



August 13, 2013

Technical Director  
File Reference No. 2013-230  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116  
By email: [director@fasb.org](mailto:director@fasb.org)

Re: Proposed ASU Presentation of Financial Statements (Topic 205): Reporting Discontinued Operations

The Georgia Society of Certified Public Accountants, a 13,000+ member organization, and its Assurance Services Section welcomes the opportunity to comment on the Exposure Draft for the Proposed Accounting Standards Update to Topic 205 for reporting discontinued operations.

We strongly support the FASB's stated goal for this proposed update of simplifying reporting, particularly in areas where the associated costs outweigh the benefits to the reporting entity and its financial statement users. We agree that the extant guidance requires discontinued operations treatment for too many disposals, and that only disposals that represent a significant strategic shift in operations should be presented as discontinued operations.

Question 1: Do you agree with the proposed definition of discontinued operations? Is it understandable and operable? *Yes. We agree with the proposed definition of discontinued operations and find it understandable and operable. However, we do not understand the intent or meaning behind adding the following language to the definition of disposal group: "A disposal group may include a discontinued operation along with other assets and liabilities that are not part of the discontinued operation." Please provide clarification.*

Question 2: Do you agree that the continuing involvement criterion in the existing definition should be eliminated? *No. An entity's anticipated significant continuing involvement should be considered as a criterion for determining whether the disposal should be presented as a discontinued operation or not. This will be a matter of judgment on the part of management but difficulty in making this determination should not be the deciding criteria. Please consider providing additional implementation guidance.*

Question 3: Do you agree with the scope of the amendments in this proposed update? *Yes. We generally agree with the scope of the proposed amendments, including removing disposal of equity method investments from extant guidance scope exceptions.*

Question 4: Should an entity be required to reclassify the assets and liabilities of a discontinued operation classified as held for sale in the statement of financial position for periods before reclassification? Why or why not? *Yes. Users gain better decision-making information when comparative financial statements are presented on the same basis.*

Question 5: Do you agree with the disclosures required for disposals of individually material components of an entity? If not, which disclosure or disclosures would you eliminate or add and why? *Yes, we agree with the proposed new disclosures for disposals of individually material components that do not qualify for discontinued operations treatment.*

Question 6: Do you agree that businesses held for sale on acquisition should be excluded from certain disclosure requirements? Why or why not? *No, we do not agree that businesses held for sale on acquisition should be excluded in the disclosure requirements; they basically meet the same criteria as any long-held subsidiaries or other components. The disclosure requirements for these should be the same.*

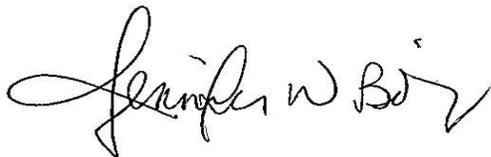
Question 7: Do you agree with the prospective application transition method? Why or why not? *Yes. We agree with the Board's determination that it would be difficult and expensive to apply the new guidance retrospectively.*

Question 8: How much time do you think will be needed to prepare and implement the amendments in this proposed update? *Affected companies should not need significant lead time to implement the amendments if the prospective application transition method is included in the final version.*

Question 9: Do the modified disclosures for nonpublic entities provide the right level of disclosure? If not, how should the proposed update be modified for nonpublic entities? *We find the proposed new disclosures regarding a) major classes of cash flows; b) a reconciliation of carrying amounts of major classes of assets and liabilities; and c) a reconciliation of major income statement line items constituting pretax net income (loss) to be onerous for privately held entities. In our view, management and other users of these entities' financial statements will not find these new disclosures decision-worthy, and the preparation costs will exceed the benefits. Extant disclosure requirements provide sufficient information to financial statement users; please consider eliminating the proposed disclosures described above*

Thank you for the opportunity to comment.

Sincerely,



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Chair, Assurance Services Section