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Question Text	Response	Status
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The Board expects that most assets that met the definition of an asset in FASB Concepts Statement No. 6, Elements of Financial Statements, will continue to qualify as assets under the definition of an asset in this proposed chapter. Do you agree that the definition of an asset in this proposed chapter is consistent with the Board’s assertion? If not, please	The Board's "expectations" are reasonable; however, the Board needs to refocus its efforts in line with the premise outlined in the content of Paragraph E 9. First, I would note that in that paragraph's first sentence, the premise is true without regard to whether reasoned choices need to be made with scarce or abundant resources. Thus, the word "scarce": there is unnecessary. More importantly though, a more thorough assessment of why users of financial statements look to them for guidance as to how to deploy their resources or engage in economic transactions with the entity to which the financial statements pertain. Such users include, as you generally denote, current investors, potential investors, lenders, other business entities which might engage or are engaged in business transaction with the entity. within each category of user, there are also divisions as regards time horizons so for	Completed

provide examples.	instance, an investor may have a short, medium or long term, perspective. A lender may have a perspective with a time horizon component but their perspective coincides with that time horizon. If a lender is considering whether to lend to an entity, his concerns are related to the borrower's ability to pay the obligations incurred under the debt but for only the term of the debt. An investor viz. a lender may have the same time horizon but have completely different perspectives but are using the same financial statement. What I am suggesting here is that that there needs to be further questioning as to whether financial statements as they currently exist (balance sheet, income statement, etc., as of points of time or for discrete periods) are too often generalizations that do not accurately serve the needs of statement users. Moreover, since financial statements are prepared and presented in the past tense, they may be completely misleading at the time of their use. If one wants to purchase an automobile as of March 1st, one needs to know the price of the vehicle on March 1st, not the price as of December 31st of the prior year! As a case in point and as is instructive, financial statements as of December 31, 2008 were not providing accurate and useful information as of March 9, 2009, especially as regards entities within industries whose assets were valued pursuant to GAAP requirements but consisted of what then were highly volatile valuations (e.g., banks, insurance companies, etc.). My response here is long but quite frankly, underlies the further queries put forth. If I am a potential investor in a car company, my interest is in its past performance in order to risk-weight its future performance. What i am looking to see is not so much point in time snap shots or calendar period estimates of performance but rather how the individual business of the company has been performed. For the automobile perspective, the elements of that business start with an idea, a design, a manufacture, a sale, retrospective performance measurement relative to warranty, etc. There may be a good idea, but lousy design or any combination of good or bad performance within the realm of activity. That's the type information an investor has interest. Thus, two main "assets" not recognized financially of any entity are brain power and reputation, and whether the prior effects of those assets are likely to continue; in essence has brain power remained and been added to. Following-up on that premise, if one had the option between two drug companies, one with a strong balance sheet and a history of prior earnings (but with a product line whose patents are about to expire) as opposed a drug company with a weak balance sheet and little to no prior positive performance (but with a new wonder drug about to receive	

	FDA and international approval), of what use is a comparison of the financial statements? Finally (and I suspect you're glad there is a "finally,") the concentration of producing the wealth of information put forth about entities, particularly publicly traded entities, makes the statements even less useful inasmuch as it takes too long to make comparisons in order to get to a state where "reasoned choices among alternative uses of...resources" can be made within a reasonable time-frame. If it is countered that only certain information is really prime for decision-making, then why is that the only information produced.	
In particular, respondents are asked to focus on internally generated intangible assets. Is the definition of an asset in this proposed chapter helpful in resolving issues of identifying intangible assets?	Since the two main "intangible" assets of a company are brain power and reputation (noting the first sentence of E19), I would say the answer is "No." It doesn't seem those items are easily quantifiable in currency units. These intangibles would seem to fit within the ambit of paragraph E25, say by reference to employment contracts and as per paragraph E27, they "provide the right to engage in economically beneficial activities."	Completed
The Board's definition of an asset in this proposed chapter does not include the term control. However, this proposed chapter explains why and how control is interrelated to the definition of an asset. Is this discussion sufficient or is the term control necessary to include in the definition of an asset? If the term control is necessary to include, please explain how its inclusion would change the population of items that would meet the definition of an asset in this	I took it that "control" was implied by reference to paragraph E24's discussion of enforceability and paragraph 25"s reference to "exclusive right."	Completed

proposed chapter.		
The Board decided that an obligation to transfer either assets or, in certain limited circumstances, an entity's own shares would meet the definition of a liability. Is the discussion in this proposed chapter of the limited circumstances in which the entity's own shares would meet the definition of a liability sufficiently clear?	No comment.	Completed
Other than as described in Question 4, to allow certain share-settled instruments to be liabilities, the Board expects the liabilities that met the definition of a liability in Concepts Statement 6 will continue to qualify as liabilities under the definition of a liability in this proposed chapter. Do you agree that the definition of a liability in this proposed chapter is consistent with the Board's assertion? If not, please provide examples.	We'll make this simple. I think that there needs to be some more clarity as to the concept of "present obligation." If the Mets sign Realmuto to a five year contract by year-end 2020, do they have a "present obligation" as of December 31, 2020 for the full value of the contract or don't they? (note: They would seem to have an obligation even if he never plays during the five year contract term.) Since the payment terms of the contract are fixed and determinable, would the liability be discounted, and if so, at what interest rate? By the way, with reference to Appendix A paragraphs A4.4 through 4.6, the answer is suggested as "Yes." Thus, I presume there would be a deferred asset for the future benefits of having Mr. Realmutuo do our catching.	Completed
In practice, the more challenging applications of the definition of a liability in Concepts Statement 6 were related to business risks, constructive	See answer to Question 5.	Completed

obligations, and stand-ready obligations. Is the discussion of those three areas in this proposed chapter adequate to understand and apply the definition of a liability?		
The Board suggested that integration with presentation principles would be helpful in distinguishing between the components of comprehensive income. To facilitate this distinction, paragraph E92 of this proposed chapter references presentation principles. Is distinguishing revenues from gains and expenses from losses essential as a matter of elements, or should those distinctions be exclusively a matter for presentation concepts? Please explain.	I think that in this area, i would point to paragraph 83, particularly the second sentence thereof which is prescient but not complete. Statement users not only want to to know "how and why equity has changed;" they want to know how well each function comprising the ultimate "comprehensive income" has performed. as an example, within a property/casualty insurer, income is usually segregated as between underwriting, investment and other operational spheres. However, underwriting performance consists of various operations itself, e.g., product development, product pricing, product sale, product administration (claims handling) and risk mitigation (reinsurance). Who has done what and how well is the key information used by management so why wouldn't that be the key information used by statement users?	Completed
As described in Question 7, this proposed chapter seeks to distinguish between revenues, expenses, gains, and losses. Do the definitions of and other explanatory language related to revenues, expenses, gains, and losses make	per prior comments, I believe so.	Completed

the distinction between these elements sufficiently clear?		
The Board has concluded that, other than when exceptions are specifically noted in this proposed chapter, the elements described in this proposed chapter would apply to not-for-profit organizations. Do you agree with this conclusion?	No comment	Completed
This proposed chapter was developed on the basis of Concepts Statement 6, though several paragraphs have been removed or adapted. Are any of the paragraphs from Concepts Statement 6 that have been removed in drafting this proposed chapter necessary to keep? If so, why?	No comment	Completed
"Appendix A: Accrual Accounting and Related Concepts," includes discussion of several concepts that are used in this proposed chapter and in other chapters of the Conceptual Framework. Is this material helpful in a chapter discussing the elements of financial statements?	Yes.	Completed

Please provide any additional comments on the Proposed Statement of Financial Accounting Concepts:	Less is more. Time is of the essence. Fair value/market consistent valuation is a ridiculous concept. Here today, gone tomorrow!	Completed
Please provide any comments on the electronic feedback process:	Works fine.	Completed