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Certified Public Accountants & Consultants

Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants
Private Companies Practice Section
Tax Division

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Technical Director
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FASB
401 Merritt 7
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My comments are related to NPO reporting. I do not think a complete overhaul is warranted or needed. I audit many NPO clients including those with less than one million in revenue to those having just under fifty million. Clients are increasingly complaining about the non-stop stream of reporting changes and related fees. Many of these organizations are still reeling from the recession and loss of grants due to the restructuring caused by OBAMACare. As such, find reporting changes to be extremely costly at a time that they can ill afford to spend valuable resources on what they perceive as unnecessary. The clients are struggling with keeping staff current and the Board and donors able to understand the financials.

The consideration of a revamp is overkill, exceedingly unnecessary and unwanted by the profession or clients. I have not commented in the past because I usually felt that the changes overtime have been fairly reasonable but now the proposed changes just seem to be an academic exercise that the real world finds unnecessary and unjustifiable. Honestly, I, also, have not commented in the past because I am under the belief that comments from local firms are largely ignored or overruled by bigger players. I do believe a significant amount of audits are performed by local firms and that the FASB should consider local firm comments.

A possible change that clients and the profession could get behind would be to initiate a separate equity line item for "net investment in capital assets" similar to GASB. This would help focus attention more on the spendable vs. non spendable amounts of equity as well as focus the Board and management on the need for adequate reserves.

Thank you for your consideration.

Sincerely,

Jeffrey M Tuscan, CPA
For the Firm

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