Florida and GASB Statement No. 77

Contact: Christine Wen
christ@goodjobsfirst.org

Who in state government is most likely to influence GASB 77 disclosure? State Auditor General Sherrill Norman (appointed by Legislature in 2015). The Auditor General “A) adopts rules for financial audits performed by independent certified public accountants of local governmental entities, charter schools, district school boards, and Florida Single Audit Act nonprofit and for-profit organizations, and B) Reviews all audit reports of local governmental entities, charter schools, charter technical career centers, and district school boards submitted pursuant to Section 218.39, Florida Statutes.”

Who commented on the exposure Draft from Florida? Three organizations, one local finance official, and one elected official in Florida submitted GASB 77 comments: Florida Center for Fiscal and Economic Policy offered broad support and called specifically for inclusion of sales tax diversions. Brevard County’s Director of Finance Steve Burdett called for disclosure of future year liabilities over the life of abatement agreements. The Florida Government Finance Officers Association echoed the concerns of national GFOA, arguing that disclosing the costs (lost revenue) without also disclosing benefits (in terms of additional taxes generated) would paint a misleading picture. State Senator Dwight Bullard (D) co-signed a letter with 61 state and local officials in support of GASB 77. The Funder’s Network, a large association of foundations, endorsed the Exposure Draft and expressed special support for the provision calling on school districts to report on lost revenues.

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 Florida’s 66 counties and 95 independent school districts, along with 374 of its 404 municipalities (30 are exempted because of size) are required by state law to use GAAP accounting.
How many counties, municipalities and school districts reported on GASB 77 disclosures in 2018? 68 of 471 sampled counties/municipalities and 0 of 65 sampled school districts.

Is there a state office that collects CAFRS from counties/cities/school districts? The State Auditor General’s office collects CAFRs from local governments and school districts and posts them online. The Florida Legislature’s Office of Economic and Demographic Research conducts an annual survey of County and Municipal Economic Development Subsidies.

Does the state government or do academic/NGO institutions provide technical assistance on GAAP, GASB or completing CAFRs? In November 2015, the Auditor General made a presentation to school officials, and highlighted the upcoming GASB 77 reporting requirements in one slide. In July 2016, the Florida Department of Financial Services hosted its annual training, which included five slides on GASB 77 that included details on what must be included. Several local governments in Florida included statements in their 2015 CAFRs referring to GASB 77 data coming in the next CAFR.

Does state government monitor fiscal stress within county/municipality/school district? Florida is one of 22 states to have a system for identifying fiscal stress in local governments. The Florida system monitors 13 items, including whether a government’s tax structure is adequate to support its level of services over time. Florida’s state auditor has identified five school districts with significant financial weakness.

Which state office is responsible for completing state’s CAFR? Florida Department of Financial Services.

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

Updated: March 2, 2020