September 22, 2014

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


To Whom It May Concern:

One of the expressed goals of the Texas Society of Certified Public Accountants (TSCPA) is to speak on behalf of its members when such action is in the best interest of its members and serves the cause of Certified Public Accountants in Texas, as well as the public interest. The TSCPA has established a Professional Standards Committee (PSC) to represent those interests on accounting and auditing matters. The views expressed herein are written on behalf of the PSC, which has been authorized by the TSCPA Board of Directors to submit comments on matters of interest to the committee membership. The views expressed in this letter have not been approved by the TSCPA Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the TSCPA.

We are happy to have the opportunity to respond to the above-referenced exposure drafts titled *Simplifying the Measurement of Inventory*, and *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*. Our responses to the questions posed in each exposure draft are provided below.

*Simplifying the Measurement of Inventory*

**Question 1: Should inventory be measured at the lower of cost and net realizable value? If not, what other measurement is more appropriate and why?**

We believe the measurement of inventory at the lower of cost and net realizable value represents the appropriate measurement criteria to use in simplifying the measurement of inventory in the financial reporting process.

**Question 2: Should the proposed Update be applied prospectively to the measurement of inventory after the date of adoption?**

We are in favor of prospective application of the proposed Update to the measurement of inventory after the date of adoption.
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**Question 3:** Should the proposed Update be effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted? Should there be a delay in the effective date for entities other than public business entities and why?

We agree with the proposed Update being effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted. However, we see no reason for the dual effective date proposal related to non-public business entities.

*Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*

**Question 1:** Should the concept of extraordinary items be eliminated from GAAP? If not, why not?

We believe the elimination of extraordinary items from GAAP is appropriate and will serve to accomplish the intended goal of simplifying income statement presentation.

**Question 2:** Should the proposed Update be applied prospectively to extraordinary items occurring after the date of adoption?

We are in favor of prospective application of the proposed Update to extraordinary items occurring after the date of adoption.

**Question 3:** Should the proposed Update be effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted? Should there be a delay in the effective date for entities other than public business entities and why?

We agree with the proposed Update being effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted. However, we see no reason for the dual effective date proposal related to non-public business entities.

We appreciate the opportunity to provide input into the standard-setting process.

Sincerely,

*Signature*

Jerilyn K. Barthel, CPA  
Chair, Professional Standards Committee  
Texas Society of Certified Public Accountants