

Finance Office

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May 21, 1999

Financial Accounting Standards Board File Reference No. 194-B 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116 Letter of Comment No: 79
File Reference: 1082-194R
Date Received: 5/27/99

RE: Exposure Draft (Revised) – Consolidated Financial Statements:

Purpose and Policy

Dear Sirs:

The Accounting Practices Committee of the United States Catholic Conference is pleased to offer its comments on this document.

Our response is on behalf of 190 (Arch)dioceses and 800 religious institutes of the United States Catholic Conference, Leadership Conference of Women Religious, and Conference of Major Superiors of Men. These organizations operate and sponsor thousands of religious, educational, charitable and other not-for-profit entities throughout the United States collectively known as the Catholic Church.

The USCC Accounting Practices Committee consists of eleven members with an (Arch)diocesan affiliation, four members representing religious orders and five advisors from major certified public accounting firms.

At its recent meeting, the Committee spent a considerable amount of time discussing the Exposure Draft on Consolidated Financial Statements: Purpose and Policy. Although our discussion focused on paragraph 78, which dealt specifically with religious organizations, we also discussed the entire revised document as it related to clarification of the definition of control of an entity and the expanded implementation guidance.

It was the general consensus of the Committee that the proposed clarifications of "control" as stated will not adversely affect the reporting of most of the entities we represent. Further, the Accounting Practices Committee wants to express its appreciation for maintaining the wording of paragraph 78 as in the prior Exposure Draft.

We are grateful to FASB for this opportunity to comment and look forward to the final Statement. If you have any questions about our comments, or if we can be of any further assistance in the project, please feel free to contact me.

Very truly yours,

Wayne A. Schneider

Chairperson, Accounting Practices Committee

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