



STATE OF TENNESSEE
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DEPARTMENT OF AUDIT
DIVISION OF STATE AUDIT
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January 9, 2019

David Bean
Director of Research
Project No. 24-16d
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 Guidance Update – 2019*. Our comments for the board's consideration to help improve the document are as follows:

1. For Q.#4.2 and Q.#4.3, the only difference in the questions are references to the applicable GASB statements (67 or 68 and 74 or 75). We suggest combining the Q&A because "as applicable" is already included to clarify application.
2. We also suggest the board consider combining Q.#4.5 and Q.#4.6 since they are similar. In addition, there appears to be an inconsistency in the last sentence of each answer ("paid by employer" and "paid by the government," respectively). The board should use the same term for the employer.
3. For Q.#4.8, it appears that the end result of this scenario is that expenditures occurring for a recognized event at 6/30/X8 would be recognized as expenses/expenditures; however, the associated reimbursement revenue cannot be recognized until after the grant agreement is executed (i.e., subsequent to 6/30/X8). This end result also appears to result in a subsequent events disclosure, if material. We believe the board should consider these aspects for additional explanation in the answer.

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