



## North Carolina and GASB Statement No. 77

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**Who in state government is most likely to influence GASB 77 disclosure?** State Treasurer: Dale Folwell. Prior to being elected State Treasurer in 2016, Folwell was the Director of the state's unemployment insurance agency. Prior to that he was a four-term Member of the North Carolina House of Representatives, and before that an investment manager.

**Who commented on the Exposure Draft from North Carolina?** The [North Carolina Justice Center](#) provided the lone GASB 77 comment from the Tar Heel State. In its strongly supportive comment, NCJC called for recipient-specific disclosure, reporting of future subsidy-related liabilities and durations of obligations under each program.

**Does the state's most recent CAFR include GASB 77 disclosure?** Yes.

**How many counties, municipalities and school districts in the state are required to conform with GAAP and therefore GASB Statements?** According to GASB's [research brief](#) titled "State and Local Government Use of Generally Accepted Accounting Principles for General Purpose External Financial Reporting" (2008), all of North Carolina's 100 counties, 541 municipalities and school districts (number undisclosed) are required by state law to use GAAP accounting.

**How many counties, municipalities and school districts reported on GASB 77 disclosures in 2018?** 5 of 156 sampled counties/municipalities and 0 of 104 sampled school districts.

**Is there a state office that collects CAFRS from counties/cities/school districts?** The State Treasurer's Office collects local government CAFRs, but it does not appear these reports are posted online.

**Does the state government or do academic/NGO institutions provide technical assistance on GAAP, GASB or completing CAFRs?** In July, 2016, the State Controller's Office issued a [GASB 77 advisory](#). [Elizabeth Colcord](#) in the Controller's office is the contact person for GASB 77. The State Treasurer's Office oversees local government finance and provides technical

assistance to local governments, including information on complying with [new GASB Standards](#). The Treasurer's Office has compiled an extensive [check-lists](#) for various types of governments, including guidance on several GASB statement; however, it makes no mention of GASB 77. The University of North Carolina [School of Government](#) also provides advice and leads financial reporting training sessions with local government officials. It offers a variety of [courses](#) including Budgeting and Financial Basics for Municipal Elected Officials. The Treasurer is also the state's point of contact with bond rating agencies.

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

North Carolina's [Local Government Commission](#) was established in 1931 during the Depression to essentially stress-test local governments' finances. The Commission, which is overseen by the State Treasurer, is well-regarded for its success, and because of this has a strong, positive relationship with local governments in the state. Because of the Local Government Commission, the state's municipalities are deemed to be at low risk, and as a result have lower borrowing costs.

**Which state office is responsible for completing state's CAFR?** North Carolina Office of the State Controller, Statewide Accounting Staff.

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

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