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**Subject:** Private Company Financial Reporting

Board of Trustees  
Financial Accounting Foundation  
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[presidentsdesk@f-a-f.org](mailto:presidentsdesk@f-a-f.org)

Dear Financial Accounting Foundation:

This letter is to express my support for 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. 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 private companies are incurring significant unnecessary costs for GAAP financial statement preparation and audit, review or compilation service

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. History and the current environment clearly show that FASB cannot effectively balance the competing needs of both the public company and private company areas

The work done by the panel was extensive and took into account input from all the key constituencies of private company financial reporting . Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank you.

Sincerely,

jerry picucci  
CPA practitioner  
fleury, singler & company, pc