

July 12, 2006

Technical Director ----File Reference 1310-100
Financial Accounting Standards Board
401 Merritt 7 Audit and Attest Standards
PO Box 5116
Norwalk, Connecticut 06856-5116

To Whom It May Concern:

The North Carolina State Board of CPA Examiners (Board) has reviewed the joint proposal by the Financial Accounting Standards Board and the American Institute of Certified Public Accountants entitled "Enhancing the Financial Accounting and Reporting Standard-Setting Process for Private companies." The Board believes that the proposed modifications to the current FASB process for developing accounting standards will improve and encourage greater input from private company constituents and therefore lead to the development of high-quality accounting standards that meets the needs of its constituents, including private companies.

Specifically, the Board agrees with the approach that the focus of the proposed change should not be to create a new set of GAAP requirements for private companies. The Board believes that any differences in GAAP for private companies should be based on financial statement user needs and cost-benefit considerations. The Board also believes that the new committee should set its own agenda and priorities and members of the committee (except the chair) should not be compensated beyond a reasonable reimbursement of expenses.

The Board is very appreciative of the efforts of both the FASB and the AICPA to enhance the value, transparency, and cost effectiveness of financial reporting for private companies.

Sincerely,

Leonard W. Jones, CPA
President