September 20, 2013

Mr. Russell G. Golden, Chairman
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Re: Comments on Proposed Accounting Standards Update - Definition of a Public Entity: An Amendment to the Master Glossary

Dear Chairman Golden:

I am writing on behalf of Suncoast Schools Federal Credit Union, a not-for-profit, cooperative financial institution that serves over 560,000 members along the west coast of Florida. As a credit union, we are a preparer of financial information and are heavily regulated by the National Credit Union Administration. Suncoast Schools FCU appreciates the opportunity to comment on the FASB Proposed Accounting Standards Update on the Definition of a Public Business Entity (File Reference Number 2013-310).

We strongly support the proposed definition of a Public Business Entity.

The proposed definition of a Public Business Entity allows for an important distinction between publicly traded entities and private companies. We understand that a driver behind many recent proposed changes of accounting and auditing standards has been to provide and improve decision useful financial information to investors. There is no doubt that the recent financial crisis uncovered weaknesses in availability of financial information and in response investors demand greater transparency. Therefore, we strongly support FASB’s proposed definition of a Public Business Entity.

As a non-profit, financial cooperative, the primary user of a credit union’s financial statements is their regulator, the National Credit Union Administration (NCUA). The NCUA requires reporting financial information on a quarterly basis collected through a comprehensive call report. Additionally, the NCUA has complete and timely access to all books and records, and conducts annual in-depth examinations. Given that the primary user of a credit union’s financial statements already has transparent and complete financial information, then credit unions should have the same relief as other privately-held entities.

This year we had the opportunity of participating in a FASB Field Visit specifically related to the Financial Instruments - Credit Losses Proposal. During that meeting we appreciated the opportunity to meet directly with FASB Board members and were able to explain how...
the credit union structure is different than a bank, and how certain accounting proposals, like the credit losses proposal, has detrimental, unintended consequences on the financial viability of credit unions. One very important difference is that Credit Unions' capital requirement is set by Congress. This statutory requirement for credit unions is higher than the banking capital requirements, whose capital ratio does not require congressional authority. This important distinction validates the fact that credit unions are already more highly regulated, which supports the proposal for not including all Financial Institutions in the definition of Public Business Entity.

Further, we agree with the Board's comments not to differentiate Financial Institutions based on asset size. The purpose of defining Public Business Entities is not focused on size, but rather providing decision useful information to investors. As previously stated, the primary user of a credit union's financial statements already has complete and full access to their financial information.

Suncoast Applauds FASB's Proposal

We support the proposed definition of Public Business Entity as stated. We appreciate the fact that FASB is attempting to improve the usefulness of financial information to aid investors. The commentary about Financial Institutions in the 'Basis for Conclusions' section shows that the board is truly discussing and considering important information in drawing the conclusions. Thank you for the opportunity to comment on this important definition. If you have any questions or need clarification, please do not hesitate to contact me directly at 813-621-7511, ext.88227.

Sincerely,

Julie Rendinos, CPA
Executive Vice President/CFO