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**Date:** 6/28/2011 8:12:32 AM

**Subject:** Private Company Financial Reporting

Board of Trustees  
Financial Accounting Foundation  
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Dear Financial Accounting Foundation:

I urge the FAF to act immediately to adopt and implement 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 change is imperative if the accounting profession is to achieve our goal of providing meaningful financial statements to private companies and the users of private company financial statements (such as bankers/lenders, insurers, venture capitalists and others).

The problem is systemic. At present, accounting standards are geared towards public companies and the complexities such public companies face. Apparently, when deliberating accounting standards, FASB does not or is unable to consider important factors that affect private companies such as a) the fact that many of the standards are so complex that private company management and users of private company financial statements find them impossible to understand, b) the cost for private companies to implement many of the standards is prohibitive, and c) many of the standards are simply not relevant to the needs of private companies or the users of their financial statements.

Substantive differences in current and future standards for private companies, where appropriate, are necessary. Currently, financial reporting for private companies is far too complex. It requires presentation and disclosure of extraneous information that has no meaning and is confusing to users of the financial statements. In addition, many of the reporting requirements are far too costly and time-consuming for private companies to implement. Financial reporting has become an unwieldy burden to many private companies struggling to survive in our tough economy.

The FAF must establish a new, separate body with standard-setting authority that is NOT subject to FASB approval. Time and time again, the FASB has proven that it cannot focus its attention on accounting and reporting issues affecting both the public company and private company sectors.

The Blue Ribbon Panel's report is based on a year of discussion and research efforts spanning 30 years. Numerous private companies, users of private company financial statements, and other accounting professionals (including myself) provided input to the Blue Ribbon Panel. I have been in the accounting profession for 29 years, and have yet to meet even one fellow accountant who does not believe that radical change is needed NOW! If our accounting profession continues along its present course, we will certainly be doing no favors for those private companies to whom we have pledged our services and devoted our careers.

Thank you.

Sincerely,

Susan Olive Repko  
CPA practitioner  
Bradshaw, Gordon & Clinkscales, LLC

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