



September 18, 2014

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

RE: Proposed Accounting Standards Update – Income Statement – Extraordinary and Unusual Items (Subtopic 225-20) *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*
File Reference No. 2014-220

Dear Ms. Cosper:

The Accounting and Auditing Standards Interest Group of the New Jersey Society of Certified Public Accountants (NJSCPA) is pleased to offer its comments on the above referenced proposed standard. The NJSCPA represents over 15,000 certified public accountants and prospective CPA's. The comments herein represent those of some of the individuals of our Accounting and Auditing Standards Interest Group only and do not necessarily reflect the views of all members of the NJSCPA.

We appreciate the Financial Accounting Standards Board's (Board) recent efforts to identify, evaluate, and improve areas of U.S. generally accepted accounting principles (GAAP) through the Simplification Initiative. We agree with the Board that the cost and complexity to understand and apply GAAP in certain areas can be reduced without diminishing the usefulness of the information provided in the financial statements.

We generally support the Board's proposal in Proposed Accounting Standards Update, *Income Statement – Extraordinary and Unusual Items (Subtopic 225-20) Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*. Our responses to the questions for respondents are noted below.

Question 1: *Should the concept of extraordinary items be eliminated from GAAP? If not, why not?*

We agree with the Board's proposal to eliminate the concept of extraordinary items from GAAP. We believe that the time and effort expended to evaluate whether an event or transaction is extraordinary exceeds the benefit derived from separately classifying and presenting such items on the income statement.

Question 2: *Should the proposed Update be applied prospectively to extraordinary items occurring after the date of adoption?*



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Yes, we believe application of the proposed Update should be applied prospectively.

Question 3: *Should the proposed Update be effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted? Should there be a delay in the effective date for entities other than public business entities and why?*

We believe the proposed Update should be effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted. We also believe that there should not be a delay in the effective date for entities other than public business entities, since the objective of the proposed amendment is to simplify income statement presentation which should reduce the effort expended by all entities to prepare their financial statements.

Thank you for the opportunity to comment. We are available to discuss our comments at your convenience.

Respectfully submitted,

Margaret F. Gallagher/ms

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New Jersey Society of Certified Public Accountants

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