

Memorandum

MD&A

November 18, 2022

To: Members of the Board

From: Robin M. Gilliam, Assistant Director

Thru: Monica R. Valentine, Executive Director

Subject: **MD&A Exposure Draft** (Topic D)

INTRODUCTION

Staff presents the *Purpose of MD&A* paragraph and proposed Management's Discussions and Analysis (MD&A) standards and related basis for conclusions as Attachment 1 for a review of the Board's intent.

REQUEST FOR FEEDBACK BY December 5, 2022

Staff requests responses to the ensuing questions by **December 5, 2022**, to finalize the Board's intent for the MD&A proposed standards.

Please use the separate Word Attachment 2, Member Comment Form, to provide your responses.

For additional information, questions, or suggestions, please contact us as early as possible at gilliamr@fasab.gov with a cc to Monica Valentine at valentinem@fasab.gov. Staff is also available to meet individually with members to discuss any questions.

NEXT STEPS

Update the MD&A exposure draft to clearly state the Board's intent for MD&A as agreed to during the meeting, in preparation of a pre-ballot draft.

ATTACHMENTS

1. Staff Analysis
2. Member Comment Form

Staff Analysis

TOPIC D - MD&A

November 18, 2022

Attachment 1

CONTEXT

This staff analysis reviews the MD&A (A) draft *Purpose of MD&A* paragraph; and proposed standards and related basis for conclusions for (B) *Presenting Information in MD&A* and (C) *Information Discussed and Analyzed in MD&A*. The following proposal reflects the Board's deliberations and tentative decisions from the October 2022 meeting.

The Board agreed to the intent for the integrated, opportunities, risks, and systems, internal controls, and compliance proposed standards at the October 2022 meeting. Staff included these proposed standards in the staff analysis without any accompanying questions.

Staff updated the proposed standards for balanced, concise, understandable, organization and mission, financial position and condition, and performance based on the decisions made at the October 2022 meeting. Please review and determine if these proposed standards meet the Board's intent for MD&A and whether the proposed basis for conclusions explains the why and how behind the Board's intention. Please provide an explanation for a NO response.

Staff Note: For this Staff Analysis, staff has removed footnotes from proposed standards that offer additional explanations. Staff will reinstate the footnotes in the draft MD&A exposure draft.

A. Draft paragraph: PURPOSE OF THE MD&A

The purpose of the MD&A is to increase the understandability and usefulness of a reporting entity's general purpose federal financial reports (GPFFR) by communicating management's insights about its financial position, financial condition, and operating performance. To accomplish this purpose, management should present a streamlined narrative in MD&A that is balanced, integrated, concise, and understandable.. This proposed statement presents preparer guidance in two categories: 1) *Presenting Information in MD&A*, and 2) *Information Discussed and Analyzed in MD&A*.

Presenting Information in MD&A explains **how** management should present information to achieve a streamlined narrative, and *Information Discussed and Analyzed in MD&A* identifies **what** information management should present about the reporting entity's financial position, financial condition, and operating performance.

Question #1 for the Board:

Do members agree with the Purpose of the MD&A paragraph? YES or NO? If NO, please explain.

B. PRESENTING INFORMATION IN MD&A

1. **Balanced**

At the October 2022 meeting, members agreed that the proposed balanced standard should not require a combination of all three: financial position, financial condition, and operating performance. The intent for balanced is to discuss and analyze when there has been a significant positive or negative effect on financial position, financial condition, or operating performance. Staff recommends updating the context to “and/or” instead of only “or” to allow management the flexibility to discuss one, two, or all three, depending on what was significantly impacted.

a. Proposed standard

To achieve a balanced MD&A, management should include information about events, conditions, and/or trends that had a significant positive or negative effect on the reporting entity’s financial position, financial condition, and/or operating performance.

b. Proposed basis for conclusions

Balanced is the first of four characteristics that the Board believes will guide management in how to present a streamlined narrative for MD&A. The Board believes that a balanced MD&A should explain both positive and negative effects. This language was adapted from SFFAC 3, paragraph 46 that states *including both positive and negative results*. A balanced MD&A will help users to understand the important reasons for changes in the reporting entity’s financial position, financial condition, and/or operating performance.

For example, management may discuss and analyze performance results during the current reporting period, or over multiple reporting periods that had a significant (1) positive effect (e.g., accomplishments that resulted in reduced costs); or (2) negative effect (e.g., challenges that resulted in increased costs) on financial position and financial condition. It is not the Board’s intent for management to include an equal amount of positive and negative effects because a reporting entity could have more

positive effects than negative effects or more negative effects than positive effects to report.

It is the Board's intent that a balanced MD&A also provide trend information over multiple prior reporting periods that will help users understand a reporting entity's current financial position, financial condition, and operating performance and any possible positive or negative effects into the future. Therefore, the Board adapted concepts from SFFAC 3, paragraphs 31, 32, 33, and 46 that supports including favorable and unfavorable trends that could inform management on the possible future effects on amounts reported in the financial statements and supplementary information.

Question #2 for the Board:

Do members agree that the proposed standard for **Balanced** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO? If NO, please explain.

2. Integrated

The Board's discussion at the October 2022 meeting did not change the intent for the proposed integrated standard. Therefore, staff provides the following proposed standard and basis for conclusions with no accompanying question to consider.

a. Proposed standard

To achieve an integrated MD&A, management should combine financial and non-financial information, and qualitative and quantitative information to present a comprehensive and unified discussion about the reporting entity's significant programs, projects, and/or key performance results.

b. Proposed basis for conclusions

Integrated is the second of four characteristics that the Board believes will guide management in how to present a streamlined narrative for MD&A. An integrated MD&A weaves together qualitative and quantitative, and financial and non-financial

information, that is related to a point of reference, for example, a “major” program, as defined by the reporting entity in its Statement of Net Cost.

Including financial and non-financial information was adapted from SFFAC 3, paragraphs 4, 36, and 44. These paragraphs emphasized that *MD&A should explain the significance of key financial and nonfinancial information shown in the report.*

For example, management may present the interrelationship of budgetary, financial, and operating performance information for programs supported by the reporting entity as a whole and across its component entities”

3. Concise

During the October 2022 meeting, members agreed that the intent of concise is to 1) include vital few matters, 2) summarize information, and 3) remove duplication and boilerplate language. At the June 2022 meeting, the Board agreed to include context and the example¹ about “vital few matters”, from SFFAS 15, paragraph 6, which focused *on the most important matters that will probably affect the judgments and decisions of people who rely on the GPFFR as a source of information.* However, members were concerned that this was in conflict with the proposed guidance in *Information Discussed and Analyzed in MD&A*, which emphasized “significant” items. The Board wanted the description of “vital few matters” to support the requirements in *Information Discussed and Analyzed in MD&A*. To accomplish the Board’s intent, staff recommends removing the SFFAS 15, paragraph 6 example and updating the description to focus management on emphasizing the vital few matters that significantly affect the reporting entity’s financial position, financial condition, and/or key performance results.

a. Proposed standard

To achieve a concise MD&A, management should summarize information (1) by emphasizing the vital few matters that significantly affect the reporting entity’s financial position, financial condition, and/or operating performance results; (2) by avoiding duplicating information with references to detailed information found outside of MD&A; and (3) by presenting information relevant for the current year.

b. Proposed basis for conclusions

Concise is the third of four characteristics that the Board believes will guide management in how to present a streamlined narrative for MD&A.

¹ For example, management may include information that it believes could

- i. lead to significant actions by top management of the reporting entity;
- ii. be significant to the managing, budgeting, and oversight functions of Congress and the Administration; or
- iii. significantly affect the judgment of citizens about the efficiency and effectiveness of their Federal Government.

To achieve a concise MD&A, information should only include the vital few matters that have significantly affected the reporting entities financial position, financial condition, and/or key operating performance results.

The Board believes that a concise MD&A also summarizes information by providing references to detailed information found outside MD&A. For example, management may provide references to another area of the reporting entity's GPFFR that provides detailed information with a summary of that information in the MD&A. In another example, management could also provide a reference to detailed performance information and summarize that information in the MD&A. Management should acknowledge when it provides a reference to detailed information that is unaudited.

It is the Board's intent that a concise MD&A will discourage the use of boilerplate language and management will be deliberate in only including information relevant for the current year, as opposed to repeating the same information year after year..

Question #3 for the Board:

Do members agree that the proposed standard for **Concise** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO? If NO, please explain.

4. Understandable

At the October 2022 meeting, members agreed to remove the reference to "citizens" because MD&A should be understandable to any user who may not have an extensive knowledge of U.S. Government operations or an extensive financial or accounting background. Management should present content in plain language, use headers to identify specific content, and as appropriate, include charts, tables, and/or graphs to enhance the understanding of the MD&A.

a. Proposed standard

Management should present content in plain language, use headers to identify interrelated content, and as appropriate include charts, tables, and/or graphs to enhance the understanding of the MD&A.

b. Proposed basis for conclusions

Understandable is the fourth of four characteristics that the Board believes will guide management in how to present a streamlined narrative for MD&A. The Board's intent is for MD&A to be understandable to any user who may not have an extensive knowledge of U.S. Government operations or an extensive financial or accounting background. Therefore, MD&A is understandable when written in plain language to help users understand (1) whether a reporting entity is achieving its mission; (2) what financial and performance challenges the entity faced; and (3) what budgetary resources or financial sources were needed.

The Board recognizes that management may need to include organizational tools, such as headers, sub-headers, bullet-points, and/or crosswalks to financial reports, as a reference for related information, to increase the understandability of the MD&A.

An understandable MD&A may also include visual aids, such as charts, tables, or graphs to help explain a narrative. The Board believes that management should have the flexibility to combine different methods of presenting information to appeal to a variety of users.

Question #4 for the Board:

Do members agree that the proposed standard for **Understandable** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO? If NO, please explain.

C. INFORMATION DISCUSSED AND ANALYZED IN MD&A

1. Organization and Mission

At the October 2022 meeting, members agreed to reference only the reporting entity in this proposed statement. The basis for conclusions should include information about the mission, reporting entity, and its components.

a. Proposed standard

[MD&A should discuss and analyze] The organization and mission of the reporting entity.

b. Proposed basis for conclusions

The Board believes MD&A should contain a brief description of the mission(s) of the reporting entity and its components. In developing this proposed standard, the Board adapted SFFAC 3, paragraph 25 that stated that MD&A should *contain a brief description of the mission(s) of the entity and describe its related organizational structure*. The brief description sets the stage to help users understand the key results the reporting entity expected to achieve and the funding needed during the reporting period to achieve those results.

Management should have the flexibility to determine how much information to include about the organizational structure and mission(s) in relation to the size and complexity of the reporting entity. For example, a large reporting entity could provide a brief summary about the reporting entity as a whole and a summary for each significant component/agency entity, while a small reporting entity could provide just a brief summary about the entire reporting entity.

Question #5 for the Board:

Do members agree that the proposed standard for **Organization and Mission** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO? If NO, please explain.

2. Financial Position and Condition

At the October 2022 meeting, members decided to include "other required supplementary information (RSI)" to report RSI not already specified in the proposed standard.

Members also decided to include information about stewardship investments (SI) in the MD&A basis for conclusions to help agencies to determine if they should report significant stewardship investments. At the October 2022 meeting, members discussed the two open items from SFFAS 57 (1) to report stewardship investments in MD&A, and (2) to provide guidance for how to report stewardship investment information in MD&A. The Board recognized that preparers might need additional guidance on reporting SI information in MD&A. Therefore, the Board agreed to include a question for respondents. The Board will consider a new project if respondent responses indicate a need for specific guidance for reporting SI in MD&A.

a. Proposed standard

[MD&A should discuss and analyze] The improvement or deterioration of the reporting entity's financial position and condition during the reporting period due to significant changes and trends in

- a. the composition and/or balances of assets, liabilities, net position; costs, revenues, budgetary resources, and financing sources;
- b. business-type activity, social insurance, and long-term fiscal projections;
- c. other required supplementary information; and
- d. significant stewardship investments.

b. Proposed basis for conclusions

The Board's intent is for MD&A to explain what caused an improvement or deterioration of the reporting entity's financial position and condition. The Board developed this proposed standard, [paragraph ##]: based on SFFAC 3, paragraph 14 which states: *Federal financial reporting should provide information that helps the reader to determine whether the government's financial position improved or deteriorated over the period.* This proposed standard should guide management to provide explanations to questions from SFFAC 3, paragraph 14: *What is the entity's financial position? What is its financial condition? How did this come about? What were the significant variations: from prior years?*

In developing this proposed standard the Board also considered concepts written as standards-like language from SFFAC 3, paragraph 26, which states that *MD&A should help those who read it to understand the entity's...financial position and the entity's effect on the financial position and condition of the Government. It should give readers the benefit of management's understanding of the significance and potential effect from both a short- and a long-term perspective of ... major changes in types or amounts of assets, liabilities, costs, revenues ...; particular balances and amounts shown in the basic financial statements, including the notes, ... and the entity's required supplementary stewardship information (because RSSI describes economic conditions that cannot be expressed in the basic financial statements).*

Although SFFAC 3 addresses RSSI, in 2019 SFFAS 57, *Omnibus Amendments 2019* rescinded SFFAS 8, *Supplementary Stewardship Reporting*. As a result of SFFAS 57, the last RSSI reporting requirement - stewardship investments was eliminated. SFFAS 57 did however, identify two open issues in the non-authoritative basis for conclusions (1) the reporting of SI in MD&A [paragraphs A8 – A10], and (2) providing guidance for reporting SI in MD&A [paragraph A11].

The Board believes that because this proposed standard includes “significant stewardship investments”, [paragraph ##], that it has closed the open item noted in paragraphs A8 – A10.

The Board includes the following information from rescinded SFFAS 8 to address the open item noted in paragraph A11. The Board believes it may be relevant to help guide management to determine if they should report SI in MD&A.

Excerpts from SFFAS 8, *Supplementary Stewardship Reporting* (2019 Handbook Version)

Paragraph 12: “Stewardship investments” are substantial investments made by the Federal Government for the benefit of the nation.

Summary-Paragraph e: Stewardship Investments - items treated as expenses in calculating net cost but meriting special treatment to highlight their substantial investment and long-term-benefit nature. This includes:

- Nonfederal Physical Property - grants provided for properties financed by the Federal Government, but owned by the state and local governments.*
- Costs incurred for education and training programs that are designed to increase or maintain national economic productive capacity and research efforts to provide future benefits or returns. These include:*
 - Human Capital - education and training programs financed by the Federal Government for the benefit of the public.*
 - Research and Development - basic and applied research and development.*

Chapter 5: *“Investment in nonfederal physical property” refers to those expenses incurred by the Federal Government for the purchase, the construction, or the major renovation of physical property owned by state and local governments, including major additions, alterations, and replacements; the purchase of major equipment; and the purchase or improvement of other physical assets. Grants for maintenance and operations are not considered investments.*

Chapter 6: *“Investment in human capital” refers to those expenses incurred for programs for education and training of the public that are intended to maintain or increase national productive capacity and that produce outputs and outcomes that provide evidence of maintaining or increasing national productive capacity.*

The definition excludes education and training expenses for Federal civilian and military personnel. It also excludes education and training expenses whose purpose is not maintaining or enhancing national productive capacity.

Chapter 7: *“Investment in research and development” refers to those expenses incurred to support the search for new or refined knowledge and ideas and for the application or use of such knowledge and ideas for the development of new or improved products and processes with the expectation of maintaining or increasing national economic productive capacity or yielding other future benefits. Research and development is composed of*

- Basic research: systematic study to gain knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications toward processes or products in mind;*
- Applied research: systematic study to gain knowledge or understanding necessary for determining the means by which a recognized and specific need may be met; and*
- Development: systematic use of the knowledge and understanding gained from research for the production of useful materials, devices, systems, or methods, including the design and development of prototypes and processes.*

The Board included a question for respondents to learn whether reporting entities need additional information to include SI in their MD&A. Responses will assist the Board in considering whether a new project is needed to develop specific guidance for reporting stewardship investments in MD&A. The Board believes this action closes the open item noted in SFFAS 57 paragraph A-11.

Question #6 for the Board:

Do members agree that the proposed standard for **Financial Position and Condition** meets the Board’s intent and that the basis for conclusions adequately explains that intent? YES or NO? If NO, please explain.

3. Performance

At the October 2022 meeting, members agreed that MD&A should discuss and analyze the key performance results in relation to costs and any significant effects on budgetary and/or financing resources.

The basis for conclusions should address how the agency identified and achieved its key performance measures and targets. The basis for conclusions should continue to encourage the reduction of statistical reporting as required by the government performance reporting act and modernization act (GPRA-MA) and provide an explanation about why the difference in reporting periods for GPRA-MA reporting and agency financial reporting causes a reporting burden for preparers.

a. Proposed standard

[MD&A should discuss and analyze] the key performance results and the associated financial effects on budgetary and/or financing resources.

b. Proposed basis for conclusions

The Board's intent is for management to explain what performance results are key to the reporting entity, and therefore, should be included in the MD&A. The Board believes that MD&A should focus on what it cost the agency to achieve key performance results. Therefore, MD&A should explain how budgetary and/or financing resources were impacted as a result of operating performance achievements and challenges. SFFAC 1, paragraph 126, 2A provided the following guidance for the Board to develop this proposed statement [paragraph ##]: *Federal financial reporting should provide information that helps the reader to determine the costs of providing specific programs and activities and the composition of, and changes in, these costs; and paragraph 128. 2B, states that...the efforts and accomplishments associated with federal programs and the changes over time and in relation to costs.*

The Board also adapted SFFAC 3, paragraphs 43 and 44, which emphasized that *efficiency and effectiveness are important elements of performance measurement and is often combined with cost information to help assess "cost effectiveness".*

The Board **did not adapt** SFFAC 3, paragraph 45, which states: *the discussion of performance should relate to major goals and objectives from the agency's strategic plan and to the indicators reported pursuant to the Results Act.* This concept includes standards-like language that requires agencies to report performance in the MD&A using the government performance results act (GPRA) reporting requirements. The Board does not want information duplicated from the GPRA-MA reports because that information is statistical and not financial. The reporting period for GPRA-MA is different from the agency financial reporting period and would add burden to entities due to

additional time to align the information. However, the Board believes that a reference to the GPRA-MA reports would be useful.

The Board also considered the nature and extent of reporting consolidated governmentwide **key performance results** in the MD&A of the *Financial Report of the U.S. Government* and decided against a proposed requirement due to the aggregated nature of the report. The Board's decision was based on paragraph 6 of SFFAC 4, which states: *the Financial Report of the U.S. Government [CFR] is a general purpose report that is aggregated from agency reports and tells users where to find information in other formats both aggregated and disaggregated formats, such as individual agency reports, agency websites, or the President's Budget. The Appendix on Reporting Entities provides a list of reporting entities included in the Financial Report of the U.S. Government and references to their websites.*

Question #7 for the Board:

Do members agree that the proposed standard for **Performance** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO? If NO, please explain.

4. Opportunities:

The Board's discussion at the October 2022 meeting did not change the intent for the proposed opportunities standard. Therefore, staff provides the following proposed standard and basis for conclusions with no accompanying question to consider.

a. Proposed standard

[MD&A should discuss and analyze] the significant **opportunities** identified by management to enhance performance results, plans to leverage such opportunities, and the potential impact on financial and budgetary results of carrying out those plans;

b. Proposed basis for conclusions

The Board did not acknowledge **opportunities** when deliberating and publishing SFFAC 3 and SFFAS 15 in 1999. However, the current Board does acknowledge that opportunities are a significant factor for the reporting entity's performance results now. Therefore, the Board believes that it would be helpful for users to understand what significant opportunities the reporting entity is managing in relation to performance achievements and challenges.

To provide adequate guidance to management on what an opportunity is as it relates to MD&A, the Board referred to the Chief Financial Officers Council (CFOC) and Performance Improvement Council (PIC) which defines an **opportunity** as *a favorable or positive event. In context of risk management, it refers to the possibility that an event will occur and positively affect the achievement of objectives*, which the Board has decided to use as the description for purposes of this proposed Statement [paragraph ##].

Users should understand what plans the reporting entity would implement in relation to opportunities and performance. In developing this proposed standard, the Board adapted SFFAC 3, paragraph 47, which states: *to further enhance the usefulness of the information, agencies should include an explanation of what needs to be done and what they plan to do to improve program performance.*

5. Risks:

The Board's discussion at the October 2022 meeting did not change the intent for the proposed risks standard. Therefore, staff provides the following proposed standard and basis for conclusions with no accompanying question to consider.

a. Proposed standard

[MD&A should discuss and analyze] the significant **risks** identified by management that have a potentially negative effect on performance results, plans to mitigate such risks, and the potential impact on financial and budgetary results of carrying out those plans.

b. Proposed basis for conclusions

Risk has been an integral part of MD&A since with the publication of SFFAC 3 and SFFAS 15. Therefore, the Board believes that it would be helpful for users to understand what significant risks the reporting entity is managing in relation to performance achievements and challenges.

*To provide adequate guidance to management on what a risk is, the Board referred to the CFOC and PIC that defines a **risk** as the effect of uncertainty on achievement of objectives. The Board believes that this description is appropriate for the purposes of this proposed Statement, [paragraph ##] in so far as in this proposed Statement negative effects are referenced when discussing risks and positive effects when discussing opportunities.*

In developing this this proposed Statement, [paragraph ##], the Board adapted SFFAC 3, paragraphs 31, 32, 33, and 49, which emphasizes: *the discussion should also encompass the possible future effects of anticipated future events to help users understand reported indicators, assess the reporting entity's performance, and evaluate the significance of underlying factors that may have affected the reported performance.*

To understand what plans the reporting entity will implement in relation to risks and performance, the Board adapted SFFAC 3, paragraph 47, which states: *to further enhance the usefulness of the information, agencies should include an explanation of what needs to be done and what they plan to do to improve program performance.*

6. Systems, Internal Controls, and Compliance

The Board's discussion at the October 2022 meeting did not change the intent for the proposed systems, internal controls, and compliance standard. Therefore, staff provides the following proposed standard and basis for conclusions with no accompanying question to consider.

a. Proposed standard

[MD&A should discuss and analyze] the summary information about (1) management's assessment of the effectiveness of the reporting entity's internal controls and financial management systems, and (2) the reporting entity's compliance with laws, regulations, contracts, and grant agreements that are relevant to financial reporting. Such reporting should address internal control weaknesses, systems deficiencies, and instances of non-compliance that have a significant/material effect on the reporting entity's financial and performance reporting; and plans the reporting entity has to address them.

b. Proposed basis for conclusions

The Board believes that management should provide an assessment of the reliability of the reporting entity's financial information by explaining significant weaknesses in the financial management system, related systems, internal controls, and/or non-compliance with applicable laws. Therefore, the Board adapted SFFAC 3, paragraph 15, which states: *MD&A should tell the reader whether internal accounting and administrative controls ...are adequate to ensure that: transactions are executed in accordance with budgetary and financial laws and other requirements, consistent with the purposes authorized, and are recorded in accordance with Federal accounting standards; assets are properly acquired and used, safeguarded to deter theft, accidental loss or unauthorized disposition, and fraud; and performance measurement information is adequately supported.*

The Board also adapted concepts from SFFAC 3, paragraph 16, which states: *reporting information that helps people assess the condition of the entity's management systems and of the relevant internal controls is an important objective of Federal financial reporting. The relevant internal controls for this purpose are those that support reporting on financial and operating performance and reporting on compliance with applicable laws.* In addition, the Board adapted, SFFAC 3, paragraph 17, which states: *an entity's ability to prepare auditable financial statements and other reliable reports for management from the entity's books and records is a positive signal about the finance-*

related systems and controls of that entity. By themselves, however, the financial statements of a governmental entity do not provide adequate information about the status of the entity's management systems and internal controls that support reporting on financial and operating performance and reporting on compliance with applicable laws. For these reasons, the GPFFR of a Federal reporting entity should include information about systems, internal controls, and legal compliance, in addition to the basic financial statements.

MEMBER COMMENT FORM
TOPIC D – MD&A: ATTACHMENT 2
December 2022

Member Instructions:

Please provide your responses below.

Question #1 for the Board:

Do members agree with the Purpose of the MD&A paragraph? YES or NO? If NO, please explain.

Member Initials	YES or NO	If NO, please explain

Question #2 for the Board:

Do members agree that the proposed standard for **Balanced** meets the Board's intent and that the basis for conclusions (BFC) adequately explains that intent? YES or NO

Member Initials	Intent met For	YES or NO	If NO, please explain
	Standard		
	BFC		

MEMBER COMMENT FORM
TOPIC D – MD&A: ATTACHMENT 2
December 2022

Question #3 for the Board:

Do members agree that the proposed standard for **Concise** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO

Member Initials	Intent met For	YES or NO	If NO, please explain
	Standard		
	BFC		

Question #4 for the Board:

Do members agree that the proposed standard for **Understandable** meets the Board's intent and that the basis for conclusions adequately explains that intent?
YES or NO

Member Initials	Intent met For	YES or NO	If NO, please explain
	Standard		
	BFC		

Question #5 for the Board:

Do members agree that the proposed standard for **Organization and Mission** meets the Board's intent and that the basis for conclusions adequately explains that intent?
YES or NO

Member Initials	Intent met For	YES or NO	If NO, please explain
	Standard		
	BFC		

MEMBER COMMENT FORM
TOPIC D – MD&A: ATTACHMENT 2
December 2022

Question #6 for the Board:

Do members agree that the proposed standard for **Financial Position and Condition** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO

Member Initials	Intent met For	YES or NO	If NO, please explain
	Standard		
	BFC		

Question #7 for the Board:

Do members agree that the proposed standard for **Performance** meets the Board's intent and that the basis for conclusions adequately explains that intent? YES or NO

Member Initials	Intent met For	YES or NO	If NO, please explain
	Standard		
	BFC		