



## Louisiana and GASB Statement No. 77

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

#### State Legislative Auditor Daryl Purpera (appointed by the Legislature in April, 2010)

The Legislative Auditor oversees both state and local government finances. Local governments are required by state statute to send CAFRs to the Legislative Auditor within six months of the close of the fiscal year.

### Who commented on the exposure Draft from Louisiana?

Two entities in Louisiana submitted GASB 77 comments.

[Louisiana Budget Project](#) (co-signed a letter with The Society for Professional Engineering Employees in Aerospace, a union representing Boeing workers) called for disclosure of the multi-year impact of tax abatements.

[Louisiana Federation of Teachers](#) supporting GASB 77 disclosure and calling for disclosure of future-year costs of abatements.

### 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 Louisiana's 64 parishes, 66 independent school districts and 242 of its 302 municipalities (the remainder being exempt for size), are required by state law to use GAAP accounting.

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

The State Legislative Auditor's Office collects CAFRs from local governments. CAFRs are not posted online, but [parish audit reports](#) containing basic financial information, but not financial footnotes where GASB 77 data would reside, are available. The Legislative Auditor also publishes annually a list of [local governments that have failed to file their CAFRs](#) with the state. Inclusion on this list can lead to the loss of some state funding.

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

Yes, The Legislative Auditor's office publishes materials to help local governments complete their financial reports. The office also publishes an [annual "best practices" list](#), which could be a useful place to mention GASB 77. In addition, the State Auditor runs the [Center for Excellence in Local Government](#) which provides targeted training on timely topics to local leaders.

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

Yes, the Legislative Auditor analyses local government CAFRs through the Local Government Reporting System for signs of fiscal stress. In 2013, the Legislative Auditor queried the [NASACT listserv](#) about models used to identify fiscal stress. We could find nothing to indicate what, if anything, came out of this inquiry.

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

The State's Division of Administration completes the state's CAFR.

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

Louisiana's fiscal year ends on June 30<sup>th</sup>. Its 2015 [CAFR](#) was published on December 30, 2016.

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

- [State government](#): Late December 2017
- **Largest cities:**
  - New Orleans: [Issued June 30, 2017](#)

- Baton Rouge: [Issued June 22, 2017](#)
- Shreveport: [Issued June 30, 2017](#)
- **Largest parishes:**
  - East Baton Rouge Parish: [Jointly issued with city of Baton Rouge, June 30, 2017](#)
  - Jefferson Parish: [Issued June 23, 2017](#)
  - Orleans Parish: [Jointly issued with city of New Orleans, June 30, 2017](#)
- **Largest School Districts**
  - [Jefferson Parish](#): mid-December 2017
  - [East Baton Rouge Parish](#): mid-November 2017

### **Are there key issues in Louisiana that will affect or inform GASB 77 implementation?**

Louisiana is the only state in which local property tax abatements are granted by a single state board, the State Board of Commerce and Industry, through the Industrial Tax Exemption Program. This is in the process of changing as a result of Governor John Bel Edwards signing [Executive Order JBE – 2016-26](#), that will eliminate abatements for miscellaneous minor additions to industrial facilities. It will also require parish councils, school boards, and other local taxing bodies, to approve those respective shares of tax abatements that will reduce their tax base. The [23-member State Board of Commerce and Industry](#), includes public and private sector representatives. Newly appointed members by Gov. Edwards include Louisiana Budget Project director Jan Moller, Louisiana School Boards Association executive director Scott Richard, and former State Senator Robert Adley.

Louisiana faces a large structural deficit exacerbated by huge increases in economic development tax spending by the two previous gubernatorial administrations and tax reform is expected to be a dominant topic of discussion in the 2017 legislative session. The stakes will be high, as Louisiana law only allows tax matters to be considered in odd-numbered years.

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

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