September 28, 2010

Mr. Russell G. Golden, Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Via Email to director@fasb.org

Re: File Reference No. 1790-100

Dear Sir:

Grant Thornton LLP appreciates the opportunity to comment on Proposed Accounting Standards Update (ASU), Statement of Comprehensive Income.

We support the Board’s decision to require disclosure of items of other comprehensive income (OCI) in a continuous statement of comprehensive income. However, we believe that the Board should also clarify the definition of OCI and provide a conceptual basis to identify items recognized in OCI rather than in earnings. Similarly, we believe the Board should provide clarification and a conceptual basis to identify which items recognized in OCI should subsequently be reclassified in earnings.

We also recommend the amendment of illustrations in FASB Accounting Standards Codification™ (ASC or Codification) 810-10-55, Consolidation, which provide guidance for disclosing noncontrolling interests, to clarify the presentation of noncontrolling interests in the OCI section of the continuous statement of comprehensive income. Under the current guidance, a noncontrolling interest is presented as a separate column in the statement of changes in equity, showing clearly which OCI items relate to the noncontrolling interest. In our view, it is not clear from the examples provided in the proposed ASU how OCI attributable to the noncontrolling interests would be presented. We are concerned that the proposed presentation could provide less information to financial statement users than the current format.

Our responses to the questions for respondents follow.

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?
We believe the required presentation would provide only marginal benefits and, depending on the presentation of information about OCI amounts that are attributable to noncontrolling interests, could be less informative for financial statement users than the current formats. Although the proposed presentation of OCI amounts is already permitted by ASC 220, Comprehensive Income, it appears that few entities currently elect that option.

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?

As noted in our response to the Discussion Paper: Preliminary Views on Financial Statement Presentation, we do not believe that it is necessary to retain the present requirement to allocate tax to the separate components of OCI. The allocations are often arbitrary and not only fail to provide reliable, useful decision-making information, but could also mislead users. This would particularly apply to situations where tax is assessed on an entity-wide or a group basis and does not clearly relate to specific transactions. Consequently, the cost of producing such allocations might often outweigh the limited benefits.

We believe that the proposed ASU should require that components of OCI be presented gross (that is, before income taxes), which is consistent with the presentation of other line items in the statement of comprehensive income, with income taxes presented separately without allocation to individual items of OCI.

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?

We do not agree with this requirement and believe that it would not improve the information provided to financial statement users. For example, amounts recognized in net income for net periodic benefit cost are classified in various line items of expense. Financial statements users that are interested in the amounts recognized in earnings can obtain that information either from the notes to the financial statements or from the presentation of the reclassified amounts in OCI.

4. The amendments in this proposed Update would not change the guidance on the calculation and display of earnings per share. Do you believe that the Board should change the guidance on earnings per share? If so, what changes would you recommend and why?

We do not believe that any changes to the guidance on the calculation and display of earnings per share are necessary at this time.
We would be pleased to discuss our comments with you. If you have any questions, please contact John Hepp, Partner – Accounting Principles Consulting Group, at (312) 602-8050 or John.Hepp@gt.com.

Sincerely,

/s/ Grant Thornton LLP