

To: CommentLetters

From: Geoffrey S. Bruce

Ladies/Gentlemen:

We are a local CPA firm in Portland, Oregon and all of our clients are private businesses or individuals. We deal with recent GAAP developments with our clients on a frequent basis, and from this practical viewpoint we are seeing our clients look for alternatives to GAAP reporting. This can take the form of tax basis or other OCBOA reporting standards. It can even go a step further, where the company's bank or other outside user is willing to accept company-prepared financial statements without a CPA report. The motivation for these alternative approaches is partly cost-savings, but also the perception that recent GAAP requirements are contrary to business common-sense, at least for small and medium-size companies that are managed by their owners.

These alternatives seem to have the effect of diluting the effectiveness of GAAP and minimizing its importance. We would strongly encourage a decision to implement the proposed guidance to develop high-quality accounting standards within the framework of a "broader" GAAP for use by private companies, and to devote the necessary resources to produce a sound result. In addition, it would be useful to refer to the efforts being made overseas (e.g. the EC) on this same subject, in order to be part of the development of common international standards and a consistent approach for private company reporting.

Thank you for the time and effort you have already given to this work, and for giving us the opportunity to comment.

Geoffrey S. Bruce
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