

From: [Michael Gould <mgould@dcs-cpa.com>](mailto:mgould@dcs-cpa.com)

To: [President's Desk](#)
mgould@dcs-cpa.com

Date: 8/15/2011 11:40:06 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:

I urge FAF to adopt 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 more relevant financial statements 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 and their financial statement users. Further, the panel was correct in that it does not make sense to incur significant cost to comply with standards that have become ever more irrelevant in the private company world.

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.

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.

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

Thank you.

Sincerely,

Michael Gould
CPA practitioner
Dunbar, Cook & Shepard, PC