

PCC Review
Financial Accounting Foundation
401 Merritt 7
P O Box 5116
Norwalk, CT 06856-5116

Re: Three-Year Review of the Private Company Council

RubinBrown LLP appreciates the opportunity to provide our feedback to the Financial Accounting Foundation (FAF) regarding an assessment of the activities of the Private Company Council (PCC). We strongly support the PCC and its efforts to improve private company financial reporting. RubinBrown is a public accounting firm with 91 partners and approximately 500 total team members. Our practice focuses on both private and public companies.

Our responses to the specific questions posed in the FAF's Request for Comment are as follows:

A primary responsibility of the PCC has been to review and propose GAAP alternatives that will sufficiently address the needs of users of private company financial statements. Do you believe that the PCC has been successful in proposing alternatives within GAAP that address the needs of users of private company financial statements? Please elaborate.

We believe the PCC has been successful in proposing alternatives within GAAP. We believe the PCC hit the ground running and was able to initiate several alternatives within a relatively short period of time. We believe that entities that have adopted the alternatives have achieved cost savings without significantly diminishing the quality of information provided to the users of the financial statements.

We have observed some reluctance by private companies to adopt available alternatives due to the costs to adopt the changes, such as with common control leasing arrangements. After incurring the costs to consolidate a related variable interest entity (VIE) in previous years, they are now reluctant to incur the costs of deconsolidating that VIE.

Do you believe the PCC's review of areas of existing GAAP that require reconsideration for private companies (referred to as the "look-back" phase) is complete or almost complete? Please elaborate on what will indicate that the look-back phase (for existing GAAP) is complete.

Based on the key items within GAAP identified as problematic by stakeholders prior to the creation of the PCC, Accounting Standards Updates issued subsequent to the creation of the PCC to address those items and the current PCC agenda, it does appear that the "look-back" phase is substantially complete.

Another key responsibility for the PCC is to serve as FASB's primary advisory body on the appropriate treatment for private companies on issues that the FASB is actively considering. Do you believe the PCC has been effective in assisting the FASB in its standard setting process for active projects? Please explain.

This responsibility is very important as the FASB works with ongoing projects. There is now a more formalized structure for obtaining input specifically from the private entity perspective. This has been an improvement and should be a permanent role for the PCC.

What improvements, if any, are needed to ensure the PCC is an effective advisory body to the FASB on issues that the FASB is actively considering?

The Request for Comment includes possible improvements to the PCC's structure and processes as identified by the FAF Trustees. We believe these suggestions would improve the effectiveness of the PCC. We have not identified other improvements.

Since the establishment of the PCC, do you believe that the FASB has been appropriately responsive to the needs of private companies and the recommendations of the PCC?

We believe the FASB has been responsive as evidenced by the relatively quick endorsements given to several of the alternatives developed by the PCC. The FASB also seems to be receptive to the PCC in their advisory role on private company reporting issues.

Do you believe that further changes to the standard-setting process for private companies are warranted? Please elaborate.

None noted.

Do you have any suggestions regarding changes to the size, composition, term length or responsibilities of the PCC?

No specific suggestions. The workload of the members of the PCC should be evaluated on a regular basis to determine if additional resources are needed.

When the Trustees established the PCC in 2012, the Trustees envisioned that their existing Standard-Setting Process Oversight Committee would assume the oversight responsibilities for the PCC after three years. Is there a reason that the Standard-Setting Process Oversight Committee should not assume the responsibilities in 2016?

We believe this planned transition should occur, as long as the membership of the Oversight Committee includes members with sufficient understanding of the specific needs of private companies and the users of private company financial statements.

What is your reaction to the possible improvements included in the prior section?

We are supportive of the “possible improvements” included in the Request for Comment.

What other improvements to the PCC or its process would you suggest?

We have no additional suggestions.

Thank you for the opportunity to comment on the Three-Year Review of the Private Company Council.

Sincerely,

A handwritten signature in black ink that reads "RubinBrown LLP". The signature is written in a cursive, flowing style.

RubinBrown LLP

May 8, 2015