

October 18, 2012

Financial Accounting Standards Board  
Technical Director, File Reference No 2012-240  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

Via e-mail to: [Director@fasb.org](mailto:Director@fasb.org)

**RE: EXPOSURE DRAFT ISSUED AUGUST 16, 2012 - PROPOSED ACCOUNTING STATEMENTS  
UPDATE – COMPREHENSIVE INCOME (TOPIC 220)**

Ladies and Gentlemen:

The Accounting Principles and Auditing Procedures Committee (“Committee”) is the senior technical committee of the Massachusetts Society of Certified Public Accountants. The Committee consists of members who are affiliated with public accounting firms of various sizes as well as members in both industry and academia. The Committee has reviewed and discussed the above-mentioned Exposure Draft. The views expressed in this comment letter are solely those of the Committee and do not reflect the views of the organizations with which the Committee members are affiliated.

The Committee has reviewed the Exposure Draft as detailed above. The Committee is supportive of the work of the FASB.

The Exposure Draft was issued on August 16, 2012 with a comments period to close on October 15, 2012. The Committee is submitting this Comment Letter late because many of its members are involved in October 15, 2012 tax filing deadlines and could not respond until the requirements of the members’ clients were attended to.

**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.

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### **Response to Question 1**

The Committee in general feels that the proposed additional disclosures would be useful information to users of financial statements. The Committee sees value in the proposed changes to disclosure as presented on page 10 of the Exposure Draft. However the Committee sees no value to users of financial statements for small and medium sized entities in presenting a separate table as proposed on page 12 of the exposure draft. The Committee thus recommends that entities with assets of less than or equal to \$100 million dollars be exempted from the separate table.

### **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.

### **Response to Question 2**

The Committee feels that an entity would not incur significant costs in implementing the proposed change.

The Committee feels that the proposed amendments should not be applied to interim financial statements. The additional costs involving time and resources for gathering the required information and putting that information into the proper formats for interim periods outweighs any benefits that users will gain from such information on an interim basis.

### **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.

### **Response to Question 3**

See the Committee response under Question 1 for the parts of the proposal the Committee feels should not be applied to small and medium entities.

#### Question 4

**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.

#### Response to Question 4

The Committee does agree with the proposed effective dates.

#### Other

The Committee would also like to comment on an additional aspect of the exposure draft. The Committee feels it would be helpful to those who have to implement the proposed change if a listing of items that are required to be reclassified under U. S. GAAP be made part of the final standards.

Thank you for allowing us the opportunity to comment on this proposal.

Very truly yours,



Philip B. Pacino, CPA, Chairman  
Accounting Principles and  
Auditing Procedures Committee  
Massachusetts Society of Certified Public Accountants