



September 12, 2012

Technical Director  
File Reference No. 2012-240  
FASB, 401 Merritt 7  
PO Box 5116, Norwalk, CT 06856-5116

Sent via email to: [director@fasb.org](mailto:director@fasb.org)

Re: Proposed Accounting Standards Update  
Comprehensive Income (Topic 220)  
Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income

The Accounting Principles and Auditing Standards Committee (the "Committee") of the California Society of Certified Public Accountants ("CalCPA") is pleased to provide our comments to the Proposed Accounting Standards Update Comprehensive Income (Topic 220).

The Committee is the senior technical committee of CalCPA. CalCPA has approximately 40,000 members. The Committee is comprised of 49 members, of whom 53 percent are from local or regional firms, 27 percent are from large multi-office firms, 10 percent are sole practitioners in public practice, 8 percent are in academia, and 2 percent are in an international firm.

We have provided responses to the questions provided in the exposure draft.

**Question 1:** The proposed amendments would require an entity to provide enhanced disclosures to present separately by component reclassifications out of accumulated other comprehensive income. In addition, an entity would be required to provide a tabular disclosure of the effect of items reclassified out of accumulated other comprehensive income on the respective line items of net income, to the extent that the items reclassified are required under U.S. GAAP to be reclassified to net income in their entirety. In addition, for other items not required under U.S. GAAP to be reclassified in their entirety to net income, the tabular disclosure would require only a cross-reference to other disclosures providing additional detail about these reclassifications. Would the proposed disclosures provide useful information to users of financial statements? If not, please explain why.

**The Committee believes that the proposed disclosures would provide useful information to users of financial statements.**

**Question 2:** Would an entity incur significant costs because of the proposed amendments in Question 1? If so, please explain the nature of those costs. The proposed amendments also would require an entity to provide the disclosures about the effect of reclassifications out of accumulated other comprehensive income by component both on an interim basis and on an annual basis. Would an entity incur significant costs because of the proposed requirement for interim-period disclosures? If so, please explain the nature of those costs.

The Committee does not believe an entity would incur significant cost to implement the proposed amendments.

However, the Committee believes that the proposed requirements should not be applicable to interim financial statements. While the information might be useful, interim financial statements are meant to be summarized financial statements and are prepared with much tighter deadlines than annual financial statements. The Committee does not believe the incremental costs are worthwhile.

**Question 3:** The proposed guidance would apply to both public entities and nonpublic entities (that is, private companies). Should any of the proposed amendments be different for nonpublic entities? If so, please identify those proposed amendments and describe how and why you think they should be different.

The Committee does not see any need for different requirements for non-public entities.

**Question 4:** The Board has discussed the possibility of making these proposed amendments effective for public entities as early as for annual reporting periods ending after December 15, 2012, and to delay the effective date for nonpublic entities by one year. Would those effective dates be practicable? If not, please explain why.

The Committee agrees with the proposed effective dates.

We would be glad to discuss our comments with you further should you have any questions or require additional information.

Very truly yours,

A handwritten signature in black ink that reads "Howard Sibel". The signature is written in a cursive, flowing style.

Howard Sibelman, Chair  
Accounting Principles and Auditing Standards Committee  
California Society of Certified Public Accountants