

**FINANCIAL STATEMENT PRESENTATION PROJECT  
Methods of Presenting Disaggregated Information  
July 2007**

As discussed in Issue 1, an entity might be required to present information that will allow a user to distinguish between the various changes in assets and liabilities. This information could be presented in a variety of formats, three of which are illustrated on the following pages (the illustrations below are abbreviated versions of the complete schedules; only select line items are included and, therefore, certain subtotals and totals may not foot):

**Alternative A** A reconciliation of statements of financial position

**Alternative B** A comprehensive income matrix

**Alternative C** A reconciliation of the statements of cash flows and comprehensive income.

***The reconciliations and matrix illustrated below are for potential consideration of the FASB and IASB. The illustration represents the results of preliminary staff research and should not be construed to represent an official position of the Boards, which are established only after extensive due process and deliberation.***

ALTERNATIVE A--STATEMENT OF FINANCIAL POSITION RECONCILIATION											
ALTERNATIVE A (Selected Information)	A	B	C	D	E	F	G	H	I	J	K
	2006 Beginning Balance	CASH	Caption in Statement of Cash Flows	INCOME AFFECTING				Total Comprehensive Income (D+E+F+G)	Caption in Statement of Comprehensive Income	NON- INCOME  Non-Cash / Non- Income	2006 Ending Balance (A-B+H+J)
		Total Cash Flows ----- Inflows (Outflows)		Predictive		Not Predictive					
				Fair Value Changes	Other Predictive Changes	Fair Value Changes	Other Not Predictive Changes				
<b>BUSINESS</b>											
<b>Operating assets and liabilities</b>											
Accounts receivable	595,000	2,500,000	Cash received from sales		2,750,000			2,750,000	Sales	(1,000)	842,600
		1,200	Cash received from sale of receivables				(200)	(200)	Loss on sale of receivables		
Advances from customers	(15,000)	200,000	Cash received from sales		25,000			25,000	Sales		(190,000)
Loss contingency	-						(2,600)	(2,600)	Litigation expense		(2,600)
Net operating assets	4,023,600	36,380	Net cash provided by operating activities	-	373,850	(7,500)	162,280	528,630	Comprehensive operating income	-	4,480,850
<b>Investing assets and liabilities</b>											
Available-for-sale securities	-	(185,000)	Purchase of available-for-sale securities				450	450	Realized gain on available-for-sale		191,100
		5,000	Sale of available-for-sale securities			10,650		10,650	Unrealized gain on available-for-sale		
		9,250	Dividends received		9,250			9,250	Dividend income		
Net investing assets	-	(880,750)	Net cash used in investing activities	-	21,500	11,940	-	33,440	Comprehensive investing income	-	914,190
Net business assets	4,023,600	(844,370)	Net cash used in business activities	-	395,350	4,440	162,280	562,070	Comprehensive business income	-	5,395,040
<b>FINANCING</b>											
<b>Financing assets</b>											
Cash	4,000,000	1,940,991	Change in cash					-			5,940,991
Total financing assets	4,000,000	1,940,991	Change in cash	-	-	-	-	-			5,940,991
<b>Financing liabilities</b>											
Total financing (liabilities)	-	2,875,000	Net cash provided by financing activities	-	(250,000)	-	-	(250,000)	Comprehensive financing expense	-	(3,125,000)
Net financing assets	4,000,000	934,009		-	(250,000)	-	-	(250,000)	Comprehensive financing expense	-	2,815,991
<b>INCOME TAXES</b>											
Net income tax (liabilities)	(78,338)	(54,639)	Net cash used in income tax activities	-	(108,571)	-	-	(108,571)	Comprehensive income tax expense	-	(132,270)
Total net assets	7,945,262	35,000		-	36,779	4,440	162,280	203,499	Comprehensive income	-	8,078,761
<b>EQUITY</b>											
Total (equity)	(7,945,262)	(35,000)	Net cash used in equity activities	-	(36,779)	(4,440)	(162,280)	(203,499)	Comprehensive income	-	(8,078,761)

<b>ALTERNATIVE B--STATEMENT OF COMPREHENSIVE INCOME MATRIX</b>					
<b>ALTERNATIVE B (Selected Information)</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
	<b>Comprehensive Income (B+C+D+E)</b>	<b>Predictive</b>		<b>Not Predictive</b>	
		<b>Fair Value Changes</b>	<b>Other Predictive Changes</b>	<b>Fair Value Changes</b>	<b>Other Not Predictive Changes</b>
<b>BUSINESS</b>					
<b>Operating</b>					
Sales	2,775,000		2,775,000		
Litigation expense	(2,600)				(2,600)
Net operating income	368,630		373,850	(7,500)	2,280
<b>Other comprehensive income</b>					
Gain on revaluation of building	160,000				160,000
Comprehensive operating income	528,630		373,850	(7,500)	162,280
<b>Investing</b>					
Realized gain on available-for-sale	450			450	
Dividend income	9,250		9,250		
Net investing income	22,790		21,500	1,290	-
<b>Other comprehensive income</b>					
Unrealized gain on available-for-sale sec	10,650			10,650	
Comprehensive investing income	33,440		21,500	11,940	-
Comprehensive business income	562,070		395,350	4,440	162,280
<b>FINANCING</b>					
Comprehensive financing (expense)	(250,000)		(250,000)	-	-
<b>INCOME TAXES</b>					
Comprehensive income tax (expense)	(108,571)		(108,571)	-	-
Total comprehensive income	203,499		36,779	4,440	162,280

ALTERNATIVE C--RECONCILIATION OF THE STATEMENTS OF COMPREHENSIVE INCOME AND CASH FLOWS								
ALTERNATIVE C (Selected Information)	A	B	C	D	E	F	G	H
	Cash Flows	Cash Flows Not Affecting Income	Non Cash Items Affecting Income				Comprehensive Income (A-B+C+D+E+F)	Caption in Statement of Comprehensive Income
			Predictive		Not Predictive			
			Fair Value Changes	Other Predictive Changes	Fair Value Changes	Other Not Predictive Changes		
<b>CASH FLOWS FROM BUSINESS ACTIVITIES</b>								<b>BUSINESS</b>
<b>Operating</b>								<b>Operating</b>
Cash received from sales	2,700,000			75,000			2,775,000	Sales
						(2,600)	(2,600)	Litigation expense
Total cash paid for other operating activities	(552,420)	(500,000)	-	(28,978)	-	(17,900)	(99,298)	Total other operating expenses
Net cash provided by operating activities	36,380	(500,000)	-	(145,430)	(7,500)	(14,820)	368,630	Net operating income
						160,000	160,000	Other comprehensive income
Net cash provided by operating activities	36,380	(500,000)	-	(145,430)	(7,500)	145,180	528,630	Gain on revaluation of building Comprehensive operating income
<b>Investing</b>								<b>Investing</b>
Sale of available-for-sale securities	5,000			(5,000)	450		450	Realized gain on available-for-sale
Dividends received	9,250						9,250	Dividend income
Purchase of available-for-sale securities	(185,000)	(185,000)						
Net cash used in operating activities	(880,750)	(895,000)	-	7,250	1,290	-	22,790	Net investing income
						10,650	10,650	Other comprehensive income
Net cash used in operating activities	(880,750)	(895,000)	-	7,250	11,940	-	33,440	Unrealized gain on available-for-sale sec. Comprehensive investing income
Net cash used in business activities	(844,370)	(1,395,000)	-	(138,180)	4,440	145,180	562,070	Comprehensive business income
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								<b>FINANCING</b>
Net cash provided by financing activities	2,875,000	3,000,000	-	(125,000)	-	-	(250,000)	Comprehensive financing (expense)
<b>CASH FLOWS FROM INCOME TAX ACTIVITIES</b>								<b>INCOME TAXES</b>
Net cash used in income tax activities	(54,639)	-	-	(53,932)	-	-	(108,571)	Comprehensive income tax (expense)
Net cash provided by acts with non-equity holders	1,975,991	1,605,000	-	(317,112)	4,440	145,180	203,499	Total comprehensive income
<b>CASH FLOWS FROM EQUITY ACTIVITIES</b>								
Net cash used in equity activities	(35,000)	(35,000)						
<b>Change in cash</b>	1,940,991							
<b>Beginning cash</b>	4,000,000							
<b>Ending cash</b>	5,940,991							