January 26, 2018

David Bean  
Director of Research  
Project No. 24-16ED  
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), Implementation Guide No. 201Y-X, Implementation Guidance Update—201Y. We agree with the proposals in the ED. We do, however, have some suggestions to improve the clarity of the implementation guidance.

For Q.#4.7, we are not sure how the answer can be "yes" when there does not appear to be a clear economic development purpose for the agreement (i.e., the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments). If the answer is based on “otherwise benefits the citizens,” the fact set and the answer need additional clarifying language to support a “yes” mainly because we believe inconsistency in practice could result. For Q.#5.3, we believe it is necessary to explicitly indicate that the volunteer firemen do not receive a salary, as the previous language did, because "volunteer" firemen in general may or may not be paid.

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

Sincerely,

Deborah V. Loveless, CPA  
Director, Division of State Audit