

May 25, 2011

Ms. Susan M. Cosper Technical Director Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116

Dear Ms. Cosper:

The Accounting Principles Committee of the Illinois CPA Society (the Committee) is a voluntary group of CPAs from public practice, industry and education. Our comments represent the collective views of the Committee members and not the individual views of the members or the organizations with which they are affiliated. The organization and operating procedures of the Committee are outlined in Appendix A to this letter.

We are writing to encourage the FASB to re-expose for comment its proposals on revenue recognition, leases and financial instruments (the priority projects) before adopting final standards. We appreciate the FASB's efforts towards convergence and the steps it is taking to ensure the issuance of high-quality standards. We believe the priority projects would benefit from additional public exposure as part of the FASB's due process procedures in light of the substantial changes made during its re-deliberations.

As discussed in Appendix B of the "Progress Report on IASB-FASB Convergence Work" dated April 21, 2011, the FASB and IASB will determine if re-exposure is necessary. While we are confident the FASB will make the necessary determinations for each priority project, we would like the FASB to carefully consider the significant differences that have already arisen during re-deliberations from the time the Exposure Drafts were issued. Additionally, the period of time from the original Exposure Drafts to the final Standards will in some cases exceed one year. The significance of changes made between the Exposure Drafts and final Standards could cause confusion and complexity in implementing the final Standards.

We recommend that the FASB re-expose the proposed Standards and that it highlight significant changes between the original Exposure Drafts and the re-exposed documents. We do not believe that the issuance of a document that only reflects changes to the Accounting Standards

Codification will be sufficient, as it would fail to address the FASB's rationale and basis for changes made since the issuance of the Exposure Drafts. Re-exposure will ensure that all conclusions reached by the FASB are appropriately assessed by interested parties through due process. We believe that the issuance of final standards without re-exposure may lead to standards which may ultimately require additional clarification and guidance from the FASB.

Lastly, we ask the FASB and IASB to be more balanced in describing the progress made at achieving convergence between U.S. GAAP and IFRS. There is a difference between completing a convergence project and achieving converged standards. For many of the completed convergence projects there remain significant differences between U.S. GAAP and IFRS. Further, the progress report does not consider whether other FASB-only or IASB-only projects have lead to additional differences between U.S. GAAP and IFRS. The inference that the completion of the Memorandum of Understanding projects means that U.S. GAAP and IFRS will be substantially converged is inconsistent with the experiences of those that operate in multi-GAAP environments and unhelpful to those less informed of the convergence efforts.

We appreciate the opportunity to offer our comments.

Sincerely,

Jeffery P. Watson, CPA Chair, Accounting Principles Committee

Scott G. Lehman, CPA Vice-chair, Accounting Principles Committee

APPENDIX A

ACCOUNTING PRINCIPLES COMMITTEE ORGANIZATION AND OPERATING PROCEDURES 2011-2012

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 & regional)

Ryan Brady, CPA Grant Thornton LLP
John A. Hepp, CPA Grant Thornton LLP

Alvin W. Herbert, Jr., CPA Retired, Clifton Gunderson LLP Daniel J. Hoffenkamp, CPA Ernst & Young LLP

Daniel J. Hoffenkamp, CPA

Scott G. Lehman, CPA

Ernst & Young LLP

Crowe Horwath LLP

Elizabeth A. Prossnitz, CPA

Robert B. Sledge, CPA

KPMG LLP

Reva B. Steinberg, CPA Retired, BDO USA LLP Jeffery P. Watson, CPA Blackman Kallick LLP

Medium: (more than 40 professionals)

Jennifer L. Williamson, CPA Ostrow Reisen Berk & Abrams Ltd.

Small: (less than 40 professionals)

Barbara Dennison, CPA Selden Fox, Ltd.
Brian T. Kot, CPA Cray Kaiser Ltd CPAs
Kathleen A. Musial, CPA BIK & Co, LLP

Michael D. Pakter, CPA Gould & Pakter Associates LLC

Industry:

Rose Cammarata, CPA
CME Group Inc.
Farah. Hollenbeck, CPA
Hospira, Inc.
James B. Lindsey, CPA
TTX Company
Marianne T. Lorenz, CPA
Michael J. Maffei, CPA
GATX Corporation

Jacob R. Mrugacz, CPA U.S. Cellular Telephone & Data Systems

Ralph Nach, CPA SkillSmart LLC

Anthony Peters, CPA McDonald's Corporation

Amanda M. Rzepka, CPA JSSI

Educators:

James L. Fuehrmeyer, Jr. CPAUniversity of Notre DameLaine E. Malmquist, CPAJudson UniversityLeonard C. Soffer, CPAUniversity of Chicago

Staff Representative:

Gayle S. Floresca, CPA Illinois CPA Society