

NEW HAMPSHIRE BOARD OF ACCOUNTANCY ✓ CL# 155

78 REGIONAL DRIVE  
BUILDING TWO  
CONCORD, NH 03301

Robert Lemay, CPA  
Chairman

Ellery Hathorn, Public Member  
Secretary

Deborah Butler  
CPA

Owen H. Walton, Jr.  
Public Accountant

Phone Number  
603-271-3286

Fax Number  
603-271-8702

E-Mail  
[boa@nh.gov](mailto:boa@nh.gov)



Dr. Richard O. Hanson  
CPA

Jefferson Chickering  
CPA

Sheila K. Christie, Esq.  
Public Member

Louise O. Romeo  
Executive Director

Web Site  
[www.nh.gov/accountancy](http://www.nh.gov/accountancy)

August 9, 2006

Mr. Robert H. Herz, Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
P O Box 5116  
Norwalk, CT 06856-5116

Dear Chairman Herz:

I am writing on behalf of the New Hampshire Board of Accountancy, and would like to thank you and other members of the FASB for the opportunity to offer comments regarding "Enhancing the Financial Accounting and Reporting Standard-Setting Process for Private Companies".

We believe that the user needs for financial information is significantly different for public versus private companies, and thus we support the efforts of FASB and AICPA to start a transparent process to identify and evaluate a standard-setting process for private companies.

The following specific questions are addressed:

- 1) *Do you believe the proposal contained in paragraphs 16-29 will improve the accounting standard-setting process for private companies?* Although we believe paragraphs 16-29 contain important and relevant information, we feel that the paragraphs need to address such issues as the definition of a privately-held business; the inclusion of non-profit organizations within the committee membership; the inclusion of academic representation on the committee; and the assurance that an appropriate diverse committee membership will be forthcoming.
- 2) *Specific to paragraphs 16-29 do you believe that the proposed changes will help ensure that the financial reporting needs of constituents of private companies are met?* Yes, however, the considerations addressed in our response to Number 1

Linda D. Saucier  
Assistant to the Director

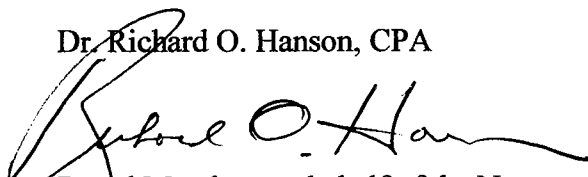
Mary Whittier  
Assistant to the Board

above must be addressed, and even when addressed, there is no assurance that the needs will be met. However, this is a good start and a much-needed, long-overdue topic that needs to be fully addressed.

- 3) *The FASB and the AICPA believe that any differences in generally accepted accounting principles (GAAP) for private companies should be based on financial statement user needs and cost-benefit considerations. Do you agree?* Yes, we agree, and that is why we recommend that the items addressed in Number 1 above be considered.
- 4) *The FASB and AICPA believe that members of the committee (except the chair) should not be compensated beyond a reasonable reimbursement of expenses. Do you agree?* No, we disagree. Many privately-held companies (however it may be defined) may not have sufficient resources to allow qualified individual who desire to serve on the committee adequate time away from his/her normal job responsibilities. This may curtail the availability of certain individuals who care deeply about this topic, but will be unable to devote his/her time and talents because of lack of financial resources. We recommend some reasonable compensation be given to allow all interested and qualified participants the opportunity to serve. We agree that the chair should be compensated.
- 5) *The FASB and the AICPA believe the committee should set its own agenda and priorities. Do you agree?* Absolutely. The committee must have the authority and ability to set its own agenda. Although we understand the committee is limited in its decision-making authority, we hope that FASB and AICPA will seriously consider the recommendations of this committee.

Thank you for giving the New Hampshire Board of Accountancy an opportunity to comment on this important issue. We appreciate the efforts of FASB and AICPA to fully address the issues, and look forward to following its progress.

Dr. Richard O. Hanson, CPA



Board Member, on behalf of the New  
Hampshire Board of Accountancy