

From: [Melanie Thomas <melanie@tntcpa.com>](mailto:melanie@tntcpa.com)

To: [President's Desk](#)
melanie@tntcpa.com

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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

Dear Financial Accounting Foundation:

I strongly support 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 sensible, usable financial statements for private companies and the users of their financial statements (such as bankers/lenders, insurers, venture capitalists and others).

The current standard-setting process does not adequately take into account the needs of the private company sector. There is an increasing lack of relevance of accounting standards for private companies and their financial statement users. Further, private companies are incurring significant unnecessary costs for GAAP financial statements which include various standards that are not relevant in the private company world.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. Private company financial reporting, as it stands now, is too complex, embodies too much irrelevant information and is too costly and time-consuming given its benefits. Having appropriate differences will lead to more relevant financial statements that provided 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. Given the public company reporting pressures placed upon FASB, the board cannot adequately respond to the competing needs of the private company sector.

The panel's report is based on a year of discussion, research efforts spanning 30 years, and input from private companies and their financial statement users. Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Melanie Thomas
CPA practitioner
Thomas & Thomas CPAs