

Private Company Financial Reporting Committee

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Judith H. O'Dell CPA CVA
Chair

October 8, 2010

Ms. Leslie Seidman
Acting Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Re: Proposed Accounting Standards Update, Statement of Comprehensive Income (“proposed ASU”)

Dear Ms. Seidman:

The Private Company Financial Reporting Committee has reviewed the proposed Accounting Standards Update titled *Statement of Comprehensive Income* and offers comments to the respondent questions posed in the proposed ASU below.

Respondent Question 1: Do you agree that requiring a continuous statement of comprehensive income will improve the comparability, transparency, and understandability of financial statements such as relationships between changes in the statement of financial position, the components of other comprehensive income, and the components of net income in each period? If not, why not, and what changes would you suggest to the amendments in this proposed Update?

PCFRC Response: The PCFRC agrees with eliminating the alternative of providing other comprehensive income information in the statement of stockholders' equity. The PCFRC recommends that private companies be given the option of reporting one continuous statement as presented in the proposed ASU or two separate statements of net income and other comprehensive income. In the private company sector, net income is an important performance measure and needs to be highlighted and given appropriate prominence. Allowing private companies such a reporting option will help ensure that the net income measure remains clearly distinctive in the financial statements.

In addition, the financial statement presentation is very confusing to private company users when a company has both noncontrolling interests and comprehensive income..

We recommend the FASB provide a coherent presentation example for an entity with both noncontrolling interests and comprehensive income. The PCFRC is concerned about user confusion about what exactly the “bottom line” is for a private company.

Respondent Question 2: Do you agree that the option should continue to report the tax effect for each component of other comprehensive income either in the statement of comprehensive income or in the notes to the financial statements?

PCFRC Response: The PCFRC agrees with the decision to continue the option to report the tax effect for each component of other comprehensive income in the statement of comprehensive income or in the notes to the financial statements.

Respondent Question 3: Do you believe that a requirement to display reclassification adjustments for each component of other comprehensive income in both net income and other comprehensive income in the statement of comprehensive income would improve the understandability and comparability of financial statements?

PCFRC Response: Yes, the PCFRC is of the opinion that the understandability and comparability of financial statements will be improved if reclassification adjustments are displayed on the face of the statement of comprehensive income.

Respondent Question 4: What costs, if any, will a reporting entity incur as a result of the proposed changes?

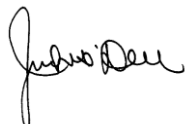
PCFRC Response: The financial statement preparer and practitioner representatives on the PCFRC do not believe that private companies will incur substantial costs in complying with the proposed ASU.

Respondent Question 5: The Board plans to align the proposed effective date of the amendments in this proposed Update with the effective date of the amendments in the proposed Update on financial instruments. Are there any significant operational issues that the Board needs to understand to determine the appropriate effective date for the amendments in this proposed Update?

PCFRC Response: The PCFRC believes that the proposed effective date of the amendments in this proposed ASU should be aligned with the effective date of the amendments in the proposed ASU on financial instruments.

The PCFRC appreciates the FASB's consideration of these comments and recommendations. Please feel free to contact me if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Judith H. O'Dell". The signature is written in a cursive style with a large initial "J" and "O".

Judith H. O'Dell
Chair
Private Company Financial Reporting Committee