



# 2024 GASB Update and Implementation Planning

November 4, 2024

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# Your Speakers

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# Agenda

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- ▶ Timeline
- ▶ GASB 100, Accounting Changes and Error Corrections
- ▶ GASB 101, Compensated Absences
- ▶ GASB 102, Certain Risk Disclosures
- ▶ GASB 103, Financial Reporting Model
- ▶ GASB 104, Disclosure of Certain Capital Assets
- ▶ Other Projects
- ▶ Implementation Planning
- ▶ Questions?



# Timeline

June 30 Effective Dates

## **FY 2024**

- Statement 100

## **FY 2025**

- Statement 101
- Statement 102

## **FY 2026**

- Statement 103
- Statement 104

September 30 Effective Dates

## **FY 2024**

- Statement 100

## **FY 2025**

- Statement 101
- Statement 102

## **FY 2026**

- Statement 103
- Statement 104



# Statement Impact

<i>Statement and FY Effective</i>		<i>Potential Level of Effort *</i>				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>GASB 100</b> - Accounting Changes and Error Corrections	<b>2024</b>			 Small		
<b>GASB 101</b> - Compensated Absences	<b>2025</b>			 Medium		
<b>GASB 102</b> - Certain Risk Disclosures	<b>2025</b>			 Small		
<b>GASB 103</b> - Financial Reporting Model Changes	<b>2026</b>			 Medium		
<b>GASB 104</b> - Disclosure of Certain Capital Assets	<b>2026</b>				 Small	

\* Based on June 30 fiscal years



# Other GASB Activities

<b><i>Project</i></b>	<b><i>Projected Issuance Date</i></b>
Classification of Nonfinancial Assets	2024
Implementation Guidance - Update	Mid 2025
Subsequent Events	Late 2025
Revenue and Expense Recognition	Mid 2027
Going Concern Uncertainties and Severe Financial Stress	Mid 2027
Infrastructure Assets	Mid 2027

## ***Pre-Agenda Research***

GAAP Structure

## ***Monitoring***

Digital Assets  
Electronic Financial Reporting  
Environmental, Social, and Governance (ESG) Reporting  
AICPA Auditing Standards  
Environmental Credits  
Emerging Accounting Issues

## ***Post Implementation Review***

Fair Value - Statement 72  
Fiduciary Activities - Statement 84  
Leases - Statement 87  
Other Post Employment Benefits - Statement 75



# Statement 100 – Accounting Changes and Error Corrections

An amendment of GASB Statement No. 62

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# Accounting Changes and Error Corrections

## What?

Prescribes the accounting and financial reporting for (1) each type of accounting change and (2) corrections



## Why?

The primary objective was to enhance accounting and financial reporting requirements for accounting changes and corrections



## When?

The Statement will be effective for fiscal years beginning after June 15, 2023



# Types of Accounting Changes / Corrections

01

Change in  
Accounting  
Principle

02

Change in  
Accounting  
Estimate

03

Change to or  
Within a  
Financial  
Reporting  
Entity

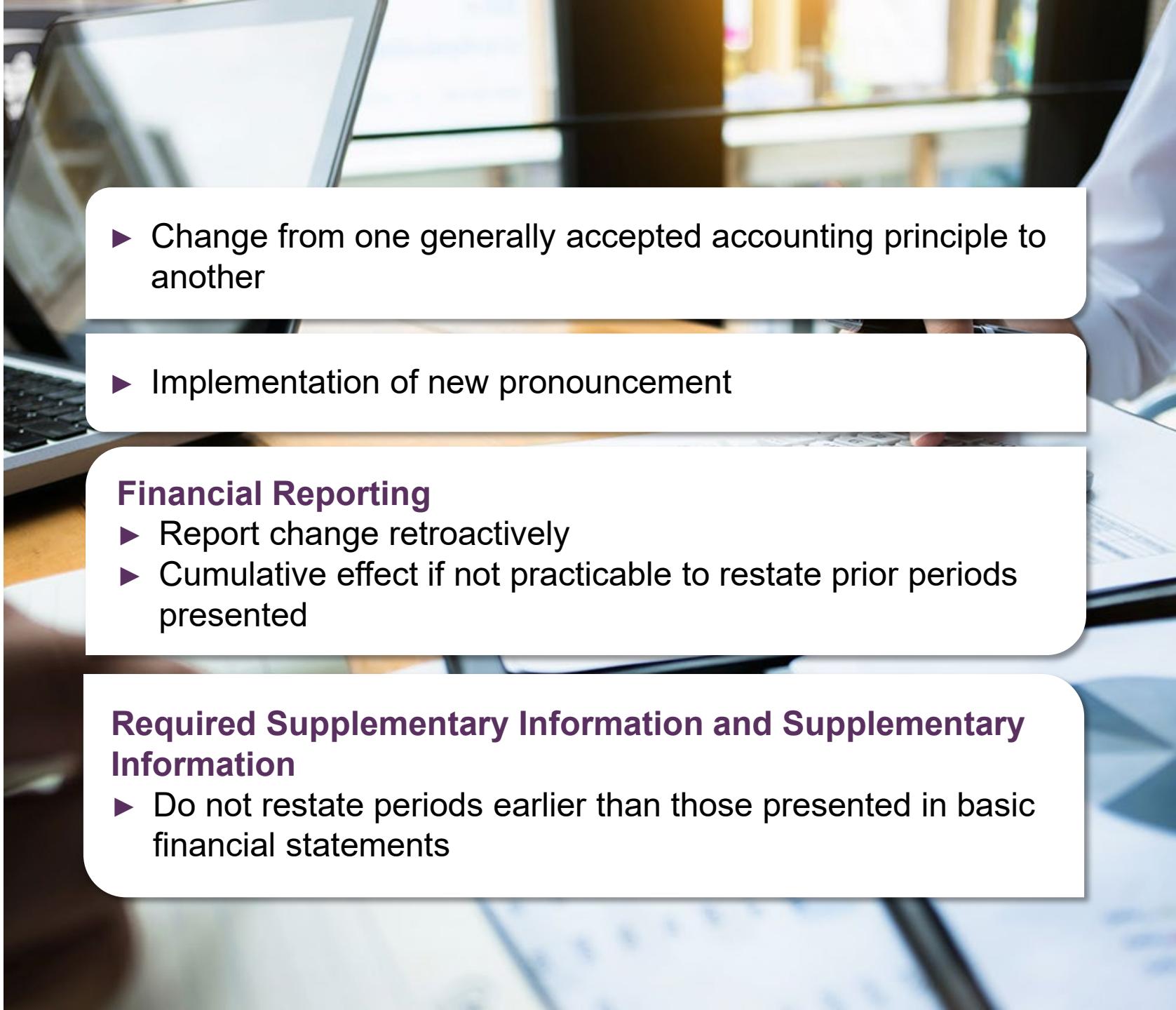
04

Corrections  
of an Error



# Change In Accounting Principle

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- ▶ Change from one generally accepted accounting principle to another
- ▶ Implementation of new pronouncement

## Financial Reporting

- ▶ Report change retroactively
- ▶ Cumulative effect if not practicable to restate prior periods presented

## Required Supplementary Information and Supplementary Information

- ▶ Do not restate periods earlier than those presented in basic financial statements

# Change in Accounting Estimate

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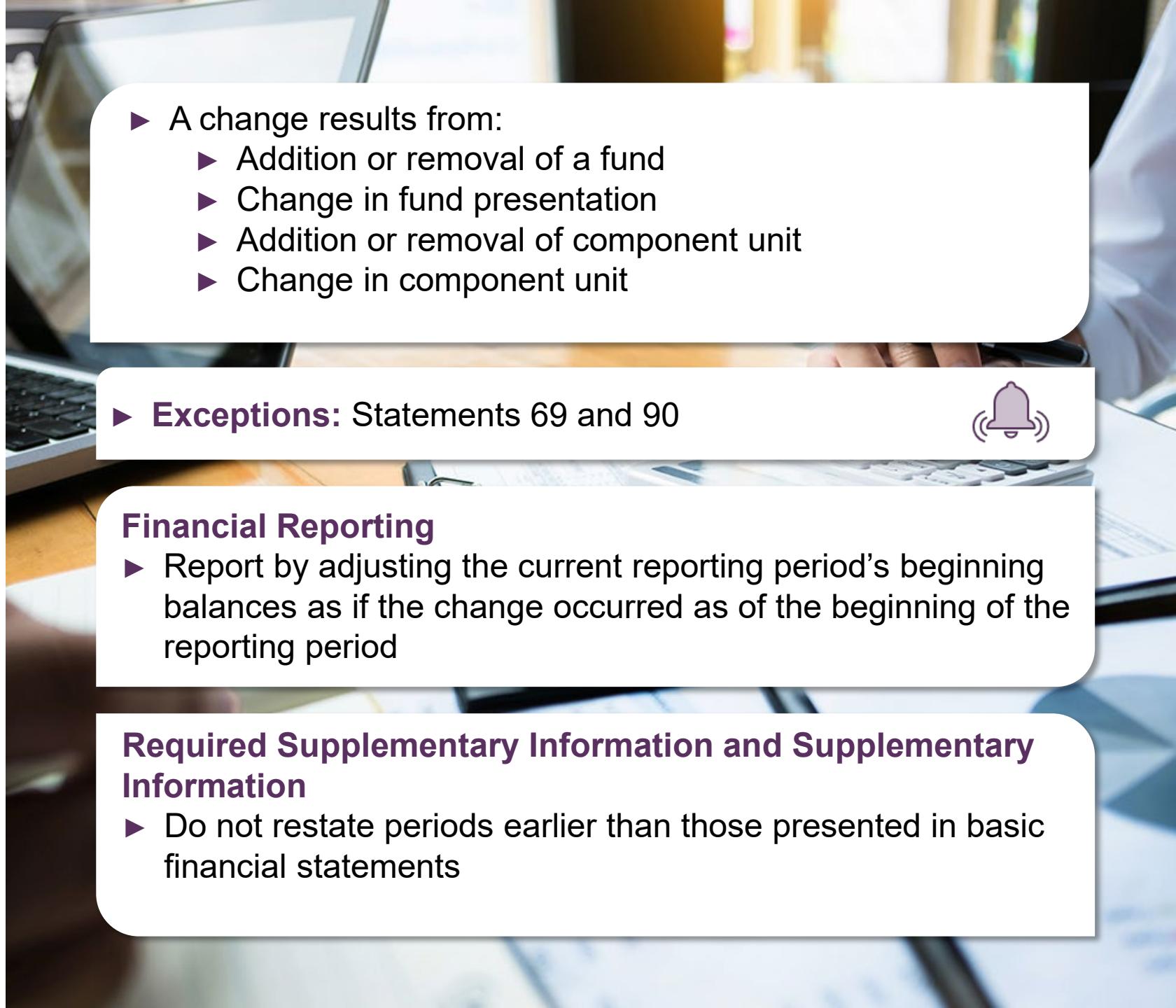
- ▶ Change in inputs resulting from a change in circumstance, new information or more experience

## Financial Reporting

- ▶ Report change prospectively
- ▶ Recognize in current-period flows

# Change to or Within a Financial Reporting Entity

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- ▶ A change results from:
  - ▶ Addition or removal of a fund
  - ▶ Change in fund presentation
  - ▶ Addition or removal of component unit
  - ▶ Change in component unit

- ▶ **Exceptions:** Statements 69 and 90



## Financial Reporting

- ▶ Report by adjusting the current reporting period's beginning balances as if the change occurred as of the beginning of the reporting period

## Required Supplementary Information and Supplementary Information

- ▶ Do not restate periods earlier than those presented in basic financial statements

# Corrections of an Error

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## ► Errors

- Mathematical mistakes
- Mistakes in the applications of accounting principles
- Oversight or misuse of facts that existed at the time the financial statements were issued

## Financial Reporting

- Apply correction retroactively by restating beginning net position, fund balance, or fund net position for the cumulative effect

## Required Supplementary Information and Supplementary Information

- All affected information should be corrected, if practicable, and identified as restated or not restated

## Disclosures

- Disclose nature of error and its correction
- Disclose the effect on the prior period's change in net position, fund balance, or fund net position

# Other Reporting Requirements for Accounting Changes and Error Corrections

Aggregate amount of adjustments of beginning net position should be displayed for each reporting unit

Notes should include a table to highlight the effects of each change or correction

Notes should be made at the reporting unit level



# Presentation Example

	General Fund	Recreation Fund	Private Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Total revenues	<u>\$ 139,610,043</u>	<u>\$ 41,194,613</u>	<u>\$ 900,050</u>	<u>\$ 25,601,808</u>	<u>\$ 207,306,514</u>
<b>EXPENDITURES</b>					
Total expenditures	<u>142,780,234</u>	<u>39,082,987</u>	<u>800,000</u>	<u>23,698,442</u>	<u>206,361,663</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,170,191)</u>	<u>2,111,626</u>	<u>100,050</u>	<u>1,903,366</u>	<u>944,851</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Total other financing sources (uses)	<u>6,192,157</u>	<u>2,016,236</u>	<u>-</u>	<u>(300,715)</u>	<u>7,907,678</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	3,021,966	4,127,862	100,050	1,602,651	8,852,529
<b>FUND BALANCES, 6/30/X1, as previously presented</b>	27,094,293	6,646,703	-	12,462,109	46,203,105
Change within financial reporting entity (nonmajor to major fund)	-	-	2,587,439	(2,587,439)	-
Change to financial reporting entity (blended to discrete)	-	-	-	(169,402)	(169,402)
Error correction	<u>194,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,216</u>
<b>FUND BALANCES, 6/30/X1, as adjusted or restated</b>	<u>27,288,509</u>	<u>6,646,703</u>	<u>2,587,439</u>	<u>9,705,268</u>	<u>46,227,919</u>
<b>FUND BALANCES, 6/30/X2</b>	<u>\$ 30,310,475</u>	<u>\$ 10,774,565</u>	<u>\$ 2,687,489</u>	<u>\$ 11,307,919</u>	<u>\$ 55,080,448</u>



# Presentation Example

	General Fund	Recreation Fund	Formerly Major Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Total revenues	<u>\$ 139,610,043</u>	<u>\$ 41,194,613</u>	<u>\$ -</u>	<u>\$ 34,070,858</u>	<u>\$ 214,875,514</u>
<b>EXPENDITURES</b>					
Total expenditures	<u>142,780,234</u>	<u>39,082,987</u>	<u>-</u>	<u>24,699,492</u>	<u>206,562,713</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,170,191)</u>	<u>2,111,626</u>	<u>-</u>	<u>9,371,366</u>	<u>8,312,801</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Total other financing sources (uses)	<u>6,192,157</u>	<u>2,016,236</u>	<u>-</u>	<u>(5,926,715)</u>	<u>2,281,678</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	3,021,966	4,127,862	-	3,444,651	10,594,479
<b>FUND BALANCES, 6/30/X1, as previously presented</b>	27,094,293	6,646,703	2,587,439	9,705,268	46,033,703
Change within financial reporting entity (major to nonmajor fund)	-	-	(2,587,439)	2,587,439	-
Change to financial reporting entity (discrete to blended)	-	-	-	169,402	169,402
Error correction	194,216	-	-	-	194,216
<b>FUND BALANCES, 6/30/X1, as adjusted or restated</b>	<u>27,288,509</u>	<u>6,646,703</u>	<u>-</u>	<u>12,462,109</u>	<u>46,397,321</u>
<b>FUND BALANCES, 6/30/X2</b>	<u>\$ 30,310,475</u>	<u>\$ 10,774,565</u>	<u>\$ -</u>	<u>\$ 15,906,760</u>	<u>\$ 56,991,800</u>



# Statement 101 – Compensated Absences

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# Compensated Absences

## What?

Amendments to existing guidance for compensated absences



## Why?

A reexamination of Statement 16 found improvements to be made and to include additional guidance for leave



## When?

The Statement will be effective for fiscal years beginning after December 15, 2023



# More about Why

Upon reexamining compensated absences, GASB found:

- A variation in how standards were being applied
- A lack of necessary guidance needed for other types of leave
- Inconsistencies within the standards relating to recognition of leave
- A reassessment of required disclosures was necessary



# GASB Statement No. 16

- ▶ Vacation leave
  - Should be accrued as a liability as the benefits are earned if both conditions are met:
    - ▷ Employees' rights to receive compensation are attributable to services already rendered.
    - ▷ It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.
- ▶ Benefits that have been earned but that are expected to lapse and thus not result in compensation to employees should not be accrued as a liability.



# GASB Statement No. 16 (cont.)

- ▶ Sick leave
  - A liability for sick leave and other compensated absences with similar characteristics should be accrued using one of the following termination approaches:
    - ▷ A liability should be accrued as the benefits are earned by the employees if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees termination or retirement. Accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than taken as absences due to illness or other contingencies and would generally be an estimate.
    - ▷ Alternatively, a governmental entity should estimate its accrued leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible or are expected to be eligible to receive termination payments.



# GASB Statement No. 16 (cont.)

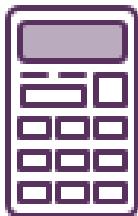
- ▶ Because governmental fund balance sheets do not reflect long-term liabilities, only the current portion of the entire liability should be reported in the specific fund. The current portion is the amount left unpaid at the end of the reporting period that would normally be liquidated with available expendable resources. The remainder of the liability should be reported in the General Long-Term Debt Account Group.
- ▶ No changes to compensated absences since release in 1992.



# The Effect on Accounting

## Viewing the leave

- Statement 16 established different approaches for Sick leave and vacation leave.
- Statement 101 views all leave meeting the scope criteria as the same.



# Scope

Leave for which employees may receive one or more:

- ▶ Cash payments when leave is used for time off
- ▶ Other cash payments, such as payment for unused leave upon termination of employment
- ▶ Noncash settlements, such as conversion to DB postemployment benefits



# Compensated Absence

- ▶ As defined in GASB Statement 101, leave for which employees may receive one or more of the following:
  - Cash payment when the leave is used for time off
  - Other cash payments, such as payment for unused leave upon termination of employment
  - Noncash settlements, such as conversion to defined benefit postemployment benefits.
- ▶ GASB Statement 16 provided different guidance for vacation and sick leave.
  - Since issuance, PTO (may use accrued hours for vacation or sick time) and compensatory time off (additional time off in lieu of overtime pay) have become more common.
  - Uniform model under GASB 101 provides consistency, increased relevance and a more complete estimate.



# Typical Compensated Absence Examples

- ▶ Paid time off (PTO)
- ▶ Vacation leave
- ▶ Sick leave
- ▶ Holidays
- ▶ Certain types of sabbatical leave
- ▶ Salary-related payments



# Exceptions

- ▶ Leave that is settled through conversion to DB postemployment benefits (already included in pension or OPEB liabilities)
- ▶ Leave that is dependent upon sporadic events that affects a relatively small proportion of employees. Liability should not be recognized until leave commences
  - Parental leave
  - Military leave
  - Jury duty



# Exceptions

- ▶ Unlimited leave – not recognized until used
- ▶ Holiday leave – not recognized until used for Holidays based on a specific date not at the discretion of employees



# Exclusions

Compensated Absences do not include:

- ▶ Sabbatical leave during which an employee is required to perform duties of a different nature for the government
- ▶ Termination benefits (Statement 47 still applies)
- ▶ Holidays based on a specific date not at the discretion of employees
- ▶ Leave more likely than not to convert to a defined benefit plan
- ▶ Unlimited leave



# Recognition Criteria

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## Attributable to services rendered

Employee has performed services to earn leave

## Accumulates

Carried forward to future reporting periods

*include related payroll taxes*

## More Likely Than Not

Greater than 50% to be used/paid (previously used probable as standard under Statement 16)

# Recognition Criteria

- ▶ Use the rate of pay in effect as of the balance sheet date when calculating the liability
- ▶ Exception: When a compensated absence arrangement calls for a different rate of pay at the time of payment
- ▶ Don't estimate future pay, rather meant for when stated adjustments to payment amount, i.e. 50%, are referenced in the arrangement



# Differences from Statement 16

- ▶ No longer a distinction between vacation and sick leave
- ▶ No options to accrue sick leave liability
- ▶ The “accumulates” criteria is unified for all compensated absences
- ▶ The likelihood of compensation for leave is lowered from probable to more likely than not (> 50%)



# Considerations for More Likely Than Not

- ▶ The government's compensated absences employment policies, which may differ by class of employee.
- ▶ Whether benefits for which services have been rendered will become eligible for future payments.
- ▶ Historical information about the use, payment, or forfeiture of compensated absences.
- ▶ Information known to the government that would indicate that historical information may not be representative of future trends.



# Calculating the liability

- ▶ Generally measured using the employee's pay rate as of the date of the financial statements
  - Present value considerations are not necessary
- ▶ Exceptions for the following:
  - If all or some of the leave is more likely than not to be paid at a different rate from the employee's pay rate.
  - If the leave is not attributable to a specific employee as of the date of the financial statements (shared pool).
  - If some or all of the leave is more likely than not to be settled through noncash means other than conversion to defined benefit postemployment benefits.



# Pension Considerations

- ▶ Defined Contributions (DC) plans
  - For salary-related payments for DC plans, the liability is recognized whenever a compensated absence liability would be recognized and reported as expense
- ▶ Defined Benefit (DB) plans
  - Payment related to DB pension or OPEB plan should not be included in the measurement of the liabilities for compensated absences



# Other Liability Factors

- ▶ Certain salary-related payments that are both directly and incrementally associated with payments for compensated absences – e.g. employer share of social security and Medicare taxes.
  - A payment is directly associated if the payment is a function of salary to be paid.
  - A payment is indirectly associated if the government will make a payment in addition to the payment for the salary.
- ▶ Accumulated leave that's more likely than not to be paid to an employee through a distribution to an individual account to be used for specific purposes.



# Recording the Liability

- ▶ A liability should be recognized for:
  - Leave that has not been used
  - Leave that has not been paid in cash or settled through noncash means
- ▶ Focus is on accruing benefit when it is earned and then determining if it is more likely than not that it will be used or paid out instead of vested vs. nonvested benefits.



# Disclosures

- ▶ No new disclosures
- ▶ On LT Liability rollforward, may net increases or decrease (should indicate that it is a net amount)
- ▶ Not required to disclose the government fund typically used to liquidate compensated absences.
- ▶ Must still estimate the amount that is due within one year



# Auditor Considerations

- ▶ An increase in liabilities is expected
  - Threshold changing from “probable” to “more likely than not”.
- ▶ Restatement of net position or fund net position is possible
  - GASB 100 considerations when applying GASB 101
- ▶ Ensure the inclusion of salary-related payments
  - Calculated correctly
- ▶ Testing
  - Ensure the 3 recognition criteria are met for included amounts
  - Recalculate formulas
  - Verify maximums to policy statements and contracts
  - Test the inputs, such as payrates and accumulated hours.



# GASB 101 Example

- ▶ Information:
  - December 31, 2024 year end. First time implementation
  - New Year's Day and July 4<sup>th</sup> are the only paid holidays.
- Policy 1:
  - ▶ Max accumulation of 350 vacation hours
  - ▶ 150 sick hours paid upon termination.
  - ▶ Defined Contribution Plan with 6% employer contribution
- Policy 2:
  - ▶ Max accumulation of 100 vacation hours
  - ▶ 400 sick hours not paid upon termination
  - ▶ Defined Benefit Plan with 3% employer contribution
  - ▶ Government estimates 75% of sick hours is more likely than not to be used as paid leave.

Employee	Policy	Vacation Hours	Sick Hours	Holiday Hours	Payrate
John	1	275	375	16	\$ 45.00
George	1	125	145	16	\$ 45.00
Paul	1	460	160	16	\$ 45.00
Ringo	2	140	400	16	\$ 45.00
Pete	2	20	700	16	\$ 45.00
Yoko	2	100	40	16	\$ 45.00



# Policy 1

Employee	Policy	Vacation Hours	Sick Hours	Holiday Hours	Payrate	Vacation to Accrue	Sick Leave to Accrue	Total	7.65% FICA	Pension	Accrual
John	1	275	375	8	\$ 45.00	275	150	\$ 19,125.00	\$ 1,463.06	1,147.50	\$21,735.56
George	1	125	145	8	\$ 45.00	125	145	\$ 12,150.00	\$ 929.48	729.00	\$13,808.48
Paul	1	460	160	8	\$ 45.00	350	150	\$ 22,500.00	\$1,721.25	1,350.00	\$25,571.25



# Policy 2

Employee	Policy	Vacation Hours	Sick Hours	Holiday Hours	Payrate	Vacation to Accrue	*Sick Leave to Accrue	Total	7.65% FICA	Pension	Accrual
Ringo	2	140	400	8	\$ 45.00	100	300	\$ 18,000.00	\$1,377.00	\$ -	\$19,377.00
Pete	2	20	700	8	\$ 45.00	20	300	\$ 14,400.00	\$1,101.60	\$ -	\$15,501.60
Yoko	2	100	40	8	\$ 45.00	100	30	\$ 5,850.00	\$ 447.53	\$ -	\$ 6,297.53

\*Government estimates 75% of sick hours is more likely than not to be used as paid leave.



# Statement 102 – Certain Risk Disclosures

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# Certain Risk Disclosures

## What?

Requires assessment of concentrations and constraints, and provides disclosure requirements.



## Why?

GASB determined that this information was often not provided. Wanted to provide users better information.

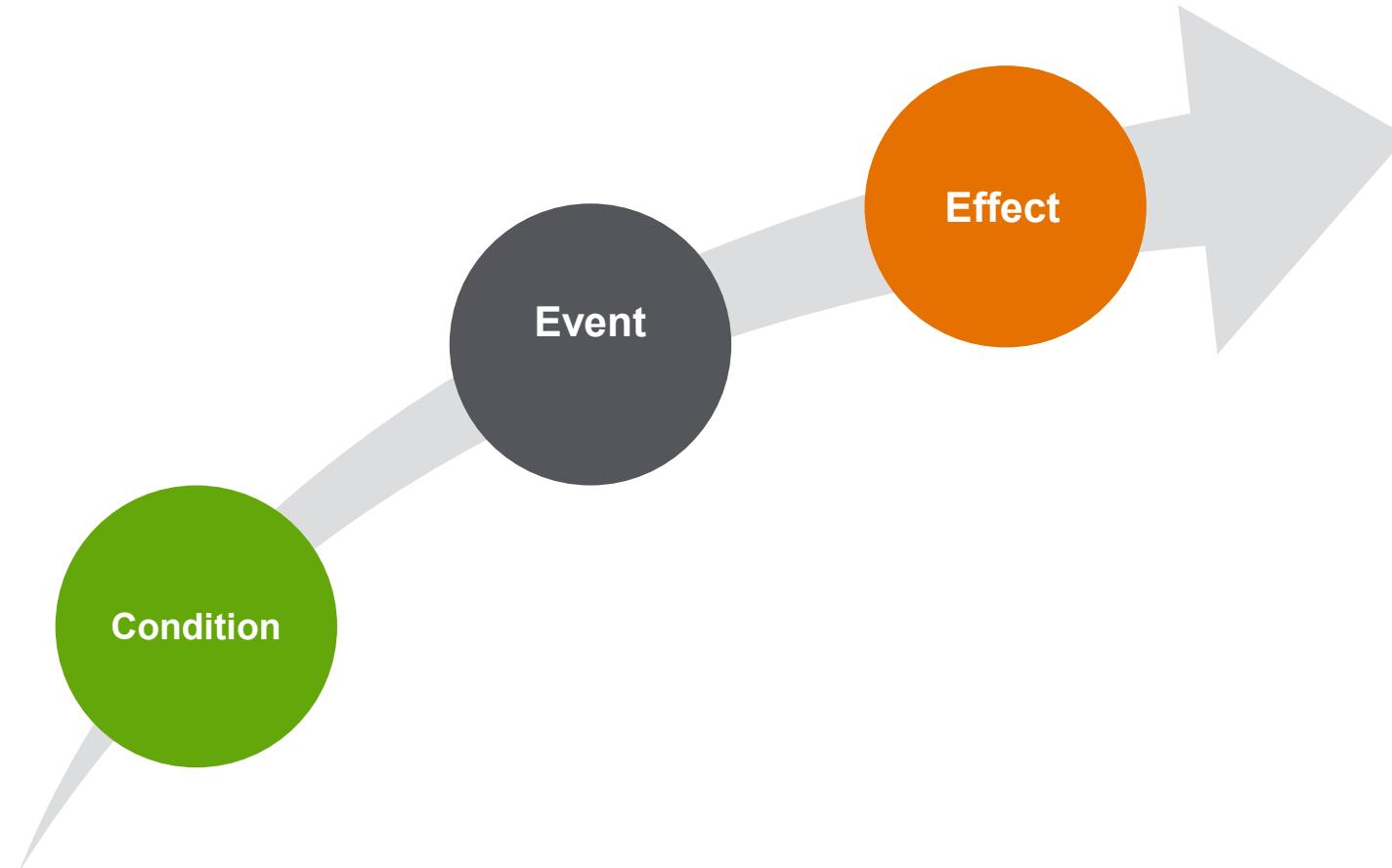


## When?

The Statement will be effective for fiscal years beginning after June 15, 2024



# Certain Risk Disclosures



# Types of Accounting Changes / Corrections

## FASB Topic 275

Nature of Operation

Vulnerability due to  
Concentrations

Use of Estimates

## GASB 102

Constraints

Concentrations

Not Included



# Disclosing Estimates



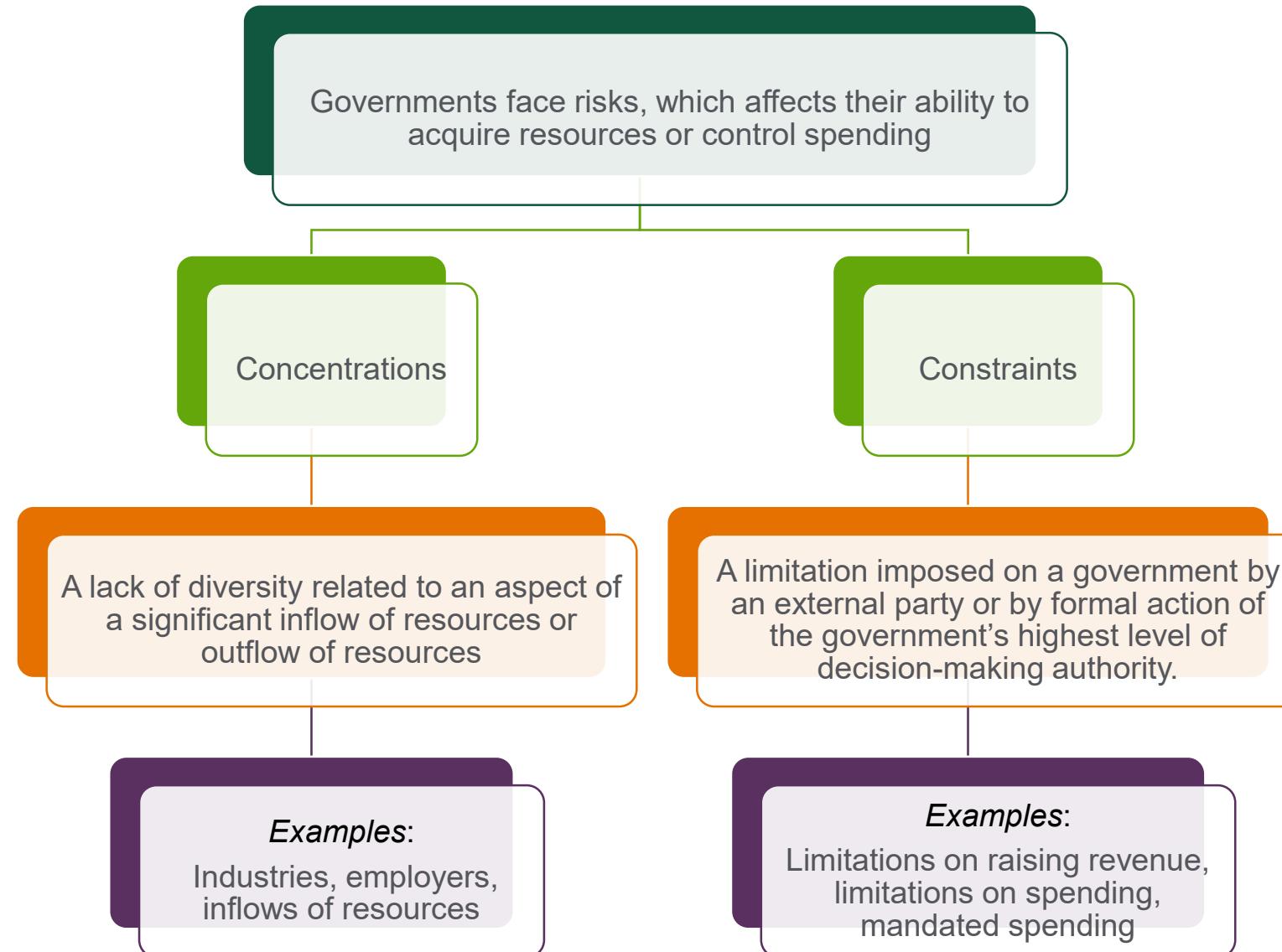
## **FASB Topic 275-10-50-4**

“Financial statements shall include an explanation that the preparation of financial statements in conformity with GAAP requires the use of management’s estimates.”

**The GASB rejected requiring this disclosure.**

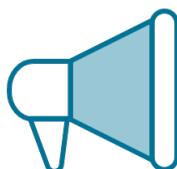


# Scope

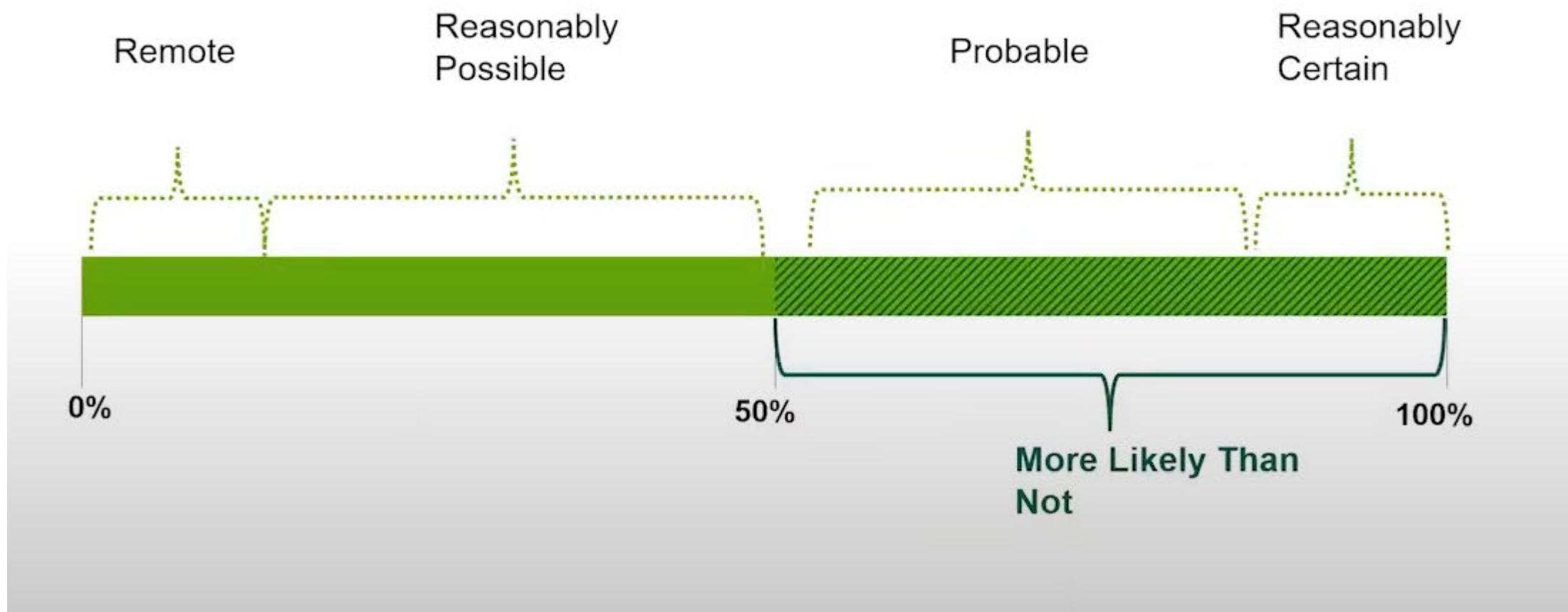


# Disclosure Criteria

- ▶ Disclosures are required when the following criteria are met
  - A concentration or constraint is known to the government prior to the issuance of financial statements
  - The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact
  - An event or events associated with the concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are **more likely than not** to begin to occur within 12 months of the date the financial statement are issued



# Where Does “More Likely Than Not” Fall?



# Disclosure Requirements

- When disclosures are required, they must provide the following:
  1. A description of the concentration or constraint
  2. A description of each event associated with the concentration or constraint that could cause a substantial impact
  3. A description of actions taken by the government to mitigate the risk



# The Application with Other Disclosures

Disclosures required by this Statement may supplement or overlap existing required disclosures

Combine disclosures if the requirements overlap

Other Statement requirements may be met by the disclosures required in this Statement



# Statement 103 - Financial Reporting Model Improvements

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# Financial Reporting Model Improvements

## What?

Improvements to the financial reporting model— Statements 34, 35, 37, 41, and 46, and Interpretation 6



## Why?

A review found that the reporting model could be enhanced



## When?

The Statement will be effective for fiscal years beginning after June 15, 2025



# Improvements Objective

- ▶ The objective of these improvements are to
  - Enhance effectiveness and provide information that is essential for decision-making
  - Enhance the ability to assess a government's accounting
  - Address application issues, based upon the results of the pre-agenda research on the financial reporting model



# Financial Reporting Model Topics

- ▶ Management's Discussion & Analysis
  - Overview of the financial statements, Financial summary, Detailed analyses, Significant capital asset and long-term, financing activity, Currently known facts, decisions, or conditions
- ▶ Unusual or Infrequent Items
  - Show separately before the net change in resource flows.
  - Disclose the related program or activity and if within management's control.
- ▶ Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position



# Financial Reporting Model Topics (cont'd.)

- ▶ Major Component Unit Financial Statements
  - Show each major component unit separately in the statements.
  - Or If this reduces readability, include combining statements after the fund financial statements.
- ▶ Budgetary Comparison Information
  - Present budgetary comparison as RSI (General & Special Revenue Funds)
  - Include variance columns and explanations of variances in the notes.
- ▶ Statistical Section – Financial Trends Information
- ▶ No longer included – Governmental Funds Financial Statements



# Statement 104 – Disclosure of Certain Capital Assets

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# Disclosure of Certain Capital Assets

## What?

Requires that certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34



## Why?

To provide users of government financial statements with essential information about certain types of capital assets



## When?

The Statement will be effective for fiscal years beginning after June 15, 2025



# Improvements Objective

- The objective of these improvements would be to
  - Improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability.
  - The disclosure requirements will improve consistency and comparability between governments.



# Separate Disclosure of Certain Capital Assets

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Within the note disclosures about capital assets required by paragraphs 116 and 117 of Statement 34, information about the following capital assets and related amortization should be disclosed separately:

**Lease Assets** reported in accordance with Statement 87 by major class of underlying asset

**Intangible Right-to-Use Assets** recognized by an operator in accordance with Statement No. 94 by major class of underlying public-public partnership asset

**Subscription Assets** reported in accordance with Statement 96

**Intangible Assets** other than those in subparagraphs (a), (b), and (c), by major class of asset

# Capital Assets Held for Resale



A capital asset is a **capital asset held for sale** if:

- A. The government has decided to pursue the sale of the asset and
- B. It is probable (likely to occur) that the sale will be finalized within one year of the financial statement date



# Factors to Consider Whether it is Probable that the Sale Will be Finalized Within One Year:

- When disclosures are required, they must provide the following:
  - Whether the asset is available for immediate sale in its present condition
  - Whether an active program to locate a buyer has been initiated, which may include the asset being put out for bid
  - Market conditions for selling that type of asset
  - Regulatory approvals needed to sell the asset



# Capital Assets Held for Resale

- ▶ Governments should evaluate whether a capital asset is held for sale each reporting period
- ▶ Continue to report the asset within the appropriate major class of capital asset
- ▶ Disclose capital assets held for sale in the notes:
  - Separate disclosure of historical cost and accumulated depreciation/amortization, by major class of capital assets
  - Disclose the carrying amount of debt for which capital assets held for sale are pledged as collateral
  - Disclosure for both governmental activities and business-type activities



# Other Projects

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# Other Projects

- ▶ Revenue and Expense Recognition
- ▶ Going Concern Uncertainties and Severe Financial Stress
- ▶ Infrastructure Assets
- ▶ Classification of Nonfinancial Assets
- ▶ Subsequent Events



# Implementation Planning

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# Implementation Planning

- ▶ High-performance governments should have an implementation roadmap
- ▶ When evaluating new accounting pronouncements, Cherry Bekaert recommends looking at GASB's impact level, the industry specific impact, and your government's resources and capacity



# Implementation Planning

- Three factors to evaluate implementation resource needs

GASB's  
Impact Level

Industry  
Specific  
Impact

Government's  
Resources  
and Capacity





## **GASB's Impact Level**

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- ▶ GASB provides their anticipated impact level of implementation on their website
- ▶ While not specific to all governments under their purview, it provides a baseline for establishing the costs of implementation.





# Industry Specific Impact

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- ▶ Certain standards impact some government sub-industries more than others
- ▶ For example:
  - GASB 87, Leases, was, as a whole, more difficult for airports and other governments with significant lessor activities
  - GASB 96, Subscription-Based Information Technology Arrangements, impacted schools and universities due to the number of learning subscriptions



# Government's Resources and Capacity

- ▶ All governments do not start at the same place with resources and capacity, so it is important to layer in this component for an accurate assessment
- ▶ Key factors to consider:
  - Tenure in key governmental accounting expertise positions
  - Competing demands on these employees' time (ERP implementations, increased grant funding requirements, etc)
  - Number of open positions with those usually responsible for accounting and financial reporting, including year-end close



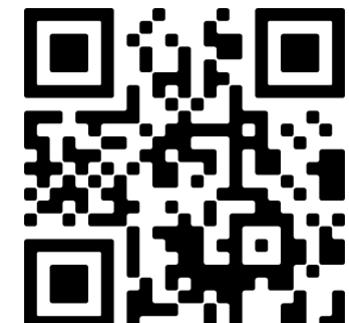
# GASB-As-A-Service

Cherry Bekaert's Government and Public Sector Accounting Advisory team provides a comprehensive GASB-as-a-Service offering\* that helps governments overcome these staffing and technical challenges. Services provided as part of this offering include the following:

- ▶ New GASB Standards Implementation
- ▶ Financial Statement Closing Assistance
- ▶ Financial Statement Audit Preparation
- ▶ Single Audit Preparation
- ▶ Accounting Remediation & Support
- ▶ Financial Statement Preparation
- ▶ Training & Continuing Professional Education
- ▶ Financial & Single Audit Finding Remediation
- ▶ Enterprise Resource Planning (ERP) Implementation Remediation
- ▶ Chart of Accounts Development

**Cherry Bekaert's GASB-as-a-Service offering can help your organization experiencing:**

- ▶ Inability To Fill Open Staff Positions
- ▶ Need To Speed up Financial Statement Insurance Timeline
- ▶ Recent Retirement of Individual(s) With Technical or Institutional Knowledge
- ▶ No Capacity for New GASB Standards Implementation
- ▶ Increase in Reporting & Compliance Requirements Due to Additional Federal Awards
- ▶ Missed Audit Regulatory Deadlines
- ▶ Recent ERP Implementation Challenges
- ▶ Need for Audit Findings Remediation



**[cbh.com/GASB-service](http://cbh.com/GASB-service)**

# Example Roadmap for GASB 101

## GASB Roadmap

**Gotham City**

**Standard**  
GASB 101

**CB Assistance Requested?**  
Yes

"To better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for: (1) leave that has not been used and, (2) leave that has been used but not yet paid in cash or settled through noncash means."

<b>GASB Level of Impact</b>	<b>Client Industry Impact</b>	<b>Level of Resources Available</b>
Medium	Small	Low

**CB Toolbox:**

*Implementation memo* 

*GASB 101 Bucket Checklist* 

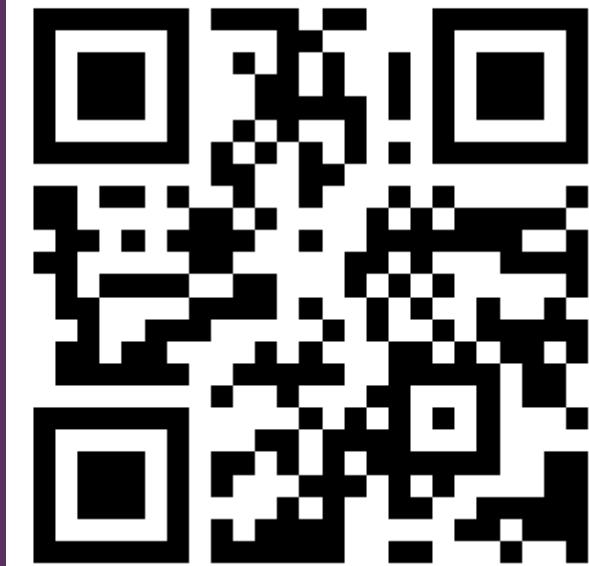
*GASB 101 Presentation* 

# Get More GASB Insight

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# Questions

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