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To: [President's Desk](#)
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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 believe that it is imperative that the FAF accept 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 financial statements that have clarity and useful information for private companies and the users of their financial statements (such as lenders, investors, the management team and others).

I believe a systemic problem exists. Private companies and public companies have different needs and objectives for financial information in their business model. It is important that the accounting standards applicable to each are reflective of their use of financial information. Further, the panel was correct in that the costs incurred by private companies to comply with certain FASB standards greatly overshadows the benefits realized.

In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. I honestly believe that specific appropriate differences will provide several benefits to private companies such as decreased preparation time for financial statements, greater understanding by the users of private company financial statements, and greater understanding by non-financial members of management teams.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. This is a very important recommendation, as the benefits of a separate private company standard setting body can only be realized if a competent, intelligent group of people are given the freedom to develop standards through a process that involves input from the users of the standards.

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

Thank you.

Sincerely,

Sarah Roberts
CPA practitioner
Lee & Company, PC