

From: [Kiely Donaldson <PrivateGAAP@letter.org>](mailto:Kiely.Donaldson@PrivateGAAP@letter.org)

To: [President's Desk](mailto:President's_Desk@PrivateGAAP@letter.org)
PrivateGAAP@letter.org

Date: 7/5/2011 9:55:12 AM

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:

This letter is to express my support for 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. Change is necessary to effectively bring about appropriate financial reporting for private companies and the users of their financial statements.

I believe a systemic problem exists. There is an increasing lack of relevance of accounting standards for private companies and their financial statement users. Further, the panel was correct in that there is not a proper weighing of costs and benefits when it comes to setting standards for private companies.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. Having appropriate differences will lead to more relevant financial statements that provide decision-useful information to the users of private company financial statements.

Additionally, a new, separate body with standard-setting authority should 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 done by the panel was extensive and took into account input from all the key constituencies of private company financial reporting.

Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

Kiely Donaldson
CPA practitioner
Spitler, Stephens, & Associates, PLLC