



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

May 7, 2012

MEMORANDUM

TO: County Mayors, Finance Directors, Highway Superintendents, and School Directors; Municipal Government Financial Officials; Utility District Officials; Public Housing Authority Officials; Charter School Officials; Quasi-Government Officials; and Certified Public Accounting Firms Performing Governmental Audits

FROM: Jim Arnette, Director
Division of Local Government Audit 

SUBJECT: *Governmental Accounting, Auditing, and Financial Reporting* (GAAFR)

The Government Finance Officers Association (GFOA) plays a leading role in promoting accountability for state and local governments. Accounting and auditing professionals consider the GFOA's publication *Governmental Accounting, Auditing, and Financial Report* (GAAFR) as the primary source for guidance on accounting, auditing, and financial reporting in the public sector. Section 5-8-501 of the *Tennessee Code Annotated* requires the Comptroller of the Treasury to prescribe the basis of accounting for local governments. Rather than developing a system when guidance is already available, the Comptroller has stated that local governments should follow the basis of accounting as illustrated in the GAAFR. This publication is also referred to as the "blue book."

The GFOA has just released the ninth edition of the GAAFR. The GAAFR has been completely rewritten and expanded to include chapters on specialized topics such as postemployment benefits, capital assets, debt, and derivatives. The new GAAFR incorporates all of the guidance of the Governmental Accounting Standards Board (GASB) through GASB Statement No. 66. It also offers all of the references necessary to ensure easy access to the underlying authoritative standards.

The cost of the new GAAFR is \$159 for GFOA members and \$199 for nonmembers. However, for a limited time, the GFOA is making copies available to the Division of Local Government Audit for a reduced price. As a courtesy to you and your staff, we are providing you the opportunity to order the GAAFR through the division for \$85 per copy.

If you want to take advantage of this opportunity, please complete the attached order form. You can print the form, fill it out indicating the number of copies of the GAAFR you wish to order, and mail the completed form to the Office of Management Services at the address indicated on the form. A check made payable to the Comptroller of the Treasury for \$85 for each copy of the GAAFR ordered should accompany the order form. Order forms must be received by Friday, June 1, 2012. Your GAAFR order will either be mailed or delivered to your office by a representative from the Division of Local Government Audit.

We are pleased to make this offer available to you and we encourage you to take advantage of it. If you have any questions concerning this matter, please contact Mr. Bob Powell in the Division of Local Government Audit by phone or by e-mail (Bob.Powell@cot.tn.gov).

**DIVISION OF LOCAL GOVERNMENT AUDIT
ORDER FORM FOR THE GFOA PUBLICATION
GOVERNMENTAL ACCOUNTING, AUDITING, AND FINANCIAL REPORTING**

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GAAFR(S) TO BE DELIVERED BY	_____ DATE _____