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September 11, 2013

David Bean
Director of Research
Project No. 3-20E
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), *Measurement of Elements of Financial Statements*. We generally agree with the ED. However, we are concerned that the guidance is too broad to provide future boards with sufficient parameters to be beneficial. For example, we believe the specific views expressed in ¶48 should be included within the standard and would be useful in future standard-setting. Also, adding “generally” to “more appropriate” for each specific view would address the board’s concern about placing limitations on future boards (i.e., “generally more appropriate”).

Specific Comments

In regard to ¶29 (last sentence), we believe “method” (i.e., “the same measurement method”) should be changed to “approach” if the board’s intent was to maintain terminology consistency throughout the standard among the measurement approaches and measurement attributes.

For ¶37, we recommend inserting the bolded phrase in the following to maintain consistency with similar language in ¶39 related to *acquisition value*: “A measurement **of an asset** at the initial transaction date using the replacement cost measurement attribute is referred to as *acquisition value*.” This would consistently define *acquisition value* for both an asset and liability.

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