



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: June 20, 2023

New Business

Department: Budget

Presenter(s): John Hudson, Budget

Contact(s): Mason Scott, Finance

Subject: Comply with the New GASB Standard

Brief Summary: Effective for fiscal year end June 30, 2023, we must comply with the Governmental Accounting Standards Board Statement No. 96 that requires governments to treat certain multi-year subscription based information technology arrangements (SBITAs) as right-to-use subscription assets and corresponding subscription liabilities. This would apply primarily to multi-year software contracts. For budgetary purposes, and per the Local Government Commission, this means we must recognize an expenditure and other financing source revenue for the present value of the payments we are contractually obligated to make over the life of the subscription and must reclassify to debt principal and interest the payments we made in the current year under these agreements.

As a result, no new dollars are used to make this adjustment, but budget must be increased to ensure each functional area can cover this required accounting treatment.

The amendments are for the General Fund and Register of Deeds Automation Fund.

Recommended Motion & Requested Action: Approve budget amendment

County Manager's Comments & Recommendation: County Manager recommends as presented