

FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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August 17, 2012

Financial Accounting Standards Board of the Financial Accounting Foundation 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

Via email to <u>director@fasb.org</u> File Reference No. 2012-200

Re: Proposed Accounting Standards Update - Financial Instruments (Topic 825)

Disclosures about Liquidity Risk and Interest Rate Risk

Dear Sirs:

The Accounting Principles and Auditing Standards Committee (the "Committee") of the Florida Institute of Certified Public Accountants ("FICPA") has reviewed and discussed the above referenced Accounting Standards Update, including the twenty two questions posed in the "Questions for Respondents". Below is our overall comment.

The Committee believes that the spirit of the proposed standard update is good. However, non-financial institutions should be scoped out of the expanded disclosures as the type of information needed by the users to make informed decisions is already provided through the various disclosures currently required in the notes to the financial statements. With regards to the Expected Cash Flow Obligations chart, the Committee believes that near-term prospective information is relevant and useful. But as one moves further away in time, the prospective information becomes less and less certain and the user of the information might be left with a false sense of certainty. In addition, such a chart will be difficult to audit. As an alternative to the Expected Cash Flow Obligations table, the Committee recommends a summarized commitment chart of contractual obligations.

The Committee appreciates this opportunity to respond to this Proposed Accounting Standards Update. Members of the Committee are available to discuss any questions or concerns raised by this response.

Respectfully submitted,

Steve Morrison, CPA, Chair FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

Steve Bierbrunner, CPA Yanick J Michel, CPA Patrick Heyn, CPA