

**From:** [Jonathan Russell <jrussell@ddfcpas.com>](mailto:jrussell@ddfcpas.com)

**To:** [President's Desk](#)  
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**Date:** 6/29/2011 4:32:08 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 am writing to express my support for the recommendations made on Private Company Financial Reporting regarding differential standards and a separate standard-setting entity for private companies by the Blue Ribbon Panel. Such historic change is necessary to effectively bring appropriate financial reporting for private companies and their users.

Accounting standards have been and are often driven by issues affecting public companies. Further, the panel was correct in that Private companies are incurring significant unnecessary costs for GAAP financial statement preparation and audit, review or compilation services.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. The financial reporting is often too complex, embodies too much irrelevant information and is too costly and does not have a cost benefit. Private companies are incurring significant unnecessary costs for GAAP financial statement preparation and audit, review or compilation services.

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 work that has been completed by the panel has been extensive. Their report is based on a year of discussion, research efforts spanning 30 years and input from private companies and their financial statement users, among others. Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Jonathan Russell  
CPA practitioner  
Deemer Dana & Froehle