

November 7, 2016

Ms. Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

By e-mail: director@fasb.org

Re: Proposed Statement of Financial Accounting Concepts—*Concepts Statement 8—Conceptual Framework for Financial Reporting—Chapter 7: Presentation*

(File Reference No. 2016-300)

Dear Ms. Cospers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 26,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

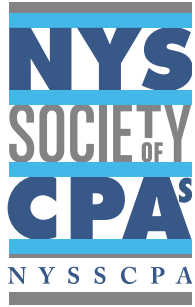
The NYSSCPA's Financial Accounting Standards Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Craig T. Goodman, Chair of the Financial Accounting Standards Committee, at (212) 324-7048, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

A handwritten signature in blue ink that reads "F. Michael Zovistoski". The signature is written over a faint, semi-transparent watermark of the NYSSCPA logo.

F. Michael Zovistoski
President

Attachment



**COMMENTS ON
PROPOSED STATEMENT OF FINANCIAL ACCOUNTING CONCEPTS—*CONCEPTS
STATEMENT 8—CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING—CHAPTER 7:
PRESENTATION***

(File Reference No. 2016-300)

November 7, 2016

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New York State Society of Certified Public Accountants

Comments on

Proposed Statement of Financial Accounting Concepts—*Concepts Statement 8—Conceptual Framework for Financial Reporting—Chapter 7: Presentation*

General Comments

We welcome the opportunity to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on the Proposed Statement of Financial Accounting Concepts—*Concepts Statement 8—Conceptual Framework for Financial Reporting—Chapter 7: Presentation*.

Specific Comments

We have the following responses to the questions posed in the Proposed Statement.

Question 1: Would the concepts for developing line items in this proposed chapter encompass the information appropriate for the Board to consider for developing financial statements that would assist resource providers in their decision making? Are there concepts that should be added or removed?

Response: We agree with the considerations outlined in paragraph PR37 for determining the line items that are necessary in a particular financial statement and the individual items to include in each line item. We believe that the considerations are logical and consistent with the purpose of each individual financial statement. However, we further believe that other considerations could be listed as well, considerations that are more particular to the relevance of a line item or to the appropriateness of grouping similar components into a line item. Such considerations, in comparison to the ones already listed by the Board, would not necessarily be associated with a particular financial statement, but rather, to all financial statements, in general. For example, the Board could also include the following:

- The materiality of the individual components of a line item—when considered as a group—to other line items in a financial statement (e.g., when similar components are grouped as a line item). Is that line item material enough to provide meaningful information to a reader of the financial statements?
- The homogeneity of the individual components of a line item. While the Board discusses the importance of homogeneity in paragraph PR36, we believe that including this discussion in paragraph PR37 would be more appropriate. Further, we suggest that the Board consider providing additional guidance on the characteristics for determining homogeneity. While the determination may be straightforward for some assets such as high-volume items from a specific product line (e.g., running shoes), characteristics for homogeneity could be viewed differently for custom-produced items, such as backup electric generators or custom-ordered luxury automobiles.

Question 2: The conceptual framework does not address whether specific characteristics of a single contract should be recognized, measured, and presented separately or grouped with other contracts. Similarly, the conceptual framework does not address whether specific characteristics of multiple contracts should be recognized, measured, or presented separately or combined with other contracts. Some Board members believe that the factors developed in paragraph PR37 could be potentially helpful in addressing these issues when considering changes to the definitions of the elements or recognition criteria. Could the Board use any of the factors in paragraph PR37 of this Exposure Draft to help make decisions about combining contracts or separating specific aspects of a single contract when recognizing, measuring, and presenting items?

Response: We believe that using the factors in paragraph PR37 would be extremely helpful in making decisions about combining contracts or separating specific aspects of a single contract when recognizing, measuring, and presenting items. In particular, we suggest that the following factors would be particularly pertinent in this decision-making process:

- a. The event that caused an item to be recognized, for example, a transaction, a change in circumstances or conditions, an accounting adjustment like systematic allocation, or an accounting change
- b. The activity with which an item is associated
- c. Similarities and differences in the frequency with which similar components of comprehensive income are expected to result in similar amounts to be recognized in the future
- d. The expected time until realization or settlement of an asset or liability.