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December 15, 2008

Via e-mail: [director@fasb.org](mailto:director@fasb.org)



LETTER OF COMMENT NO. *20*

Mr. Russell G. Golden  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

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File Reference No. 1640-100—Exposure Draft, *Subsequent Events*

Dear Mr. Golden:

BDO Seidman, LLP is pleased to offer comments on the Exposure Draft of the Proposed Statement of Financial Accounting Standards, *Subsequent Events*. We agree that the guidance on subsequent events should be in the accounting literature, rather than the auditing literature. In addition, we agree that recognized and nonrecognized subsequent events represent more understandable terminology than Type I and Type II.

The Board asks for comment on three specific issues:

**1. Consideration of subsequent events through the date that the financial statements are issued or available to be issued.**

We believe this accommodation for private companies is both helpful and operational. We believe that private entities will be able to objectively determine the date at which their financial statements are “available to be issued,” and that auditors will be able to corroborate that date.

We believe that the concept of available to be issued is equally applicable to public entities, with the proviso that it should precede the issuance date by only a few days. This would allow a public company a few days to print its financial statements without worrying that an event or transaction during the printing process might require an adjustment to the financial statements.

**2. Disclosure of the date through which subsequent events were evaluated.**

We believe this disclosure would be useful to readers of financial statements, particularly when significant time passes from the date that the financial statements are available to be issued until they are issued. We do not see that the disclosure will have any significant impact on the preparation of financial



statements.

As noted in our response to issue 1, we believe this disclosure would be appropriate for both public and private reporting entities.

**3. Scope exception**

We agree that the Board should carry forward existing accounting required by other applicable GAAP that may be in conflict with this general standard on subsequent events, just as FASB Interpretation No. 39 carried forward existing accounting required by other applicable GAAP that was inconsistent with the general standards on right of offset. At a future date, the Board may wish to revisit some of the conflicting requirements in other applicable GAAP. This should be done in a conscious and deliberate way for each existing requirement, rather than making wholesale changes now, in a document whose primary purpose is to move guidance from the auditing literature to the accounting literature.

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We would be pleased to discuss our comments with the FASB staff. Please direct questions to Ben Neuhausen, National Director of Accounting, at 312-616-4661.

Very truly yours,  
BDO Seidman, LLP