



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

August 15, 2011

Financial Accounting Foundation
Board of Trustees
401 Merritt7, P.O. Box 5116
Norwalk, CT 06856-5116

RE: Private Company Financial Reporting

Dear Financial Accounting Foundation:

I urge 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. 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. The current standard-setting process does not adequately take into account the needs of the private company sector. Further, the panel was correct in that private companies are incurring significant unnecessary costs for GAAP financial statement preparation and audit, review or compilation services.

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 is too costly and time-consuming given its benefits.

Further, a new, separate body with standard-setting authority must be established directly under Financial Accounting Foundation 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.

Users and preparers of financial statements as well as others provided valuable and adequate research to the panel on the problems and needed solutions related to private company financial reporting. Differential standards and an autonomous standard-setting body to implement them for private companies are needed now.

Thank You.

Sincerely,

Tim Novak, CPA
Partner
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