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September 30, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference: No. 1810-100, *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities*

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities*.

Wipfli LLP (“Wipfli”) provides services to over 400 community financial institutions in the upper Midwest ranging in asset sizes of less than \$10 million to over \$1 billion. We believe this provides us with a unique perspective of financial information that is important to the users of both financial institutions’ financial statements along with financial institutions’ use as a lender, on its borrowers’ financial statements.

Wipfli recognizes the daunting task the Financial Accounting Standards Board faces when proposing new accounting standards and appreciate its efforts. Wipfli does, however, disagree with this proposed accounting standard that would require virtually all financial instruments to be reported at fair value on the balance sheet. We believe that entities’ business models should be considered when determining how financial instruments are reported.

While it may be appropriate for some financial instruments to be reported at fair value, generally we do not agree with the initial measurement principles for financial instruments proposed in the exposure draft (Question 8). Instead, we believe reporting financial instruments that are intended to be held by an entity until collection or payment of the contractual cash flows at amortized cost can provide more useful information to many users, especially users of nonpublic financial statements. If the business model or intent of the entity with regard to specific financial instruments changes, then we believe it would be appropriate to change the reporting of the affected financial instruments.

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Wipfli understands that investors and analysts of many public companies believe fair value measurements of financial instruments may provide more decision-useful information to those users. However, we also believe that most financial instruments held by the majority of nonpublic entities are not readily marketable. As a result, the vast majority of the financial instruments would have its fair value arrived at utilizing Level 3 valuation techniques. This could result in vastly differing fair values for very similar financial instruments. Also, the vast majority of entities that would be affected by this proposed accounting standard are nonpublic entities that do not have expertise to arrive at these fair value measurements. As a result, these entities would need to incur substantial costs to generate and report fair value measurements that are likely to provide financial statements that do not reflect the true nature of how the entity operates. Because the measurements would be primarily Level 3 measurements, they would not necessarily be useful to the users of these nonpublic financial statements.

In addition to the unnecessary costs that would be incurred by community financial institutions and other nonpublic entities, we fear that implementation of this standard would significantly change how entities operate. As this standard would have the potential to create significant volatility in the financial statements, Wipfli is concerned that entities may counter this by only offering very short-term financial instruments. This would be very detrimental to the business models of many businesses that rely on longer-term funding arrangements for operations.

In closing, Wipfli respectfully requests the Financial Accounting Standards Board re-evaluate this proposed accounting standard to more fully consider the decision-making needs of users of nonpublic financial statements and the potentially significant costs that will be incurred by nonpublic companies.

We would be pleased to discuss our comments and position with FASB Staff. Please direct questions to Mr. Brian Blaha, CPA, 920.662.2879

Respectfully

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP