



Ohio and GASB Statement No. 77

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

Auditor of State: Dave Yost (R- elected in 2010; term expires in 2018, not running for re-election)

Auditor Yost has been an advocate for subsidy accountability and disclosure. In 2011, the Ohio State Legislature passed a law creating Jobs Ohio, to spur economic development. The new agency was funded with \$100 million in annual profits from the state's liquor retailing operation. These liquor profits were previously transferred to the state's general fund. The legislation made clear that the new agency was subject to an annual private audit.

When controversies arose about JobsOhio spending, Yost reasserted his right to audit the fund. In 2013, Yost subpoenaed JobsOhio's financial records, incurring anger from Gov. Kasich, who helped push through legislation declaring the economic development fund "private money" and explicitly blocking the State Auditor from reviewing JobsOhio's accounts. "I urge you to tread cautiously. While there have been no indications of misdealing, the potential for self-dealing or other mischief exists sometime in the future. This office's audit will help protect against the real possibility of human failings," Yost wrote to State legislators.

A bi-partisan coalition of progressive activists, Democratic lawmakers, and lawyers representing conservative interests, asked the State Supreme Court to block the legislation and allow Yost to audit the job agency's books. In June 2014, the Court ruled for the State, finding that the plaintiffs lacked standing and had not demonstrated they were personally harmed by the new law.

In early 2017, Yost issued guidance on GASB 77 reporting

The various statutory authorities for the Auditor's relationship to local government bodies can be found [here](#).

Who commented on the Exposure Draft from Ohio?

Four institutions, two elected officials and one college professor from Ohio submitted GASB 77 comments.

- [Policy Matters Ohio](#) (also this [joint letter](#)) – cited specific harm to municipalities and school districts and called specifically for the inclusion of TIF-based tax diversions.
- [Ohio Federation of Teachers](#) (AFT) – called for inclusion of TIFs.
- [Professor Mark Cassell](#), Kent State University, signed a joint letter of 48 academics.
- Foundations ([The Cleveland Foundation](#), [The George Gund Foundation](#)) were among 18 foundations nationally that filed pro-77 comments.
- [State Rep. Nickie Antonio and Cuyahoga County Councilwoman Yvonne Conwell](#) co-signed a pro-77 comment offered by 62 local elected officials.

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) 61 of Ohio's 88 counties, 268 of 2,250 cities, and 574 of 667 school districts are supposed to follow GAAP under state law. But Ohio has a significant number of local governments that have resisted compliance with GAAP in favor of cash accounting, including 27 counties, 38 cities, and 93 school districts. There is apparently not much the state can do about this non-compliance.

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

The State Auditor produces [online annual reports](#) of summary financial data for GAAP-compliant counties, cities, school districts and community schools.

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

The State Auditor's office provides extensive [technical assistance](#) to local finance officers, including advice on complying with previous GASB statements. Nothing has yet been issued on GASB 77 (as of 9/14/16).

Auditor Yost has done [public presentations](#) on GASB 77 to educate local government officials.

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

[Ohio Revised Code Section 118.025](#) requires the Auditor of State to "develop guidelines for identifying fiscal practices and budgetary conditions, amongst municipal corporations, counties, and townships that, if uncorrected, could result in a future declaration of fiscal watch or emergency."

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

The State Office of Management and Budget completes the state's CAFR.

When was most recent CAFR filed?

Ohio's fiscal year ends on June 30th. Its [FY 2015 CAFR](#) was filed on December 22, 2015.

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

- **State government:** Late December 2017
- **Largest cities:**
 - Columbus: mid/late April 2017
 - Cleveland: late June 2017
 - Cincinnati: late January 2018 (CAFRs not publicly posted, just audit report and financial tables)
- **Largest counties:**
 - Cuyahoga County: mid-August 2017
 - Franklin County: late June 2017
 - Hamilton County: no CAFR publicly posted

- **Largest School Districts**

- Columbus: mid-December 2017
- Cleveland: late December 2017

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