THE
WESLEY
PEACHTREE
GROUP
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS STRATEGISTS

Tuesday, August 11, 2015

FASB Technical Director
director@fasb.org
401 Merit 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2015-230
Presentation of Financial Statements of Not-for-Profit Entities Accounting Standards Update: Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954)

The Wesley Peachtree Group, CPAs (WPG) appreciates the opportunity to comment on the *Proposed Accounting Standards Update on Presentation of Financial Statements of Not-For-Profit Entities, File Reference number 2015-230 (the "NFP ASU")*. WPG is a full service CPA firm that services not-for-profit entities, primarily in the southeast. As such, we feel compelled to offer the following four (4) comments:

1. Combining temporarily restricted net assets with permanently restricted net assets to create a single restricted net assets presentation on the face of the financial statements is flawed. Such a presentation diminishes transparency of the nature of the restricted net assets for users of the financial statements. Requiring disclosure creates unnecessary confusion on the part of the user.

2. While current GAAP requires the Statement of Activities to report separately activities in all classes of net assets, it should also mandate separate reporting of assets and liabilities according to net asset class. Doing so will clearly identify any inter-net asset borrowings. This is perhaps one of the most significant audit risks areas for not-for-profit entities. It can be easily overlooked, but separate reporting of assets and liabilities by class will force it out. Single column reporting of the balance sheet should be prohibited.

3. The direct method of cash flow reporting will not add significant value. Any minimal enhancement it may afford can readily be accomplished in the footnote. The indirect method is much easier to prepare, consequently less expensive for the not-for-profit entity.

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4. Changes in the reporting formats will cause unnecessary adjustments by other agencies using the current format. For example, the United States Department of Education in computing the Composite Score for measuring financial responsibility of institutions participating in the Title IV student financial assistance programs. Also, the regional accreditation agencies in evaluating fiscal resources and fiscal stability of institutions of higher learning.

Thank you for the opportunity to share our comments. We are confident that you will them every consideration. If you have any questions on anything enumerated herein, please feel free to contact me.

Sincerely,

Donald K. Murphy, CPA, FCPA, CFE, CGFM, CGMA
Chief Executive Officer & Managing Associate