- 2. N/A
- 3. A) Certain newer pronouncements are difficult to apply and have limited value. Since we prepare client tax returns and are very conservative, there are no unsupported tax positions so the requirements of former FIN 48 do not apply but we put words in a footnote. I can't say derivatives were understood widely in our firm. I guess I really don't care if the FASB writes pronouncements that don't apply to smaller businesses but if there were some simpler communication to determine what is being written, it would be an improvement. Now it is difficult to determine what applies and when. Consolidation of VIE's was of interest a couple of years ago. The best information I found was in the Journal of Accountancy. Most of our small business owners own their building but trying to figure the correct accounting was difficult without an explanation geared to small businesses. The J of A helped with that. With the codification, which is easier to use, updates may be more difficult to keep track of. I have been an auditor for over 30 years and spend more than 80 hours a year trying to stay current. I am not sure how others do it.
 - B) See A above
 - C) I do not practice in the public arena but I believe they feel they have overload also
- 4. First year disclosures and application of new principles are particularly difficult. Maybe some of the FASB Technical managers can help spread the word on

At local auditing conferences. **Webinars** have been very helpful for the AICPA EBPAQC helping us understand narrow issues with 401(k) and now 403(b) plans.

And you can go back and listen to them again. The PCPS distributions are helpful.

- 5. (a) NA we audit only private companies
- (b) To the extent there are more rules, the cost increases and for private companies I am not sure there is a benefit
- 6. If the new form of financials is adopted so the balance sheet and income statement look like the statement of cash flows, that would not be an improvement.

The statement of cash flows is the most important least understood statement for small businesses. But to make the other statements not understood also

is not the answer.

All responses represent the firm of 5 partners and 25 staff.