



WASHINGTON SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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Technical Director
File Reference No. 1205-001
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Consolidated Financial Statements, Including Accounting and Reporting of
Noncontrolling Interests in Subsidiaries

Dear Board members:

As Chair of the Accounting, Auditing, and Review Services Committee of the Washington Society of Certified Public Accountants, I would like to present to you the Committee's comments regarding the exposure draft of a proposed statement of Financial Accounting Standards, *Consolidated Financial Statements, Including Accounting and Reporting of Noncontrolling Interests in Subsidiaries*.

Exposure draft question number	Exposure draft question	Committee's response
1	Do you agree that the noncontrolling interest is part of equity of the consolidated entity?	Yes
2	Do you agree with the proposed requirement to present the noncontrolling interest in the consolidated statement of financial position within equity, separately from the parent shareholders' equity?	Yes
3	Do you agree with the proposed requirements for attributing net income or loss and the components of other comprehensive income to the controlling and noncontrolling	Yes

	interests?	
4	Do you agree that changes in ownership interests in a subsidiary after control is obtained that do not result in a loss of control should be accounted for as equity transactions?	Yes
5	Do you agree that any gain or loss resulting from the remeasurement of a retained investment in a former subsidiary should be recognized in income in the period?	Yes
6	Do you agree with the proposed guidance for determining whether multiple arrangements should be accounted for as a single arrangement?	Yes
7	Do you agree that earnings per share amounts should be calculated using only amounts attributable to the controlling interest?	Abstain, as most of the committee members are not involved in practice with public companies where EPS are required. However, certain committee members felt this was a divergence from the other conclusions of treating the noncontrolling interest as part of equity.
8	Do you agree that disclosure of the total amounts of consolidated net income and consolidated comprehensive income, and the amounts of each attributable to the controlling interest and noncontrolling interest should be required?	Yes
9	Do you agree that disclosure of the amounts attributable to the controlling interest should be required?	Yes
10	Do you agree that a reconciliation of the changes in the noncontrolling interest should be required?	Yes

11	Do you agree that disclosure of a separate schedule that shows the effects of any transactions with the noncontrolling interest on the equity attributable to the controlling interest should be required?	Yes, because other conclusions in the proposed standard are creating disclosures that would allow third party users to make judgmental decisions on the consolidated company from either the controlling interest or noncontrolling interest positions. It appears relevant to disclose the effects of transactions that have affected either interests' equity positions.
12	Do you agree that disclosure of the gain or loss recognized on the loss of control of a subsidiary should be required?	Yes
13	Do you agree with the proposed transition requirements?	Yes

We trust these comments will be helpful to the Committee.

Very truly yours,

David Chandler, CPA, Chair
WSCPA, AARS Committee