



## Connecticut and GASB Statement No. 77

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### Who in state government is most likely to influence GASB 77 disclosure?

Connecticut has a decentralized relationship between state and local governments. None of the state's constitutional or cabinet offices appear to have oversight responsibility for local government finances.

At the state level, including state universities, State Comptroller Kevin Lembo, is responsible for establishing accounting standards, and the State's Auditors (there are two, one from each party, in an arrangement unique among the states) have the responsibility of ensuring state agencies comply with accounting standards.

Comptroller Lembo is widely viewed as a champion of transparency. His Open Connecticut initiative publishes real-time state financial information on its website.

Lembo was a leading supporter of a bill requiring annual review of economic development incentives and tax credits. The legislature unanimously passed this legislation in 2016 before being vetoed by Governor Daniel Malloy. The Connecticut House again [unanimously passed](#) the bill in May, 2017. Lembo believes that investments in public infrastructure stimulate greater job creation than corporate handouts.

### Who commented on the Exposure Draft from Connecticut?

- David Yanik, Controller of Stamford, CT submitted a broadly supportive [comment](#), calling for broad disclosure of abatement programs, including TIFs and for inclusion of future year abatement liabilities in the reporting.
- Connecticut Citizen Action Group, joined 14 other affiliates of the Alliance for a Just Society in a broadly supportive [comment](#) calling for inclusion of TIFs and of future year abatement liabilities in the reporting.

- State Reps. Roland Lemar and Matthew Lesser and Danbury City Council member Pual Rotello joined 59 other local elected officials in submitting a [comment](#) broadly supportive of GASB 77.
- Professor Richard Pomp (University of Connecticut) joined 47 other academics to co-sign a [comment](#) broadly supportive of GASB 77.

### **How many counties, municipalities and school districts in the state are required to conform with GAAP and therefore GASB Statements?**

According to a GASB's [State and Local Government Use of Generally Accepted Accounting Principles for General Purpose External Financial Reporting](#) (published March 2008) all of Connecticut's 169 municipalities and 17 school districts are required by state law (Section 7-394a of Connecticut General Statutes) to use GAAP accounting. Connecticut does have county governments.

### **Which state office collects CAFRS from counties/cities/school districts?**

It does not appear that any state offices collect CAFRs from local governments. No local government financial reports are posted in a central location on state websites.

### **Does the state government or do academic/NGO institutions provide technical assistance on GAAP, GASB or completing CAFRs?**

We have not been able to identify any state offices or non-profits that provide technical assistance on financial reporting or on GASB topics to local governments within the state.

### **Does state government monitor fiscal stress within county/municipality/school district?**

Connecticut is one of 22 states to operate programs to [monitor fiscal stress](#) among local governments. The Legislature identifies local governments experiencing stress on an *ad hoc* basis and deals with each on a case by case basis. Four [special acts](#) have been enacted to restore fiscal sustainability within municipalities. See LCO 4532 (Waterbury); SA 92-5 (West Haven); SA 88-80, 89-23, 89-47, 90- 31, 91-40 (Bridgeport); and SA 93-4 (Jewett City) [<http://cga.ct.gov/2001/rpt/2001-R-0312.htm>]

### **Which state office is responsible for completing state's CAFR?**

The Connecticut Comptroller completes the state's CAFR.

### **When was most recent CAFR filed?**

Connecticut's fiscal year ends on June 30<sup>th</sup>. Its most recent [CAFR](#) was published on December 30, 2016.

### **Based on what we know about past filing behavior, when will GASB 77 data start appearing in Connecticut?**

- **State government:** late-December 2017
- **Largest cities:**
  - [Bridgeport](#): late-January 2018
  - [New Haven](#): late-February 2018
  - [Hartford](#): late-December 2017
- **Largest School Districts**
  - New Haven: no CAFR or financial report publically posted
  - Hartford: no CAFR or annual report publically posted

### **Other useful information on Connecticut and economic development subsidies:**

Five of the 13 corporations that shared in \$256 million doled out by the state's First Five Plus economic development program, [failed to deliver](#) the promised minimum of 200 jobs to qualify for the program.

**Updated: May 23, 2017**

**For more information on GASB 77, visit: <http://www.goodjobsfirst.org/gasb>**