

October 31, 2012

SENT VIA EMAIL

Ms. Susan M. Cospers, Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference: 2012-230 Invitation to Comment, Private Company Decision-Making Framework, a Framework for Evaluating Financial Accounting and Reporting Guidelines for Private Companies

Dear Ms. Cospers,

Moss Adams LLP is pleased to provide a response to the Financial Accounting Standards Board Discussion Paper “Invitation to Comment, Private Company Decision-Making Framework, a Framework for Evaluating Financial Accounting and Reporting Guidelines for Private Companies” (the “discussion paper”).

Moss Adams LLP is the largest accounting and consulting firm headquartered in the Western United States, with a staff of over 1,800, including more than 230 partners. Founded in 1913, the firm serves public and private middle-market businesses, not-for-profit and governmental organizations.

We appreciate the Board’s efforts to establish a framework for evaluating financial accounting and reporting guidance for private companies and we support the main objectives of the framework. We believe that the framework will provide the Financial Accounting Standards Board (the Board) and the Private Company Council (PCC) with a consistent set of criteria to consider when evaluating whether or not to make adjustments to recognition, measurement, disclosure, display, effective date, or transition requirements for private companies reporting under U.S. generally accepted accounting principles (U.S. GAAP).

Our response and related comments to the specific questions included within the discussion paper are contained in the Attachment to this letter. In addition to responding to the specific questions asked in the discussion paper we have some more general observations regarding: (1) Scope of financial statements users and their access to management; (2) Relevance of financial information to users; and (3) Challenges to evaluating the elements of the framework without observing its application to a specific topic in U.S. GAAP.

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Scope of financial statements users and their access to management

While we agree with the “most common users” as discussed in paragraph DF2, we also feel that sufficient consideration should be given to the other common users (for example, a surety or a state licensing authority). The majority of references to “users” throughout the discussion paper appear to center on the “most common users” being an equity investor, a lender or other creditor with the assumption that such users of private company financial statements have a long-standing relationship with management that gives them the ability to request additional information directly from management, thereby allowing for disclosures in the financial statements to be shortened or modified. Another assumption included here is that the disclosures could also be shortened or modified because these “most common users” may have previous knowledge of matters such as contingencies and commitments prior to reading about them in the notes to the financial statements due to their access to management (as discussed in paragraph BR44).

While we understand the rationale used by the staff as articulated in paragraph BR17 in tailoring the framework to the users that are familiar with the company and have direct access to management, we believe the staff analysis underestimates the number and variety of users that rely on general purpose financial statements; a new or prospective creditor, lender, or equity investor, as well as the other common users, as discussed above. Although many users in this broader user population may have access to management they may not yet be as familiar with the company as the “most common users” who have a long-standing relationship with management or the company. Even though these new or prospective users would have access to management and could request additional information, they may still rely more on the general purpose financial statements as they may not yet have the familiarity with the company or be as comfortable requesting or relying on the additional information provided by management in the same way the “most common user” might. Encouraging users to request specific additional information from management also shifts the burden to the users. The users would also have the responsibility to determine what additional procedures may need to be applied to such information to gain assurance it is being reported to them in a consistent, complete, and accurate manner. This may increase costs and create delays in obtaining decision useful information.

We believe expanding the framework’s consideration of “common users” to incorporate expectations of other common users would be beneficial to the Board and the PCC in considering the other differential factors that could be affected as a result. To continue with one of the example users identified above, the state licensing authority that is evaluating the licensure for a construction contractor may not have access to management in the same manner as a lender or equity investor who meets with management regularly and the licensing agency may rely more heavily on the financial statements of the company for the information they need to have communicated to them. We have also heard from sureties that they rely heavily on footnote

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disclosures to alert them to new information they otherwise were not aware of and do indeed want to be informed through the company's financial statements of variable interest entities, for example, and whether or not the reporting entity effectively has control over such entities.

Relevance of financial information to users

From the discussion paper it is unclear to us how much emphasis the various elements of the framework will be given and whether the framework will result in discussion that is tailored for the specific accounting topic under consideration to which it is being applied. For example, the consolidation of a variable interest entity would, in many cases, affect adjusted EBITDA, borrowings, and other areas which the framework has identified as being commonly relevant to users. We are concerned that the framework, as written, may limit the discussion of potential exceptions and modifications for such a topic, and we do not believe this is the intent. Rather, in such a scenario, the framework should encourage the Board and the PCC to look at cost-effective alternatives that provide similar, relevant information to users of private company financial statements. The framework could accomplish this by emphasizing the subjective nature of the evaluation of user relevance and how a judgment of a sufficient level of relevance interacts with the cost of preparation to reach appropriate conclusions.

A particular user's definition of relevance may vary significantly from a preparer's definition and would influence how the questions in paragraph 1.5 could be answered. We also believe that the concept of relevance should be considered in conjunction with the objective of the standard in mind. The framework should allow for consideration of what the original intent of the guidance was and how that compares to private company financial statement user needs that exist now, in order to determine whether any adjustments or modifications would be appropriate for private companies. A similar concept is stated in paragraph 1.3; however, it is overshadowed by the subsequent questions and details of the framework.

We believe the framework should emphasize that when recognition and measurement exceptions or modifications are provided for private company financial reporting that there may be a related increase in disclosure requirements to maintain an appropriate balance of providing relevant and transparent decision useful information to the financial statement users.

For example, management's intentions to hold a plain vanilla interest rate swap until maturity can change based on current market interest rates or changes in banking relationships that may come with debt refinancing. In such situations, the likelihood of holding the swap instrument until maturity is the key factor in determining whether non-cash volatility will occur, or if the early termination of the swap will have a material impact on short term cash flows. Accordingly, the relevance of any differences in private company accounting for, and disclosure of, the interest rate

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swap is highly dependent upon management's evaluation of whether the swap instrument will be held to maturity or terminated early. An exception to recognizing the fair value of the derivative in the balance sheet would be desirable to private company financial statement preparers and users, provided there are sufficient qualitative disclosures about the swap instrument and management's intent to hold it until maturity or not. Achievement of a sufficient qualitative disclosure may require an increase in the amount of information currently required to be disclosed under U.S. GAAP for such a situation, but would be necessary to ensure users are aware of the specific terms and conditions of the swap agreement and that management has not recorded any asset or liability in the balance sheet due to their assessment that it is more likely than not that management will hold the swap until maturity; however if the instrument is terminated early it could result in a material use of cash to settle the agreement.

Challenges to evaluating the elements of the framework without its application to a specific topic in U.S GAAP

The Board and the PCC will be challenged to evaluate and determine what specific modifications or adjustments to U.S. GAAP are necessary and appropriate for private company financial reporting. We found it difficult to fully evaluate whether the framework is sufficient and appropriate to be used in a manner to achieve its intended purpose of improving the cost-effectiveness of preparing financial statements without considering specific guidance and how that guidance might potentially be modified or adjusted for private company financial reporting through the use of the framework. Implementation of modifications and adjustments to existing U.S. GAAP could prove more costly overall, especially in the initial year of application as the private companies convert to the new framework and determine the changes to their financial reporting and disclosure practices. The application of the framework to U.S. GAAP will be the key factor in addressing the cost-effectiveness of providing relevant information to private company financial statement users. A comprehensive diagram that shows how the framework might look as a decision-tree could be beneficial to users and preparers to see how the balance between relevant information and cost-effectiveness will be achieved.

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Moss Adams appreciates the opportunity to comment on the discussion paper. We would be pleased to discuss our comments with the Board members, the PCC members, or the FASB staff at your convenience. If you would like to discuss our comments or have any questions, please contact Bret Rutter in our Professional Practice Group at 206-302-6800.

Yours truly,

Moss Adams LLP

ATTACHMENT

The following are responses to selected questions in the discussion paper:

Question 2 - Has the staff identified and focused on the appropriate differential factors between private companies and public companies (see paragraphs DF1-DF13)? If it has not, please explain why and include additional factors, if any, that you believe should be considered along with their potential implications to private company financial reporting.

Overall, we believe that the staff has identified and focused on the appropriate differential factors between private companies and public companies. We do not believe there are any significant factors that are missing from the list provided in paragraphs DF1 - DF13. We do have some concerns regarding the scope of some of the specific differential factors as mentioned in the general observations included above. These primarily relate to the following:

- Paragraphs DF2 - DF4 appear to limit too narrowly the common users of private company financial statements to lenders, creditors, and equity investors which have frequent and open access to management. In our experience, other common users of private company financial statements often include prospective lenders, prospective creditors, prospective customers, sureties, insurers, and state licensing authorities, to name a few. While this is addressed somewhat in paragraph BR17 we believe it warrants further consideration, as we discuss in the letter above. Additionally, the paragraphs noted indicate that private companies often prepare financial statements in accordance with U.S. GAAP solely to satisfy the terms of their lending agreements. Although satisfying the provisions in lending agreements is one common need for comparable and transparent communication of financial position, operations, and cash flows, the financial statements are also used by many investors, creditors, and other user categories identified above for consistent and transparent information when making their decisions about a reporting entity.
- Paragraphs DF4 - DF5 discuss how private company financial statement users have direct access to management to obtain additional material financial information. Although such information may be requested from management, some users may not know to request it if the financial statements do not provide sufficient information to inform the user of the facts or circumstances that would prompt the user to make such requests.

When the additional information is provided directly by management to the user upon request, it will be up to the user to determine if the information is complete or accurate. Frequent requests and additional inquiries or procedures performed by the users making such requests for additional information could be burdensome on the financial statement preparer and result in inconsistent communication of reliable information. However, we believe there are many areas where qualitative disclosure could be used in a more cost effective manner for private companies as opposed to certain recognition and measurement requirements in current U.S. GAAP.

Question 3 – Overall, do the staff recommendations result in a framework that would lead to decisions that provide relevant information to users of private company financial statements in a more cost-effective manner? If they do not, what improvements can be made to achieve those objectives?

Overall, we believe that the staff recommendations result in a framework that would lead to decisions that could provide relevant information to users of private company financial statements in a more cost-effective manner. We have some concerns regarding how the framework will address the balance between relevant information and cost-effectiveness, as noted in the general observations above.

As also discussed in the letter above, the benefits of sufficient qualitative disclosures can be illustrated through an example involving simple interest rate swaps used to convert floating rate debt to fixed rate debt. In paragraph DF7 the discussion paper indicates users of private company financial statements are less interested in accounting guidance that reflects volatility in reported earnings, assets, and liabilities resulting from market fluctuations when the reporting entity intends to hold the instrument to maturity. One potential outcome of evaluating the current U.S. GAAP requirements applicable to the accounting for interest rate swaps might be that for private companies the interest rate swap derivative instrument may be exempt from recognition and measurement at fair value on the face of the balance sheet until such time that it is more likely than not the swap will be terminated prior to maturity and result in a settlement affecting cash flow. However, it is important that the framework consider that when modifications or exemptions from recognition or measurement are provided for private companies there may be a need to increase the qualitative disclosures to maintain clarity and transparency regarding risk and obligations whether contingent or not.

While we agree with the staff's conclusion that information relevant to the user should be heavily weighted in this decision making, we also believe the financial statement user population should be expanded.

Question 4 – Do you agree that private companies that apply industry-specific accounting guidance generally should follow the same industry-specific guidance that public companies are required to follow because of the presumption that guidance is relevant to financial statement users of both public companies and private companies operating in those industries? If not, why?

We do not agree that a presumption should exist in the framework that industry-specific guidance is relevant to financial statement users of both public companies and private companies in that industry. While we acknowledge that industry-specific accounting guidance generally should be followed by private companies and public companies alike, the framework should not create a higher threshold in evaluating industry-specific guidance than any other non-industry-specific guidance. The presumption that industry-specific guidance is relevant to financial statement

users of both public and private companies that operate in those industries does not appropriately consider the “most common user” of a public versus private company within a given industry. For example, the users of a large public financial institution will in many cases have very different informational needs than the users of a small private community bank. Though both entities operate in the same industry, the needs of their users and cost-benefit considerations vary significantly; we believe the framework should not make presumptions about industry-specific guidance.

Question 5 – Do the different areas of the framework appropriately describe and consider the primary information needs of users of private company financial statements and the ability of those users to access management, and does the disclosure area of the framework appropriately describe the *red-flag approach* often used by users when reviewing private company financial statements (see paragraphs BR43 and BR44)? If not, why?

Overall, we agree with the *red-flag* approach as described in the disclosure area of the framework. Our general observations included above address our response to the question of whether the framework appropriately describes and considers the primary information needs of users and their ability to access management. However, we do emphasize our earlier comment regarding a broader view of the users of private company financial statements. This will be critical to ensuring a *red-flag* approach achieves the appropriate level of disclosure for users who do not have as frequent interactions with management or as deep of an understanding of a company’s financial position and operations.

Question 6 – Has the staff identified the appropriate questions for the Board and the PCC to consider in the recognition and measurement area of the framework (see paragraphs 1.5 and 1.6)? If it has not, why, and what additional factors should be considered?

We believe that the staff has generally identified appropriate questions for the Board and the PCC to consider in the recognition and measurement area of the framework. We noted that the questions in paragraph 1.5 place heavy emphasis on cash flow effects, which we generally agree with. However, we believe these questions should also focus on how users may place importance on the cash flow effects highlighted in the questions. If a specific user does not have rights to the cash of a private entity, or is not relying on the cash flows presented in the financial statements in evaluating creditworthiness, it is not very likely they would place a lot of importance on understanding the cash flow effects as much as another user that does have rights to the cash or is relying on the cash flows presented. It is also not clear if the focus of these questions is directed towards the “most common users” or towards the wider population of users as discussed above.

An example of this is the guidance requiring the recording of variable interest entities on the

balance sheet, which typically can be a costly and complex undertaking for preparers of financial statements. If cash flow effects (as considered in the questions posed in paragraph 1.5) are significant, or if a user is more focused on a specific operating entity's cash flows versus the consolidated cash flows, would the framework provide a mechanism whereby the information related to the variable interest entities could be shared with users through disclosure in the notes to the financial statements? This would facilitate the provision of relevant information while reducing the burden on the preparer of the financial statements. It not only satisfies the requirement of providing relevant information to users, it also allows for reduced costs and complexity for the preparers in gathering and disclosing this information. However, the questions in paragraph 1.5 would indicate that modifying the recognition criteria in the existing variable interest entity guidance currently in U.S. GAAP may not be appropriate under the framework as doing so would be contrary to several of the questions posed.

We would also recommend providing clarity as to whether the questions posed in paragraphs 1.5 and 1.6 are qualitative factors the Board and PCC will consider in applying the framework to accounting standards or if they represent decision-making questions to be used in applying the framework to a specific standard. Would a "yes" response to any one individual question prohibit the Board and the PCC from providing a recognition and measurement alternative for private companies or otherwise create an unnecessarily high threshold to provide an alternative? Or are these simply questions to ask in the process of evaluating a specific accounting standard and whether alternatives should be identified for private companies?

Question 7 - Has the staff identified the appropriate areas of disclosure focus by private company financial statement users for the Board and the PCC to consider (see paragraph 2.8)? If it has not, why, and what additional areas of disclosure focus should be considered?

We generally agree with the areas of disclosure focus by private company financial statement users. However, we believe it is important for the concepts expressed in Section 2, *Determining Disclosure Requirements*, to give appropriate consideration to the "less common users" in addition to the "most common users" as discussed in our letter due to the wide variety of users that extend beyond the equity investor and lender or other creditor of private companies.

We do not agree with the assumption described in paragraph 2.4 that a given area of focus by a user would generally preclude an exception or modification to a disclosure. This is consistent with our comments above regarding how private company users may obtain a sufficient level of relevant information from alternative recognition, measurement, and disclosure guidance. For example, a private company may participate in a defined benefit retirement plan that will result in a future cash outlay which is a focus area identified in paragraph 2.8(a). However, given the length, complexity, and cost of the current pension disclosures, the framework should not include a presumption that there would be no modification or exception to the disclosure requirements in

this area. The Board or the PCC may find that a “common” private company financial statement user requires much less information on this topic than is currently required, and that an appropriate amount of relevant information can be communicated to the user through modified disclosures. While we agree it would be appropriate for the framework to generally provide for no disclosure exceptions in these situations, we encourage the Board and PCC to consider whether modifications should be provided for private companies given the needs of their common financial statement users.

Additionally, consistent with our response to question 4 above, we disagree with the view expressed in paragraph 2.2 of the discussion paper which indicates the Board and the PCC should generally require the same industry-specific disclosures for private companies as for public companies with respect a private company’s significant businesses. While we acknowledge that industry-specific disclosure requirements generally should be followed by private companies and public companies alike, the framework should not create a higher threshold in evaluating industry-specific disclosure requirements than any other non-industry specific disclosure requirements. The presumption that industry-specific disclosures are relevant to financial statement users of both public and private companies that operate in those industries does not appropriately consider the “common user” of a public versus private companies within a given industry.

Question 8 – Do you agree that, generally, private companies should apply the same display guidance as public companies? If not, why?

We agree that, generally, private companies should apply the same display guidance as public companies, though we observe that currently many public company financial statement display requirements exist outside of U.S. GAAP. Accordingly, we believe the framework should address the topic of presentation and display exceptions and modifications for private companies to retain sufficient flexibility to address future changes in U.S. GAAP for public companies and to be a complete framework addressing all areas, including: recognition, measurement, presentation, display, and disclosure.

Question 9 – Do you agree that, generally, private companies should be provided a one-year deferral beyond the first annual period required for public companies to adopt new guidance? If private companies are provided a deferred elective date, do you agree that a private company should have the option to adopt the amendments before the deferred effective date for private companies but no earlier than the required or permitted date for public companies? If not, why?

We agree that, generally, private companies should be provided a one-year deferral beyond the first annual period required for public companies to adopt new guidance except where there is an immediate need for the amendments to become effective. We also agree that a private company should have the option to adopt the amendments before the deferred effective date, including early adoption dates available for a public company. The ability for a private company to adopt as early as a public company is permitted to adopt new guidance, as described in paragraph 4.6, is important to provide for those private companies that are a consolidated subsidiary of a public company to prepare financial statements using the same accounting guidance as their public company parent.

Question 10 – Do you agree with the staff recommendation that some circumstances may warrant consideration of different transition methods for private companies? If not, why? If yes, has the staff identified the appropriate considerations for the Board and the PCC to evaluate? If not, what additional factors should be considered?

We agree with the staff recommendation that some circumstances may warrant consideration of different transition methods for private companies. It appears the framework, as proposed, places significant weight on cost-benefit considerations when deciding on an appropriate transition method in an individual standard, and the costs and benefits applicable to private companies may vary significantly from those of public companies. We believe these differential considerations are worthy of further consideration for alternative transition methods. Given the frequency with which transition methods are currently considered by the Board, we also believe that additional clarity on when an alternative transition method would be appropriate should be included in the framework, as that discussion would be beneficial to the Board and the PCC.

We also believe more clarity should be provided around the recommendations from the staff in paragraph 5.3 and the questions posed in paragraph 5.4. More specifically, clarity around the level of detail that would be required in the disclosures discussed in paragraph 5.3 would be beneficial to assist the Board and PCC in determining the alternative transition methods. In considering the questions in paragraph 5.4, more specifically, question 5.4c, we would like to understand further the framework's intent regarding what additional information management should prepare to provide to users. We would also like to understand how this would interact with the disclosure requirements proposed in paragraph 5.3. Our concern is that any potential cost savings in applying an alternative transition method could be negated by the efforts preparers must put forth to be able to provide users with information in addition to disclosures already in the financial statements.

Question 11 - Do you agree with the basis for the Board's tentative decisions reached to date about which types of companies should be included in the scope of the framework (see paragraphs B8-B23 in Appendix B)? If not, why?

The Board appears to have reached reasonable conclusions in its tentative decisions about what entities should be considered private companies and subject to the framework. However, there is current uncertainty in practice about the meaning of "trade in a public market" and how this has applied to existing U.S. GAAP, and we are concerned that this uncertainty would continue based upon the Board's conclusions to date. For example, if a company's stock is traded via either the pink sheets or among an investment bank's own clients and quoted regionally by that bank, it appears the company would be considered a public company even though the company did not list equity or debt securities or necessarily want it quoted. Further, our understanding is that many companies with equity or debt securities that trade in this manner are not SEC Issuers or Registrants, and do not prepare financial statements under SEC rules. We urge the Board to gather additional information in this area, including outreach to smaller or regional investment bankers, attorneys and others with experience in this arena prior to finalizing its decision.

With respect to the Board's decision to not include employee benefit plans within its scope, we acknowledge the Board's comment regarding the specialized nature of the accounting and disclosure standards currently in U.S. GAAP applicable to such entities. We encourage the Board to consider employee benefit plan accounting in future standard setting activities so that all such plans, both public and private, follow the same accounting guidance and are not subjected to accounting requirements not relevant to users of their financial statements.

Question 12 - Are there other types of entities that you believe the Board should specifically consider when determining which types of companies should be included in the scope of the framework (see paragraphs B6 and B7 in Appendix B)? If yes, please explain.

We do not believe there are other types of entities that the Board should specifically consider when determining which types of companies should be included in the scope of the framework.

Question 13 - The staff acknowledges the importance of the decision to be reached by the Board and the PCC on whether to require a private company that elects to apply any difference in recognition or measurement guidance provided under the framework to apply all existing and future differences in recognition and measurement guidance. Below, the staff has included some initial observations raised by a limited number of stakeholders about this topic. The staff is seeking to obtain broader input to help inform the Board and the PCC as they further assess the implications of this decision.

Some users of private company financial statements stated that they prefer an *all or nothing* approach of applying recognition and measurement differences to achieve consistency within a private company's financial statements and promote comparability among the financial statements of private companies that choose to apply all exceptions and modifications provided under the framework. Those users indicated that such an approach would reduce confusion that they may experience if private companies are allowed to select which differences they wish to apply. The users acknowledged that the extent of that confusion will depend on the number of recognition and measurement differences that are ultimately permitted and the nature of those differences. However, most of the users stated that they do not object to allowing private companies the option of applying some, none, or all of the permitted differences in disclosure, display, effective date, and transition method guidance.

Most preparers of private company financial statements acknowledged the concerns of some users, but stated that preparers should be allowed an option to select the differences provided under the framework that they wish to apply. Those preparers pointed to the possibility that not every permitted difference in recognition and measurement guidance may provide the most relevant information to users of their financial statements or for the companies operating in their industry. Some preparers also shared concerns about being required to make an initial commitment to apply all future differences permitted under the framework without knowing the nature or volume of the recognition and measurement differences that the Board and the PCC may ultimately provide.

- a) Do you think that a private company that elects to apply any difference in recognition or measurement guidance should be required to apply all existing and future differences in recognition and measurement guidance? Please explain your response, including how you separately considered the benefits to preparers of private company financial statements and the effect on users of private company financial statements.**

We believe recognition and measurement differences should not be required to be an *all or nothing* approach. We also believe that a comprehensive qualitative, but not quantitative, disclosure should be required so users can refer to one footnote to understand the private company recognition and measurement differences that have been applied in preparing the financial statements. Further, we believe that once a private company accounting method election is made this becomes the entity's accounting method and the criteria outlined in FASB ASC 250, Accounting Changes and Error Corrections, must be met to make a change away from the private company accounting method in order to provide a level of consistency in the financial statements of a private company. We agree with the views expressed by preparers "that not every permitted difference . . . may provide the most relevant information to users of their financial

statements or for the companies operating in their industry.” We do acknowledge that having inconsistency in the recognition and measurement of similar transactions among private company financial statements may cause some confusion for certain users attempting to compare one private company to another. A clear disclosure of the elected practical expedients, exceptions and modifications would provide a “red flag” to users that there are differences from U.S. GAAP applicable to public companies, and disclosing the qualitative nature of the impacts would help users make reasonable comparisons or seek additional information from management as needed.

- b) Do you think that a private company should have the option to choose which differences it applies in all other areas of the framework (disclosure, display, effective date, and transition method)? Please explain your response to the extent that you considered the benefits to preparers and the effect on users differently than you described in your response to Question 13(a).**

We agree that private companies should have the option to choose which differences to apply in all other areas of the framework (disclosure, display, effective date, and transition method), as long as the financial statements can stand alone and contain sufficient information such that common users would not need significant additional information from management.

Other Comments

Although perhaps currently outside of the scope of the Decision-Making Framework, we observe that there was no discussion on whether, and if so, how, a private company would apply private company exceptions to a changing set of circumstances. For example, if a private company using certain permitted practical expedients, exceptions, or modifications to U.S. GAAP applicable to public companies began to anticipate an initial public offering, will guidance be provided to facilitate the private company’s transition to full U.S. GAAP for public companies? What if the public offering does not materialize and the private company had already begun to account for some or all transactions under U.S. GAAP applicable to public companies and wanted to then revert to using practical expedients, exceptions and modifications permitted for private companies again? Conversely, if a public company is taken private and wants to apply practical expedients, exceptions, and modifications permitted for private companies, what will be the guidelines and transition methods for a change? These issues are critical to resolve prior to private companies making the decision whether to apply certain practical expedients, exceptions, and modifications as some of the information required for a full retrospective application may not be readily available.