September 24, 2013

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Sir or Madam:

Re: File Reference No. 2013-300

Mayer Hoffman McCann P.C. (MHM) welcomes the opportunity to comment on the FASB’s Exposure Draft, *Presentation of Financial Statements (Topic 205); Disclosure of Uncertainties about an Entity’s Going Concern Presumption* (the “ED”). MHM is a national accounting firm with offices in over 35 locations across the country. We perform a wide variety of services including audit and accounting related services for a diverse client base that includes both public and private entities.

Currently, U.S. GAAP contains no guidance regarding management’s responsibilities in evaluating or disclosing going concern uncertainties, or other uncertainties pertaining to capital resources and liquidity. The ED would provide this guidance, thereby reducing diversity in financial reporting about these uncertainties, while improving the timeliness and quality of footnote disclosures about them. We believe including such guidance in U.S. GAAP would significantly improve financial reporting related to going concern uncertainties, or other uncertainties pertaining to capital resources and liquidity. We do have some concerns related to the proposed ED as discussed below.

**Inconsistencies between auditing standards and the ED**

We are concerned that certain aspects of the ED applicable to management are inconsistent with existing auditing standards pertaining to the auditor’s consideration of going concern and other uncertainties related to liquidity and capital resources. Specifically, we note that the ED would require an entity to assess its potential inability to meet its obligations as they become due for a period of 24 months after the date of the financial statements. This compares to current auditing standards which limit the “consideration period” to 12 months. It is often difficult to predict events and circumstances 12 months from the balance sheet date; we believe the requirement to use a 24 month consideration period would significantly increase the difficulty of management’s assessment. The increase in difficulty could lead to the possibility that the resulting disclosures will not be reliable on a consistent basis and therefore diminish the value to the users of financial statements. We also believe differences between management and auditor “consideration periods” may result in both operational difficulties and confusion for users.
Mitigating effect of management’s plan

We are in agreement with the ED’s requirement that when assessing the need for disclosure, management must distinguish between the mitigating effect of management plans in and outside the ordinary course of business. However, we believe additional guidance regarding the meaning of “the ordinary course of business” is necessary. We are concerned that without further clarification and guidance, inconsistent reporting and differences between auditors and management may arise.

Applicability to private entities

A substantial majority of our Firm do not agree with the decision to limit the requirement to evaluate and disclose whether there is substantial doubt about an entity’s ability to continue as a going concern to SEC filers. The financial statement users of private entities would value the benefit received from such disclosures just as much as their public company counterparts. While private company financial reporting continues to be impacted by the consideration of both cost and complexity; we believe the users of private company financial statements would support the additional cost and complexity related to the issue given the critically important nature of the going concern assumption disclosures.

We appreciate the opportunity to provide comments on the ED. Please contact Ernie Baugh or James Comito if you have questions.

Respectfully Submitted,

Mayer Hoffman McCann P.C.