

MINUTES



To: Board Members

From: Leases Team

Subject: Minutes of September 21, 2011,
Joint Board Meeting

Date: September 22, 2011

cc: FASB: Cospers, Bielstein, Lott, Proestakes, Stoklosa, Mechanick, Zeyher, Bauer, Cappiello, Donoghue, Walsh Helmus, Kersey, Paul, C. Smith, Brickman, Glotzer, Gabriele, Sutay, FASB Intranet, McGarity, Klimek; FASAC: Chookaszian, Posta, Guasp; GASB: Finden, Avis; IASB: Rees, Buchanan, Vatrenjak, Lian, Lion, Geisman, Davidson

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.

Topic: Leases

Basis for Discussion: FASB Memo 198 – Presentation: Lessor Statement of Financial Position

FASB Memo 199 – Presentation: Lessor Statement of Cash Flows

FASB Memo 203 – Lessee transition

Length of Discussion: 7:30AM to 8:55AM EST

Attendance:

Board members present:

FASB: Buck, Golden, Linsmeier, Schroeder, Seidman, Seigel, Smith

IASB: Hoogervorst, Mackintosh, Cooper, Danjou, Engström, Finnegan, Gomes, Kalavacherla, König, McConnell, Ochi, Pacter, Scott, Smith, Zhang

Board members absent:	None
Staff in charge of topic:	FASB: Zeyher IASB: Buchanan
Other staff at Board table:	FASB: Stoklosa, Cappiello, Bauer, Walsh, Helmus, Paul, Kersey IASB: Rees
Staff participating via video:	None
Outside participants:	None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft addressing leases.

The Board's technical plan calls for that document to be issued in the fourth quarter of 2011.

Summary of Decisions Reached:

The FASB and the IASB discussed the presentation requirements for lessors, including presentation in the statement of financial position and in the statement of cash flows, and transition for lessees.

Presentation: Lessor Statement of Financial Position

The Boards tentatively decided that a lessor should either:

1. Present the lease receivable and the residual asset separately in the statement of financial position, summing to a total "lease assets" (*seven FASB members and nine IASB members agreed*); or
2. Present the lease receivable and residual asset in the statement of financial position as "lease assets," with those two amounts disclosed in the notes to the financial statements (*five FASB members and 12 IASB members agreed*).

Presentation: Lessor Statement of Cash Flows

The Boards tentatively decided that a lessor should classify the cash inflows from a lease as operating activities in the statement of cash flows. *(Twelve IASB and all FASB members agreed.)*

Lessee Transition

The Boards discussed the transition requirements for lessees when first applying the proposed leases standard. The Boards will continue to discuss lessee transition when they discuss lessor transition at a future meeting. No decisions were reached.

General Announcements: None.