



New York and GASB Statement No. 77

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

State Comptroller: Thomas DiNapoli (D- took office in 2007; up for re-election in 2018)

The State Comptroller provides performance audits for local governments and school districts. The State Comptroller is the sole custodian of the state's pension funds. His office has a long record of corporate governance activism using pension assets (he is the sole trustee of The New York State Common Retirement Fund). Therefore, if GASB data is to become a variable for municipal bond raters, DiNapoli may become an ally.

Who commented on the exposure Draft from New York?

Twenty-seven entities (and several individuals) in New York submitted GASB 77 comments, far more than any other state. New York appears to be blessed with more pre-notified and interested parties in the new data than any state, and with a Comptroller who pays a great deal of attention to local-government CAFRs. Unless noted otherwise, all of the comments noted below were in favor of GASB Statement No. 77.

- A [pan organizational letter](#) signed by 13 labor, good government, and fiscal policy groups spearheaded by Reinvent Albany
 - AFSCME NY
 - Citizen Action of NY
 - Citizens Union
 - Civil Service Employees Federation
 - Common Cause NY
 - [Fiscal Policy Institute](#)

- Good Jobs NY
- Human Services Council
- League of Women Voters NYS
- NY PIRG
- NYS Public Employees Federation
- Reinvent Albany
- Strong Economy for All Coalition
- [Partnership for Working Families - NY](#)
- [Education Law Center](#)
- [New York State United Teachers](#)
- [State Senators Krueger and Perkins](#)
- Independent journalist [Norman Oder](#)
- [NY State School Boards Association](#) (which called for disclosure of PILOTs)
- [NYC Independent Budget Office](#)
- [NYS Government Finance Officers Association](#) (called for disclosure of all tax-exempt properties, not simply abatements; strong statement on need for future year abatements to be disclosed; this comment stands in contrast to National GFOA, which opposed GASB 77.)
- [Pratt Center for Community Development](#)
- [Alliance for a Greater New York](#)
- [Foundations](#) (Ford, Heron and [Ottinger](#))
- [The New York City Partnership](#) (chamber of commerce equivalent)
- [NY-based academics](#)
 - Thomas Angotti, CUNY
 - Hector Cordero-Guzman, CUNY
 - Peter Eisinger, New School
 - Teresa Ghilarducci, New School
 - William Goldsmith, Cornell
 - Nicole Marwell, CUNY
 - Richard McGahey, then of the New School
 - Ron Schiffman, Pratt Institute
 - Mildred Warner, Cornell
- [New York City Comptroller and NYC Director of Management and Budget](#)
- Office of the State Comptroller (two submissions: [here](#) and [here](#)) expressed concerns about the cost of implementing GASB 77 and argued that the financial

comments section of a financial report is not an appropriate place for disclosure. The Comptroller's Office also suggested that state level reporting would be preferable to local disclosure. (However, New York State is one of only three states in which the state's online subsidy disclosure system captures local property tax abatements; Ohio and Louisiana are the other two.)

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 New York's 57 counties, 1,545 municipalities, or 683 independent school districts are 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. It is not known how many New York jurisdictions adhere to GAAP.

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

The State Comptroller's Office collects CAFRs from local governments, and posts them [online](#).

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

The State Comptroller's Office provides technical assistance to local governments, including information on complying with [new GASB Standards](#). Comptroller DiNapoli has not provided local governments on GASB 77.

Does state government monitor fiscal stress within counties/municipalities /school districts?

New York has been a recognized leader in fiscal stress testing. Annually since 2014, the Comptroller's Office [grades and ranks each of the local government bodies](#).

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

The State Comptroller's Office completes the state's CAFR.

When was most recent state CAFR filed?

New York's 2017 CAFR has not yet been filed, but the State has become the first state in the nation to disclose their GASB 77 data in a Basic Financial Statement, that precedes the CAFR. The State disclosed that subsidy programs cost the state \$1.24 billion during fiscal year 2017. Half of the losses came from film subsidies. The complete report can be found [here](#), on pages 72 through 79.

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

A year before it was technically required, New York City became the first significant governmental entity to report GASB 77 in its [FY2016 CAFR](#), released on October 31, 2016. The city reported tax abatements exceeding \$3 billion, a 5.6% increase in abatements over FY2015.

Additional GASB 77 disclosures are expected as follows:

- **State government:** [Issued](#) basic financial report with GASB 77 data on July 28, 2017
- **Largest cities:**
 - New York City: [Issued](#) GASB 77 data on October 31, 2016
 - [Buffalo](#): early-November, 2017
 - [Rochester](#): mid-December 2017
- **Largest Counties** (outside New York City)
 - [Nassau](#) - [Issued](#) July 28, 2017
 - [Westchester](#) – [Issued](#) June 27, 2017
 - [Erie](#) – [Issued](#) June 28, 2017
- **Largest School Districts**
 - New York: NYCPS appears to be included in the New York City CAFR
 - [Buffalo](#): mid-October 2017

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

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