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August 5, 2011

Board of Trustees
Financial Accounting Foundation
401 Merritt 7, P. O. Box 5116
Norwalk, CT 06856-5116

Dear Financial Accounting Foundation:

I am writing this letter today to urge the Financial Accounting Foundation 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. This action must be undertaken to make financial statements of private companies more relevant and meaningful to their users.

I have been a CPA in Wyoming for my entire career of 29 years. Family owned companies and small businesses are the lifeblood of not only my business, but that of our local and regional economy. In fact, I believe small, privately owned businesses are the lifeblood of our national economy.

Our current one-tiered system of accounting standards is driven by the SEC through its responsibilities on behalf of investors in public companies. This causes FASB to focus only on those large, publicly held company issues, many of which have no relevance to small, private companies. The capital markets in the public company arena have little if anything to do with family business operations and their financial reporting. It is obvious that for the financial reporting of private businesses to be driven by the issues of public companies makes our current system ineffective and irrelevant.

A related symptom of our current system of standard setting is a heightened cost of preparation of GAAP financial statements at all levels for private companies. I believe the Blue Ribbon Panel identified this issue in their report.

The differences which should exist in financial reporting for private companies as compared to public companies are identifiable, and by addressing these differences and adopting them into a separate set of standards, financial reporting for private companies will be more cost effective, less complex, more relevant, and more useful in the decision making processes for these small businesses. The only practical way to accomplish a separate set of standards is to empower a separate standard setting body that will focus and specialize on private company issues. The FASB simply does not have the ability to address and balance the conflicting needs of large publicly held companies with smaller privately held companies and their respective users. A separate standard setting body is the only solution that will make meaningful progress in the relevance of financial reporting.

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This issue has been discussed and debated over my entire career of 29 years. During that time, the chasm between the meaningfulness of standards (GAAP) for private versus public companies has grown dramatically. The Blue Ribbon Panel's work was done deliberately and thoroughly, and it considered input from a wide range of key users of private company financial reporting. We should take the Panel's findings and recommendations and implement them into a new set of private company financial standards to be governed by a new and separate standards board. This action is quite simply the only appropriate thing to do for private companies and their financial statement users.

I urge the Financial Accounting Foundation to adopt these recommendations.

Sincerely,

Richard P. Reimann, CPA

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