January 4, 2017

Technical Director,
File Reference No. EITF – 16C,
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Electronically submitted to director@fasb.org


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 Standard, including the questions posed in the proposal. The FICPA has more than 20,000 members, with its membership comprised primarily of CPAs in public practice and industry. The Committee is comprised of 20 members, of whom 50% are from local or regional firms, 22% are from large multi-office firms, 17% are sole practitioners, 11% are in international firms. We are addressing this proposed accounting standard 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 standard, and the questions posed, in entirety.

The committee discussed the above referenced proposed accounting standard update and the questions included therein.

1. Question 1: Do you agree that the customer of the operation services is the grantor in all cases for service concession arrangements within the scope of Topic 853? Please explain why or why not. If you disagree, please provide any examples of transactions within the scope of Topic 853 for which the customer of the operations services would not be the grantor.

Response: The committee members agreed that the customer of the operation services is the grantor in all cases, and we did not find any examples where that would not be the case.

2. Question 2: The Board decided not to require that operating entities provide disclosures, in addition to the existing GAAP disclosures, about how they determine the customer of the operation services. Are the disclosures required by Topic 606 sufficient for these
types of arrangements? If not, please suggest other disclosures that would provide useful information.
Response: The committee members all agreed that the disclosures required by Topic 606 are sufficient for these arrangements. Further disclosures would not enhance the information to the stakeholders.

3. Question 3: Do you agree with the proposed effective date and the proposed transition requirements in paragraph 853-10-65-2 for entities that will not early adopt Topic 606? Should adoption of the proposed amendments be permitted before an entity’s adoption of the proposed amendments is permitted before an entity’s adoption of Topic 606? Please explain why or why not.

Response: The committee members concur with the effective date and transition for the proposed update, and in addition there was consensus that the adoption of the updated standard should be \textit{no earlier than} the adoption of Topic 606.

4. Do you agree with the proposed transition method and the proposed transition method and the proposed transition disclosures in paragraph 83-10-65-2 for entities that elect to early adopt Topic 606 before the finalization of the proposed amendments? Please explain why or why not?

Response: The committee agrees with the transition method in general. See also the response to Question 3 above.

5. Question 5: How much time would be needed to implement the proposed amendments for an entity that early adopts Topic 606 before the finalization of the proposed amendments? Should the proposed amendments be effective immediately upon issuance for such entities? Please explain your reasoning.

The committee members believe that one year after issuance of this update would be a reasonable time to implement the proposed amendments, or after adoption of Topic 606, whichever is later, consistent with the general idea that the update is adopted no earlier than adoption of Topic 606.

The Committee appreciates the opportunity to respond to this Proposed Update to Topic 853. Members of the Committee are available to discuss any questions you may have regarding this communication.

Respectfully submitted,

Edward Cranford, CPA
Chair, FICPA Accounting Principles and Auditing Standards Committee
Committee members coordinating this response:
Poornima Srinivasan, CPA
Pamela C. Ohab, CPA