



Michigan and GASB Statement No. 77

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

State Treasurer Nick Khouri (appointed by Governor Snyder in 2015)

The State Treasurer has the legal authority (MCL 21.41(1)) to set accounting standards for Michigan's counties and to establish a chart of accounts for all units of local government in the state.

Khouri was previously an executive with DTE Energy, the largest utility in the state.

Who commented on the Exposure Draft from Michigan?

- Michigan's Auditor General Doug Ringler submitted a broadly supportive [comment](#), which called on GASB to clarify which abatements were to be included and also called for disclosure of which fiscal year's data was being used, since various governments' fiscal years end in different months. His office has publicly criticized the internal controls for financial reporting at the Michigan Economic Development Corporation.
- Pontiac School Board Vice President Brenda Carter, Oakland County Commissioner Dave Woodward, Meridian Township Clerk Brett Dreyfus, Ypsilanti City Council Member Pete Murdock and West Bloomfield Township Supervisor Michele Ureste joined 56 other local elected officials in submitting a [comment](#) broadly supportive of GASB 77.
- Professor Margaret Dewar (University of Michigan) and Upjohn Institute for Employment Research's chief economist Tim Bartik were among 48 academics to co-sign 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) none of Michigan's 83 counties, 1,775 municipalities or 580 school districts is 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 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 Treasurer collects CAFRs and annual reports from counties and cities and posts them, along with audit opinions, in a [searchable database](#).

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

The State Treasurer's office provides a broad range of technical assistance through the Local Government Financial Services division. The division has published [manuals on financial reporting](#), but has not published guidance on GASB 77.

The State Treasurer also publishes a useful [citizen's guide](#) to understanding financial statements and audit opinions.

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

Michigan is one of 22 states to operate a program to [monitor fiscal stress](#) among local governments. The state has a variety of laws giving it the authority to oversee municipal stress and to appoint emergency managers over municipal affairs, as has happened in cities such as Detroit and Flint.

The stress analysis employed by the Treasurer includes nine factors one of which is "impact of tax increment finance authorities and tax abatements."

The State's [Office of School Review and Fiscal Accountability](#) stress-tests school districts. The Treasurer maintains an [online listing](#) of local governments and school districts experiencing fiscal distress.

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

The Michigan State Budget Office completes the state's CAFR.

When was most recent CAFR filed?

Michigan's fiscal year ends on September 30th. Its most recent [CAFR](#) was published on January 31, 2017.

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

- [State government](#): late December 2017
- **Largest cities:**
 - [Detroit](#): late May 2018
 - [Grand Rapids](#): mid-December 2017
 - [Warren](#): mid-November 2017
- **Largest counties:**
 - [Wayne County](#): mid-March 2018 (Sept FY)
 - [Oakland County](#): late-March 2018 (Sept FY)
 - Macomb County: [Issued](#) June 21, 2017
- **Largest School Districts**
 - [Detroit](#): early November 2017
 - [Utica](#): early October, 2017

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

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