



FLORIDA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

Since 1937

P.O. Box 10270 • 301 South Bronough Street, Suite 300 • Tallahassee, Florida 32302-2270 Telephone: (850) 222-9684 • Fax: (850) 222-3806 • Web Page: www.fgfoa.org

2012-2013 OFFICERS

President MARY ANDERSON PICKLE, CGFO

Deputy Finance Administrator City of Palm Beach Gardens (561) 799-4164 manderson@pbgfl.com

<u>President – Elect</u> DIANE REICHARD, CPA, CGFO, CPFO

Finance Director City of Temple Terrace (813) 506-6410 dreichard@templeterrace.com

<u>Secretary/Treasurer</u> MARY-LOU PICKLES, CGFO, CMA

Revenue Accountant St. Johns River Water Management District (386) 329-4279 mpickles@sjrwmd.com

<u>DIRECTORS</u> LINDA S. HOWARD, CPA, CTP, MBA

Treasurer
Orlando Utilities Commission
407.434.2168
lhoward@ouc.com

SARAH KOSER, CPA, CGFO, CPFO

Finance Director Citrus County – CCC (352) 341-6449 skoser@clerk.citrus.fl.us

JAMES LEWIN

Fiscal Analyst Lee County Budget Services (239) 533-2300 lewinj@leegov.com

KENT OLSON, CGFO

Assistant City Manager City of Coral Gables (305) 460-5206 kolson@coralgables.com

TIM POZZA, CPA, CIA, CMA

Internal Audit Director Okaloosa County - CCC (850) 689-5000, ext. 3421 tpozza@clerkofcourts.cc

GEORGINA RODRIGUEZ, CPA, CGFO

Finance & Budget Director Town of Pembroke Park (954) 966-4600 X232 grodriguez@townofpembrokepark.com

TED SAUERBECK, CPA, CGFO

Deputy Auditor General State of Florida – Office of The Auditor General (850) 487-4468 tedsauerbeck@aud.state.fl.us

DARREL THOMAS

Treasurer City of Weston (954) 385-2000 dthomas@westonfl.org

JEANNIE GARNER

Executive Director

June 15, 2012

Director of Research and Technical Activities Governmental Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

Re: Project No. 3-17

Via email: <u>director@gasb.org</u>

Dear Sir:

On behalf of the Florida Government Finance Officers Association (FGFOA), we are pleased to respond to the Governmental Accounting Standard Board's (GASB) Invitation to Comment on the exposure draft; *Government Combinations and Disposals of Government Operations* (the ED). These comments were prepared based on a review by the FGFOA members, its Technical Resources Committee, and the Board of Directors.

We have reviewed the ED and concur with the proposed guidance as presented with the exception of our comments or requests for consideration as outlined below:

Paragraph 9 – The ED notes the specific provisions of an arrangement may not clearly outline contemplation of service continuation and refers to the use of professional judgment in the consideration of the business combination. When a formal arrangement for combination does not exist we suggest the standard cite consideration of the intent of the governing body related to service continuation in the evaluation of whether a government combination has occurred.

Paragraph 17 – This paragraph suggests the new government *may* choose to adjust carrying values to bring the accounting principles of the merging entities into alignment. It would seem that material alignment of the accounting principles would be an essential step in providing for consistency in the accounting and financial reporting of the combination. In other sections of the ED, the guidance is more definitive as to the alignment of accounting principles. We suggest consideration of the elective language in paragraph 17 be replaced with the word "should."

Paragraphs 24 & 48 – As with paragraph 17, these paragraphs suggest the merged or transferee government resulting from the combination may choose to adjust carrying values to bring the accounting principles of the merging entities or transferring operations into alignment. We suggest the elective language be replaced with language similar to "the continuing government *should* adjust carrying values, as necessary, to bring the accounting principles of the merging entities into alignment." In paragraph 24, an exception should be made for accounting estimates, which should be reported as described in paragraph 25.

Paragraph 44 – If the acquisition is to occur within the same financial reporting entity (e.g., between a primary government and a discretely presented component unit) and the initial measurement is not finalized by the end of the reporting period in which the acquisition

Letter of Comment No. 22 File Reference No. 3-17E Date Received: 6/15/12

occurs, how should the entities address any financial reporting inconsistencies that may result from the acquiring government's recognition of estimated amounts for items when measurement is not final?

We would like to thank the GASB for their efforts in preparing the ED and for the opportunity to respond. Should you require additional information, feel free to call me at 561.799.4164, or email me at manderson@pbgfl.com.

Sincerely,

Mary Anderson-Pickle

Mary Anderson Pickle FGFOA President