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Financial Accounting Standards Board  
401 Merritt 7, PO Box 5116  
Norwalk, Connecticut 06856-5116



LETTER OF COMMENT NO. 3

Attention: Technical Director – File Reference No. 1650-100  
Regarding the Exposure Draft for the Proposed Statement on Going Concern

Dear Sir or Madam,

I have read the Exposure Draft issued on October 9, 2008 regarding a proposed Statement that would modify auditor guidance for going concern opinions. I strongly believe that adopting this Statement would be harmful both to U.S. businesses and the accounting profession, and I urge the FASB not to adopt it.

Let me state that my perspective is as a CPA who no longer practices public accounting and has spent over 20 years as a chief financial officer for both public and private companies.

It would be a mistake to remove the bright-line time horizon for the auditor's going concern analysis. If the time horizon is changed to ". . . *at least, but not limited to, twelve months* . . ." as proposed, then what time horizon shall auditors use? Thirteen months? Eighteen months? Thirty six months? Requiring auditors to consider an open-ended time horizon for going concern in these times of unprecedented uncertainty in global economies and financial markets could result in going concern opinions for any company that relies on active global economies and financial markets (are there any companies that do not?).

The Exposure Draft states that the proposed unlimited time horizon, ". . . *avoids the inherent problems that a bright-line time horizon would create for events or conditions occurring just beyond the one-year time horizon that are significant and most likely would have to be disclosed.*" Why should disclosure of significant events or conditions beyond the time horizon be considered a problem? As a producer of financial statements, I prefer that readers of my

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financial statements see disclosure of material matters, even those beyond a fixed time horizon. I would object, however, to my auditors being forced by standards to issue a going concern opinion because not only do they not know what the future holds, but they don't know how far into the future they are expected to consider. In my experience, auditors have proven adept at auditing financial statements and ensuring that they are fairly presented in accordance with GAAP. I've never met one that could predict the future. Let's not force them to base their opinion on something they cannot be expected to do.

I further believe that adopting this Statement would be bad for the accounting and auditing profession. It will doubtless lead to more going concern opinions and will be viewed as a "get out of jail" card for auditors in every instance where a going concern opinion is issued under the proposed unlimited timeframe.

Finally, while I appreciate (and generally agree with) the goal of aligning U.S. guidance with International Financial Reporting Standards, let us not assume that every IFRS statement is automatically better than a standard that may have served U.S. GAAP for many years.

If I may state it simply, the current going concern standard isn't broken. Please don't fix it.

Respectfully,

A handwritten signature in black ink, appearing to read "Jeffrey P. Fritz". The signature is stylized and cursive.

Jeffrey P. Fritz, CPA