



## ACCOUNTANCY BOARD OF OHIO

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RONALD J. ROTARU, EXECUTIVE DIRECTOR

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Chairman Robert H. Herz  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856

By mail and e-mail to [rhherz@fasb.org](mailto:rhherz@fasb.org)

RE: Financial Accounting Series Invitation to Comment, "Enhancing the Financial and Reporting Standard-Setting Process for Private Companies"

Dear Chairman Herz and Board Members:

The Accountancy Board of Ohio supports the comments in the response of the National Association of State Boards of Accountancy. We agree that the information provided for private companies should meet the needs of the decision makers for credit and equity decisions of users of these financial statements.

The FASB should consider the needs of private companies in all of their pronouncements. We believe, however, that the FASB consideration should be concerning the disclosures that private companies have to make concerning the measurements that the FASB determines are appropriate for the transactions in which a private company chooses to engage. Measurement standards and the presentation in the financial statements should not differ between public and private companies for both similar transactions and the aggregation of such transactions, so that users of these financial statements are not misled about the transactions in which private companies engage.

We also believe that the FASB may choose to seek advice from any group they choose. However, the Accountancy Board of Ohio believes that only the FASB should promulgate standards for any company, whether publicly-held or privately-held, for the preparation of financial statements in accordance with generally accepted accounting principles so that users, whether equity investors or creditors, are not misled about the impact of transactions in which the company engages.

The majority of the private companies affected by any changes made in their reporting requirements are in fact very small, and many are "Mom and Pop" operations. The proposal states that the "Committee" would be composed of "11 non compensated members". In order to have representation on that committee from individuals and small businesses, as well as their accounting firms, you must consider compensating those parties. If the committee representation is comprised only from individuals who can afford to be away from their business without being compensated or are being compensated by their employer, then we do not believe the committee will truly represent the majority of the companies being affected by any recommended changes.

Very truly yours,

Ray G. Stephens, DBA, CPA, Chair