural Utilities Cooperative Finance Corporation (NRUCFC or CFC) Workshop: Cooperative Accounting
- National Society of Accountants for Cooperatives
- NIRA Annual Conference
- Northern Lights Regional Council of the Institute of Management Accountants Annual Seminar
- OSCPA Not-for-Profit Conference
- PCIAA – PCI Global Financial Issues Seminar
- Practising Law Institute (PLI) Audit Committee Workshop 2011
- Property Casualty Insurers Association of America
- RC Knox Symposium at University of Hartford
- SEC Financial Reporting Institute Conference (USC)
- SEC Institute’s 26th Midyear SEC Reporting Conference
- Southern Connecticut State University Accounting Society Annual Banquet
- Standard & Poor’s 27th Annual Insurance Conference
- University of Tulsa, Collins College of Business
- University of Washington Eighth Annual Financial Reporting Conference

- XBRL International Conference, Brussels

ITEM 3: ADMINISTRATIVE, PROCEDURAL, AND STRATEGIC ACTIVITIES

a. Administrative Matters:

1. In June, the FASB launched a series of live educational webcasts that will provide CPE credit to qualifying participants.
2. All Board members attended the May FAF Trustees meeting.
3. The FASB launched the Nonpublic Entities portal on its website, designed to enable stakeholders to more easily find information on the FASB's activities.

b. Procedural Matters:

1. In connection with the goodwill impairment project, the FASB piloted a new electronic constituent feedback form that is intended to make it faster and easier for stakeholders to provide comments about proposals.

c. Professional Development—FASB Staff and Board

The following professional development sessions were presented to the Board and staff:

1. Analyzing Financial Statements of Insurance Companies presented by Doron Nissim, Ernst & Young Professor of Accounting & Finance, Columbia School of Business. This session described accounting issues in the insurance industry that users find particularly relevant.
2. Lunch and Learn: Seven Steps to Financial Fitness presented by Gillian Anderson, director of the Fairfield County Chapter of the Foundation for Personal Financial Education.
3. Successful Leaders in Today's Business Environment (the first of the FAF Leadership Series) presented by Jack Brennan, chairman of the Financial Accounting Foundation. The objective of this session was to provide the FAF, FASB, and GASB staff with a better understanding of what makes a good leader and how those traits can be used to find success outside the workplace.
4. Excel Workshop presented by Tracy Farr, FASB postgraduate technical assistant. This session covered how to reconfigure data, how to manipulate data, and advanced methods of using or combining formulas to analyze data. At the end of the session, participants were able to work more efficiently and effectively in Excel.
5. The Conceptual Framework Project: An Overview presented by Jim Leisenring, FASB senior advisor. In this session, Mr. Leisenring discussed the history of the

Conceptual Framework, including the issues it was intended to address and the reasons why early Board members thought establishing a framework was important.

- d. Professional staff attended the following external conferences:
 - 1. The 10th Annual Financial Reporting Conference at the Robert Zicklin Center for Corporate Integrity, Baruch College, NY
 - 2. SEC Institute Mid-Year Reporting Forum.

ITEM 4: WASHINGTON ACTIVITIES

- a. An FASB Board member, the FASB technical director, and FAF staff met with the U.S. Department of Labor Assistant Secretary of Employee Benefits Security Administration (EBSA) and the EBSA Chief Accountant to provide an update on the FASB multi-employer proposal.
- b. Members of Congress, their staffs, and the Administration were informed about the activities of the FASB through various meetings and other forums, including:
 - 1. FASB and FAF staff presented updates on convergence and the leases project to the FEI Committee on Government Business.
 - 2. The FAF/FASB/GASB hosted the annual FAF Trustee reception and dinner in Washington, DC in May that was attended by several Members of Congress and senior Administration officials. The keynote speaker for the dinner was SEC Chairman Shapiro.
 - 3. The FASB chairman, FASB Board members, the FASB technical director, and FAF staff met in closed meetings with the Federal Reserve Board Chairman and Governors, members of the Senate Banking Committee and House Financial Services Committee, and Members of Congress (House and Senate) to update them on FASB initiatives, especially convergence.
 - 4. An FASB Board member, the FASB technical director, and certain FAF staff met with the Labor Assistant Secretary for EBSA and CFO for EBSA to update them on the multi-employer disclosure project.
 - 5. The FASB chairman appeared before the Senate Banking Committee, Subcommittee on Securities, Insurance & Investment to testify on the role of the accounting profession in preventing another financial crisis.

6. An FASB Board member, the FASB technical director, and certain FAF staff met with Congressman Sherman's Legislative Assistant to discuss present and past accounting requirements for research and development costs.
7. An FASB Board member, the FASB technical director, and FAF staff met with the U.S. Chamber of Commerce Leases Coalition to brief the coalition on status of the leases project.
8. The FASB chairman, the FASB technical director, the FAF president and CEO, and certain FAF staff met with Congressman Jim Himes to provide a briefing on key accounting projects and to answer questions on the status of convergence.
9. An FASB Board member and certain FAF staff met with the Chief Counsel-Pension Policy Director, Senate Committee on Health, Education, Labor & Pensions (HELP) to provide an update on the multi-employer disclosure project and to answer any questions about disclosure of withdrawal liabilities.
10. An FASB Board member and certain FAF staff met with the Deputy Assistant Secretary for International Monetary & Financial Policy, Department of Treasury to provide an update on FASB/IASB convergence projects including the schedule for completion.
11. An FASB Board member and certain FAF staff met with the Senate Banking Committee Majority Senior Counsel to provide an update on convergence projects and the multi-employer disclosure project.
12. The FASB staff developed and delivered in June an in-depth White Paper addressing the relevance of current accounting requirements for research and development costs for Congressman Brad Sherman of the House Financial Services Committee.
13. The FASB chairman, two FASB Board members, the FASB technical director, and an FAF staff member participated in quarterly meetings with staff members of the SEC's Office of the Chief Accountant and the Public Company Accounting Oversight Board.
14. The FASB chairman, an FASB Board member, the FASB technical director, and an FAF staff member attended the quarterly meeting with the bank regulators.

ITEM 5: ADDITIONAL COMMUNICATIONS ACTIVITIES

- a. The FASB issued the following press releases/media advisories:

1. 4-5-11: FASB Issues Accounting Standards Update to Improve Financial Reporting about Troubled Debt Restructurings
2. 4-21-11: IASB and FASB Report Substantial Progress toward Completion of Convergence Program
3. 4-22-11: FASB Issues Proposed Accounting Standards Update on Testing for Goodwill Impairment
4. 4-29-11: FASB Issues Accounting Standards Update to Improve Financial Reporting of Repurchase Agreements
5. 5-12-11: Financial Accounting Foundation to Discuss Next Steps in Post-Implementation Review Process in May 20 Webcast
6. 5-12-11: FASB and IASB Issue Common Fair Value Measurement and Disclosure Requirements
7. 6-1-11: Financial Accounting Standards Board Launches *IN FOCUS: WEBCAST* Educational Webcast Series with CPE Credit
8. 6-2-11: Media Advisory—Registration Is Now Open for June 17 Webcast, *IN FOCUS: FASB Update for Nonpublic Entities*
9. 2-14-11: Media Advisory—Registration Is Now Open for June 22 Webcast, *IN FOCUS: How to Use the XBRL 2011 US GAAP Financial Reporting Taxonomy*
10. 6-14-11: Financial Accounting Standards Board Launches New Taxonomy Online Review and Comment System
11. 6-15-11: IASB and FASB to Re-Expose Revenue Recognition Proposals
12. 6-16-11: FASB Issues Accounting Standards Update to Improve Presentation of Comprehensive Income.

b. The FASB issued “FASB in Focus” documents for the following:

- April 2011—Exposure Draft on Offsetting of Financial Assets and Liabilities and the Supplementary Document on Impairment of Financial Assets
- April 2011—Receivables: A Creditor’s Determination of Whether a Restructuring Is a Troubled Debt Restructuring
- April 2011—Transfers and Servicing: Reconsideration of Effective Control for Repurchase Agreements
- May 2011—Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs
- June 2011—Presentation of Comprehensive Income.

c. Interviews:

- March 2011—Matt Lamoreaux of Journal of Accountancy interviewed the FASB chairman.
- June 2011—The FASB chairman was interviewed by Adam Jones of the Financial Times.
- June 2011—The FASB chairman discussed convergence with Michael Rapoport of the Wall Street Journal.
- June 2011—Project manager Danielle Zeyher was interviewed by Barron’s on the leases project.

- d. New FASB members participated in media training in April.

ITEM 6: GASB LIAISON ACTIVITIES

- a. GASB meeting minutes were sent to the FASB directors.
- b. The GASB RTA director and the FASB P&S director held monthly meetings and met quarterly with the FASB and GASB chairmen.
- c. The GASB staff distributed the following drafts to the FASB for review:
- Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
 - Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*
 - Exposure Draft, *Accounting and Financial Reporting for Pension Benefits by Employers and by Nonemployer Contributing Entities*
 - Exposure Draft, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
 - Preliminary Views, *Recognition of Elements of Financial Statements and Measurement Approaches*.
- d. The FASB staff distributed the following drafts for GASB's review:
- Accounting Standards Update, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements*
 - Accounting Standards Update, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*
 - Proposed Accounting Standards Update, *Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment*.
 - Proposed Accounting Standards Update, *Consolidation (Topic 810): Agent/Principal Analysis*
 - White Paper on Private Company Financial Reporting: Differential User Needs and Cost-Benefit Considerations.