Shannyn Kirwan

From: Len Tatore

Sent: Monday, September 10, 2001 1:48

To: Shannyn Kirwan

Subject: FW: FASB

Letter of Comment No: File Reference: 1122-001
Date Received: Glasses

----Original Message----

From: Robert N. Anthony [mailto:RNAnthony@valley.net]

Sent: Monday, September 10, 2001 12:00 PM

To: director@fasb.org Subject: FASB

This responds to the request for comment on your "financial performance" project.

You propose a major re-examination of FASB standards. Such an examination is needed at this time. There has been no such examination since the FASB was organized.

There is substantial evidence that standards need changing. For example, ninety percent of the companies surveyed annually by AICPA use the indirect method of cash flow rather than your recommended direct method. Also, many corporations report changes in equity, even though this report is superceded by your Statement of Comprehensive Income.

You propose three alternatives to the scope of the project. The second and third are not financial accounting standards and therefore not appropriate for your consideration. Topics like these are properly discussed in textbooks. Your study should therefore be limited to the items stated in your first scope.

Your proposed scope is limited to information about performance. Financial accounting also reports on status. Since performance and status constitute the whole of financial accounting and since many transactions involve both, I suggest that your scope should be broadened to include all financial accounting standards.

Sincerely,

Robert N. Anthony Harvard Business School