

**From:** [David Christianson, CPA <dchristianson@wipfli.com>](mailto:dchristianson@wipfli.com)

**To:** [President's Desk  
dchristianson@wipfli.com](mailto:dchristianson@wipfli.com)

**Date:** 6/17/2011 4:58:40 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](mailto:presidentsdesk@f-a-f.org)

Dear Financial Accounting Foundation:

I'm 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. This will be a historic change in our profession but necessary to make financial statements for private companies more useful for management and the users of their financial statements (such as bankers/lenders).

Please be advised that there is definitely an increasing lack of relevance of accounting standards for private companies, so much so that many are simply choosing not to comply with GAAP and are accepting qualifications instead. They are making cost/benefit decisions on the usefulness to their financial statement users. Having appropriate differences will make for more relevant financial statements that provide decision makers with useful information.

And I think a new body with standard-setting authority for private company financial reporting should be established under FAF and not subject to FASB approval. History tells us that the FASB cannot effectively balance the competing needs of both public companies and private companies.

The panel's report is based on years of discussion and research with and for private companies and their financial statement users. America's privately-owned companies need differential standards with an autonomous standard-setting body to implement them and need them now.

Thank you.

Sincerely,

David Christianson, CPA  
CPA practitioner  
Wipfli CPAs and Consultants