

I favor model #3, Separate Stand-Alone GAAP based on US GAAP.

I believe this will provide the best focus on needs of users of private company financial statements. The other two models simply take existing US GAAP and "chop-off" or "sort out" the parts that are just for public companies. Its not only about what we can take off or shorten from current and future standards to make them relevant to private companies, but also what should be added to current and future standards to make financial statements more relevant to users.

User expectations play a big part in the FASB standards setting process for the financial reporting of public companies. User expectations for financial reporting of private companies do not, except maybe as an afterthought.

A structure that allows add-ons or all-new standards for private companies reporting as well as just deletions in the applicability of standards developed for public companies is what is needed.

There are very different concerns of users on many basic reporting issues such as related parties, valuations, classification, cash flows, off book liabilities and many more.