



**Texas Society of
CPA Certified Public Accountants**

June 7, 2012

Governmental Accounting Standards Board
401 Merritt 7
PO Box 5166
Norwalk, CT 06856

RE: Project No. 3-17--Proposed Statement of the Governmental Accounting Standards Board, *Government Combinations and Disposals of Government Operations*

Director of Research and Technical Activities:

One of the expressed goals of the Texas Society of Certified Public Accountants (TSCPA) is to speak on behalf of its members when such action is in the best interest of its members and serves the cause of Certified Public Accountants in Texas, as well as the public interest. The TSCPA has established a Professional Standards Committee (PSC) to represent those interests on accounting and auditing matters. The views expressed herein are written on behalf of the PSC. The PSC has been authorized by the TSCPA Board of Directors to submit comments on matters of interest to the committee membership. The views expressed in this letter have not been approved by the TSCPA Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the TSCPA.

Our overall opinion of the exposure draft (ED) and its content is that it's a very well written document that is easy to understand and apply. The guidance is presented in a very helpful manner with ample definitions and good guidance on the disclosures required by the ED.

Our committee did express some concerns regarding specific issues addressed in the ED. Those concerns are as follows:

The ED includes no specific guidance on amortization of excess contributions. The examples include amortization where significant capital assets are received. We believe the ED should include an example of an acquisition where no significant capital assets are received and the amortization of the excess contribution.

Paragraphs 33 – 36 discuss "Exceptions to the Use of Acquisition Value." We were somewhat confused by the discussion. Our confusion centers around whether the items listed are meant to be the only ones excluded or may other items be excluded? It would be helpful if the Board would clarify this issue.

Paragraph 43 states that the difference between acquisition prices and the carrying value of the net position transferred should be reported as a special item by the transferee in its separately issued statements. Does this constitute the appropriate

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treatment regardless of the significance of the dollar amount? Some clarification here would be helpful.

We appreciate the opportunity to participate in the standard-setting process.

Sincerely,

A handwritten signature in cursive script that reads "Kathryn W. Kapka".

Kathryn W. Kapka, CPA, CIA, CGAP
Chair, Professional Standards Committee
Texas Society of Certified Public Accountants