



## Illinois and GASB Statement No. 77

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

#### **State Comptroller Susana Mendoza (D - elected 2016)**

Comptroller Mendoza was previously City Clerk for Chicago and also served as a Delegate in the Illinois House of Representatives. As Comptroller she has the responsibility for oversight of all state and local government accounts. In 1970, the state eliminated the State Auditor's office and expanded its responsibilities in a newly established elected State Comptroller position.

The Comptroller is constitutionally charged with managing fiscal accounts and ordering payments as the state's Chief Financial Officer, while the Treasurer is charged with the safe-keeping and investment of public funds.

The current State Treasurer is Michael Frerichs (D), elected in 2015, who previously served as Champaign County Auditor and detailed the use of tax increment financing in county financial reports.

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

According to GASB's [State and Local Government Use of Generally Accepted Accounting Principles for General Purpose External Financial Reporting](#) (published March 2008) none of Illinois's 102 counties, 2,722 municipalities and 934 school districts is explicitly required by state law to use GAAP accounting. However, the same study indicates that many jurisdictions that are not legally required to follow GAAP do so anyway, presumably to satisfy accounting requirements for governments receiving federal funding and to satisfy credit ratings agencies and obtain the lowest possible interest rates on bond borrowings.

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

The State Comptroller's Office collects CAFRs from 5,200 counties, cities, school districts and other local governmental bodies, including TIF Districts. All of these documents are available on the state's [Warehouse](#) site, where "local government is made transparent". In addition, the Comptroller compiles key data for an [annual aggregate report](#) of local government finance. The Comptroller also published [annual report cards](#) for each municipality – this would be an excellent place to post GASB 77 data in easy to find form. In past years, information on the Comptroller's website about the state's 1,100+ TIFs was woefully incomplete and tardy but significant recent improvements have been made.

## Who commented on the Exposure Draft from Illinois?

- The Illinois Education Association (an NEA affiliate) joined fiscal policy groups in Iowa and New Jersey in a [comment](#) calling for disclosure of intra-governmental impacts of tax abatements and inclusion of TIF districts in GASB reporting.
- The Chicago Teacher's Union and Grassroots Organizing Project joined in a [comment](#) calling for inclusion of TIF disclosure, including future-year liabilities.
- The Illinois Federation of Teachers [called for](#) inclusion of TIF data in disclosures.
- Cook County Clerk David Orr [called for](#) greater TIF disclosure noting that his office prints on taxpayer's property tax bills whether their property is in a TIF district and how much of their taxes are being diverted away from the general fund.
- The TIF Illumination Project of Civic Lab offered a [comment](#) calling on GASB to include strong TIF disclosure, including recipient names and long-term liabilities associated with TIFs.
- The Small Business Advocacy Council joined three fiscal policy organizations from other states in a [comment](#) asking for disclosure of tax diversion programs.
- The Illinois Government Finance Officers Association issued a [comment](#) broadly critical of the exposure draft, paralleling the concerns expressed by national GFOA. Specifically, they raised concerns about a distorted picture if disclosure of abatement *benefits* were not also required, and they opposed disclosure of intra-governmental losses, claiming it would cause an undue burden on school districts and other special districts.
- Professors Philip Ashton (UI-Chicago), Edward Feser (UI-Urbana), David Merriman (UI-Chicago) and Rachel Weber (UI-Chicago) joined 44 other academic colleagues in a [comment](#) broadly supportive of GASB 77.

- State Rep. Will Guzzardi and Lake County Commissioner Terry Wilke joined 60 other state and local elected officials in submitting a [comment](#) broadly supportive of GASB 77.
- Truth in Accounting [asked for](#) immediate implementation of GASB 77 and called for disclosure of historical abatements over the previous decade.

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

The State's Comptroller's [Local Government Division](#) assists local governments in their financial reporting responsibilities. The Division hosts an [annual training session](#) which identifies changes in reporting and audit requirements.

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

Illinois is one of 22 states to operate programs to [monitor fiscal stress](#) among local governments. It appears that stress monitoring and support is most often [initiated by local governments](#), rather than pro-actively offered by state officials.

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

The state Comptroller completes the state's CAFR.

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

Illinois's fiscal year ends on June 30<sup>th</sup>. Its most recent [CAFR](#) was published on February 28, 2017.

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

- **[State government](#)**: Late February 2018
- **Largest cities**:
  - [Chicago](#): released June 30, 2017
  - [Aurora](#): late June 2017 (report is late)
  - [Rockford](#): mid-November 2017
- **Largest counties**

- [Cook](#): late May 2018 (Nov 30 fiscal year)
- [DuPage](#): late May 2018 (Nov 30 fiscal year)
- [Lake](#): mid-May 2018 (Nov 30 fiscal year)
- **Largest school districts**
  - [Chicago](#): late January 2018
  - [U-46](#) (Elgin, IL): early November 2017

### **What early compliance news do we have from Illinois? (as of July 31, 2017)**

Chicago reported its GASB 77 abatement data on June 30, 2017. Chicago reported \$583.7 million in tax revenue diverted from the city's general fund to various tax increment financing districts (\$90.3 million in pay-as-you-go TIFs and \$493.4 in debt-financed TIFs) The city also reported \$1.5 million of revenue lost as a result of tax abatements to Boeing in association with their headquarters relocation; and \$11.5 million passively lost as a result of abatements granted by Cook County.

Chicago's \$597 million in economic development subsidies are the second largest reported as of July 31, 2017. Only New York City reported more.

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

**Updated:** July 31, 2017