Board of Trustees
Financial Accounting Foundation
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116
presidentsdesk@f-a-f.org

Dear FAF Board:

This letter is to express my strong support of the proposed recommendations by the Blue Ribbon Panel on Private Company Financial Reporting regarding differential standards and a separate standard-setting entity for private companies. This type of change is crucial to effectively bring about more relevant financial statements for private companies and the users of their financial statements. Furthermore, the panel was correct in that private companies incur a considerable amount of unnecessary costs due to GAAP financial statement preparation and audit, review or compilation services. Additionally, substantive differences in current and future standards for private companies, where appropriate, are necessary. Current private company financial reporting is too complex, making it too costly and time-consuming given its benefits. A new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. I believe this to be the most important recommendation to implement.

The work done by the research panel was extensive and took into account input from all the key constituencies of private company financial reporting. Differential standards and an independent standard-setting body to implement them for private companies are needed now.

Thank you.
Sincerely,

John Van Meter
CPA practitioner
Baker Tilly Virchow Krause, LLP