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**Subject:** Private Company Financial Reporting

Board of Trustees  
Financial Accounting Foundation  
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Dear Financial Accounting Foundation:

I urge FAF to adopt 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 meaningful and useful 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. Accounting standards have and continue to be driven by issues affecting public companies. Most of these issues and disclosures are not relevant to private companies with which I work. Users of private company financial statements, including banks and other agencies which finance these companies find the information required to be disclosed for public companies meaningless, and recognize that these standards cost private companies unnecessary fees in order to comply with rules which serve no purpose.

In addition, substantive differences in current and future standards for private companies are necessary. Allowing for appropriate differences in financial reporting and disclosure for private companies will lead to financial statements which provide information users will find relevant and useful for decision making.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. Without a body dedicated to private companies it is likely that private companies will continue to incur unnecessary costs in order to provide financial information that is not related to the needs of the users of their financial statements.

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

Thank you.

Sincerely,

Jamie Ward  
CPA practitioner  
Denman & Company, LLP