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

Dear Financial Accounting Foundation:

I wish to express my support for 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. A change is necessary to effectively bring about reasonable, practical financial reports for private companies and the users of their financial statements.

The Blue Ribbon Panel was accurate in that Accounting standards have been and are driven by issues affecting public companies. A problem exists. There is an increasing lack of relevance of accounting standards for private companies and their financial statement users.

Substantive differences in current and future standards for private companies, where proper, are needed. Having appropriate differences will lead to more relevant financial statements that provide decision-useful information to the users of private company financial statements.

Furthermore, a separate body with standard-setting authority must be recognized directly under the FAF and not subject to FASB approval.

Valuable and adequate research was provided to the panel by users and preparers of financial statements on the issues and needed the needed answers related to private company financial reporting. Differential standards and a self-directed standard-setting body to implement them for private companies are important and required.

Thank you.

Sincerely,

Mark Heroux
CPA practitioner
Baker Tilly Virchow Krause, LLP