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To: [President's Desk](#)
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Date: 6/8/2011 3:49:16 PM

Subject: Private Company Financial Reporting

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:

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 (such as bankers/lenders, insurers, venture capitalists and others).

I believe a systemic problem exists. FASB carries out the SEC's statutory responsibility for accounting standards, so it is destined to primarily reflect the capital markets and investors' needs

Further, the panel was correct in that private companies are incurring significant unnecessary costs for GAAP financial statement preparation and audit, review or compilation services.

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

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. Without such a body, the differences needed in the standards are unlikely to occur, just like with past committees and efforts.

The work done by the panel was extensive and took into account input from all the key constituencies of private company financial reporting.

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

Thank you.

Sincerely,

Evelyn Green
Private company financial management
Roaring Gap Club, Inc