



June 19, 2015

Diana Krupica
A&A Content Development
American Institute of Certified Public Accountants
220 Leigh Farm Road,
Durham, NC 27702-8110

RE: Working Draft of Chapter X and Appendix Y
*Employee Stock Ownership Plans and Illustration
of Financial Statements: Employee Stock Ownership Plans*
For Inclusion in the AICPA Audit and Accounting Guide *Employee Benefit Plans*

The Employee Benefits Committee and Accounting Principles Committee of the Illinois CPA Society (“Committees”) appreciate the opportunity to provide their perspective on the Working Draft of Chapter X and Appendix Y, *Employee Stock Ownership Plans and Illustration of Financial Statements: Employee Stock Ownership Plans*, For Inclusion in the AICPA Audit and Accounting Guide *Employee Benefit Plans*. Our comments represent the collective views of the Committees and not the individual views of the members or the organizations with which they are affiliated. The organization and operating procedures of the Committees are outlined in Appendix A to this letter.

Overall, the Working Draft as written is clear and complete and appropriately documents the guidance necessary to assist preparers of employee stock ownership plan financial statements in preparing financial statements in conformity with accounting principles generally accepted in the United States of America and to assist auditors in auditing and reporting on such financial statements in accordance with generally accepted auditing standards.

We have the following comments for consideration by the AICPA Employee Stock Ownership Plans Task Force.

- The use of the terms “Compensation” and “Eligible Compensation” is inconsistent between Chapter X and Appendices A and Y. Beginning with paragraph X.16 where participant allocations are addressed, the term compensation is used throughout the remainder of Chapter X. However, beginning with paragraph A-44(d) where participant allocations are addressed, the term eligible compensation is used throughout the remainder of Appendix A, and is used in Appendix Y as well. We recommend that this terminology be made consistent throughout the working draft.
- Paragraph X.10 permits a 10-year installment payout period for distributions of “very large balances.” We recommend defining what constitutes a “very large balance.”



ILLINOIS CPA SOCIETY

- We recommend that Paragraph X.43, which discusses the report issued by the independent appraiser, include a reference to Chapter 2, paragraphs 2.65 - .94 for additional guidance on using the work of a specialist.

We appreciate the opportunity to offer our comments.

Sincerely,

Kathleen A. Musial, CPA
Chair, Employee Benefits Committee

Scott G. Lehman, CPA
Chair, Accounting Principles Committee



ILLINOIS CPA SOCIETY

APPENDIX A
EMPLOYEE BENEFITS COMMITTEE
ORGANIZATION AND OPERATING PROCEDURES
2015 – 2016

The Employee Benefits Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members appointed from industry and public practice. The Committee usually operates by assigning Subcommittees of its members to study and discuss fully exposure documents proposing additions to or revisions of accounting, audit and attestation standards. The Subcommittee develops a proposed response that is considered, discussed and voted on by the full Committee, which is then submitted to the appropriate senior level committee of the Illinois CPA Society for its review and approval. Support by the two Committees results in the issuance of a formal response, which at times includes a minority viewpoint. Current members of the Employee Benefits Committee and their business affiliations are as follows:

Public Accounting Firms:

Large: (national & regional)

Rose Ann Abraham, CPA
Janice L. Forgue, CPA
David M. Kot, CPA

Baker Tilly Virchow Krause LLP
McGladrey LLP
BKD, LLP

Medium: (more than 40 professionals)

Brent P. DeMay, CPA
Joseph C. Klapka, CPA
Kenneth J. Kobiernicki, CPA
Eric J. Wallin, CPA
William P. Zorc, CPA

Sikich LLP
Legacy Professionals LLP
Ostrow Reisin Berk & Abrams Ltd
Legacy Professionals LLP
Frost Ruttenberg & Rothblatt, P.C.

Small: (less than 40 professionals)

Kenny K. Adegoke, CPA
JoAnn E. Cassell, CPA
Nicholas Cheronis, CPA
Jodi L. Dicenzo, CPA
Kathleen A. Musial, CPA
Matthew A. Mauer, CPA
Douglas A. Taylor, CPA
Aimee V. Urnikis, CPA

Washington Pittman & McKeever, LLC
Cassell, Inc.
Nicholas Cheronis, CPA
JLD Consulting LLC
BIK & Co, LLP
HDB, LLC
Mann, Weitz & Associates, LLC
Sassetti, LLC

Industry:

David J. Nolan, CPA
Daniel V. Schober, CPA
Andrew K. Strimaitis, JD
Mark D. Wachholz, CPA
Mark A. Yahoudy, CPA

National Life Insurance Company
GKIC LLC
Barack Ferrazzano Kirschbaum & Nagelberg LLP
Property Casualty Insurers Association of America
Verisight Group

Staff Representative:

Paul E. Pierson, CPA

Illinois CPA Society



ILLINOIS CPA SOCIETY

APPENDIX A
ACCOUNTING PRINCIPLES COMMITTEE
ORGANIZATION AND OPERATING PROCEDURES
2015-2016

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 fully study and discuss 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 (Vice Chair)
John Hepp, CPA
David Jamiolkowski, CPA
William Keirse, CPA
Scott Lehman, CPA (Chair)
Reid Mitchell, CPA
Elizabeth Prossnitz, CPA

Grant Thornton LLP
Grant Thornton LLP
Baker Tilly Virchow Krause, LLP
Ernst & Young LLP
Crowe Horwath LLP
Wipfli LLP
BDO USA LLP

Medium: (more than 40 professionals)

Timothy Bellazzini, CPA
Christopher Cameron, CPA
Michael Kidd, CPA
Matthew G. Mitzen, CPA
Krunal Shah, CPA
Jeffery Watson, CPA

Sikich LLP
Kutchins Robbins & Diamond Ltd
Mowery & Schoenfeld LLC
Frost Rittenberg & Rothlatt PC
Mitchell & Titus LLP
Miller Cooper & Company Ltd

Small: (less than 40 professionals)

Peggy Brady, CPA
Marvin Hoffman, CPA
Brian Kot, CPA
Joshua Lance, CPA

Selden Fox, Ltd.
Bronswick, Reicin, Pollack, Ltd.
Cray Kaiser Ltd CPAs
Joshua Lance CPA, LLC

Industry:

Rose Cammarata, CPA
Anand Dalal, CPA
Ashlee Earl, CPA
Jeffrey Ellis, CPA
Farah Hollenbeck, CPA
Marianne Lorenz, CPA
Michael Maffei, CPA
Ying McEwen, CPA
Anthony Peters, CPA
Martin Ross, CPA
Amanda Rzepka, CPA
Richard Tarapchak, CPA

CME Group Inc.
Toji Trading Group LLC
Seaway Bank and Trust Company
FTI Consulting, Inc.
Abbvie
AGL Resources Inc.
GATX Corporation
CNH Industrial N.V.
McDonald's Corporation
Riveron Consulting LP
Jet Support Services, Inc.
National Material

Staff Representative:

Gayle Floresca, CPA

Illinois CPA Society