

Advisory Committee on Improvements to Financial Reporting
Summary of Edits to Revised Draft Final Report Distributed July 30, 2008
July 31, 2008 Full Committee Teleconference

Below is tentative language that will require finalization at today's teleconference:

- 1) Page 7, first paragraph, last sentence – change “normally” to “often” so sentence would read:

During that process, companies ~~normally~~ often go into a “dark period” and issue very little financial information to the public.

- 2) Page 11 and 63, footnote to recommendation 2.1 – finalize proposed language:

We recognize the need for balance among all parties involved in the standards-setting process. We do not intend to suggest by this recommendation that investor input trumps all others. Instead, in cases where constituent views cannot be reconciled, we believe that the investor perspective should be afforded greater weight.

- 3) Page 12 and 68, first bullet of recommendation 2.3, last sentence – change “other” to “its” so sentence would read:

This may require the FASB to re-evaluate the roles and composition of ~~other~~ its advisory groups or agenda committees.

- 4) Page 17 and 125, last sentence of first paragraph of recommendation 4.4 – delete “tables” so sentence would read as follows:

Further, the best practices guidance should consider recommending that companies include in their earnings releases their condensed financial statements (including income statement, balance sheet, and cash flows ~~tables~~); locate GAAP reconciliations in close proximity to any non-GAAP financial measures presented...

A conforming change to the last line on page 125, continuing on to page 126, would also be made as follows:

We also considered the consistent provision of income statement, balance sheet, and cash flows ~~tables~~ in the quarterly earnings release...

- 5) Page 17 and 125, second paragraph of recommendation 4.4 – change “restating” to “reiterating” so sentence would read:

The SEC should consider ~~restating~~ reiterating its view that website disclosures regarding GAAP reconciliations...

- 6) Page 17 and 127, second sentence of recommendation 4.5 – change “should” to “would” so sentence would read as follows:

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In filed quarterly reports on Form 10-Q, the executive summary ~~would~~ should provide material updates to the executive summaries in the annual or prior quarterly reports.

- 7) Page 32, first full paragraph, last sentence – finalize proposed language:

However, in the absence of quoted prices, the implementation of fair value can be difficult.

- 8) Page 128, last line – delete “that” so sentence would read:

However, ~~that~~ an executive summary included in the forepart of an Exchange Act periodic report may provide investors...

- 9) Page 130, second paragraph – clarify as follows:

We believe that the executive summary (and, in the case of quarterly reports, any material updates to a previously provided executive summary in an annual or previous quarterly report) should be required to be included in the forepart of a reporting company’s annual report on Form 10-K filed with the SEC, or for material updates, in the forepart of the company’s quarterly report on Form 10-Q filed with the SEC. If a reporting company files its annual report on an integrated basis...