



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF MUNICIPAL AUDIT

Justin P. Wilson  
Comptroller of the Treasury

BANK OF AMERICA PLAZA  
414 UNION STREET, SUITE 1100  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 532-4460  
FAX (615) 532-4499

Dennis F. Dycus, CPA, CFE, Director  
Division of Municipal Audit

February 8, 2012

**MEMORANDUM**

**To:** All TNInvestco Entities

**From:** Dennis F. Dycus, CPA, CFE, Director  
Division of Municipal Audit

**Subject:** Audits for Fiscal Years Ending on of After December 31, 2011

In our memo dated December 21, 2010, there was one reporting matter that had not yet been addressed. Due to the varied structures of the TNInvestco entities and the application of standards related to revenue recognition (ASC 605-45, Revenue Recognition, Principal Agent Consideration) our office will rely on the entities and the audit of their financial statements to assess the appropriate reporting for the reimbursement of expenses from the escrow account and proceeds received from qualified distributions.

For those entities that net the reimbursements and proceeds, an additional schedule showing the detail of the reimbursements and proceeds that would have otherwise been reported as revenues and expenses must be included in the financial report. This schedule must be opined on as supplemental information.