

Que' Sera' Sera'

Jerry E. Durham

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DISCLAIMER OF OPINIONS

- ❶ The Opinions expressed during this presentation are my own. They do not necessarily represent the views of the Tennessee Comptroller of the Treasury, his representatives, or the Tennessee Department of Audit.

Jerry



So let's begin your therapy session!*

*P.S. The cost of these sessions is **not** covered by your insurance plan 😊



THERAPY SESSION #1

Broad Shoulders



THERAPY SESSION #1

The Elephant in the Room

Artificial Intelligence



- 🌐 What about my Job?
- 🌐 What about Cyber Security?
- 🌐 What about policies and procedures?
- 🌐 What about accuracy?
- 🌐 What about Data Centers?

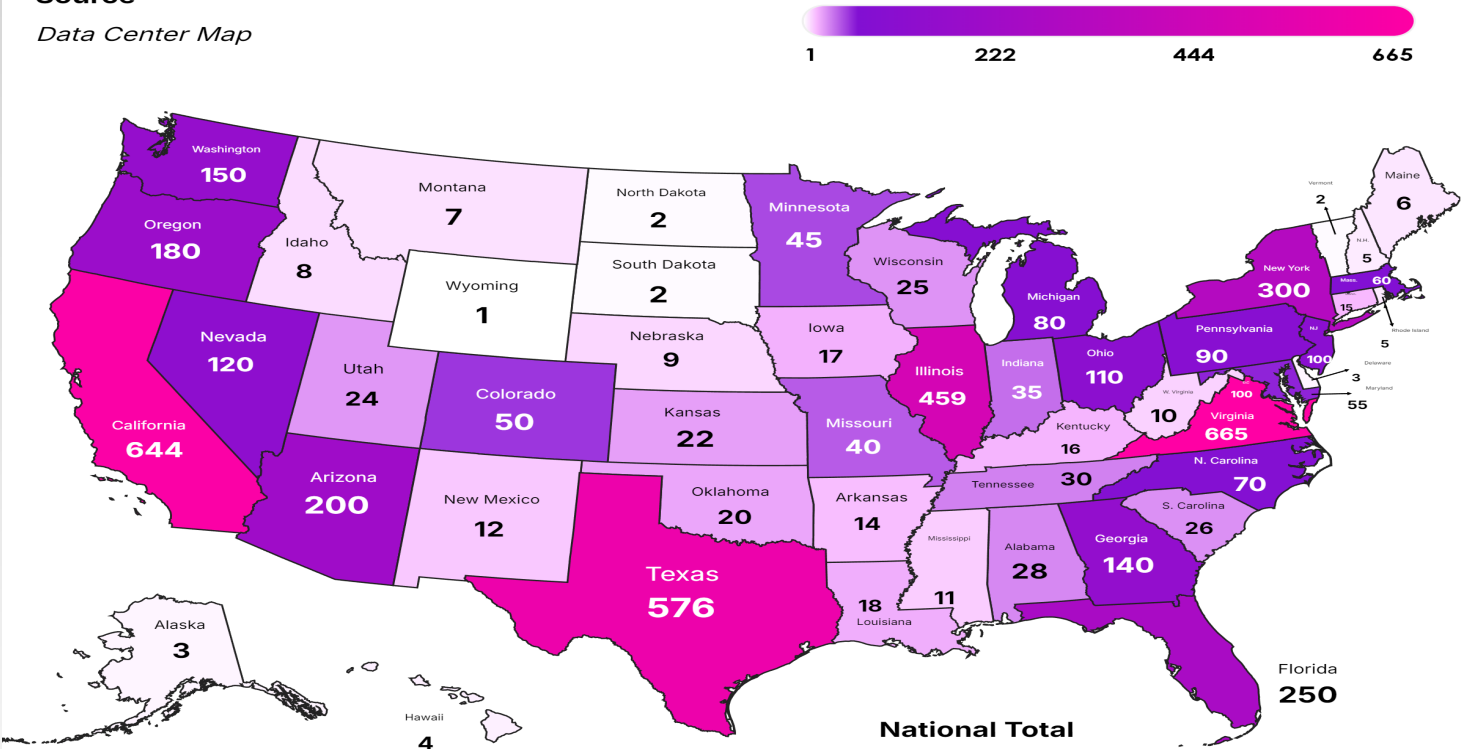


DATA CENTERS

State wise Data Centers in USA (2025)

Source

Data Center Map



National Total

4,864

THERAPY SESSION #2

Standard Setters



GASB STATEMENTS – EFFECTIVE DATES

June 30: Fiscal Year 2026

- Statement 103—Financial Reporting Model Improvements
- Statement 104—Classification of Certain Capital Assets
- IG 2025-1*—*Implementation Guidance Update—2025*

June 30: Fiscal Year 2027

- Statement 105—*Subsequent Events*

FY28: None currently

FY29: Infrastructure Assets unless change after ED

Unknown: Revenue and Expense Recognition

GASB CURRENT PROJECTS (SUBJECT TO CHANGE)

- Implementation Guidance – 2026 ED (Q1 2026)
Released February 2026
- Infrastructure Assets ED (Q1 2026) **Released April 2026, out now**
- Revenue and Expense Recognition ED (Q1 2027)
- Going Concern Uncertainties and Severe Financial Stress ED (Q2 2027)

Updated from GASB Current
Projects List as of January 2026

THERAPY SESSION #2

🌟 We're all going to need therapy **before** and **after** these new GASB standards are implemented.

🌟 So what would a good therapist tell you?

- Do your planning, (i.e., have you thought this through?)
- You're not alone, we are in this together!
- Get with your auditor



THERAPY SESSION #2

And my best advice for all my patients:

The provisions of this Statement need not be applied to immaterial items.



THERAPY SESSION #3

GROWTH



THERAPY SESSION #3

- ④ Any good therapist would ask what you are doing to expand your horizons (i.e., for personal growth).
- ④ So let's examine the Growth aspect of Government.



THERAPY SESSION #3

Please answer the following questions:

- 🌟 Is your budget larger (revenues and expenditures) than last year?
- 🌟 Is your population growing?
- 🌟 Is your government close to an expanding population center and/or industrial/financial growth area?
- 🌟 What are you going to do about it?



THERAPY SESSION #3

Remember Que' Sera' Sera', or It is what it is!

🌟Zoning

🌟Water and Sewer

🌟Garbage/Landfill (50/100 year plan)

🌟Police and Fire

🌟Roads

🌟Schools



THERAPY SESSION #3

Real Reality of Growth

- 🌟 You are going to collect a whole lot more taxes (property, sales, and business)
- 🌟 BUT.....
- 🌟 **THE COST OF NEW SERVICES WILL FAR EXCEED THE NEW REVENUE!!**
- 🌟 **What then? New Debt, Increase Property Tax Rate, Impact Fees??**



THERAPY SESSION #3

Real Reality of Growth

- 🌟 A good therapist would tell you to stop practicing **avoidance** strategies and tackle your problems head-on.
- 🌟 There may even be some opportunities for **Group Therapy**.



THERAPY SESSION #4

Personal



ADA COMPLIANCE – GOVERNMENTS, SCHOOLS, UNIVERSITIES, COURTS, POLICE, ET AL.

Therapy Session #4

- Department of Justice [fact sheet](#) on ADA regulations
- Intended to make public information (websites) accessible
- WCAG, [the Web Content Accessibility Guidelines](#), is a set of guidelines that say what is needed for web accessibility, such as requirements for captions for videos.
- Deadline for governments Pop. **greater than 50k** extended **to April 2027**
- Deadline for governments Pop. **less than 50k** and special districts extended to **April 2028**



FINANCIAL DATA TRANSPARENCY ACT (FDTA) AND GREAT ACT

Therapy Session #4

- What is the FDTA?
 - ✧ Requires financial regulatory agencies (including MSRB for government issuers) to adopt and **implement uniform and non-proprietary** data standards to collect and disseminate information
 - ✧ Awaiting Final Joint Rule, at which point two-year implementation clock will begin ticking
 - ✧ **Released in June 2026**
- What is GREAT Act? (i.e., Grant Reporting Efficiency and Agreements Transparency Act) – 12/30/19
 - ✧ Establish government-wide data standards for information related to federal awards reported by recipients of federal awards
 - ✧ Workgroup is active in federal government, awaiting rules



Therapy Session #4

Effective Dates

- **GASBS 103 – Financial Reporting Model Improvements**

FISCAL YEARS ENDED JUNE 30, 2026
AND AFTER:

MD&A FORMAT CHANGES

Current MD&A	MD&A Under GASB 103
1. Discussion of the Basic Financial Statements	1. Overview of the financial statements
2. Condensed Financial Information	2. Financial Summary
3. Analysis of the Government's Overall Financial Position and Results of Operations	3. Detailed Analysis
4. Analysis of the balances and transactions of individual funds	
5. Description of capital asset and long-term debt activity	4. Significant Capital Asset and Long-Term Financing Activity
6. Currently known facts, decisions or conditions of future significance	5. Currently Known Facts, Decisions or Conditions
7. Analysis of budgetary variances	Moved to Notes to RSI
8. Discussion of infrastructure accounted for using the modified approach	

THERAPY SESSION #4

**Small governments/services/
programs?**



THIS IS GOING TO HURT!!

- ⊛ Combining of Resources? Small Counties, Utility Districts, Authorities - (Ready for Growth???)
- ⊛ Selling of Hospitals, Nursing Homes, Ambulance Services?
- ⊛ Ransomware Attacks!
- ⊛ Revenue Sources? New Property Taxes?!!
- ⊛ New Services?
- ⊛ Pension/Opeb/Landfill Liabilities/Social Security/National Debt?
- ⊛ Nonaudit Services performed by Auditors
- ⊛ Fraud due to inadequate funds/personnel to implement logical internal controls



THERAPY SESSION #4

CMFO/CCFO

🇺🇸 To be or not to be, that is the question!

🇺🇸 TO BE!! YES!!



FINAL THERAPY THOUGHTS

- 🌟 We made it through GASB 34!
- 🌟 We made it through Pensions!
- 🌟 We made it through OBEB!
- 🌟 We made it through Compensated Absences!
- 🌟 We made it through CMFO/CCFO!
- 🌟 We made (are making) it through the New Crosswalk!
- 🌟 We made it through Covid-19!!!!!!!!!!!!
- 🌟 We are making it through Growth!



AMAZING!!

- 🌟 We will make it through anything else they throw at us!
- 🌟 I would recommend staying in touch with your Therapist.
- 🌟 The Division of Local Government Audit and your CPA Firm can help with all the change.
- 🌟 Also, discuss change issues with your neighbors.



 Your 50
Minutes are
up!

 Thank You!

-  Jerry E. Durham, CPA, CGFM, CFE,
THERAPIST **(Not)**
-  Assistant Director, Research,
Compliance, and Contract Audit **(Not)**
-  TN Division of Local Government Audit
-  Jerry.Durham@cot.tn.gov
-  615.401.7951

