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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:

I was recently made aware of the recommendations made by the Blue Ribbon Panel on Private Company Financial Reporting regarding different standards and the creation of a separate standard-setting entity for private companies. I strongly support these recommendations for the following reasons:

- Separate standards would help create sensible, useful financial reports for private companies and the users of their financial statements.
- The current standard-setting process does not adequately take into account the needs of the private company sector. The current standards are based on SEC's statutory responsibility and are irrelevant to the majority of closely-held small business. During my entire career I have not had any clients who fall under the SEC requirements.
- A separate standard for private companies would save unnecessary costs incurred providing GAAP financial statements in audit, review and compilation engagements.
- New standards would help eliminate irrelevant information that neither adds value or clarity to the financial statements currently prepared under GAAP.

I support a separate, autonomous standard-setting board with authority established direction under FAF and not subject to FASB approval. Given FASB's current agenda and the pressures placed upon FASB under the ever-changing accounting environment, I feel enough attention will not be devoted to private company standards if FASB is to provide oversight.

The panel's report is well researched and includes input from financial statement users and private companies. Based on my own experiences with private companies, a new standard-setting board would provide necessary and long-awaited changes to how companies report their financial information. Please consider the recommendations and acting upon them without delay.

Sincerely,

Mary Ellen Straughn
CPA practitioner
Hufford & Associates PC