Letter of Comment No. 13
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Iowa Department of Administrative Services
Government's Partner in Achieving Results

Governor Terry E. Branstad
Lt. Governor Kim Reynolds
Mike Carroll, Director

June 14, 2012

Mr. David Bean, Director of Research and Technical Activities
Project No. 3-17
Governmental Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

RE: Governmental Combinations and Disposals of Governmental Operations

Dear Mr. Bean:

We appreciate the opportunity to respond to the GASB's Exposure Draft (ED) *Governmental Combinations and Disposals of Governmental Operations*.

We support the Board's approach in addressing this issue and believe that in this instance it is more beneficial to establish standards that are specifically applicable to the unique environment of governmental accounting, rather than continuing to adopt and modify existing guidance.

The provisions of the proposed statement appear to provide sufficient guidance to identify and distinguish between several types of potential government combinations, while necessarily allowing for the use of professional judgment, in determining the service continuation obligation and in determining what constitutes an operation, as required by the ED.

The recognition and measurement provisions appear adequately detailed to allow for the consistent and comparable implementation of the proposed statement. Further, we agree that the applicable use of the carrying value, the acquisition value, and the exceptions to acquisition value, as required in the ED, is appropriate and reasonable.

Lastly, we consider the proposed disclosure requirements to be relevant, informative, and not overly cumbersome.

If you have questions or need additional information regarding this response, please contact Rich Schoeppner at (515) 281-4064.

Sincerely,

Calvin McKelvogue

Calvin McKelvogue, Chief Operating Officer
State Accounting Enterprise
Iowa Department of Administrative Services
Office: (515) 281-4877
Fax: (515) 281-5255
calvin.mckelvogue@iowa.gov