December 4, 2014

Technical Director
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Via e-mail: director@fasb.org

File Reference No. 2014-250

Re: Proposed Accounting Standards Update
Interest – Imputation of Interest (Subtopic 835-30)
Simplifying the Presentation of Debt Issuance Cost

Dear Board Members:

The Accounting Principles and Auditing Standards Committee (the Committee) of the Florida Institute of Certified Public Accountants (FICPA) respectfully submits its comments on the referenced proposal. The Committee is a technical committee of the FICPA and has reviewed and discussed the above referenced Proposed Accounting Standards Update, including the questions posed in the “Questions for Respondents” section. The FICPA has approximately 18,500 members, with its membership comprised primarily of CPAs in public practice and industry. The Committee is comprised of more than 20 members, of whom 42% are from local or regional firms, 24% are from large multi-office firms, 14% are sole practitioners, 10% are in international firms, and 10% are in academia or private industry. Therefore we are addressing this exposure draft both from the viewpoint of preparers of financial statements as well as those performing attest services on them. The Committee has the following comments related to the questions numbered below:

1. For consistency, simplification, and convergence with International Financial Reporting Standards, the Committee concurs with the proposed update to present debt issuance costs as a direct deduction in the carrying amount of the debt liability, consistent with debt discounts. However, the Committee also engaged in a lengthy discussion as to the inconsistency of the costs having no clear future economic value and being netted with the debt liability as opposed to being expensed as incurred.

2. For comparative purposes the Committee agrees the updated debt issuance cost treatment should be applied on a retrospective basis for all periods presented.

3. The Committee believes the additional time necessary to adopt the amendments would be minimal with no difference based upon the entity being public or nonpublic.
The Committee appreciates this opportunity to respond to this Proposed Accounting Standards Update. Members of the Committee are available to discuss any questions you may have regarding this communication.

Respectfully submitted,

Julian D. Dozier, CPA
Chair, FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:
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