Mr. David Bean  
Director of Research and Technical Activities  
Governmental Accounting Standards Board  
Project No. 38  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean:

On behalf of the Office of the New York State Comptroller, we are pleased to respond to the Exposure Draft (ED) of the Governmental Accounting Standards Board (Board) Subscription-Based Information Technology Arrangements (SBITA).

We offer the following comments to this ED:

- There seems to be a possible overlap between Statements 87 and this ED. Currently, we are reporting photocopiers, printers, computers, software, and dark fiber as part of our operating leases and anticipate reporting them under Statement 87, upon implementation. It is now unclear to us whether these items should still be reported under Statement 87 or under this ED, once finalized. It would also be helpful if the Board can make a distinction, if any, between subscription and lease in the context of Statements 87 and SBITA.

- It would be helpful to the preparers of financial statements if the Board would elaborate on the definition of SBITA and related terminologies (e.g. hardware, software), and provide examples. For instance, would a subscription to a local newspaper’s website apply? Although we think it is probably not the case, it is not clear whether the application that is downloaded in order to have access to the newspaper’s website qualifies as software according to this ED.

- We do not believe that all the required disclosures are necessary and we contend the inclusion of the additional disclosures would not add significant value to the financial statements. For example, disclosures relating to variable payment condition and principal and interest requirements to maturity for the next five years may be ancillary information, the tracking and reporting of which, would add significant time and effort during preparation, but not provide any corresponding benefit. Most of the State preparers are bound by statute that sets a due date for the
issuance of financial statements. We encourage the Board to not require additional disclosures that jeopardize the ability of preparers to meet financial statement due dates.

Thank you for this opportunity to comment. If you have any questions or require further details, please feel free to contact me at (518) 486-1234.

Sincerely,

Deborah J. Hilson
Director
Bureau of Financial Reporting and Oil Spill Remediation