

CONCEPT: COMPREHENSIVE INCOME

- The details of **comprehensive income** are beyond the scope of this class
 - **Comprehensive Income** = Net Income + _____
 - Unrealized gains and losses on available-for-sale securities
 - Foreign-currency translation adjustments
 - Other more complicated issues
 - Items of other comprehensive income do not affect net income. They are not included in EPS calculation.

The Gap, Inc. Consolidated Statement of Comprehensive Income Year Ended January 29, 2011	
(in millions)	
Net income:	
Net sales	\$14,664
Cost of goods sold and occupancy expenses	8,775
Gross profit	5,889
Operating expenses	3,921
Operating income	1,968
Interest income	14
Income before income taxes	1,982
Income taxes	778
Net Income [Ⓔ]	1,204
Other comprehensive income:	
Foreign currency translation, net of tax (\$6)	37
Change in fair value of derivative financial instruments, net of tax (\$19)	(31)
Reclassification adjustment for realized losses on derivative financial instruments, net of tax benefit of \$14	24
Comprehensive income	1,234