



State of Tennessee

Justin Wilson, State Comptroller

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TENNESSEE COMPTROLLER OF THE TREASURY JUSTIN P. WILSON RECENTLY SHARED THE FOLLOWING NEWS WITH THE GENERAL ASSEMBLY ABOUT THE IMPLEMENTATION OF GASB STATEMENT NO. 34 IN TENNESSEE:

I want to share the good news that, thanks to the hard work and dedication of the General Assembly and local government officials, Tennessee is now one of the very few states where there is 100 percent compliance by local governments with the Governmental Accounting Standards Board (GASB) Statement No. 34. All local governments in Tennessee are now in compliance with this standard. This is a milestone achievement and should be a source of pride for all Tennesseans.

The purpose of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, was to make government financial statements more user-friendly for people who access government financial information, to help states and local governments make better operating decisions and to make it easier to compare financial information from different state and local governments.

The Government Accounting Standards Board is responsible for establishing accounting standards for state and local governments in the United States. GASB Statement No. 34 was issued in June 1999 and is considered one of the most far-reaching – if not *the* most far-reaching – accounting standard ever issued by GASB. This standard is extremely detailed and difficult to implement.

The State of Tennessee implemented Statement No.34 for the fiscal year ended June 30, 2002, as required by the standard. However, due to the complexity of the standard, many local governments in Tennessee had difficulty complying and weren't able to present financial statements in conformity with generally accepted accounting principles

(GAAP).

In 2003, my predecessor as Comptroller, John Morgan, suggested a process for helping local governments achieve compliance with GASB Statement No. 34 and in May 2004 the General Assembly established a special joint committee that focused on financial accounting and reporting standards. The committee recommended legislation, later approved by the General Assembly, known as the Local Government Modernization Act of 2005. The purpose of the legislation was and is to ensure that local governments in Tennessee maintain adequate accounting records and comply with GAAP. Compliance with GAAP would help ensure local governments maintain their bond ratings.

When I became Comptroller, I made 100 percent compliance a priority of this office. As of June 30, 2009, every county and city in Tennessee has implemented this standard, a remarkable accomplishment for which each and every Tennessean can be proud.

Please join me in extending our congratulations to our local governments and officials.

Justin P. Wilson is Tennessee's Comptroller of the Treasury.

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