

MR PETER MARTIN  
DIRECTOR, ACCOUNTING STANDARDS  
ACCOUNTING STANDARDS BOARD  
277 WELLINGTON STREET WEST  
TORONTO ONTARIO M5V 3H2

RE: COMMENT ON FINANCIAL REPORTING BY PRIVATE ENTERPRISES

DEAR SIR:

FIRSTLY I APOLOGIZE FOR THE FORMAT OF THIS LETTER – I AM PREPARING THIS FROM HOME AND THE ALTERNATIVE IS VERY SLOW FOR ME TO DO.

FROM MY UNDERSTANDING OF THE THREE ALTERNATIVES, I SUPPORT THE THIRD ALTERNATIVE.

THE FIRST TWO ALTERNATIVES STILL IMPOSE SIGNIFICANT REPORTING RULES THAT RESULT IN FINANCIAL STATEMENT INFORMATION AND DISCLOSURES THAT ARE NOT USEFUL TO USERS CLOSELY CONNECTED TO THE PRIVATE ENTERPRISE (I.E. SHAREHOLDERS, BANKERS, CRA), AND ALSO ADD TO THE CLIENTS COSTS.

UNDER THE THIRD ALTERNATIVE, I BELIEVE THE HISTORICAL COST BASIS OF FINANCIAL REPORTING WOULD PROVIDE CLEAR AND RECOGNIZABLE AND CONSISTENT FINANCIAL INFORMATION TO THE CLOSELY CONNECTED USERS. AS WELL, THE FINANCIAL STATEMENT DISCLOSURES ARE LESS ABSTRACT (I.E. FINANCIAL INSTRUMENTS). I BELIEVE DEVELOPING THE “FROM THE GROUND UP” APPROACH WOULD NOT BE THAT ONEROUS.

THANK YOU TO THE BOARD FOR OPENING UP THE ISSUE OF FINANCIAL REPORTING FOR OUR PRIVATE COMPANY CLIENTS.

YOURS TRULY  
BURT KRULL CA  
EDMONTON ALBERTA