January 10, 2019

FASB Technical Director
401 Merritt, PO Box 5116
Norwalk, CT  06856-5116

Via e-mail: director@fasb.org

Re:  Proposed Accounting Standards Update, *Leases (Topic 842) Codification Improvements for Lessors*
File Reference No. 2018-310

Dear Technical Director:

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 Exposure Draft of Proposed Statement on Accounting Standards issued by the Financial Accounting Standards Board. The FICPA has more than 19,5000 members, with its membership comprised primarily of CPAs in public practice and industry. The Committee is comprised of approximately 19 members, of whom 48% are from local or regional firms, 16% are from large multi-office firms, 21% are sole practitioners, 5% are in international firms, 5% are in education, and 5% in industry. The Committee has the following comments related to the proposed update:

1. We agree that lessors, other than manufacturers or dealers use cost, subject to any trade or volume discounts as fair value of the underlying asset. We also agree, if a significant lapse of time occurs between acquisition of the underlying asset and lease commencement, the definition of *fair value* is required to be used.

2. The Committee believes the proposed amendments are operable, cost being previously recorded for the underlying asset.

3. Decision-useful information would, in most cases, not be affected by the proposed amendments.

4. The Committee concurs lessors that are depository and lending institutions present principal payments received under sales-type leases and direct financing leases as an investing activity in the statement of cash flows, not in operating activities.

5. The Committee believes the proposed amendments are operable, providing consistency in reporting.

6. Decision-useful information would not be affected by the proposed amendments.

7. We concur with the effective date proposed, and early application permitted.
8. The Committee agrees Topic 842-10-65-1(c) transition methodology is appropriate for the proposed amendments.

The Committee appreciates this opportunity to respond to the proposed statement on accounting standards. Members of the Committee are available to discuss any questions or concerns raised by this response.

Respectfully submitted,

Donald K. Hulslander, CPA
Yanick J. Michel, CPA

Co-Chairs, FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

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