

**From:** [Connie Wright <PrivateGAAP@letter.org>](mailto:PrivateGAAP@letter.org)

**To:** [President's Desk](#)  
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**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](mailto:presidentsdesk@f-a-f.org)

Dear Financial Accounting Foundation:

I am writing to encourage the FAF to 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, useful financial reporting 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. Private companies and their financial statement users are finding an increasing lack of relevance in the current applicable accounting standards. Further, the panel was correct in that private companies do not feel it makes sense to incur significant costs to comply with standards that have become increasingly more irrelevant in the private company arena.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. Private company financial reporting, as it stands currently, is too complex, contains too much irrelevant information and is too time-consuming and costly for the benefits it provides.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. I believe that given the public company reporting pressures placed upon FASB, the board cannot adequately respond to the competing needs of the private company sector.

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,

Connie Wright  
CPA practitioner  
Dugan & Lopatka CPA's, PC