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**Subject:** Private Company Financial Reporting  
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Board of Trustees  
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Dear Financial Accounting Foundation:

I think it is very important 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 be implemented. Such change is necessary to make the financial statements for private companies and the users of their financial statements (such as bankers/lenders, insurers, venture capitalists and others) be more relevant to their needs.

I believe a systemic problem exists. Most of the standards such as deferred taxes have no relevance for most smaller private companies. Further, the panel was correct in that small private companies are incurring significant unnecessary costs to prepare GAAP statements with no benefit. Items such as deferred taxes have no relevance to bankers and the owners who are usually the users of the financial statements.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. Especially since many of the new standards are now conforming to IFRS which are not relevant at all to most private companies who have no international business. Standards should be suited to the needs of private companies.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. FASB has never really responded to the needs of private companies.

Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Barry Thomas  
CPA practitioner  
Ross, Langan & McKendree, LLP