July 19, 2004

Technical Director Financial Accounting Standards Board 401 Merritt 7 PO Box 5116, Norwalk, Ct 06856-5116

Re: Exposure Draft of Financial Accounting Standards; "Fair Value Measurements" -- File Reference No. 1201-100

Dear Mr. Director:

The Accounting Principles and Auditing Standards Committee of the Florida Institute of Certified Public Accountants (the Committee) has reviewed and discussed the above referenced proposed accounting standard. As requested in the exposure draft, the Committee is responding to the specific issues as listed therein.

Issue 1: In general the Committee agreed that the overall guidance provided in the exposure draft was good and would allow for consistent application.

Issue 2: Yes, the guidance is sufficient. The Committee thought that the examples were good and added to the guidance.

Issues 3-6: Yes, the guidance is sufficient.

Issue 7: The Committee agreed with the position that fair value should be estimated using bid prices for long positions and asked prices for short positions. The Committee is confused by your guidance for offsetting positions.

In particular paragraph C53 states "The Board concluded that for offsetting risk positions, entities could use mid-market prices to determine fair value, and hence, may apply the bid or asking price to the net open position, as appropriate."

First, the Committee did not know if this meant to use bid prices if the net position was an asset and asking prices if the net position was an obligation OR did it mean to use the price in the middle (average). The Committee also noted that the use of the word "may" in the above quote allows entities to use some other estimate.

Issue 8:

The Committee agreed that for broker-dealers and investment companies the current practice should be unchanged.

The Committee suggested that a "block" might be defined as a number of shares greater than 20-25 percent of the outstanding shares, consistent with the guidance in ARB 43, Chapter 7, Section B-Stock Dividends and Stock Split-ups.

Issues 9-10: Yes, the guidance is sufficient.

Issue 11: The Committee agrees that the disclosures will improve information provided to users.

Issue 12: The Committee agrees that the proposed effective date provides sufficient time to implement the proposed Statement. However, the Committee did not see the necessity of requiring a cumulative adjustment for the change from closing prices to bid/ask prices. The Committee believes that the prospective approach would not be complex and in fact, would be easier to apply.

Issue 13: The Committee would like to see additional examples and guidance on the level 3 estimates.

The Committee appreciates the opportunity to share our views and concerns. Members of the Committee are available to discuss any questions you may have regarding this communication.

Very truly yours,

Kathryn M. Means, CPA Chair

Committee members coordinating this response:

Kathryn M. Means, CPA Helen Painter, CPA Brian Nemeroff, CPA