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To: [President's Desk](#); PrivateGAAP@letter.org
Subject: Private Company Financial Reporting
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Board of Trustees
Financial Accounting Foundation
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Dear Financial Accounting Foundation:

In my opinion, FAF must accept 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. Such historic change is necessary to effectively bring about more relevant financial statements for private companies and the users of their financial statements.

I believe a systemic problem exists. There is an increasing lack of relevance of accounting standards for private companies and their financial statement users. Further, the panel was correct in that it does not make sense to incur significant cost to comply with standards that have become ever more irrelevant in the private company world.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. Private company financial reporting, as it stands now, is too complex, embodies too much irrelevant information and is too costly and time-consuming given its benefits. The complexity, general lack of relevance, and cost of implementation of accounting standards have all had a detrimental effect on the usefulness and reliability of financial statements for private companies and their financial statement users.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. An autonomous standard-setting body is the only answer to address the problem.

Users and preparers of financial statements as well as others provided valuable and adequate research to the panel on the problems and needed solutions related to private company financial reporting. Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Deborah Ammons
CPA practitioner
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