



August 14, 2006

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CN 06856-5116

Re: File Reference No. 1310-100

Dear Sir/Madam:

The Accounting Principles Committee of the Illinois CPA Society (Committee) appreciates the opportunity to provide our response to the Invitation to Comment on *Enhancing the Financial Accounting and Reporting Standard-Setting Process for Private Companies, a Joint Proposal by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants*. The organization and operating procedures of the Committee are reflected in the attached Appendix A to this letter. These recommendations and comments represent the position of the Illinois CPA Society rather than any members of the Committee or of the organizations with which the members are associated.

Our comments are directed to the specific questions in the *Issues for Respondents* section:

1. We strongly agree with the proposal to create a Committee to provide the Board with recommendations on whether there should be differences in accounting standards for private companies. We believe that often there is a need for differences in financial reporting for public and private companies. Formation of a Committee will improve the accounting standard-setting process by ensuring that interested parties involved with private companies will have a say in the deliberative process.
2. Although paragraph 21 alludes to this, we believe the document should clearly state that the Committee has the freedom to examine and critically evaluate existing standards. This is particularly important in light of the trend toward fair value financial statements and questions about whether such statements would be useful for decision-makers in the private company community.
3. There is merit in considering financial statement user needs and cost-benefit factors in the standard-setting process. There have always been questions about

the usefulness of certain information required by accounting standards from users of private company financial statements as well as concerns over the cost of producing such information. This proposal will allow these factors to be formally considered in the development of accounting standards.

4. We agree.
5. Giving the Committee the independence to set its own agenda and priorities would enhance the process and allow constituents of private companies to have a more significant say in the standard-setting process.

Sincerely,

A handwritten signature in cursive script that reads "Leonard C. Soffer".

Leonard C. Soffer, Chair
Accounting Principles Committee

APPENDIX A
ILLINOIS CPA SOCIETY
ACCOUNTING PRINCIPLES COMMITTEE
ORGANIZATION AND OPERATING PROCEDURES
2006-2007

The Accounting Principles Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members appointed from industry, education and public accounting. These members have Committee service ranging from newly appointed to more than 20 years. The Committee is an appointed senior technical committee of the Society and has been delegated the authority to issue written positions representing the Society on matters regarding the setting of accounting standards. The Committee's comments reflect solely the views of the Committee, and do not purport to represent the views of their business affiliations.

The Committee usually operates by assigning Subcommittees of its members to study and discuss fully exposure documents proposing additions to or revisions of accounting standards. The Subcommittee ordinarily develops a proposed response that is considered, discussed and voted on by the full Committee. Support by the full Committee then results in the issuance of a formal response, which at times, includes a minority viewpoint.

Current members of the Committee and their business affiliations are as follows:

Public Accounting Firms:

Large (National Firms):

Matthew L. Brenner, CPA
James L. Fuehrmeyer, Jr., CPA
John A. Hepp, CPA
Alvin W. Herbert, Jr., CPA
Steven C. Johnson, CPA
Matthew G. Mitzen, CPA
J. Christopher Rabin, CPA
Mark K. Scoles, CPA
Reva B. Steinberg, CPA
Joan Waggoner, CPA

PricewaterhouseCoopers LLP
Deloitte & Touche LLP
Grant Thornton LLP
Retired/Clifton Gunderson LLP
McGladrey & Pullen LLP
Virchow Krause & Company, LLP
McGladrey & Pullen LLP
Grant Thornton LLP
BDO Seidman LLP
Blackman Kallick Bartelstein LLP

Medium (more than 40 employees):

Barbara Dennison, CPA
Marvin A. Gordon, CPA
Ronald R. Knakmuhs, CPA
Laurence A. Sophian, CPA

Selden Fox, Ltd.
Baygood & Rose Chartered
Miller, Cooper & Co. Ltd.
Ostrow, Reisin, Berk & Abrams, Ltd.

Small (less than 40 employees)

Walter J. Jagiello, CPA
Kathleen A. Musial, CPA

Walter J. Jagiello, CPA
Benham, Ichen & Knox LLP

Industry:

Peter J. Bensen, CPA
Melinda S. Henbest, CPA
James B. Lindsey, CPA
Annette M. O'Connor, CPA
John H. Wolter, CPA

McDonald's Corporation
The Boeing Co.
TTX Company
RR Donnelley Logistics
Retired/Natural Gas Pipeline Company of America

Educators:

David L. Senteney, CPA
Leonard C. Soffer, CPA

Ohio University
University of Illinois at Chicago

Staff Representative:

Paul E. Pierson, CPA

Illinois CPA Society