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November 28, 2011

David Bean
Director of Research
Project No. 25-19
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Mr. Bean:

On behalf of the Tennessee Department of Audit, we thank the GASB for the opportunity to comment on its proposed Exposure Draft (ED), *Technical Corrections—an Amendment of GASB Statements No. 10 and No. 62*. We generally agree with the requirements of the ED and have provided suggestions below to improve the proposed standard.

In regard to ¶3, ¶8 (“however, specific guidance provided in paragraph 63 of Statement 10 was not superseded.”) appears to contradict the guidance (i.e., “That paragraph is deleted in its entirety,...”). In addition, we believe the language from ¶19 (“the governmental fund type definitions provided in Statement 54, generally, should be used as the basis for making these fund type determinations.”) and ¶21 (“governments should base their fund type decision on the nature of the activity to be reported.”) provides clearer guidance and should be moved to ¶3.

Should you have questions or need clarification on any of our comments, please contact Gerry Boaz or me at (615) 747-5262.

Sincerely,

Arthur A. Hayes, Director
Division of State Audit