

MINUTES



MEMORANDUM

To: Board Members

From: Conceptual Framework Team
(Switter x341)

Subject: Minutes of July 29, 2015,
Board Meeting

Date: July 30, 2015

cc: Stacey Sutay

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: Conceptual Framework

Basis for Discussion: Board Memo Nos. 21, 22, 23, and 24

Length of Discussion: 8:00 a.m. to 10:15 a.m.

Attendance:

Board members present: Russell Golden, James Kroeker, Daryl Buck, Linsmeier, Schroeder, Siegel, Smith

Board members absent: None

Staff in charge of topic: Jill Switter

Other staff at Board table: Cosper, Proestakes, Lott, C. Brown

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of a FASB Concepts Statement addressing measurement and presentation.

Please refer to the current technical plan for information about project timelines.

Tentative Board Decisions:

Conceptual Framework—Measurement

The Board discussed how to describe or explain the following:

1. The level of relevance for achieving the objective of financial reporting of market exit prices for assets that are not expected to be sold
2. The level of information about market participants' views that is provided by market prices estimated by management
3. Why regularly adjusting to market exit prices is not the appropriate way to determine changes in carrying amounts of inventories that will be sold
4. How using different methods of determining changes in carrying amounts affects the understandability of a set of financial statements
5. The reasons for using systematic allocation (for example, depreciation, amortization, or accretion) as a method of determining changes in carrying amounts (subsequent measurements) for assets and liabilities
6. Why providing information to assess the performance of the reporting entity or its management is not an objective (or the objective) of financial reporting.

No decisions were reached.

Conceptual Framework—Presentation

The Board decided on the following:

1. Not to amend the definitions of revenues, expenses, gains, and losses in this phase of the project
2. To acknowledge in the proposed Chapter on presentation in FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting*, that (a) existing standards require or permit classifying some items of comprehensive income in other comprehensive income and later reclassifying them into net income and (b) there is no conceptual basis for determining which items qualify for that treatment
3. To clarify that FASB Concepts Statement No. 5, *Recognition and Measurement in Financial Statements of Business Enterprises*, does not preclude allocating cash receipts between categories in the cash flow statement based on estimates.

General Announcements: None.