



June 24, 2011

Board of Trustees  
Financial Accounting Foundation  
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Dear Financial Accounting Foundation:

This letter is to express my strong support for the essential FAF acceptance and implementation of 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 meaningful and appropriate financial reporting for private companies and the users of their financial statements (such as bankers/lenders, insurers, venture capitalists and others).

I believe a systemic problem exists. There is an increasing lack of relevance of accounting standards for private companies along with their financial statement users. The current standard-setting process does not adequately consider the needs of the private company sector. Further, the Panel was correct in that it is not beneficial or necessary for companies to incur significant costs to comply with standards that have become ever more irrelevant in this sector.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. As the Panel stated, having appropriate differences will lead to more relevant financial statements that provide the users of those statements with meaningful information in their decision making process.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. This may be the most important recommendation to implement as history and the current environment clearly show FASB can not effectively balance the competing needs of both the public and private company arenas. An autonomous standard-setting body is the only answer to address the problem.

It is apparent that the extensive research and discussion performed by the Panel includes valuable input from all key constituencies of private company financial reporting. Therefore, differential standards for private companies and an autonomous standard-setting body to implement them are needed now.

Very truly yours,

Kathy Browning  
Paraprofessional