

FASB PBE Master Glossary

Date of Entry: 8/17/2013

Respondent information

Type of entity or individual:

Preparer

Contact information:

Organization: Dallas Theological Seminary

Name: Dale Larson

Email address: dlarson@dts.edu

Phone number: 214-887-5021

Questions and responses

- 1a. Please indicate whether you primarily are a preparer, user, or public accountant. If other, please specify.
- I prepare the financial statements for my institution. However, I'm also a user in that every year I assist our accrediting agency in the financial review of other institutions.
-
- 1b. If you are a preparer of financial statements, please indicate whether your entity today is considered privately held or publicly held and describe your primary business and its size (in terms of annual revenue, the number of employees, or other relevant metric).
- We are considered nonpublic in that our conduit tax-exempt debt is not traded in the market. I few years ago I did work at a university that was considered public.
-
- 1c. If you are a public accountant, please describe the size of your firm (in terms of number of partners or other relevant metric) and indicate whether your practice focuses primarily on public entities, private entities, or both.
-
- 1d. If you are a user of financial statements, please indicate in what capacity (for example, lender, investor, analyst, or rating agency) and whether you primarily use financial statements of private entities or those of both private entities and public entities.
- Each year I assist the accrediting agency (SACS) as a member of their peer review process. I typically focus on the financial review of financially challenged institutions of higher education.
-
2. Do you agree with the definition of a public business entity included in this proposed Update? Please explain why.
- Yes.
-

3. Do you agree that a business entity that has securities that are unrestricted and that is required to provide U.S. GAAP financial statements to be made publicly available on a periodic basis pursuant to a legal or regulatory requirement should be considered a public business entity? Please explain why. Can you identify a situation in which an entity would meet this criterion but would not meet any of the other criteria identified in the definition of a public business entity? In addition to what is discussed in paragraph B18 of this proposed Update, do you think further clarification is needed to determine what an unrestricted security is?

Yes.

4. Do you agree that no public or nonpublic distinction should be made between NFPs for financial reporting purposes? Instead, the Board would consider whether all, none, or only some NFPs should be permitted to apply accounting and reporting alternatives within U.S. GAAP. Please explain why.

Yes, whole heartedly agree. Most of the recent new disclosures that a NFP had to complete when they were a "public" made little sense due to the nature of operations. I'm referring to many of the added fair value type disclosures. Materiality is still something the auditors find difficult in applying when it comes to disclosures. So I also want to encourage you all to keep moving ahead with the disclosure framework. I am very pleased to see the work being carried on by the NAC, NACUBO and FASB staff to help make genuine improvements in reporting and relevancy of information. All these combined with this ED will be a great improvement.

5. Should the Board consider whether to undertake a second phase of the project at a later stage to examine whether to amend existing U.S. GAAP with a new definition resulting from this proposed Update? In that second phase of the project, the Board would consider whether to (a) preserve the original scope of guidance in the Codification or (b) change the scope of guidance in the Codification to align with the new definition. Please explain why.

Yes, but can standards now under development allow for application of excluding NFPs from public/nonpublic distinctions? In particular, the Impairment (Credit Losses) ED disclosure and statement presentation issues are a concern as some add very little helpful information and actually detract. I worry about the loss of simplicity. As one defined it: simplicity is removing that which is unnecessary so the necessary can speak.

ITC comments. Please provide any additional comments on the proposed Invitation to Comment:

EFF comments. Please provide any comments on the electronic feedback process:
