Board of Trustees  
Financial Accounting Foundation  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

To the Board of the Financial Accounting Foundation:

It is necessary that the recommendations made by the Blue Ribbon Panel on Private Company Financial Reporting regarding differential standards and a separate standard-setting entity for private companies are implemented as they are exceptionally important. This significant change is needed to effectively bring about suitable financial reporting for private companies and the users of their financial statements.

There is an increasing lack of relevance of accounting standards for private companies and their financial statement users. 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.

Substantive differences in current and future standards for private companies, where appropriate, are essential. Having appropriate differences will lead to more relevant financial statements which provide more useful information to those that use the financial statements of private companies.

I think the most important recommendation to implement is having a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval.

The report is based on a year of discussion, research efforts, and input from private companies and their financial statement users. Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Bryan Majewski  
Consulting  
Baker Tilly Virchow Krause, LLP