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To: [President's Desk](#)
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Date: 7/18/2011 6:01:32 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

Dear Financial Accounting Foundation:

I strongly urge that the FAF accepts 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 are relevant 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. The FASB's focus has been on the accounting needs of public companies that are registered with the SEC, not on the small companies that make up the vast majority of business entities. Further, the panel was correct in that the current changes to GAAP fail the important cost/benefit test. In addition, substantive differences in current and future standards for private companies, where appropriate, are necessary. The current standards are too complex, and not just the disclosures that are required. We need financial statements that serve the needs of our end users, the banks and other financial institutions, and the companies owners.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. FASB has proven to me that it is strongly biased towards the public companies.

The Blue Ribbon Panel took great care to research the needs of small companies. I ask that you create differential standards and an autonomous standard-setting body to implement them for private companies needs now.

Thank you.

Sincerely,

Peggy Loya
CPA practitioner
Andrews Galloway & Associates