



August 9, 2011

Board of Trustees
Financial Accounting Foundation
401 Merrit 7, P.O. Box 5116
Norwalk, CT 06856-5116

Dear Trustees:

I am writing to you in my capacity as Chairman of the Texas Society of CPAs (TSCPA) and with the unanimous support of our Executive Board. TSCPA is the professional organization for CPAs in the state of Texas and represents over 29,000 members.

Part of the mission of TSCPA is to speak on behalf of its members when it is appropriate and advocate for issues that are in the best interest of the majority of our members and serve the cause of CPAs in Texas, as well as the public interest. One such issue currently being debated is whether there should be different accounting standards for private (non-public) entities and a separate, autonomous board to develop and oversee those standards.

We understand that the Financial Accounting Foundation (FAF) is currently studying this issue and we wish to provide our input on behalf of our membership as you evaluate the report and recommendations from the Blue Ribbon Panel on Private Company Financial Reporting, as well as input you are receiving from other sources. We know this is a difficult and complex issue and we are appreciative of the time and seriousness that the FAF is devoting to it.

TSCPA has long supported the development of accounting standards that will better meet the need of private companies, especially those small businesses that are the lifeblood of our economy in Texas and in the United States. Many, if not most of our members, either serve these types of businesses in a professional capacity or are employed by them directly. We have consistently heard from them over the years that GAAP does not meet their needs or make sense for their small business clients and their financial statement users.

With the issuance of the Blue Ribbon Panel Report, we are now at a crossroads to take real, practical action to help provide meaningful standards for these private companies. We at TSCPA support the establishment of a separate, autonomous board of individuals with private company experience to develop and implement standards for private companies, under the oversight of the FAF. We also support that this new board

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use GAAP as the starting, base point for those different standards for private companies.

We think this is an excellent approach that will go a long way toward solving this decades long concern for private companies. It will do so in a way that helps maintain the integrity of GAAP, while at the same time making needed and sensible exceptions for private companies. The end result will be better, more meaningful financial information for these private companies and the users of their financial statements.

We encourage the FAF to work toward this type of solution for private companies and stand ready to assist in ways that we can as an organization to help resolve this issue for the benefit of our members and the public they serve.

Thank you for your consideration of our input.

Sincerely,

A handwritten signature in black ink that reads "Donna H. Wesling". The signature is written in a cursive style with a large, prominent initial 'D'.

Donna H. Wesling, CPA
Chairman
Texas Society of CPAs

cc: TSCPA Executive Board