



State of New Mexico OFFICE OF THE STATE AUDITOR

INSTRUCTIONS FOR COMPLETING AND SUBMITTING GASB 77 DISCLOSURES

A. General Instructions

The GASB 77 Disclosure Template is required for all audited entities that make a GASB 77 disclosure. Agencies that do not need to make a GASB 77 disclosure do not need to submit the electronic spreadsheet template.

Please review GASB 77, the Audit Rule (2.2.2.10.BB NMAC) and the FAQ located on the OSA website for details on GASB 77 disclosures.

There are two GASB 77 requirements under the Audit Rule:

1. Agency audit reports must include the GASB 77 note disclosure, if applicable.
2. IPAs must submit the completed electronic GASB 77 template by email with the final version of the audit report. Failure to submit this electronic template, or discrepancies between the electronic and hard copy versions of GASB 77 data will result in delays of the release of the audit report.

B. If an agency has not entered into any abatement agreements and has not received any intergovernmental disclosures:

1. The agency does not need to make a GASB 77 disclosure and does not need to submit the electronic spreadsheet template to OSA.

C. If your agency has GASB 77 disclosures to make as an agency that entered into a tax abatement agreement:

1. For all abatement agreements that your agency enters into, the note disclosure should include at a minimum all information in Rows 4-22 of the "abating agency" worksheet in the template.
2. Agencies may create a new column for each abatement agreement in the abating agency worksheet, or may create multiple abating agency worksheets using the "copy worksheet" function.
3. For each abatement agreement that affects another agency, the abating agency must create a new intergovernmental disclosure worksheet. Create a separate worksheet for each agency to which you are sending an intergovernmental disclosure. The agency making the intergovernmental disclosure (the abating agency) must deliver the disclosure electronically in Excel format to the affected agency no later than **September 15, 2018**.
4. The agency making the intergovernmental disclosure (the abating agency) does not need to include the intergovernmental disclosure worksheets in its audit report as part of its

own GASB 77 note disclosure. However, DO include this data in the Excel version of the GASB 77 template that the agency submits to the OSA.

5. If you also received intergovernmental disclosures from another agency, follow the instructions below for agencies that receive intergovernmental disclosures (section D below).

D. If your agency received intergovernmental disclosures:

1. For all abatement agreements that another agency enters into and discloses to your agency, the note disclosure in the affected agency's audit report should include at a minimum all information in Rows 2, 4 and 8-14 of the intergovernmental disclosure worksheet. In addition, if the affected agency has information pertaining to the intergovernmental disclosure that the abating agency did not have (for example, the amount of payments in lieu of taxes received), include that in the note disclosure.
2. The agency receiving the intergovernmental disclosure (the affected agency) must submit all such disclosures to OSA in Excel form to meet the electronic submission requirement. You may cut and paste intergovernmental disclosures your agency received into one Excel file or submit multiple Excel files. In addition, if the affected agency has information pertaining to an intergovernmental disclosure that the abating agency did not have (for example, the amount of payments in lieu of taxes received), the affected agency must include that in the GASB 77 template submitted to OSA.

E. Example

County A enters into an Industrial Revenue Bond agreement. The abatement affects School District X, Hospital Y, Municipality 1, and the Taxation and Revenue Department.

- County A prepares: One Excel file containing: the abating agency worksheet; one intergovernmental disclosure for School District X, one intergovernmental disclosure for Hospital Y, one intergovernmental disclosure for Municipality 1 and one intergovernmental disclosure for the Taxation and Revenue Department (4 intergovernmental disclosure worksheets in total).
- County A delivers the Excel version of the intergovernmental disclosure worksheets to School District X, Hospital Y, Municipality 1 and the Taxation and Revenue Department by September 15th, 2018. County A can decide whether to save each intergovernmental disclosure as a separate Excel file for this purpose, or to send the entire workbook containing all worksheets to all affected agencies.
- County A includes the abating agency worksheet as the GASB 77 note in its financial statements. County A submits to the OSA the entire template in Excel form, containing the abating agency worksheet and all intergovernmental disclosure worksheets, with County A's final audit report.
- Each of School District X, Hospital Y, Municipality 1 and the Taxation and Revenue Department reports its respective intergovernmental disclosure in the GASB 77 note to its financial statements. Each of School District X, Hospital Y, Municipality 1 and the Taxation and Revenue Department also submit to OSA the template containing its respective intergovernmental disclosure in Excel form with its final audit report. If these agencies received more than one intergovernmental disclosure, they may cut and paste all intergovernmental disclosures they received into one Excel file or submit multiple Excel files.

Specific Instructions for the GASB 77 Excel Template Abating Agency

The GASB 77 template requires a new column for each abatement agreement. If creating a duplicate tab for each abatement agreement is easier for the agency, that approach is also acceptable.

Row	Row Label	Instructions for completing the GASB 77 template in this row
1	Agency Number	Use the OSA Agency Number. You can find this by entering the agency name into the Search box located at: http://www.saonm.org/financial_audits . This should be the same in each column of the table.
2	Agency Name	Use the full formal agency name. Spell out "New Mexico." Use the & symbol for the word "and." This should be the same in each column of the table.
3	Agency Type	State the agency type. This should be the same as the agency type you select in your vendor, findings and fund balance combined schedules.
4	Tax Abatement Agreement Name	Enter the title of the agreement. For example, "Industrial Revenue Bond Project Agreement."
5	Recipient of Tax Abatement	Enter the full legal name of the recipient of the tax abatement agreement. If a single tax abatement agreement has more than one recipient, list all recipients here.
6	Parent company(ies) of recipient(s) of tax abatement	If the recipient of the tax abatement agreement is a subsidiary of a larger company, list the full legal name of all known parent companies.
7	Tax abatement program (name and brief description)	Enter the name of the program under which this tax abatement agreement falls. For example: Industrial Revenue Bonds.
8	Specific Tax(es) Being Abated	Enter the name(s) of all tax(es) being abated. For example: property tax or gross receipts or compensating tax.
9	Legal authority under which tax abatement agreement was entered into	Enter the name and citation of the statute or code provision that authorized your agency to enter into this type of agreement.
10	Criteria that make a recipient eligible to receive a tax abatement	List all requirements that made the recipient eligible for the tax abatement. For example: creating high-wage jobs, or building a new factory in the county.
11	How are the tax abatement recipient's taxes reduced?	Describe the mechanics of the abatement. For example: taxes may be abated through a reduction in the assessed value of the property, or through the issuance and use of non-taxable transaction certificates.
12	How is the amount of the tax abatement determined?	Explain how the amount of the abatement is determined. For example, the agreement may specify a dollar amount or a percentage of the tax liability as the amount abated.
13	Are there provisions for recapturing abated taxes? (Yes or No)	Please answer yes or no only in this row. A provision for recapturing abated taxes may be a "clawback" or other repayment requirement.
14	If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	If you answered yes in Row 13, describe what set of circumstances is necessary for your agency or another affected agency to recapture abated taxes. For example, the agreement may say that if the recipient has not completed construction of a facility by a certain date, the recipient will pay some amount to the agency.

Row	Row Label	Instructions for completing the GASB 77 template in this row
15	List each specific commitment made by the recipient of the abatement.	List specific details on all commitments made by the abatement recipient. For example, creating 35 new jobs or locating a facility on a specific parcel of land.
16	Gross dollar amount, on an accrual basis, by which the abating agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	This should be a dollar value for each type of tax abated. If your agency cannot ascertain a specific dollar value for any type of tax abated, indicate the reason that a specific dollar value is not available and provide an estimate or explanation of why an estimate is not possible. This row is for only the dollar amount of the abatement of revenue for your agency. If your agency has a tax abatement agreement that abates multiple types of tax, you will have multiple dollar values in this field. For example: Property tax: \$xxx Gross receipts tax: \$xxx Compensating tax: \$xxx
17	For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	Describe any payment in lieu of taxes provision. If the abatement agreement has no such provision, write "None".
18	For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	List the amount of payments in lieu of taxes that your agency received. If this abatement agreement has no payment in lieu of tax provisions, write "NA".
19	For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	List the names and amount of payments in lieu of taxes that other agencies received with respect to this abatement agreement. If this abatement agreement has no payment in lieu of tax provisions, write "NA." If your agency does not know the amount of payments that other agencies have received, list of the name of the agency and "unknown."

Row	Row Label	Instructions for completing the GASB 77 template in this row
20	List each specific commitment made by your agency or any other government, other than the tax abatement.	Describe any other commitments your agency or another agency made in addition to abating taxes. For example, agreement to entertain a LEDA application or to assist the recipient in participating in JTIP.
21	Are any other governments affected by this tax abatement agreement? (Yes or No)	Answer yes or no. If you answer yes, list each affected agency and complete an intergovernmental disclosure for each such agency.
22	If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	List any confidentiality provisions that your agency is relying on if your agency is omitting any information required in this form.
23	In the report disclosure is this abatement aggregated?	Answer yes or no.
24	Threshold amount for aggregation.	Answer with the dollar amount below which the abatements are aggregated.

**Specific Instructions for the GASB 77 Excel Template
Intergovernmental Disclosure**

Row	Row Label	Instructions for completing the GASB 77 template in this row
1	Agency Number for the Agency making the disclosure (Abating Agency)	Use the OSA Agency Number. You can find this by entering the agency name into the Search box located at: http://www.saonm.org/financial_audits .
2	Abating Agency Name	Use the full formal agency name. Spell out "New Mexico." Use the & symbol for the word "and."
3	Abating Agency Type	State the agency type.
4	Tax Abatement Agreement Name	Enter the title of the agreement. For example, "Industrial Revenue Bond Project Agreement."
5	Name of the agency affected by abatement agreement (Affected Agency)	Use the OSA Agency Number. You can find this by entering the agency name into the Search box located at: http://www.saonm.org/financial_audits .
6	Agency number of Affected Agency	Use the full formal agency name. Spell out "New Mexico." Use the & symbol for the word "and."
7	Agency type of Affected Agency	State the agency type.
8	Recipient(s) of Tax Abatement	Enter the full legal name of the recipient of the tax abatement agreement. If a single tax abatement agreement has more than one recipient, list all recipients here.
9	Tax abatement program (name and brief description)	Enter the name of the program under which this tax abatement agreement falls. For example: Industrial Revenue Bonds.
10	Specific Tax(es) Being Abated	Enter the name(s) of all tax(es) being abated. For example: property tax or gross receipts or compensating tax.
11	Authority under which abated tax would have been paid to Affected Agency	Enter the statute or code section that requires the abating agency to remit the abated tax revenue to the affected agency.
12	Gross dollar amount, on an accrual basis, by which the affected agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	This should be a dollar value for each type of tax abated for this specific affected agency. If the abating agency cannot ascertain a specific dollar value for any type of tax abated, indicate the reason a specific dollar value is not available and provide an estimate or explanation of why an estimate is not possible. This row is for only the dollar amount of the abatement of revenue for the specific affected agency. If your agency has a tax abatement agreement that abates multiple types of tax, you will have multiple dollar values in this. For example: Property tax: \$xxx Gross receipts tax: \$xxx Compensating tax: \$xxx

**Specific Instructions for the GASB 77 Excel Template
Intergovernmental Disclosure**

Row	Row Label	Instructions for completing the GASB 77 template in this row
13	For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the affected agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	<p>List the amount of payments in lieu of taxes that the affected agency received with respect to this specific abatement agreement. If this abatement agreement has no payment in lieu of tax provisions, write "NA." If the abating agency does not know the amount of payments that the affected agency received, write "unknown."</p> <p>If your agency receives this disclosure and this box is marked "unknown," your agency should calculate the amounts of payments received in the current fiscal year and input that amount in this field.</p>
14	If the abating agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	List any confidentiality provisions that the abating agency is relying on if omitting any information required in this form.
15	Is the abatement amount aggregated?	Answer yes or no.
16	Threshold amount for aggregation.	Enter amount.