

Private Company Financial Reporting Committee

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Judith H. O'Dell CPA CVA
Chair

October 18, 2012

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

Re: Proposed Accounting Standards Update, Presentation of Items Reclassified Out of Accumulated Other Comprehensive Income (“Proposed ASU”)

Dear Ms. Seidman:

The Private Company Financial Reporting Committee (“PCFRC” or “Committee”) has reviewed the Proposed ASU and offers its answers to the respondent questions below. Those answers should be read in the context of the Committee’s overall comment about comprehensive income in the next paragraph.

Overall Comment

PCFRC members believe that the concept of other comprehensive income may be irrelevant to many non financial institution private companies and their financial statement users. These members recommend that other comprehensive income be defined from a conceptual standpoint. Once defined and clarified, the concept of other comprehensive income can be better assessed for relevance in the private company sector. Without a clear definition, use of other comprehensive income tends to confuse users as to what is net income, which is a relevant measure for private company financial reporting stakeholders. Perhaps this is an issue that the Private Company Council could address.

Respondent 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.*

PCFRC Response: The PCFRC believes that the information provided by the proposed disclosures would provide useful information to some users of private company financial statements.

Respondent 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.*

PCFRC Response: PCFRC preparer members do not believe that significant costs would be incurred because of the proposed amendments for annual financial statements. Some PCFRC members question whether the benefits of providing these disclosures for interim financial statements outweigh the costs for non financial institution private companies.

Respondent 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.*

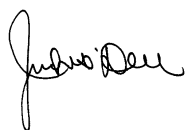
PCFRC Response: The PCFRC does not believe that any of the proposed amendments should be different for nonpublic entities, however, see the overall comment above.

Respondent 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.*

PCFRC Response: The PCFRC agrees with the FASB that the effective date of the Proposed ASU should be delayed for nonpublic entities by one year.

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

Sincerely,



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