



September 24, 2013

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

Via email to director@fasb.org

Re: File Reference No. 2013-300

Dear Technical Director:

We are pleased to comment on the Financial Accounting Standards Board's (FASB or Board) Proposed Accounting Standards Update, *Presentation of Financial Statements (Topic 205), Disclosure of Uncertainties about an Entity's Going Concern Presumption* (Exposure Draft).

We support the Board in its decision to include guidance in U.S. GAAP about management's responsibilities for evaluating and disclosing going concern uncertainties. We believe that the inclusion of this guidance will greatly reduce diversity in the timing, nature and extent of disclosures related to an entity's going concern presumption.

We believe that preparers and auditors will face some challenges when determining whether management's plans are in the "ordinary course of business" or outside the ordinary course of business and application of such to the 12 and 24 month periods. We recommend that the final standard include additional implementation guidance and examples, specifically in relation to the concept of the "ordinary course of business", and what types of plans and activities management is allowed to consider in assessing the likelihood of the entity's potential inability to meet their obligations as they come due.

As proposed, SEC filers may consider actions both in and outside the ordinary course of business for purposes of the substantial doubt determination combined with a threshold of "known or probable"; we believe this combination may limit the frequency of substantial doubt disclosures by SEC filers. If this was not the intent of the Board, we recommend that the Board reconsider the disclosure threshold and/or provide additional implementation guidance and examples to help SEC filers understand factors and situations that may indicate that substantial doubt exists.

In addition, it is very important that additional guidance be provided on how management should consider planned mitigating activities, specifically in situations where management's plans are not solely within its control. For example, we envision situations where a troubled insured depository institution is subject to a regulatory order that would require regulatory approval to execute plans to mitigate its inability to meet its obligations or alleviate substantial doubt about the entity's ability to continue as a going concern. In these situations, the decision to close an institution is solely under regulatory control and there is no prescribed threshold for when such a closure would occur, if at all. We also envision a similar situation where an entity has defaulted on its debt or has otherwise violated debt related covenants and is under the control of a lender. In order for the proposed amendments to be operational, we believe the FASB needs to explicitly address such situations in the final standard. The Board may wish to seek formal input from financial institution regulatory agencies on this matter.

Finally, the auditing standards for both public and nonpublic entity audits require that auditors evaluate whether there is substantial doubt about an entity's ability to continue as a going concern. We believe it is a very important next step to coordinate amongst the FASB, Securities and Exchange Commission (SEC), American Institute of Certified Public Accountants (AICPA) and the Public Company Accounting Oversight Board (PCAOB) to ensure alignment among the amendments being proposed and the related audit standards.

Our comments to specific questions in the Exposure Draft are included in Attachment 1. Should you have any questions, please contact Scott G. Lehman at (630)574-1605 or scott.lehman@crowehorwath.com.

Sincerely,

Crowe Horwath LLP

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Overall

Question 1: The proposed amendments would define *going concern presumption* as the inherent presumption in preparing financial statements under U.S. GAAP that an entity will continue to operate such that it will be able to realize its assets and meet its obligations in the ordinary course of business. Do you agree with this definition? If not, what definition should be used and why?

We believe that the proposed definition of *going concern presumption* is appropriate.

Question 2: Currently, auditors are responsible under the auditing standards for assessing going concern uncertainties and for assessing the adequacy of related disclosures. However, there is no guidance in U.S. GAAP for preparers as it relates to management's responsibilities. Should management be responsible for assessing and providing footnote disclosures about going concern uncertainties? If so, do you agree that guidance should be provided in U.S. GAAP about the timing, nature, and extent of footnote disclosures about going concern uncertainties for SEC registrants and other entities? Why or why not?

We believe that management should be responsible for assessing and providing footnote disclosures about going concern uncertainties. Management is in the best position to gather and evaluate all conditions and events related to going concern uncertainties, including their potential impact on the entity. Further, this assessment directly relates to the basis of presentation of the financial statements, and the financial statements are management's responsibility.

We agree that guidance should be provided in U.S. GAAP about the timing, nature, and extent of footnote disclosures about going concern uncertainties for SEC registrants and other entities, in order to ensure consistency about not only when disclosures are required, but also the content of the footnote disclosures. Consistency of disclosures will improve the usability and value of disclosures about going concern uncertainties for financial statement users.

Question 3: Would the proposed amendments reduce diversity in the timing, nature, and extent of footnote disclosures and provide relevant information to financial statement users? If so, would the proposed disclosures for SEC registrants provide users with incremental benefits relative to the information currently provided under other sections of U.S. GAAP and under the SEC's disclosure requirements?

We believe the proposed amendments will reduce diversity in the timing, nature, and extent of footnote disclosures while providing relevant information to financial statement users of both non-SEC filers and SEC registrants. Further, we also believe the proposed disclosures for SEC registrants will provide users with incremental benefits relative to the information currently provided under other sections of U.S. GAAP and under the SEC's disclosure requirements.

However, the proposed assessment of whether planned mitigating actions are in or outside the "ordinary course of business" is subjective and could possibly create some inconsistency in evaluating if the disclosure thresholds are met, which may negatively impact the expected reduction in the diversity in the timing of disclosures of going concern uncertainties. Therefore, we recommend that the final standard include additional implementation guidance and examples, specifically in relation to the concept of the "ordinary course of business" and what types of plans and activities management may appropriately consider in assessing the likelihood of their potential inability to meet obligations as they come due.

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Question 4: The proposed amendments would require management to evaluate going concern uncertainties and additionally, for SEC filers, to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern. An alternative view is that such evaluations should not be required because management would inherently be biased and, thus, the resulting disclosures would provide little incremental benefit to investors. Do you believe that an entity's management has the objectivity to assess and provide disclosures of uncertainties about the entity's ability to continue as a going concern? Why or why not? If not, please also explain how this assessment differs from other assessments that management is required to make in the preparation of an entity's financial statements.

We recognize that there is an inherent bias by management related to various subjective evaluations involved in the preparation of financial statements. This may include the evaluation of the entity's ability to continue as a going concern, and other subjective areas such as fair value measurements and disclosures, long-lived asset impairments, reserves such as the allowance for credit losses, and contingent liabilities. Although this inherent bias exists, we believe that an entity's management has the capability to perform the evaluation of going concern uncertainties and, further, is in the best position to complete such an evaluation. Management is most knowledgeable of all conditions and events that contribute to going concern uncertainties as well as all activities considered by management in mitigating those uncertainties. Thus, management is in the best position to determine the need for disclosures regarding an entity's going concern presumption.

Question 5: At each reporting period, including interim periods, the proposed amendments would require management to evaluate an entity's going concern uncertainties. Do you agree with the proposed frequency of the assessment? If not, how often should the assessment be performed?

We agree that the going concern assessment should be required at each reporting period, including interim periods.

Question 6: For SEC registrants, the proposed footnote disclosures would include aspects of reporting that overlap with certain SEC disclosure requirements (including those related to risk factors and MD&A, among others). The Board believes that the proposed footnote disclosures would have a narrower focus on going concern uncertainties compared with the SEC's disclosure requirements. Do you agree? Why or why not? What differences, if any, will exist between the information provided in the proposed footnote disclosures and the disclosures required by the SEC? Is the redundancy that would result from this proposal appropriate? Why or why not?

We acknowledge that for SEC registrants, there is some redundancy among certain existing SEC disclosure requirements and elements of the proposed U.S. GAAP financial statement disclosure requirements, specifically related to liquidity, capital resources, and risk factors. We agree the proposed required footnote disclosures have a narrower focus than the SEC-required disclosures in that they require a distinction be made between those plans in the ordinary course of business and those outside the ordinary course of business, whereas the SEC disclosure requirements are more general in nature. It is also important to mention that the SEC disclosures in MD&A are not considered part of the financial statements and related footnotes, thus the MD&A disclosures are not covered by the auditor's opinion on the financial statements.

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Question 7: For SEC registrants, would the proposed footnote disclosure requirements about going concern uncertainties have an effect on the timing, content, or communicative value of related disclosures about matters affecting an entity's going concern assessment in other parts of its public filings with the SEC (such as risk factors and MD&A)? Please explain.

The requirements for disclosure in the footnotes and the requirements for disclosures in other parts of its public filings are separate and distinct. We believe that certain information related to liquidity risk would likely be disclosed sooner based on the SEC disclosure requirements than similar information under the proposed U.S. GAAP-required disclosures, because the SEC MD&A disclosure requirements provide that registrants discuss matters that are reasonably likely to have future implications on liquidity and capital resources, both on a short-term and long-term basis, without consideration of a probability-based going concern assessment.

Question 8: The proposed footnote disclosures about going concern uncertainties would result in disclosure of some forward-looking information in the footnotes. What challenges or consequences, if any, including changes in legal liability for management and its auditors, do you anticipate entities may encounter in complying with the proposed disclosure guidance? Do you foresee any limitations on the type of information that preparers would disclose in the footnotes about going concern uncertainties? Would a higher threshold for disclosures address those concerns?

Audit standards have historically required the auditor to assess an entity's ability to continue as a going concern; this assessment often results in the inclusion of forward-looking information in footnote disclosures describing management's plans to address and mitigate going concern uncertainties. Current accounting standards require entities to consider forward-looking information as the basis for determining the ability to realize certain long-lived assets. Such information is subject to audit assurance. The proposed amendments provide for a consideration period of 24 months, which is longer than the period required under the current audit standards. Therefore, management would be required to consider and disclose matters that cover a longer time period from the financial statement date; this poses an inherent challenge for preparers and auditors. The threshold for disclosure in the first twelve months after the financial statement date is lower under the proposed accounting standard than under the current audit standards. Therefore, there may likely be an increase in the frequency of disclosures about going concern uncertainties as well as in the amount of forward-looking information in the footnotes.

We do not believe that preparers will have significant concerns about disclosing principal conditions and events that might lead to concern about the entity's ability to continue as a going concern. Certain of these conditions and events are typically already reported and disclosed in the financial statements or other required footnote disclosures, such as asset impairments, covenant violations, and concentrations of risk. However, we perceive that there could be some hesitation by financial statement preparers to provide the required disclosures of the "possible effects those conditions and events could have on the entity" and "management's evaluation of the significance of those conditions and events". Preparers may be more inclined to disclose mitigating plans and activities, while minimizing disclosure of the possible impacts of the negative conditions to the entity. While a higher threshold for disclosures about going concern uncertainties would reduce the frequency of such disclosures, it would not alleviate our perceived hesitation by preparers to include information about the possible impacts of the negative conditions to the entity, when disclosures are required.

Question 9: What challenges, if any, could auditors face if the proposed amendments are adopted?

If the proposed amendments are adopted, auditors will likely have more forward-looking information in the footnotes to audit. Further, the evaluation period for going concern uncertainties would be extended to 24 months, which naturally increases the challenge in auditing potential effects of negative conditions within that time period as well as planned mitigating activities.

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We believe that auditors will face challenges with auditing management's assessment of plans that are in the ordinary course of business and those that are outside the ordinary course of business and application of such to the 12 and 24 month periods, based on the subjective nature of the assessment.

We believe that some preparers may have a tendency to minimize disclosures of the possible impacts of negative conditions and events to the entity. Therefore, the auditor may face challenges in determining if the possible impacts have been sufficiently identified and disclosed by management. In such situations, an auditor will need to design audit procedures, to address the heightened degree of risk associated with determining the appropriateness of management's assertions and related financial statement disclosures.

Question 10: Do the expected benefits of the proposed amendments outweigh the incremental costs of applying them?

We believe the expected benefits of the proposed amendments outweigh the incremental costs of applying them.

Disclosure Threshold

Question 11: Under the proposed amendments, disclosures would start at the *more-likely-than-not* or at the *known or probable* threshold as described in paragraph 205-40-50-3.

- a. **Is the disclosure threshold appropriate? What are the challenges in assessing the likelihood of an entity's potential inability to meet its obligations for purposes of determining whether disclosures are necessary?**
- b. **Are there differences between assessing probability in the context of transactions and assessing probability in the context of the overall state of an entity that are meaningful to determining the appropriateness of a probability model for assessing substantial doubt?**
- c. **Do the proposed amendments adequately contemplate qualitative considerations? Why or why not?**
- d. **Do you believe that the guidance in paragraph 205-40-50-4 about information on how an entity should assess the likelihood of its potential inability to meet its obligations and the implementation guidance within the proposed amendments are helpful and appropriate? Why or why not?**
- e. **Are your views the same for SEC registrants and non-SEC registrants?**

We believe that the disclosure thresholds are appropriate; though we believe the "known or probable" threshold should be clarified to explain how matters that are outside the control of management may impact this assessment. For example, in a situation where banking regulators can seize an insured depository institution because of capital deficiencies, how would management identify the point at which it is known or probable that the banking regulator is going to take the institution into receivership, and how would management be able to reasonably assess the probability if that might occur within 24 months from the financial statement date? We also envision a similar situation where an entity has defaulted on its debt or has otherwise violated debt related covenants and is under the control of a lender and faces the same uncertain future. In addition to being an extremely difficult assessment for management to make, management's ultimate determination would pose a significant challenge for the auditor in such situations.

We suggest that the Board consider adding clarifying guidance, including implementation examples, on how to address such situations where the ability to continue as a going concern is not within management's control. There may be situations other than those we have mentioned. We encourage the Board to explore if there are any other such situations where the ability to continue as a going concern is outside of management's control and provide guidance as appropriate.

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Also related to the “known or probable” threshold, we believe that “known” is encompassed by “probable”; therefore, we suggest that the Board consider changing this threshold for the 12-24 month period simply to “probable”, in order to simplify the guidance. We do not believe that differences exist in the assessment of probability on a transactional basis when compared to an overall state of an entity level.

We believe that additional guidance and examples should be provided to help an entity assess the likelihood of its potential inability to meet its obligations. Based on the language in the proposed guidance, we believe that management will consider specific plans and transactions as well as overall entity plans in evaluating going concern uncertainties. We believe this is appropriate as management assesses the likelihood of its inability to meet obligations as they come due. The guidance as written does not appear to allow management to contemplate qualitative considerations in assessing the likelihood of its inability to meet obligations as they come due, based on the ability to only consider plans that are in the ordinary course of business.

Our views about the disclosure threshold and the required disclosures for going concern uncertainties are the same for SEC registrants and non-SEC registrants.

Question 12: The proposed amendments 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 financial statement date. Is this consideration period appropriate? Is it appropriate to distinguish the first 12 months from the second 12 months as proposed in the amendments? Why or why not?

We don't object to the consideration period of 24 months, and we agree with the distinction of the first 12 months from the second 12 months as proposed in the amendments. The ability to develop accurate expectations related to future events decreases as the future time period increases. Therefore, we believe it is appropriate to establish a higher threshold for evaluating going concern uncertainties for disclosure in the second 12 months of the 24 month consideration period.

Question 13: Under the proposed amendments, management would be required to distinguish between the mitigating effect of management's plans in and outside the ordinary course of business when evaluating the need for disclosures. Is this distinction relevant to determining if and when disclosures should be made? If so, explain how management's plans should be considered when defining the two different disclosure thresholds.

We agree that there should be a distinction between the mitigating effect of management's plans in and outside the ordinary course of business. Further, we believe how management's plans should be considered when defining the two different disclosure thresholds has been properly considered by the Board in paragraphs BC29-BC32. Our response to Question 14 also addresses the concept of management's plans in and outside the ordinary course of business.

Question 14: Do you agree with the definition of *management's plans that are outside the ordinary course of business* as outlined in paragraph 205-40-50-5 and the related implementation guidance?

We are in agreement with the definition of *management's plans that are outside of the ordinary course of business*. However, we believe the Illustrations beginning at paragraph 205-40-55-4, as written, may create confusion and could cause two companies in identical financial condition to arrive at two different conclusions with respect to the need to make disclosures required by this proposal. The definition provided at paragraph 205-40-50-5 states “Management's plans that involve actions of a nature, magnitude, or frequency that are inconsistent with actions customary in carrying out an entity's ongoing business activities shall be considered outside the ordinary course of business. Therefore, their mitigating effect shall not be considered in determining whether disclosures are necessary.” Paragraph 205-40-50-6 goes on further to state “For example, management's plans that are primarily intended to

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alleviate specific conditions or events that likely would lead to an entity's inability to meet its obligations otherwise generally are outside the ordinary course of business unless they are consistent with actions customary in carrying out the entity's ongoing business activities." Based on this guidance, an entity may have the ability to take an action but would not be able to consider that action in evaluating if the disclosure threshold was met, because they had not recently completed a similar transaction.

Further, paragraph 205-40-55-6 (Illustrations-Example 1), provides discussion in the context of how an entity could consider whether the refinancing of debt could be considered in the context of whether such activities would be considered outside the ordinary course of business. Specifically, it mentions ".....the action may be considered in the ordinary course of business, because, for example, debt may be less significant in relation to its liquidity needs or refinancing may be more common because the entity often takes advantage of the interest rate fluctuations to lower its borrowing costs." The example suggests that, absent a history of refinancing, such a refinancing would generally be considered outside the ordinary course of business.

We believe that refinancing of debt to take advantage of lower interest rates should not be looked at in the same context as a company experiencing financial difficulties needing to refinance (or restructure) debt coming due. For example, assume currently that Company A and Company B both have limited access to sources of liquidity and have a significant amount of debt that is coming due 10 months after year-end. Both companies are otherwise identical with the exception that Company A only refinances debt upon maturity and Company B historically has taken advantage of refinancing opportunities from time-to-time. Company A typically does not refinance its debt in between the 5 year maturities because it would incur a significant prepayment penalty that would negate any positive impact from refinancing at a lower rate. If one were to consider the definition of *management's plans that are outside of the ordinary course of business* along with what is presented in the Illustrations, one might conclude that since Company A does not regularly refinance its debt, it is more likely than not that the entity will be unable to meet its obligations without taking actions outside of the course of business. Consistent with Illustrations-Example 1, Company B, on the other hand, has refinanced its debt from time-to-time. Therefore, one might conclude that since Company B has refinanced debt in the past that it is an action within the ordinary course of business. Example 1 does not provide any insight as to whether Company B was able to refinance to lower rates in the past because it was in a much better financial position than today.

We encourage the Board to reconsider if more facts need to be provided in this example in order for it to provide appropriate guidance. Also, perhaps a clarification is needed of what the Board intended the term "refinance" to mean. Would perhaps the use of the term "restructure" be more applicable? Restructuring often occurs when a company is experiencing financial difficulties and needs to decrease its current debt service obligation by either receiving a lower interest rate, extension of maturity, or a forgiveness of principal. Refinancing is a term often used to describe a situation where a company uses an opportunity to take advantage of a lower interest rate due to a decreasing interest rate environment or an offer from a competing lender. It is also used in the context of when debt matures a company might refinance with another lender or the existing lender. Renewal is often used in the context of continuing on with the terms of a debt arrangement for a period beyond the current maturity.

Based on the lack of clarity around the term "refinance" in the proposed implementation guidance, we believe in some cases, the disclosure requirement would be met in instances where it is more likely than not that a refinancing would occur, and the inclusion of the disclosure may potentially raise concerns by the financial statement users that are not warranted.

Lastly, we believe the implementation guidance could be enhanced, not just to address our specific concerns with regard to Example 1, but to also include other situations entities are likely to encounter in order to meet their obligations and whether such situations would fall either in or outside the ordinary course of business, such as the sale of a piece manufacturing equipment, office building, trademark, business segment, etc. For example, if one of management's plans is to sell a building, we believe determining whether the planned activity is of a customary frequency could be challenging. Given the nature of the activity, it would be extremely subjective to determine if the customary frequency for the sale of a building is once every five years, or ten years, or 20 years. We believe the lack of clarity around how

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the frequency of the activity impacts its classification as in or outside the ordinary course of business will result in additional implementation challenges for management as well as challenges for the auditors.

Question 15: Do you agree with the nature and extent of disclosures outlined in paragraph 205-40-50-7? Should other disclosure principles be included?

We are in agreement with the nature and extent of the disclosures outlined in paragraph 205-40-50-7.

Substantial Doubt Determination

Question 16: The proposed amendments define *substantial doubt* as existing when information about existing conditions and events, after considering the mitigating effect of management's plans (including those outside the ordinary course of business), indicates that it is known or probable that an entity will be unable to meet its obligations within a period of 24 months after the financial statement date. Do you agree with this likelihood-based definition for substantial doubt? Do you agree with the 24-month consideration period? Why or why not? Do you anticipate any challenges with this assessment? If so, what are those challenges?

We agree with the likelihood-based definition of substantial doubt as proposed by the Board. The likelihood-based assessment is similar to concepts included in the existing audit and accounting literature and should be operational for both management and auditors.

We do not object to the 24 month consideration period, because the disclosure of information about significant known or probable events that impact the entity's liquidity is useful information to financial statement users. We believe that the 24 month period is a long period of time to look into the future to reach a conclusion regarding going concern. Changes in the business climate can occur quickly without much in the way of advance warning. Such changes can impact an entity's ability to continue as a going concern without factors being at a level of known or probable or even more likely than not shortly before significant liquidity issues occur.

Lastly, the proposed definition of substantial doubt, as well as the ability of management to consider activities in and outside the ordinary course of business, may result in few situations requiring management to disclose substantial doubt. We suggest that the Board provide examples that include how to assess items that are not within management's control in making the substantial doubt determination. For example, management may have a history of raising additional capital or obtaining new financing; however, being able to complete those transactions are not completely within management's control.

Question 17: Do you agree that an SEC filer's management, in addition to disclosing going concern uncertainties, should be required to evaluate and determine whether there is substantial doubt about an entity's ability to continue as a going concern (going concern presumption) and, if there is substantial doubt, disclose that determination in the footnotes?

We agree that an SEC's filer's management should be required to evaluate and determine whether there is substantial doubt about an entity's ability to continue as a going concern and disclose the conclusion if that determination is made.

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Question 18: Do you agree with the Board’s decision not to require an entity that is not an SEC filer to evaluate or disclose when there is substantial doubt about its going concern presumption? If not, explain how users of non-SEC filers’ financial statements would benefit from a requirement for management to evaluate and disclose substantial doubt.

We do not believe that the Board has provided compelling support, in its basis for conclusions, for its decision to draw a distinction between SEC filers and non-SEC filers regarding the need for management to evaluate and disclose whether there is substantial doubt about its going concern presumption. As acknowledged by the Board in paragraph BC37, “The auditing standards for both public and nonpublic entity audits require that auditors evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern.” The Board goes on to further state in paragraph BC39 that “All else presumed equal, the footnote disclosure of an SEC filer and non-SEC filer would provide the same information except in substantial doubt situations in which the SEC filer would include an additional sentence in the footnotes that there is substantial doubt about its ability to continue as a going concern.”

We would expect to see the Board initiate differences between an SEC filer and a non-SEC filer in instances where a particular disclosure requirement would place undue burden on a non-SEC filer or situations where the benefits of providing such disclosures would not justify the costs. We do not believe this threshold has been met in this situation.

Question 19: The Board notes in paragraph BC36 that its definition of *substantial doubt* most closely approximates the upper end of the range in the present interpretation of substantial doubt by auditors. Do you agree? Why or why not? Assuming it does represent the upper end of the range of current practice, how many fewer substantial doubt determinations would result from the proposed amendments? If the proposed amendments were finalized by the Board and similar changes were made to auditing standards, would the occurrence of audit opinions with an emphasis-of-matter paragraph discussing going concern uncertainties likewise decrease and be different from what is currently observed? If so, by how much? Is such a decrease an improvement over current practice? Why or why not?

It is not readily apparent what evidence the Board considered in making the determination that the proposed definition of *substantial doubt* most closely approximates the upper end of the range in present interpretation of substantial doubt. We ask that the Board clarify its reasoning in the final standard.

Assuming similar changes were made to the auditing standards by the Public Company Accounting Oversight Board (PCAOB), we believe there will likely be fewer required substantial doubt emphasis-of-matter paragraphs in practice. Since the PCAOB has yet to issue a revised auditing standard, we are unable to provide a measurement of this decrease. Throughout our response, we have provided feedback that we believe as proposed, the definition of *substantial doubt* should yield a lower amount of disclosures. If the auditing standards are similarly modified, that same reasoning would apply to report modification for substantial doubt. An auditor’s independent evaluation of an entity’s ability to continue as a going concern and emphasis in the auditor’s report of that condition when it exists has provided an indication to users of significant information to focus on when evaluating an entity’s financial statements under current standards. A decrease in the amount of emphasis-of-matter paragraphs discussing going concern uncertainties may not be in the best interest of financial statement users. We believe that the question of whether more or less emphasis-of-matter paragraphs discussing going concern uncertainties would be an improvement over current practice would be best addressed by financial statement users.

We recognize that auditors of non-SEC filers may choose to include emphasis-of-matter paragraphs related to going concern uncertainties. However, because the revised auditing standards have not yet been published or applied in practice, we are unable to develop an expectation about the volume of such report modifications.