



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.

Does the state's most recent CAFR include GASB 77 disclosure? Yes.

How many counties, municipalities and school districts in the state are required to conform with GAAP and therefore GASB Statements? According to GASB's [research brief](#) titled "State and Local Government Use of Generally Accepted Accounting Principles for General

Purpose External Financial Reporting” (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.

How many counties, municipalities and school districts reported on GASB 77 disclosures in 2018? 44 of 171 sampled counties/municipalities and 0 of 8 sampled school districts.

Is there a state office that collects CAFRS from counties/cities/school districts? No.

Does the state government or do academic/NGO institutions provide technical assistance on GAAP, GASB or completing CAFRs? None identified.

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.

Which state office is responsible for completing state’s CAFR? Connecticut Office of the State Comptroller, Budget and Financial Analysis Division.

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.

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

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