

From: pahler, arnie [mailto:pahler a@cob.sjsu.edu]

Sent: Sunday, April 12, 2009 8:04 PM

To: Director - FASB

Subject: Proposed changes to financial statements--File Reference No. 1630--100

Financial Accounting Standards Board:

Re: Proposed changes to financial statements--File Reference No. 1630-100

I completely agree with the proposed format changes to both the income statement (proposed to be called the statement of comprehensive income) and the statement of cash flows. Making these two statements have identical formats (operations, investing, and financing) is a marvelous and long overdue idea.

I am teaching this proposed format (for the first time) to my beginning accounting class for non-business majors this semester, and the material is so much easier for the students (38 of them) to understand and grasp. It is a night and day difference. (This is my thirty-fourth year of teaching various accounting and auditing courses at the college level.)

The proposed format clears up all the inconsistencies that now exist between the income statement and the cash flow statement, which change is a much needed improvement.

I also strongly agree with the requirement to use only the direct method for the cash flow statement. It is about time that we recognize that the cash flow statement using the indirect method is not a financial statement but instead is an accountant's working paper masquerading as a financial statement.

Concerning the balance sheet, I like the three categories approach as well.

Sincerely,

Arnold J. Pahler (Lecturer)
Dept. of Accounting & Finance
College Of Business
San Jose State University
San Jose, CA 95192-0066