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To: [President's Desk
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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

Dear Financial Accounting Foundation:

We are sending this letter in high support of 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 and useful financial statement and related reporting 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. As is the current standard are highly driven by issues related to public companies which simply are not relevant to most small businesses. The panel was correct in that for small companies like ours, this has caused increased financial burden from the time it takes our outside CPAs to deal with all the required documentation. In fact last tax season the partner in charge of our audit engagements (which are over 55 separate audits of various small companies, most of which are affordable housing apartment complexes that do not have the resouces to pay for audits, let alone the increased reporting standards) stated that the time they spend documenting and filling out internal forms to prove certain items could be better spend in ways that would benefit both client andd the end user of the reports.

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. Having appropriate differences will lead to more relevant financial statements that provide decision-useful information to the users of private company financial statements that I believe the intended end user will actually better be able to use.

Further, a new, separate body with standard-setting authority must be established directly under FAF and not subject to FASB approval as history of the current system clearly indicates that FASB cannot effectively balance the competing needs of both public and private company areas.

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. The work dthey did was extensive and took into account input from all the key constituencies of private company financial reporting. 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. We urge your support of the panel's recommendations.

Thank you.

Sincerely,

Gina Dillman Hoskins, CPA
Private company financial management
Englewood Development Company, Inc.