

**From:** [Donald J Zehner Jr <DJZehner@zmacpa.com>](mailto:DJZehner@zmacpa.com)

**To:** [President's Desk](#)  
[DJZehner@zmacpa.com](mailto:DJZehner@zmacpa.com)

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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](mailto:presidentsdesk@f-a-f.org)

Dear Financial Accounting Foundation:

Without delay, it is essential that FAF accept and implement 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 sensible, useful financial reports 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. Accounting standards have been and are driven by issues affecting public companies and now the international reporting is the rage. Well that doesn't really play in Peoria. 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. Private company financial reporting, as it stands now, is too complex, embodies too much irrelevant information and is too costly and time-consuming given its benefits.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval. Without such a body, the differences needed in the standards are unlikely to occur, just like with past committees and efforts.

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.

I have been a CPA for the last 30 and have heard the promises of BIG GAAP, LITTLE GAAP. Lip services is all that I have seen happen in this area till now.

I have seen my dues and time wasted on the "cognitor" effort or our executive direct cutting himself in then out of the CPA2BIZ revenues. All this while the small public accounting firms drown in the theory of accounting for the the world and not main street.

If the desire is to maintain membership and the support of all CPA's, then the FAF has to occur because BIG GAAP and IFRs is not the wave of the future for the small accounting firms.

Thank you.

Sincerely,

Donald J Zehner Jr

