



## Massachusetts and GASB Statement No. 77

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

#### State Auditor Suzanne Bump (D- elected 2011)

Auditor Bump is the highest ranking state official to advocate for greater transparency of economic development incentives. Since taking office she has tried, thus far unsuccessfully, to [gain access to business tax returns](#). She maintains that she cannot audit the state's Department of Revenue unless she knows how well the department does on collecting taxes that are owed (or those that are avoided based on tax-credit claims, etc.). Legislation giving her this power has been strongly resisted by the business community. Meanwhile, [Massachusetts ranks poorly on subsidy transparency](#) relative to other states.

State law does not give much local government oversight authority to either the State Auditor or the Comptroller.

State Representative Jay Kaufman and State Senator Sonia Chang-Diaz have led legislative efforts to promote greater transparency.

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

- The Massachusetts Budget and Policy Center [called on](#) GASB to require deal-specific, company-specific disclosure; to require disclosure of future year tax abatement liabilities, and to include TIFs among abatements subject to reporting.
- State Rep. Jay Kaufman also [called upon](#) GASB to require disclosure of deal-specific, company-specific details; future year liabilities and amount of public revenue lost to TIF diversions.
- New Economy Dynamics of Needham, MA [asked](#) that recipient disclosure be included in GASB 77.

- Professors Robert Goodman (Hampshire College) and Susan Fainstein (Harvard) joined 46 other academic colleagues in a [comment](#) broadly supportive of GASB 77.
- State Senator Jason Lewis joined 61 other local public officials in submitting 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 Massachusetts's 5 counties (county level governments have been eliminated in eight former counties), 351 municipalities and 82 school districts are required by state law to use GAAP accounting.

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

It is not apparent whether the State's Auditor, Comptroller or Department of Education collect CAFRs from local governments or school districts. None are posted online.

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

The state's Comptroller advises local governments on accounting issues, but has yet to issue any statements on GASB 77 implementation.

The [Massachusetts Municipal Association](#) provides training and advice to Massachusetts's cities and towns, but does not appear to provide much assistance on preparing CAFRs or complying with GAAP.

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

Massachusetts is one of 22 states to operate programs to [monitor fiscal stress](#) among local governments, though reviews are [triggered at the request of local governments](#), not routinely by the state. When distress is identified, the Commonwealth deals with each situation on a case-by-case basis.

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

The state Comptroller completes the state's CAFR.

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

Massachusetts's fiscal year ends on June 30<sup>th</sup>. Its most recent [CAFR](#) was published on January 6, 2017.

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

- **State government:** Early January 2018
- **Largest cities:**
  - [Boston](#): late December 2017
  - [Worcester](#): mid-December 2017
  - [Springfield](#): late December 2017
- **Largest Counties (Massachusetts abolished 8 or 14 previous counties)**
  - Barnstable: late-March 2018
  - Plymouth: no financials posted online
- **Largest School Districts**
  - Boston: no CAFR posted online
  - Springfield: no CAFR posted online

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

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