

Current Accounts

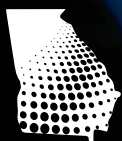
The Georgia Society of CPAs

The AI Threats Changing Cyber Insurance

**GASB Chair Addresses Going Concern
Uncertainties and Severe Financial Stress**

**PCC Addresses Priority Private
Company Issues in Q2**

**A Market Pricing at Two Speeds:
Mid-2026 M&A Dynamics and
What Business Leaders Should
Do About Them**



**The Georgia Society
of CPAs**

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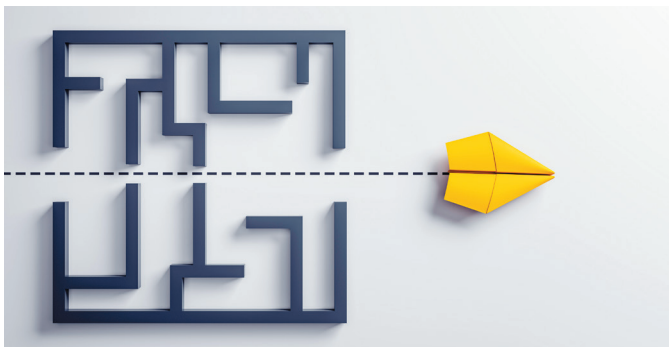
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GEORGIA TAX FORUM

November 4-5, 2026

Sandy Springs Performing Arts Center, Sandy Springs, Ga.

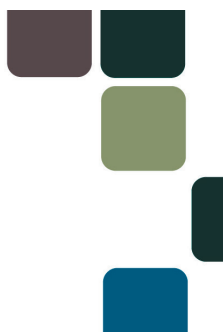
In-Person Event: 13065 | Live Stream Event: LS13065

16 Hours CPE Credit

The Georgia Tax Forum is a comprehensive two-day tax conference designed specifically for accounting and tax professionals looking to stay current on the latest federal and state tax developments, IRS initiatives and emerging issues. Day One focuses on essential federal tax updates, tax controversy and how to successfully integrate AI in tax preparation. Day Two dives deeper into recent tax developments, legislative changes, estate planning, tax credits and what is happening at the Department of Revenue, Georgia Tax Court and the IRS. Attendees will leave this jam-packed event prepared to navigate the future in taxation and armed with actionable strategies to guide their businesses and clients. Consider attending the in-person event at Sandy Springs Performing Arts Center to gain even more value through networking with fellow Georgia tax professionals.



SQUARE SUMMIT
SAVANNAH



SQUARE SUMMIT SAVANNAH

December 3-4, 2026 | The Alida, Savannah, Ga.

In-Person Event: 13090 | 16 Hours CPE Credit

Square Summit is GSCPA's new two-day leadership and strategy conference designed for CPAs who advise businesses on growth, risk, and financial leadership. The conference brings together public accounting leaders, CFOs, controllers, and advisory professionals to explore the forces shaping modern business and the accounting profession. The conference framework centers on the S.Q.U.A.R.E. pillars: Strategy, Quality, Understanding, Advisory, Resilience, Expansion. These themes reflect the evolving role of CPAs as trusted advisors and strategic business leaders. Hosted in Savannah, Georgia, Square Summit combines forward-thinking professional education with a highly engaging networking environment. Register at www.gscpa.org.

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Planes, Trains and Automobiles

As I am writing this letter from my hotel room in Dallas, TX, I'm thinking about how much of my time is spent on traveling, moving around on planes, trains and automobiles (also the title of a classic comedy movie from 1987, I might add). A lot of my travel is work-related, visiting clients or attending conferences. And there's also the fun travel, the trips with just my backpack and my passport, searching for a new adventure. Oh, here's a tip for those who may be making a trip to London soon: When boarding the train, be sure to mind the GAAP. Accounting joke, I couldn't help myself. And coming soon to a city near you, I'll be hitting the GSCPA chapter circuit with Boyd visiting with members across Georgia. Road trip!

Yes, constant travel can be hectic as airports are busier than ever, flights can get delayed or canceled, luggage sometimes gets lost, road construction can create traffic jams and hotel costs can make you cringe when the front desk person hands you the bill at checkout and asks, "Does everything look correct?" Sometimes it seems easier, more convenient and certainly more cost-effective to schedule a Zoom call for a client meeting, to choose the virtual option for a seminar instead of attending in person or to cancel travel plans altogether simply because it can be a hassle.

We live in a digital world that allows us to communicate with one another more efficiently, thus avoiding the production that comes with planes, trains and automobiles. However, text messages, emails and video calls can't replicate the same level of connection that develops through in-person interaction. Wealth management is very much a relationship business and the accounting profession is the same. You've built great relationships with your clients, your team

members and those around you in various networks. Technology keeps us connected, but investing time in those relationships allows us to truly connect with one another.

As I think about many of my meaningful personal friendships and professional relationships, they all have developed and grown stronger over time by spending face-to-face time together. Texting, emails, Facebook posts and Instagram stories keep us from losing touch, but the experiences we share, conversations we have and the time we spend together in person is what deepens our connection.

As summer is coming to an end and many of you may be settling back into a more regular rhythm, I encourage you to find an opportunity to reconsider convenience and prioritize the value of in-person connection. Meet a friend for lunch instead of having a conversation over text messages. Drive to the office and chat with your co-workers. Hop on a plane to visit an out-of-state client you haven't seen in a while. Opt for the in-person option over the virtual option for your next GSCPA CPE seminar. However you do it, you won't regret it. Your friend will be glad to see you. You'll improve the culture of the office environment. Your client will know that you care. And maybe at the GSCPA seminar you'll make a new connection or two... you'll at least get free breakfast and lunch! Planes, trains and automobiles. I'll take them over text, Zoom and email to build a relationship any day of the week and twice on Sunday.

CROMWELL S. BAUN, CFA, CFP®, CIMA®, CPWA®

The AI Threats Changing Cyber Insurance

by **NATALIE ROONEY**

Artificial intelligence is making cybercriminals faster, scams more convincing and insurance policies more complex. Here's what CPA firms need to know before their next renewal.

The email you're reading looks legitimate. It references an actual client, the writing style feels familiar, and the invoice includes what looks to be a valid company logo and payment instructions. Business as usual? Maybe. Maybe not.

Artificial intelligence has dramatically changed the cyber threat landscape, making phishing emails, fake invoices, cloned voices and fabricated documents more realistic than ever. Fraud that once required sophisticated technical skills can now be accomplished with a well-written prompt and widely available AI tools.

For CPA firms, where sensitive client information is a key part of everyday business, the risks continue to grow. As a result, cyber insurance carriers are changing underwriting requirements, adding new policy language and expecting firms to demonstrate stronger cybersecurity practices before the insurer provides coverage.

"We're at a crossroads right now," says Allen Lumpkin, CIC, ARM, CCIC, who leads the Cyber & Technology Practice Group for Sterling Seacrest Pritchard, GSCPA's insurance agency partner. "Historically, carriers have been largely silent about AI within their coverage forms. We're beginning to see that change."

CODE-IT-YOURSELF FRAUD

Cybersecurity has always been a concern for accounting firms, but AI has fundamentally changed who can carry out an attack.

Today, someone with little technical experience can ask an AI platform to generate computer code, analyze publicly available information or help create realistic phishing campaigns. AI also gives bad actors the ability to automate much of the process, creating attacks that are highly personalized and scalable.

"If you treated pre-AI cyber risk as a threat level six or seven, we're probably at eight or nine now," says Calvin Wong, CISSP, GSCPA's IT director. "Before, you mainly had hackers with technical skills. Now anybody can use AI to help write code or analyze information to find vulnerabilities."

Wong says when he presents this information to members, they nod their heads in agreement, because they're receiving more and more phishing

"If you treated pre-AI cyber risk as a threat level six or seven, we're probably at eight or nine now."

CALVIN WONG, CISSP



emails from people pretending to be vendors, clients or even the IRS.

In the past, phishing attempts were often easy to spot because they contained poor grammar or spelling errors. AI has largely eliminated those red flags.

"AI has become much better at writing emails," Wong says. "Now the phishing emails make sense when you read them. They're in context." Today's attacks also can unfold over multiple conversations instead of relying on a single suspicious email. An initial message might not even include any links or attachments. Once someone responds, however, AI can help generate convincing follow-up messages that build trust before introducing fraudulent payment requests, fake document links or requests for confidential information.

"It's not always the first email anymore," Wong says. "Sometimes it's the third one."

NEXT-GEN FRAUD

AI's influence is extending beyond email, as well. Generative AI can produce convincing invoices, receipts, financial documents and other business records using publicly available company logos and branding.

An employee could fabricate receipts for expense reimbursements. A fraudster could generate an invoice that resembles one from a trusted vendor. Criminals can mimic the style and formatting of organizations they're attempting to impersonate. Voice cloning and other deepfake technologies present additional concerns.

Cyber Insurance continued on page 8

"People are worried about what's next," Wong says. "Maybe somebody captures your voice from another phone call, creates an AI version of it and now they can make it say anything."

Lumpkin agrees. "We've seen tools that can do it. They've demonstrated how someone can recreate a person's voice using technology that's readily available."

A NEW ERA FOR CYBER INSURANCE

For CPA firms that routinely authorize payments, exchange confidential financial information and advise clients on high-value transactions, these developments are changing how insurance carriers evaluate security risks and how policies address them.

In the past, cyber insurance policies focused on helping organizations recover after a breach through coverage for data recovery, legal expenses, forensic investigations, ransomware, business interruption and other cyber-related losses. Those protections remain essential, but now insurers are paying closer attention to how organizations are working to prevent incidents in the first place.

Until recently, policies also haven't specifically mentioned AI. Lumpkin says insurers are beginning to define what AI-related incidents are covered and what responsibilities remain with the policyholder. Those conversations extend beyond cyber liability coverage and into another policy CPA firms depend on: errors and omissions insurance (E&O).

Lumpkin says some carriers are starting to include affirmative AI coverage within their policy forms, which means clear, written language addressing how tech E&O and cyber policies apply when AI causes harm.

"If CPAs are using AI internally to draft documents or assist with professional services and they're not reviewing that work before providing it to clients, E&O becomes a significant issue," Lumpkin says.

As insurers address AI more directly, firms could encounter new exclusions, requirements or expectations surrounding human oversight, which makes understanding the language in both cyber and professional liability policies important.

"The expectation is still that a human is reviewing AI-generated work," Lumpkin says. "You can't simply rely on AI and assume it's correct."

That's an important difference for firms embracing AI to improve efficiency, because AI doesn't replace professional judgment, Lumpkin says. "As policy language evolves, documented review processes could become key to demonstrating that a firm is appropriately managing its exposure."

MORE DETAILED RENEWALS

Changes to cyber insurance aren't limited to policy language;

*"Humans are still
the weakest link
in the security chain."*

ALLEN LUMPKIN, CIC, ARM, CCIC



they're also showing up in the underwriting process. Where firms once answered a handful of general questions about their technology, today's cyber insurance application often resembles a cybersecurity assessment.

"Underwriters want to understand what you're doing internally," Lumpkin says. "They're looking at the controls you have in place and how you're managing cyber risk."

Multi-factor authentication (MFA), which requires a second form of verification beyond a password, is now considered by many carriers to be a baseline security requirement. Endpoint detection and response (EDR), which monitors user activity and system behavior for suspicious patterns, is another area of focus. "Instead of only the largest corporations having these tools, they're becoming much more standard," Wong says. "If someone does get into your account and starts doing things you wouldn't normally do, those systems can detect it and stop the activity."

Insurers also want to know how firms manage employee access and expect firms to follow the principle of least privilege (PoLP), limiting employee access to only the systems and information needed to perform their jobs. "If a customer service employee is compromised, you don't want them to have access to everything," Wong says.

Employee education is another underwriting consideration because technology can't prevent every employee from clicking on a convincing phishing email or responding to a fraudulent payment request. "Humans are still the weakest link in the security chain," Lumpkin says.

Wong agrees. "Security awareness is number one. People need to know these attacks exist. Keeping everyone informed about the latest scams is one of the best ways to reduce your risk." Rather than relying solely on annual cybersecurity training, firms should regularly share examples of emerging scams, so employees recognize how current attacks are evolving.

BEYOND PURCHASING A POLICY

Both Wong and Lumpkin emphasize that cyber insurance isn't a substitute for cybersecurity. Insurers want organizations to demonstrate that they're actively managing risk through secure

backups, prompt software patching, tested incident response plans, controlled access, employee training and appropriate policies governing the use of AI.

"Our approach is to first understand an organization," Lumpkin says. "Then we work with their technology leaders to understand what they're doing around AI and how they're reducing risk. Then we match the organization with a carrier that fits their needs."

A customized approach is particularly important because cyber insurance remains anything but standardized. Unlike property or general liability insurance, cyber coverage can vary significantly from one insurer to another. Definitions, exclusions, sublimits and AI-related provisions may differ in important ways. As AI-related risks evolve, firms should pay close attention not only to whether they have coverage, but to how their policies define covered events, where exclusions apply and how cyber and E&O policies work together.

"There is no uniformity. A term may mean something in one carrier's policy and may mean something totally different in another," Lumpkin notes. "It's still the Wild West."

Lumpkin also cautions that choosing the lowest premium doesn't necessarily provide the best protection. Finding a broker who understands cyber insurance and the unique risks facing CPA firms is just as important as selecting the policy itself.

THE DOWNSIDE OF DEFAULTING TO TRUST

One area where the details of coverage can be especially important is social engineering. "It's the claim I see every week," Lumpkin says. A common scenario involves a client receiving what appears to be a legitimate invoice from a trusted vendor. The invoice looks authentic, but the payment instructions have changed. As a result, the client sends payment directly to a criminal's account.

"The money is gone," Lumpkin says. "Without social engineering coverage on your crime policy or within your cyber policy, there may be no coverage."

In one recent case, cybercriminals infiltrated a company's accounting department, monitored communications and learned how invoices were processed. They eventually sent legitimate invoices with new banking information to customers.

One Fortune 500 customer unknowingly transferred nearly \$1 million before realizing something was wrong. "They looked at my client and said, 'We weren't hacked. You were hacked. We're not paying you again,'" Lumpkin says. For CPA firms, these scenarios raise an important insurance question: Does the firm's policy cover the way the loss actually occurred?

Social engineering, invoice manipulation, business email compromise and other fraud-related losses may be treated differently depending on the policy and its sublimits. As AI makes these schemes more convincing, understanding the specifics of those terms before a claim occurs is important, Lumpkin says.

VIGILANCE: THE CRITICAL BEST PRACTICE

While AI has made attacks more sophisticated, many effective defenses remain straightforward: MFA, strong endpoint protection, limited user access, routine software updates, secure backups and ongoing employee education.

Firms also need verification procedures for financial transactions and sensitive information. Whether reviewing invoices, responding to payment requests, opening client documents or exchanging files through online portals, firms should make verification part of routine business practices.

Supply chain attacks add another layer of risk. A trusted third party or software provider can become an entry point for cybercriminals, meaning firms need to consider vendor and third-party risks as part of both their cybersecurity strategy and insurance discussions.

"I think the best thing firms can do is remain vigilant," Lumpkin says. "Know who you're working with. If something seems unusual, pick up the phone and verify it."

THE NEXT FRONTIER

As AI continues to evolve, attacks are likely to become more personalized, convincing and difficult to detect. Insurance policies will evolve alongside them, with greater attention to cybersecurity controls, AI governance, human oversight and the ways firms use AI in providing professional services.

For CPA firms, that makes reviewing coverage more important than just renewing the same policy year after year. Firms should understand whether their cyber and E&O policies address emerging AI-related risks, what exclusions or sublimits could leave gaps in coverage and what security practices insurers expect them to maintain. They also need to revisit those questions as both the technology and insurance marketplace continue to change.

"Anybody can do this now," Wong says of AI-assisted attacks. "That's what makes it more dangerous."

For CPA firms, staying ahead will require stronger security, educated employees, careful attention to evolving policy language, and advisors who understand how emerging risks fit within the coverage a firm is counting on.

Lumpkin says there's no telling what bad actors will do next, but as fraud evolves, the best positioned firms won't necessarily be the ones with the newest technology. "The best prepared firms will stay informed, remain vigilant and recognize that in the age of AI, protecting trust has become just as important as protecting data."

NATALIE ROONEY is a Colorado freelance writer who has been writing for CPA societies for over twenty years. She can be reached at natalie.g.rooney@gmail.com.

Georgia Sales Tax Obligations for Nonprofit Fundraising Events: Admissions Charges, Galas and Silent Auctions

by RICHARD C. LITWIN, ESQ.



Nonprofit organizations that hold events to raise money must be cognizant of sales tax collection obligations. Many nonprofits that are exempt from federal income tax under I.R.C. § 501(c)(3) (“NFP” or “organization”) think that their federal exemption from paying income tax extends to sales tax. Some NFPs hold annual events and, as such, they do not believe that sales tax applies to charges for tickets for admission to the event. But nonprofit organizations, with a few exceptions, are required to collect sales tax.

Executive staff, board members, directors and outside advisors should take note of the organization’s sales tax collection obligations. The story below should give nonprofit boards, their directors and their advisors reason to pause.

CHARGES FOR TICKETS OR CHARGES FOR ADMISSION

An organization or business that sells tickets or charges a fee for admission to a place of amusement, sports, entertainment or exhibition or display must collect tax on the ticket sales or charges for admission. Thus, an NFP that sells tickets for a gala, a street festival or another similar event must collect sales tax on the charges. (Charges for entry fees for tournaments will be covered in another article.)

A few years ago, a metro Atlanta nonprofit held a festival for which it sold tickets. Like most NFPs that hold annual events, this nonprofit had been planning the event for several months and selling tickets on its website. A few days before the event, the Georgia Department of Revenue’s local regional office contacted them to remind them to collect sales tax on the ticket sales for the festival. But the nonprofit had already sold most of the tickets and had

not collected sales tax on the online ticket sales. Begrudgingly, they prepared to pay the uncollected sales taxes from its own funds. Luckily for them, the organization is exempt from sales tax collection obligations, so, in the end, the NFP did not have to remit uncollected sales taxes. This exemption is unique to the Atlanta nonprofit and does not apply to other NFPs. The takeaway is that enforcement is a reality and NFP executives and their boards should take note of the obligations discussed in this article.

By law, sales of tickets or charges for admission are taxable retail sales. The seller must collect sales tax on such sales or charges.

Many NFPs sell tickets for their events on the organization’s website. The NFP should separately state the charge for sales tax on the ticket charge. For example, if the NFP’s offices are in Cobb County and the venue for the event is in the City of Atlanta, then the NFP should charge sales tax using the City of Atlanta tax rate. This is true even if the online purchaser lives in Cobb County or another county. The receipt should show the separately stated charge for the ticket and the sales tax.

FESTIVALS AND BLOCK PARTIES

During the fall and spring, NFPs have festivals and/or tasting events in restricted areas, where area vendors set up booths and/or food trucks to give away or sell their popular menu items. The NFP that sponsors the event must charge sales tax on the admission charge, and the NFP must remit the tax to the Georgia Department of Revenue.

The NFP may charge food vendors and other vendors a fee for space at the festival. Such

charges are considered rent for real property. The charges are not subject to sales tax.

GALAS WITH FOOD AND ENTERTAINMENT

NFPs hold an annual gala as a fundraiser. The ticket charge includes food/drink and entertainment.

The ticket or receipt given to the attendee should show the ticket charge and the applicable sales tax on a separate line (including the sales tax with the ticket price is discussed below). The NFP should charge tax based on the local jurisdiction where the event is held, and not where the purchaser lives or where the NFP's offices are located.

If the entertainment, such as music, provides *de minimis* value, then part of the ticket price is not taxable. In particular, the entertainment may be piped-in music or other entertainment that a typical attendee would not pay to see. In such a case, according to the Georgia Department of Revenue, the NFP is required to charge tax only on the portion of the ticket tied to the fair market value of the food/drink.

For example, if the ticket price is \$150.00 and the fair market value of the food/drink is \$50.00, then the NFP must collect and remit tax on \$50.00. The NFP should give the attendee a receipt as follows (assuming that the event is held at a venue in the City of Atlanta):

FMV Food/Drink	\$50.00
8.9% City of Atlanta Tax on Food/Drink Charge	\$4.45
Tax-Deductible Contribution	\$100.00
Total Charge for Ticket	\$154.45

The above example assumes that the NFP pays sales tax on the food purchases. Finally, the NFP should keep a record (perhaps a duplicate of each receipt) of the breakdown of the charges on each ticket.

SILENT AUCTIONS

At the core of many annual galas is the silent auction. NFPs and those who donate the items to be auctioned must understand all applicable sales tax obligations.

The donor of the item must pay sales tax on the purchase of the item. If the donor is a business that removes the item from resale inventory, then the donor must accrue and remit sales tax on the fictional sale. A fictional sale occurs when the business removes the item from inventory to give away. The business must pay sales tax on the cost of the item removed from inventory. Under the Georgia Department of Revenue's regulation, a business that buys items for resale and without paying sales tax and holds the property for sale at retail in the regular course of business is liable for tax when the property is withdrawn from resale inventory to donate for the auction. The donor business must accrue and pay tax on the business' cost price of the property based on the tax rate of the county (and/or city) where the property is removed from resale inventory.

The NFP must collect sales tax from the winning bidder. Before the auction, the NFP should set the fair market value for each item. The NFP should mark each bid sheet with the item's fair market value. If the winning bid exceeds the item's fair market value, then the winning bidder pays tax on the fair market value of the item. The NFP prepares a receipt as follows:

Winning Bid	\$750.00
Fair Market Value	\$450.00
Deductible Contribution	\$300.00
Sales Tax (assuming Cobb County is auction location)	\$27.00

If the winning bid is less than the item's fair market value, then the winning bidder pays tax computed on his/her winning bid. The NFP prepares a receipt as follows:

Winning Bid	\$400.00
Fair Market Value	\$450.00
Deductible Contribution	\$0.00
Sales Tax (assuming Cobb County is auction location)	\$24.00

In sum, whether the winning bid exceeds the item's fair market value or is less than the item's fair market value, the NFP must separately state the sales tax on the receipt. The NFP should give the receipt to the winning bidder. The NFP should keep a copy for the NFP's records.

GALA DOOR PRIZES AND RAFFLE TICKETS

Some galas end with a raffle ticket drawing for a large gift. Some galas end with parting gifts or mementos of the event that the NFP gives to the attendees.

Raffle Tickets

If the NFP includes the raffle ticket with the purchase of the admission ticket for the event, and if the lucky winner receives a gift donated by a third-party, then the NFP does not have to charge sales tax on the raffle ticket. If the attendee buys the raffle ticket separate from the admission ticket, then the charity should collect sales tax on the purchase of the raffle ticket.

Parting Gifts

The NFP should pay sales tax on the purchase of the gifts. If a third-party donates the parting gifts, then the donor must pay sales tax on the purchase of the gifts. Then, when the donor donates the gifts, the donor does not owe tax and the NFP does not owe tax. The attendees do not have to pay tax on the gifts when receiving the gifts. The NFP may owe second-level sales/use tax where the event is held in a county that has a higher tax rate than the NFP's headquarters. For example, if the NFP buys parting gifts in Cobb County and pays the 6% Cobb tax, and if the event is held in the City of Atlanta, with an 8.9% tax rate, then the NFP must pay the 2.9% second-level sales/use tax on the difference in the local rates.

CONCLUSION

Nonprofit organizations face several sales tax compliance laws and must be aware of their obligations. They must ensure that they collect sales tax when required. Failing to collect tax could subject all responsible persons (jointly and severally) to personal liability for the uncollected sales taxes.

RICHARD C. LITWIN, ESQ. is an Atlanta attorney, who specializes in state and local taxation and tax disputes, including sales and use tax, corporate income tax, personal income tax and local business occupation tax. Mr. Litwin also speaks regularly on multistate taxation, at national and state bar seminars and at conferences sponsored by GSCPA.

GASB Chair Addresses Board's Project on Going Concern Uncertainties and Severe Financial Stress

by **JOEL BLACK, GASB CHAIR**

This project began due to inconsistencies in the application of the current going concern guidance in GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, which was issued in March 2009.

That guidance was brought into the Board's literature largely from private-sector guidance on going concern. Some might interpret that guidance as: "if my government can't legally cease to exist, there is no way it could have a going concern uncertainty."

Others could look at that guidance and say, "my government is in really bad financial shape and if it could go out of business legally, it would go out of business."

Due to the unique nature of governments and their legal existence within different states — where sometimes there is an inability to even declare bankruptcy, the current guidance on going concern considerations in our literature may just not apply very well to the public sector.

This is why the Board is revisiting the guidance on this issue and developing requirements that will be designed specifically with the state and local government environment in mind.

WHAT GASB MEANS BY SEVERE FINANCIAL STRESS

To date, the project has taken common going concern concepts of continued existence and an inability to pay obligations as they come due and separated them into two separate notions that our March 2025 Preliminary Views (PV) proposal called (1) probable dissolution, i.e., it is likely the government will cease to exist as the same legal entity, and (2) severe financial stress, which meant "the government is near or at the point of insolvency."

In the PV, the GASB defined both of those terms but left a government's determination about whether it is probable they will dissolve or whether they are in severe financial stress to the professional judgement of the preparer of the

financial report. However, we did provide some example indicators of severe financial stress to consider in applying professional judgment.

Example indicators provided by the Board of being near insolvency, i.e., in severe financial stress, include but are not limited to:

- Structural deficiencies, such as recurring periods in which expenses or expenditures exceed revenues,
- A need to reduce services to improve financial condition, or
- Noncompliance, such as a default on bonded debt.

The Board included a total of fourteen example indicators in the PV. These are meant to assist governments in their assessments and are not intended to be an exhaustive list.

If you determine that your government is either probable to dissolve or is in severe financial stress, we have proposed some disclosures that would be required in the notes to the financial statements.

In the feedback the GASB received on the PV, we heard a lot of support for the separation of the concepts of continued existence and an inability to pay obligations as they come due because it better applied to the government environment. Feedback that we heard from the audit community included the concern that removing the term "going concern" from GASB literature would make the existing going concern audit literature significantly harder to apply.

Some auditors who provided feedback to the Board also expressed concern that the PV did not propose to require management to make a forward-looking assessment toward the government being insolvent within a certain timeframe.

The Board continues to work through the comments it received on the PV and that it received in the public forums that followed the issuance of the document.

CURRENT PROJECT STATUS AND THE ROAD AHEAD

The Board has made a number of tentative decisions and continues to work through the redeliberation process. Included in those tentative decisions is one of particular significance; specifically, this relates to the Board's proposal to require management to make a forward-looking assessment about whether it is probable the government will be insolvent within twelve months from the date the financial statements are available to be issued.

The GASB will continue to redeliberate the remaining aspects of the proposal and plans to issue an Exposure Draft of a proposed Statement in spring 2027. A final Standard is expected in 2028.

SHARE YOUR INPUT

Governments in Georgia and their auditors can participate in the process by commenting on the Exposure Draft when it comes out in 2027 so that we hear your voices and have the benefit of your input. Your comments are not required to address all aspects of the proposed guidance and may address as many or as few as you wish to provide the Board with feedback on. If, for example, you have only one comment or piece of information that you would like to share with us, we would welcome it.

For more information about the GASB's project on Going Concern Uncertainties and Severe Financial Stress and other projects, please visit www.gasb.org/projects. If you would like to discuss this project or any other governmental accounting-related topic, please be in touch.

The views expressed in this article are those of the author only. Official positions of the GASB on accounting matters are determined only after extensive public due process and deliberation.

JOEL BLACK was named chair of the Governmental Accounting Standards Board effective July 1, 2020. Prior to joining the GASB, Black was the partner in charge of the audit practice at Mauldin & Jenkins, LLC in Atlanta.

PCC Addresses Priority Private Company Issues in Q2

by **JERE SHAWVER, PCC CHAIR**

At our most recent meeting in June 2026, the PCC discussed two current research projects that emerged from our structured agenda prioritization process: employee stock ownership plans (ESOPs) and lease accounting simplifications. The PCC also discussed its overall agenda priorities and advised the Financial Accounting Standards Board on several FASB projects.

ESOPS

After adding ESOPs as a research area at its March 2026 meeting, PCC members began a more in-depth discussion of the topic at the June meeting. The discussion included an educational session led by representatives from Forvis Mazars on the current ESOP landscape, as well as consideration of recent stakeholder feedback and future research and outreach activities.

Members discussed financial statement users' needs for enhanced information about repurchase obligations, concerns about significant estimation assumptions, and diversity in applying existing guidance. Members supported focusing future efforts on better understanding users' informational needs, exploring objective and auditable disclosures related to repurchase obligations, and evaluating whether education or implementation support could promote more consistent application of the guidance.

LEASE ACCOUNTING SIMPLIFICATIONS

In collaboration with the PCC's leases working group, the PCC is continuing its research to determine whether there are opportunities to further simplify the accounting guidance on leases for private company lessees. Specifically, PCC members supported conducting additional outreach on (a) lease modifications, (b) embedded leases, and (c) lease classification criteria.

REASSESSMENT OF AGENDA PRIORITIES

PCC members considered whether certain topics from the 2025 FASB Invitation to Comment — *Agenda Consultation* that the Board did not add to its technical agenda include private-company-specific financial reporting issues. The PCC will continue to monitor topics not added to the Board's technical agenda for private-company specific financial reporting issues and is expected to reassess its agenda priorities later this year.

DISCUSSION OF FASB PROJECTS

The PCC discussed several FASB projects, including two that are discussed in more detail below: subjective acceleration clauses and debt default disclosures, and the definition of common control.

Subjective Acceleration Clauses and Debt Default Disclosures

After conducting significant research and outreach, the PCC recently recommended that the FASB add a project to its technical agenda on subjective acceleration clauses in determining

the classification of debt as a current or noncurrent liability in a classified balance sheet because the issues are not unique to private companies.

At its June meeting, the PCC discussed the Board's decision to add the project to its technical agenda and its recent tentative decisions, most of which aligned with the PCC's recommendations. PCC members also discussed the Board's tentative decision to propose expanded disclosures on events of default. We encourage GSCPA members to submit a comment letter to the FASB once the proposed Accounting Standards Update is issued later this year.

Definition of Common Control

PCC members observed that transactions between entities under common control (including those involving family relationships) are prevalent in private companies and that the underlying transactions can be complex. Members emphasized the importance of professional judgment and considering specific facts and circumstances in applying the definition of common control to avoid potential unintended consequences. The PCC also discussed several FASB projects including indexation — debt and equity, cash equivalents disclosures, digital assets and the equity method of accounting.

RECENT TOWN HALL AT AICPA ENGAGE CONFERENCE

PCC members held a town hall-style forum at the AICPA ENGAGE Conference in June 2026 in Las Vegas. We received valuable feedback from conference attendees and appreciated the opportunity to participate in the conference and hear participants' perspectives directly.

The next PCC meeting is scheduled for September 28-29, 2026 in Norwalk, Conn. During that meeting, the PCC will meet with the AICPA's Technical Issues Committee.

CONCLUDING THOUGHTS

I encourage GSCPA members to share input on the PCC's current research projects or ideas for future agenda priorities by contacting Jenifer Wyss, PCC Coordinator, at jjwyss@fasb.org. Those interested in becoming more involved as a PCC member or PCC working group member, or in providing feedback on other FASB or PCC initiatives, may also reach out through the Contact Us portion of our webpage. Additional information about our work is available on our webpage at www.fasb.org/pcc and in the PCC's 2025 Annual Report.

The views expressed in this article are those of Mr. Shawver only. Official positions of the PCC and the FASB on accounting matters are determined only after extensive public due process and deliberation.

JERE SHAWVER serves as chair of the Private company Council. Shawver also serves as the chief executive officer at Baker Tilly U.S., LLP, where he manages the assurance practice and risk management, which includes the Office of General Counsel.



A Market Pricing at Two Speeds: Mid-2026 M&A Dynamics and What Business Leaders Should Do About Them

by **DON BRAVALDO, CPA**

Global mergers & acquisitions is on pace for one of its strongest years on record. Sit across the table from a business owner in the middle-market, however, and you are just as likely to hear about a deal that stalled, a financing package that came in tighter than expected or a process pushed into next year. Both pictures are accurate, and reconciling them is the task at hand, because the second half of 2026 will reward owners who understand precisely which of these two markets they occupy.

This is a market pricing at two speeds. At the top, a handful of enormous transactions are inflating every headline number. Underneath, a much larger population of lower middle-market deals is moving more cautiously, financing more selectively and pricing with real discipline. That pattern holds globally, nationally, and, in its own form, in the U.S. lower middle-market, where most of Bravaldo Capital Advisors' clients live. The signal you take from "M&A is booming" depends entirely on which layer you are standing in.

THE GLOBAL PICTURE: RECORDS AT THE TOP, RESTRAINT UNDERNEATH

Global M&A value in the second quarter of 2026 came in at an estimated \$1.3 trillion, down 18.4 percent from the first quarter's record \$1.6 trillion, but still up a striking 35.3 percent from the same quarter a year earlier. Deal count barely moved, with an estimated 11,880 transactions, up 3.4 percent year-over-year and down just 2.4 percent from Q1. Deal value swinging upward while deal count remains nearly flat is the tell. This means the market's aggregate value is being driven by a small number of very large transactions, not a broadening of everyday dealmaking. Transactions valued at \$5 billion or more accounted for \$553 billion across just 34 deals, representing over 42 percent of all global M&A value from roughly three-tenths of one percent of all transactions.

Two other data points round out the picture. First, pricing held. Even as volume swung, the median EV/EBITDA multiple across North

America and Europe stayed at 10.2x on a trailing-twelve-month basis, squarely within its long-run range and up a half-turn above the 9.7x recorded in 2024. Sellers are not capitulating on price, and buyers are not chasing discounts; they are simply transacting more selectively. Second, the buyer mix shifted toward strategics. Global buyout and LBO value fell 35.7 percent quarter-over-quarter to \$287.3 billion, while strategic M&A value held at \$892.7 billion. The Federal Reserve's continued decision to hold rates steady, combined with the European Central Bank's surprise hike in June (its first since 2023, in response to the Middle East energy shock), made leveraged buyouts harder to finance. Corporates stepped into the vacuum left by sponsors, funding transactions through equity consideration, existing debt facilities, and balance-sheet cash rather than tapping the credit markets.

THE U.S. PICTURE: TWO DEALS TELL MOST OF THE STORY

North American M&A value reached \$787 billion in Q2, down 24.3 percent from Q1, a sharper pullback than Europe's comparatively modest 6.4 percent decline. Strip out just two transactions, the \$118.5 billion Dominion Energy-NextEra Energy pending merger and the \$60 billion Cursor acquisition, and the region's underlying activity looks considerably softer than the headline suggests.

Private equity was largely a spectator at the top of the U.S. market this quarter. Both marquee deals were strategic, stock-funded transactions, precisely the kind of purchasing power public companies with elevated share prices have and sponsors dependent on credit markets do not. A friendlier antitrust backdrop reinforced that dynamic: the FTC and DOJ resumed granting early termination for deals with no competitive concerns, and a federal court vacated the expanded 2024 Hart-Scott-Rodino premerger filing rule. The practical effect is a market where clearance timing, not outright prohibition, is the real risk, and strategic acquirers have read that as an invitation to pursue scale.

Sector performance diverged sharply. Energy ran far above its five-year average, with deal value reaching an estimated \$217 billion for the quarter, up 385.5 percent year-over-year and powered substantially by the structural demand story around AI data centers and grid power. Healthcare posted its clearest growth quarter of the year, up 71.6 percent year-over-year, driven by broad-based buying tied to an upcoming wave of patent expirations forcing large drugmakers to acquire late-stage assets. IT captured the quarter's central tension in a single sector: strategic AI-driven megadeals remained hot, while sponsor-led software buyouts effectively collapsed, falling more than 60 percent quarter-over-quarter. Financial services and materials & resources, by contrast, sat well below their five-year norms, with financial services M&A value hitting a two-year low as the prior wave of bank and insurance consolidation paused.

THE U.S. MIDDLE MARKET: A TWO-TIER MARKET WITHIN THE TWO-TIER MARKET

This is where it gets most relevant to BCA's clients, and where the data, from GF Data's Q1 2026 report, the most reliable read on private, PE-sponsored transactions between \$10 million and \$500 million, tells its own distinct and genuinely encouraging story.

For all of 2025, the lower middle-market exhibited an inverse relationship between volume and pricing: busy quarters were priced cheaply, while quiet quarters produced rich multiples, as if the market could not sustain both strong volume and strong pricing at the same time. Q1 2026 broke that pattern for the first time in five quarters. GF Data's contributors reported 80 completed transactions at an average of 7.3x trailing twelve-month adjusted EBITDA, both metrics exceeding full-year 2025 levels and moving together rather than trading off against each other.

But the encouraging headline conceals a market that is no longer pricing transactions as a single cohort. It is pricing them as two. Platform pricing rose to 7.6x from 7.2x in 2025, while add-on pricing fell to 6.5x from 6.9x over the same period. That 1.1-turn spread is the widest on record in GF Data's series, representing a sharp reversal from 2022 and 2023, when add-ons traded at a slight premium to platforms. The mechanism is entirely financing-driven: senior debt pricing on platform deals fell roughly 85 basis points during the quarter, and platform leverage increased materially, with total debt climbing to 3.9x EBITDA and senior debt to 3.3x, both multi-year highs. Add-ons, which typically draw on an existing platform's credit facility rather than fresh syndications, simply did not see that same tailwind. Sponsors buying platforms and sponsors buying add-ons are, in a very real sense, operating in two different capital markets right now.

The quality story moved in a similarly instructive direction. The "quality premium" (the pricing reward for above-average financial performance, defined as EBITDA margins and revenue growth both comfortably above market norms) widened to 7 percent in Q1, up from a record-low 2 percent in 2025. The mechanism matters: that widening came almost entirely from softer pricing on lower-quality assets, not stronger pricing on premium ones. Buyers reasserted discipline at the bottom of the quality spectrum rather than paying

up further at the top. The size premium told a parallel story, normalizing back to its long-term average of 2.6 turns between the \$10–\$100 million and \$100–\$500 million platform cohorts, after compressing to 2.3 turns in 2025.

Sector rotation was the final, and perhaps most important, surprise. Through 2025, the prevailing narrative held that business services were a safe haven, while manufacturing carried the tariff and macroeconomic risks that made it the sector to avoid. Q1 2026 inverted both halves of that story. Manufacturing led the major sectors, with average pricing rising to 7.2x from 6.6x on the highest quarterly manufacturing deal count in five quarters (26 transactions), driven largely by resilient B2B activity. Business services, meanwhile, cooled for the first time in three years, down to 7.0x from 7.3x, with the softening concentrated almost entirely in transactions under \$25 million. Healthcare services held its historical premium at 8.5x; distribution eased modestly to 6.7x. GF Data itself calls this directional rather than a confirmed paradigm shift, but it is the sharpest sector reversal the data has shown in years, and it deserves owners' attention regardless of which side of it their business sits on.

WHAT BUSINESS LEADERS SHOULD BE WATCHING

Pulling these three layers together, here is what we believe matters most for owners and executives thinking about capital, growth or a transaction over the next twelve months.

Know which market you are actually selling into. "The M&A market" is really at least three markets layered on top of one another: a megadeal market setting the headlines, a strategic-versus-sponsor market where financing access determines who can compete for the largest assets, and, within the lower middle-market itself, a platform-versus-add-on market where financing terms diverge by more than a full turn of EBITDA. If your business is a platform-scale opportunity in a consolidating sector, you are pricing into real tailwinds. If you are more naturally an add-on candidate, your buyer pool has less fresh financing behind it than the headlines suggest, so competitive process design matters more than ever.

Track your sector's momentum, not last year's narrative. The reversal between manufacturing and business services is the clearest lesson of the first half: the sector that was considered "safe" in 2025 cooled, while the sector everyone was told to avoid led the market. Treat sector positioning as a variable to monitor each quarter, not as a fixed label for the year.

Understand that pricing discipline, not price collapse, is the story. Global, national, and lower middle-market multiples all held remarkably steady even as deal volumes swung sharply, which is meaningfully different from a downturn. Well-prepared, well-performing businesses are still receiving strong valuations, but buyers have stopped extending that same treatment to lower-quality assets. The gap between a well-documented, above-average performer and an average one is widening because buyers are pulling back on the latter, not paying more for the former.

M&A continued on page 16

Recognize that scale is securing better financing terms than it has in years. The 85-basis-point improvement in platform senior debt pricing, and the jump in platform leverage to multi-year highs, is a direct, measurable advantage for larger transactions. For an owner sitting near a size threshold, say, close to the \$25 million or \$100 million enterprise value marks where GF Data shows the clearest step-ups, there may be real value in scaling further before a sale, or in structuring the deal to be marketed as a platform rather than an add-on.

Plan around a genuinely uncertain rate and geopolitical backdrop. The Fed dropped forward guidance at its June meeting, while the ECB's raised rates for the first time since 2023, reversing the direction of policy in response to the Middle East energy shock. Together, these developments underscore how quickly the financing environment can change. Financing costs and availability could move more sharply in either direction over the next two quarters than at any point since 2022, so deal timelines and capital plans should account for that volatility rather than assume today's terms will hold.

Take advantage of a friendlier, though not frictionless, antitrust environment. For strategic buyers and sellers, clearance risk has genuinely eased in the U.S., even as the regulatory environment becomes more nuanced in Europe, a real and underappreciated tailwind for corporate buyers positioned to pursue on scale.

Prepare your financials as if the "above-average performer" test is being applied to you, because it is. With the quality premium now driven by buyers discounting weaker assets rather than rewarding stronger ones, clean, well-documented margins and revenue growth are no longer nice-to-haves that earn only a modest premium. Increasingly, they are the baseline criteria determining whether a business is valued in the upper or lower half of its peer group.

HERE IS WHAT WE ARE HEARING

Conversations with private equity funds, lenders and BCA's advisory network echo the data closely. Buyers describe underwriting the risk of AI disruption in software targets far more carefully than they did a year ago, while showing renewed conviction in manufacturing and industrial platforms that were out of favor twelve months earlier. Lenders confirm the bifurcation directly: platform financing is genuinely competitive again, with senior debt pricing improving and leverage available at levels not seen since 2022, while add-on financing, still largely drawn against existing facilities, has seen little movement. Several advisors note that structured terms, particularly earnouts, are doing more of the work to bridge buyer and seller expectations than direct negotiations over multiples, consistent with a market pricing selectively rather than uniformly.

ENTHUSIASM AMID CAUTION

We enthusiastically support the growth plans of private business owners while never hesitating to recommend caution when warranted. With that in mind, we offer the following counsel to business owners who may or may not be considering a sale.

- **Get an honest assessment on whether you are a platform or an add-on in your buyers' eyes,** and structure your process accordingly. The financing environment behind each is genuinely

different right now.

- **Benchmark your margins and growth against GF Data's above-average performer thresholds** before going to market, not after a buyer points out the gap.
- **Do not assume last year's sector narrative still holds.** Get a current read on where your industry sits in its consolidation and pricing cycle before setting expectations and strategy.
- **Explicitly incorporate interest rate and financing volatility into your planning.** With the Fed's guidance more opaque than it has been in years, a financing plan that works only under today's terms is a fragile one.
- **If you are a strategic seller, the antitrust backdrop is more favorable than it has been in years,** worth factoring into how you think about buyer pools and timing.
- **Keep your financial reporting clean and audit-ready.** In a market that rewards documented quality and penalizing everything else, this is the single highest-leverage action most owners can do before a process begins.
- **A well-performing, well-prepared business still commands a strong price.** Despite a genuinely volatile first half, pricing discipline across every layer of the market, global, national, and lower middle-market, confirms that quality companies command favorable pricing and great companies command premium pricing.

The mid-2026 environment is not one story but several, stacked on top of one another: a record-setting headline market, a strategic-versus-sponsor divide reshaping who can compete for scale, and a lower middle-market segment that rewards platforms and quality performers while quietly tightening on everyone else. None of this is cause for panic. As in every cycle through which we have advised, this is a period that rewards owners who understand which market they are operating in, prepare accordingly, and remain disciplined about timing and expectations.

At Bravaldo Capital Advisors, www.bravaldocapitaladvisors.com, we are ready to support M&A and Corporate Finance clients navigating today's environment in pursuing life-changing mergers and acquisitions or corporation growth opportunities.

Sources: PitchBook, "Q2 2026 Global M&A Report" (published July 9, 2026); GF Data, an ACG Company, "Q1 2026 M&A Report" (published May 18, 2026); Federal Reserve, FOMC statement, June 17, 2026; European Central Bank, monetary policy decision, June 11, 2026; Bureau of Labor Statistics (2026 CPI and employment releases); ACG Atlanta / Datasite, "M&A South 2026" panel insights; Bravaldo Capital Advisors, "M&A and Private Debt Market Observations: Recap 2025 and Outlook for 2026" (July 2026).

DON BRAVALDO, CPA is the president and founder of Bravaldo Capital Advisors, where he leads M&A and Corporate Finance advisory services for lower middle-market, privately held businesses. A CPA with over 20 years of experience, Don has closed more than \$250 million in transactions across industries including manufacturing, business services, technology, and healthcare. Prior to founding BCA, Don led North American M&A for Hanger Orthopedic Group and worked in audit and consulting at Arthur Andersen LLP and Bennett Thrasher. An active speaker and member of The Georgia Society of CPAs, ACG, and Vistage, Don helps business owners achieve successful outcomes and lasting value.

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How CPA Firms Can Lead the AI Era: A Talent-First Playbook

by JOHN WICHMANN

By now, HB 148 needs no introduction. Georgia's CPAs have spent more than a year discussing the 120-hour pathway, the move from one year of experience to two, and what it means for the talent pipeline. The added flow of new graduates into the profession is welcome. The bigger change has gotten less attention: more of a new CPA's formal growth now happens on the job, inside the firm, guided by the people they work alongside.

At the same time this learning shift is happening, AI is reshaping the work itself. Repeatable tasks are increasingly automated or semi-automated, and the work that remains requires more judgment and curiosity, and the confidence to question whether an automated answer is right. Both of these factors are pointing to the same conclusion. How a firm develops its people is becoming the deciding factor in how well it serves its clients.

The good news is that CPA firms hold two structural advantages most industries lack. The first is the apprenticeship model, refined over more than a century. The second is the profession's open acceptance that tax, audit and advisory operate differently, which makes firms a natural proving ground for workplace design that fits the work. Firms that build on both can lead their clients, and other industries, by example.

APPRENTICESHIP AS AI STRATEGY

As AI absorbs more of the repeatable work, firms will be able to support more clients per professional. At the same time, each role changes. Professionals at every level will still perform the work, and they will also be responsible for confirming that automated processes run as intended and for spotting the next areas where AI can extend what the firm delivers.

Realizing that upside depends on an intentional apprenticeship model. This is where CPA firms have a head start. The profession has spent more than a century refining apprenticeship. The model has endured because the work depends on context, judgment and client specifics that no classroom can fully teach.

The success of HB 148 depends on effective apprenticeship. A 120-hour pathway means the firm shoulders more of the learning curve, in exchange for getting candidates into the work earlier. That trade works for a firm whose apprenticeship produces results. A firm whose apprenticeship runs on autopilot is taking on more risk than it realizes.

Leading firms are already redesigning the model. Jeremy Jones, CEO and managing partner of Frazier & Deeter, describes the firm's expectation for new professionals this way: "We need you performing at the end of your first year the way someone performed at the end of their fourth year." He offers a concrete example. A new associate does not need to prepare fifty individual returns to become good at them.

Done with intention, proficiency comes much faster, and the recovered time goes toward the judgment, client understanding and the ability to identify new AI opportunities within business workflows or refine existing ones.

The hiring side tells the same story. Bennett Thrasher, a top-100 certified public accounting firm based in Atlanta, recently published the five qualities it hires for in the next generation of CPAs: entrepreneurial mindset, accountability and stewardship, client-first thinking, flexibility in a changing environment and strong project management. These qualities, rather than technical expertise, will drive practical AI adoption on the business side — where most of the high-impact opportunities exist. As Chief Growth Officer Michael Hoover put it, "People are the most successful ingredient in professional service firms." Firms are hiring for the qualities AI cannot provide and counting on apprenticeship to turn those qualities into capability.

WHERE TO START

Map where development happens. Most firms can name the partners and senior managers who consistently produce strong CPAs. Fewer can name what makes those mentors so effective. The engagement types, in-person rhythms, client situations and onboarding approach should be considered. Understanding and documenting those components is the first step to making them repeatable.

Treat apprenticeship as a measured discipline. A firm that tracks billable utilization can track development quality. Time spent mentoring, frequency of feedback, retention of high-potential associates, time-to-CPA are some areas to track. The metric does not have to be perfect to be useful.

Be explicit about what AI changes and what it does not. New professionals need to know which work they are still expected to master, even when AI can do it. Early-career repetition, in the right dose, builds the judgment that lets associates catch the automated answer that is wrong or the gap in a process flow.

Make mentorship a partner-track expectation. Firms get the level of mentorship they incentivize.

THE BRIDGE: TALENT HAS A PREFERENCE

Every part of that strategy depends on attracting and keeping the best people, and the best people have been clear about how they want to work. According to Gallup's Q2 2025 workforce study, hybrid is the most preferred work model in every generation: 71% of Gen Z, 60% of Millennials, 56% of Gen X, and 54% of Baby Boomers. Fully on-site is the least preferred in every generation. For a profession competing with banking, consulting and technology for the same graduates, those numbers set the terms of the competition.

There is an important nuance in the Gallup data that may give some “hybrid” firms cause for concern, and we are seeing it play out in the marketplace. In addition to preferring hybrid at the highest rate of any generation, Gen Z also had the lowest preference for working exclusively remote: 23%, versus 35% for each of the other generations. Young professionals are astute about the difference between hybrid on paper and hybrid in practice. When a firm calls itself hybrid but people don’t overlap in meaningful ways, mentorship is limited and relationship development slows. Gen Z recognizes when these are not happening and, rather than absorb the career and relational impact, will leave for firms with environments that genuinely deliver them. A hybrid model in name only, or that lacks sufficient intentionality, costs a firm exactly the people it most needs to keep, and drains the apprenticeship model of the high-value in-person time it depends on.

PRACTICE-AREA VARIATION AS WORKPLACE STRATEGY

Most hybrid policies struggle because they were inadvertently designed at the wrong altitude. Often, a fixed number of days in-office gets set firm-wide, regardless of how different the work is from one practice to the next. CPA firms already accept that tax does not look like audit, and neither looks like advisory. Practices differ in on-site versus off-site client work, in when busy season hits, in when they hire, and in the nature of the work itself. Firms organize their economics, staffing and leadership structure around those differences. The same logic should govern where and when the work gets done.

Across our certification work, one pattern holds: associates show up willingly when the in-office days are worth the commute. They show up reluctantly when in-office days feel similar to remote work days other than the commute. A common example we see is when multiple people, sitting in the same office, join virtual calls from their desks rather than together in a conference room. What each practice needs from in-person time is different, and the design has to reflect that. The post-rollout data backs this up. In our surveys following a Balanced Hybrid® rollout, 84% of employees agreed that having their managers and area leaders closely involved in planning produced a better hybrid plan for their team than a single plan applied across the organization. Only 11% disagreed.

Frazier & Deeter, a top-50 accounting and advisory firm, was the first to complete Balanced Hybrid Certification. The work began with a structured look at how each practice operates, what its teams need from in-person time, and where the firm’s hybrid design was helping its practices or getting in their way. The result was a more deliberate model, with in-person time tied to development, collaboration, and client work rather than a calendar quota. “The Balanced Hybrid work model reflects our commitment to fostering a high-performance culture that supports both professional growth and personal flexibility,” Jones said in announcing the certification.

The design work continues, and that is the point. Practice-anchored office days do their job well. The next question leading firms are working through is what happens across the rest of the week, especially for the developing associate whose best learning days may not fall on the anchor days. Jones frames the stakes for new professionals directly: “You have to meet people face to face, have coffee with them, develop relationships. You can’t do it from your couch. But that doesn’t mean you have to be here every day.”

FOR GSCPA MEMBERS

Gather Sciences is offering a limited number of GSCPA member firms a complimentary, tailored briefing on your firm’s current approach to hybrid work and AI enablement. Email offers@gathersciences.com and mention your GSCPA membership.

WHERE TO START

Design by practice, not by firm. The conversation about tax should not be the conversation about audit. Each practice has its own client patterns, seasonality and development needs.

Define what in-person time is for. Is it mentorship, collaboration, complex problem-solving or client work that benefits from presence? A firm that cannot convincingly articulate why office days are worth the commute risks breeding resentment among associates, managers and partners who believe they are more productive at home and that the commute is a waste of time.

Measure what hybrid produces. Most firms measure who is in the building. Fewer measure whether the time in the building produces what was intended. Ask associates and managers what they are getting from in-person time and optimize the design with the answers. Two core measurements we use are the Office Experience Score™ and the Apprenticeship Support Index™, designed to provide a benchmark and pulse reading from all levels of the firm on the perceived value of in-office workdays and the health of the apprenticeship model.

Elevate visibility. When firms take a practice-area approach to hybrid planning, it’s not uncommon for different practice areas to be in the office on different schedules. Having published schedules that are easily accessible helps with visibility and clarifies whether a dark office or empty desk means someone is out, working from home, or at a client’s office that day.

WHERE THE TWO MEET

For firms interested in digging in, there is an easy first step. Ask the people doing the work. Ask first-year associates whether the office days are worth the commute. Find out whether managers have the time to mentor the way they were mentored. Ask practice leaders whether the firm’s hybrid policy is supporting the development of the next generation or slowing it down. The answers will show the firm where to focus first.

Accounting and advisory firms have spent decades building two superpowers: developing talent and tailoring how each practice operates. Applied intentionally, they give a firm a marked advantage in building a high-performance hybrid strategy that attracts and retains the talent needed to drive AI adoption. Just as important, that talent balances AI’s use with the irreplaceable instincts, judgment, and trust of those who have earned the CPA designation.

JOHN WICHMANN is the founder and CEO of Gather Sciences, an Atlanta-based firm that helps organizations improve the productivity and performance of hybrid and remote work, and achieve practical, cost-effective AI enablement. He is the creator of Balanced Hybrid® Certification and previously co-founded Maptician, a workplace management and visualization platform. He can be reached at john@gathersciences.com or at gathersciences.com.



Captive insurance is no longer reserved for large enterprises and corporations. As commercial insurance costs climb, capacity tightens and coverage narrows, middle-market and privately held companies are rethinking how they approach risk. More of them are asking a once uncommon question: what if we insured ourselves?

For CPAs, this shift is more than academic. Clients are arriving with captive structures already in place or asking whether a captive belongs in their broader financial and risk management strategy. Understanding the fundamentals (i.e., what captives are, why they exist and what they require) is becoming part of advising the modern business owner effectively. The cost of not knowing is all too real: a missed red flag, a structure that cannot withstand scrutiny, or a client who turns to someone else for guidance.

WHAT IS A CAPTIVE?

A captive insurance company is a licensed insurer formed to underwrite the risks of its owners or a defined group of businesses, rather than selling coverage to the general public.

In a typical arrangement, an operating company pays premiums to its captive insurer. The captive collects those premiums, establishes reserves, pays claims and invests any surplus. In effect, the business stops handing its risk to an outside carrier and starts managing that risk itself, inside a regulated insurance framework rather than through informal self-insurance.

The Rise of Captive Insurance: What Every CPA Should Know

by **MARCUS OGLESBY, CPA**

Captives can take several forms, and the right one depends on the client:

- Single-parent captives insure one company and its affiliates, giving a single owner full control.
- Group captives pool risk among multiple unrelated businesses, spreading both cost and exposure.
- Cell or series captives let a company participate within a shared structure at a lower cost of entry.

The choice comes down to the client's size, risk profile, available capital and appetite for running an insurance entity.

WHY ARE MIDDLE-MARKET BUSINESSES TURNING TO CAPTIVE INSURANCE?

Captives are fundamentally a risk financing strategy. Therefore, companies typically pursue them for practical, operational reasons tied to cost, control and coverage.

Cost Efficiency and Control

For businesses with favorable loss experience, traditional insurance pricing does not always reflect underlying risk. A captive lets the company keep the underwriting profit that would otherwise go to a carrier, build reserves on its own books and invest premium dollars rather than send them out the door. Over time, that can make the cost of risk more predictable and more controllable.

Access to Coverage

The commercial market does not insure every risk, and in a hard market, it insures fewer. Companies increasingly face gaps in areas like cybersecurity, supply chain disruption and certain professional liabilities. A captive gives them room to design coverage that's tailor-made, where standardized policies often fall short.

Access to Reinsurance

Captives can also access reinsurance markets generally unavailable to business that are not insurers. That access lets a company keep the predictable layers of risk it is comfortable holding and transfer the catastrophic exposures strategically.

Stronger Risk Management Discipline

Beyond financial benefits, captives force rigor. Businesses must

quantify risk, analyze loss history, and formalize claims processes. That discipline often improves overall risk management and decision-making across the whole organization.

WHAT DOES FORMING AND RUNNING A CAPTIVE INSURANCE COMPANY REQUIRE?

While the benefits are compelling, captives are not simple structures. They are regulated insurance entities and must operate as such. This is where a CPA's involvement becomes valuable, and where clients most often need someone to tell them what they don't know.

Feasibility Study

Most captives begin with a feasibility study. Before any entity is formed, an actuary and captive advisor model expected losses, test whether the numbers support an insurance company, and estimate the capital required. A sound study answers one question: does a captive actually make sense here?

Regulatory Licensing and Domicile

Captives must be licensed in a jurisdiction with enabling legislation, and the client must decide where. Domiciles fall into onshore operations (many U.S. states now compete for captive business) and offshore options, each with its own tax, regulatory, and cost profile. Licensing generally calls for a formal business plan, minimum capital and surplus, regulatory approval before writing or changing coverage, and annual reporting. None of it is one-and-done as captives operate under continuous oversight.

Engaging the Right Specialists

Captive operations require a coordinated team. Two roles are essential: a captive manager who handles administration, regulatory filings, and governance, and an independent actuary who prices coverage and analyzes reserves. Both help show that the arrangement operates at arm's length and meets regulatory expectations.

Independent Audits

Most domiciles require annual audited financial statements, often accompanied by an actuarial opinion on reserves. For CPA firms, that is both an opportunity and a responsibility. Auditing captives calls for specialized knowledge, particularly around reserve estimation, reinsurance accounting, and reporting frameworks that are specific to insurance.

Financial Reporting

Captives typically report under U.S. GAAP (ASC 944) for insurance entities. In some cases, some report under statutory accounting principles (SAP), which emphasize solvency and policyholder protection, and file with the National Association of Insurance Commissioners (NAIC). These frameworks differ significantly from standard operating company reporting and call for specialized knowledge.

Tax Considerations

Tax treatment is one of the most scrutinized aspects of captive arrangements. To qualify as insurance for federal tax purposes, an arrangement must involve genuine risk shifting and risk distribution, and the captive must operate as a bona fide insurance company.

Many property and casualty captives file Form 1120-PC, reporting premium and investment income alongside deductions for claims and reserves.

Poorly structured captives can lead to disallowed deductions, penalties, and increased scrutiny. Proper coordination among tax advisors, actuaries, and insurance specialists is essential.

WHY CAPTIVE INSURANCE MATTERS FOR CPAS AND THEIR CLIENTS

Captives sit at the intersection of tax, assurance, financial reporting, and advisory services. As more privately held companies adopt them, CPAs are increasingly central to the conversation.

CPAs are often best positioned to ask critical questions early on:

- Is there genuine, insurable risk?
- Is the pricing supported and defensible?
- Are governance and compliance processes in place?
- Is the captive run as a true insurance entity?

Providing this level of guidance does not replace the need for legal, actuarial, or captive management specialists, but it helps ensure clients engage the right professionals and avoid structures that will not withstand scrutiny. Left unchecked, captives that look fine on paper can expose clients to serious financial and regulatory consequences. That is the high cost of unknowns, and it is exactly what a good advisor helps a client avoid.

FINAL THOUGHTS

Captive insurance is moving into the mainstream for middle-market businesses seeking greater control over risk, improved cost efficiency, and more tailored coverage. When executed correctly, a captive can be a powerful tool that aligns risk management with financial strategy and delivers long-term value.

But captives are not shortcuts. They require capital, governance and a disciplined approach supported by qualified specialists. For CPAs, developing a practical understanding of how captives operate is no longer optional but a part of delivering forward-looking, strategic guidance in an increasingly complex risk environment.

This article is intended for general informational purposes and does not constitute tax, legal, accounting or insurance advice. Tax, regulatory and insurance requirements vary by jurisdiction and change frequently. Clients should consult with a qualified Aprio professional before implementing a captive structure.

MARCUS OGLESBY, CPA is a partner at Aprio with more than 15 years of experience serving insurance organizations, including captive insurance companies, risk retention groups and property and casualty insurers. He specializes in statutory and GAAP accounting, insurance audits and tax compliance, helping clients navigate complex regulatory requirements, meet critical filing deadlines, and strengthen financial reporting. Through his extensive industry experience and network of insurance-focused professionals, Oglesby delivers practical guidance that supports operational efficiency and long-term growth.

Three CPAs Serving Georgia Under the Gold Dome

by **DON COOK**

Every January, I have the privilege of spending 40 legislative days under the Gold Dome of Georgia's Capitol representing The Georgia Society of CPAs. During that time, I meet with legislators from every corner of the state and from both political parties. While every member brings a unique perspective to the Capitol, there's always something special about seeing CPAs and GSCPA members serving in the General Assembly. This is an amazing opportunity we have in Georgia that not all states can leverage.

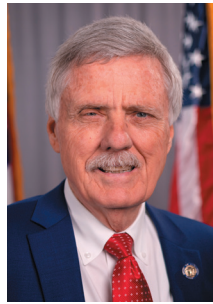
Today, Georgia is fortunate to have three CPAs serving as members of the legislature: Senator Billy Hickman, Representative John Carson and Representative David Wilkerson. They represent different communities, serve in different leadership roles and don't always arrive at the same policy conclusions. That's to be expected. But what they all share is the perspective that comes from the CPA profession, and while all three have not ended up in public accounting — all three started out there.

As CPAs, you are trained to analyze facts, understand complex financial issues, ask questions and look beyond the headlines before making decisions. Those skills translate well to public service, particularly when the General Assembly is debating issues involving taxation, state budget, economic development, tort reform and financial accountability.

Over the years, I've had the opportunity to work with each of these legislators on issues important to Georgia CPAs. While my interactions with each have been different, I've come to appreciate the experience and perspective each of them bring to the legislative process.

Here's a closer look at each of their journeys and the unique perspective they bring.

SENATOR BILLY HICKMAN



Senator Billy Hickman has represented Georgia's 4th Senate District since 2020, serving Bulloch, Candler, Effingham and Evans counties, along with a portion of Chatham County.

A native of Statesboro and a graduate of Georgia Southern College, Hickman has spent his professional career as a CPA and partner with Dabbs, Hickman, Hill & Cannon, LLP. In 2026, SBA Administrator Kelly Loeffler appointed Senator Hickman to the U.S. Small Business Administration's Audit and Financial Management Advisory Committee (AFMAC), where he provides expertise and guidance on the agency's financial management, internal controls and audit processes. In addition to being a Certified Public Accountant, he holds the Certified in Financial Forensics (CFF) credential, bringing decades of accounting experience and a depth of financial expertise to his work in the Georgia Senate.

That experience is evident in the leadership roles he has assumed under the Gold Dome. Senator Hickman serves as Chairman of the Senate Education and Youth Committee, Secretary of the Senate Finance Committee, Vice Chairman of the Higher Education Committee and is a member of the Appropriations Committee. He also chairs the Senate Appropriations Subcommittee on Education and Higher Education, where his financial background and analytical approach are well suited to overseeing some of the state's most significant investments.

Beyond the legislature, Hickman has remained deeply involved in his community through organizations including the Georgia Southern University Foundation, East Georgia Regional Medical Center and

the Statesboro-Bulloch County Chamber of Commerce. Those leadership experiences, combined with decades in public accounting, give him a practical perspective on the challenges facing Georgia's businesses, educational institutions and local communities.

During my time working with Senator Hickman, I've always appreciated his thoughtful approach to complex issues. Whether the conversation involves tax policy, education or the state budget, he asks good questions, listens carefully and approaches each issue with the analytical mindset that has long defined the CPA profession. His experience as a CPA continues to be an asset not only to the Senate, but to the citizens he represents.

REPRESENTATIVE JOHN CARSON



Representative John Carson has represented Georgia's 46th House District since first being elected in 2011. His district includes portions of northeast Cobb and southeast Cherokee

counties, and over more than a decade in the General Assembly he has established himself as one of the House's leading voices on tax policy and financial issues. Today, he serves as Chairman of the House Retirement Committee and also serves on the Ways & Means, Rules, Transportation, Insurance and Energy, Utilities & Telecommunications committees, among others.

Carson's path to the legislature was built on a strong financial foundation. An Atlanta native, he earned his accounting degree from Georgia State University before completing an MBA in Finance at Kennesaw State

University. As a CPA, his professional career has included leadership positions with KPMG, GE Capital, SunTrust and, today, Armagh Capital. That combination of public accounting, corporate finance and business leadership has served him well under the Gold Dome, where complex tax and fiscal issues are a regular part of the legislative process.

I've had the opportunity to work closely with Representative Carson during my time at GSCPA, and I've seen firsthand his commitment to ensuring Georgia's laws evolve alongside our profession. Most notably, Carson sponsored the Public Accountancy Act of 2025, modernizing Georgia's CPA licensure pathways while maintaining the profession's high standards. He has also consistently led the General Assembly's annual efforts to update Georgia's Internal Revenue Code conformity legislation, helping provide clarity and certainty for taxpayers and practitioners across the state.

One of the things I've always appreciated about Carson is his willingness to tackle difficult policy issues. He understands that good legislation is rarely simple and that meaningful solutions require collaboration, careful analysis and thoughtful debate. Those qualities have made him not only a strong advocate for the accounting profession but also an effective leader for the citizens he represents.

REPRESENTATIVE DAVID WILKERSON



Representative David Wilkerson has represented House District 38 since 2011 and has earned a reputation as one of the legislature's most knowledgeable voices on tax policy, education funding and the state budget.

As a CPA, Wilkerson brings a deep understanding of Georgia's tax structure and fiscal policy. During committee hearings and House debate, he regularly offers thoughtful analysis that reflects both his professional background and years of legislative experience.

One of the things I've appreciated in working with Representative Wilkerson is his professionalism. Our conversations have

always been respectful and substantive. He asks good questions, carefully considers the implications of legislation and brings an important perspective to discussions involving taxation and state finance.

Having knowledgeable voices willing to engage in meaningful debate ultimately strengthens the legislative process, and Representative Wilkerson has consistently demonstrated that throughout his service.

A PROFESSION REPRESENTED

The accounting profession has always been built on integrity, objectivity and service. Those same qualities are also extremely valuable in public office.

As we approach another election season this November, it's worth recognizing the contributions these three CPAs have made to the State of Georgia. Although they may approach policy issues from different perspectives, each has chosen to use the knowledge and experience gained through the CPA profession to best represent the people in their districts.

If you would like to learn more about their campaigns or support their re-election efforts this November, you can visit their campaign websites below:

- Senator Billy Hickman:
www.votebillyhickman.com
- Representative John Carson:
www.votejohncarson.com
- Representative David Wilkerson:
www.wilkersonforgeorgia.com

I hope you'll join me in thanking Senator Hickman, Representative Carson and Representative Wilkerson for their continued commitment to public service and for their willingness to bring the perspective of the CPA profession to the Georgia General Assembly.

DON COOK is the vice president of legislative affairs at The Georgia Society of CPAs. He is responsible for legislative advocacy on behalf of the CPA profession in Georgia. Don is a registered lobbyist in the state and works on grassroots training for GSCPA members while providing education on why members should consider supporting the GSCPA-PAC.



The goal of the GSCPA-PAC is to strengthen the voice of the CPA profession before legislative bodies by acting as the monetary support that fortifies GSCPA advocacy efforts.

ABOUT THE GSCPA-PAC



The only PAC that represents your profession's interest to state policymakers



Supports Georgia's CPA-friendly candidates

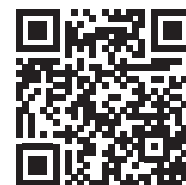


GSCPA-PAC is not affiliated with any political party and is organized and operated on a non-partisan, independent basis

CLAYS & CPAS TOURNAMENT AND FUNDRAISER

Join GSCPA for the 3rd Annual Political Action Committee fundraiser. This event provides a beautiful, relaxed setting to connect with colleagues, build relationships, get involved in the political process and have an impact on the CPA profession. Join us for a day of camaraderie on November 19, 2026.

See more info on page 27.



**DONATE AT
WWW.GSCPA.ORG**

Member News



PROMOTIONS

As of July 1, 2026, Dwight Sneathen is the Director of the School of Accountancy at Georgia Southern University where he has been an associate professor since 2005. He has over 25 years of teaching experience in higher education.



IN MEMORIAM

Thomas W. Alvis, Lagrange, Ga.
 Ralph R. Ball, Lawrenceville, Ga.
 William T. Bradfield, Marietta, Ga.
 Frank H. Butterfield, Atlanta, Ga.
 Arnold L. Caylor, Dalton, Ga.
 Bobby S. Dean, Byron, Ga.
 Frank D. Hazel, McDonough, Ga.
 Ben P. Lee, St. Simons Island, Ga.
 Robert E. Smith, Marietta, Ga.
 R P. Towns, Athens, Ga.

SEND US YOUR MEMBER NEWS

Please email promotions, awards, acknowledgements and member news to Faith Ellis (fellis@gscpa.org).



Rising Professionals Events Educate High School Students on Careers in Accounting

The Georgia Society of CPAs will host the Rising Professionals program at the Forvis Mazars Atlanta office on October 23, 2026 and in Savannah at Oatland Island Wildlife Center on February 4, 2027.

The Rising Professionals program, formerly named SHARP (Smith & Howard's Advancement of Rising Professionals), began at Smith & Howard in 2015. GSCPA started hosting this event at its offices in 2016. The program is designed to educate high school students about the benefits of a career in accounting and the day-to-day lives of CPAs.

The program is led by industry professionals and features sessions about

accounting, business, management styles and leadership. Participants will get to interact with working accounting professionals, ask questions and learn about the benefits of an accounting degree. Based on their participation, several scholarships will be awarded at the end of the program.

Interested high school juniors and seniors are required to submit an application prior to attendance. If you or your firm would like to participate or sponsor a scholarship for a Rising Professionals student, please contact Callie Hammond at chammond@gscpa.org or 404-504-2953.



Q&A WITH A CPA *Ian Waller*

Ian Waller, CPA, CLA, CISA, is a partner with Nichols Cauley where he focuses on audit and the firm's quality assurance process. He has over 25 years of experience in complex accounting and auditing issues. He is the recipient of the Howard Herman Distinguished Service Award, the highest award presented by The Educational Foundation of GSCPA in recognition of his outstanding service to the Foundation. He is a past president of The Educational Foundation of GSCPA and is a current statewide director of the GSCPA Board. He was voted America's Best-in-State CPA in 2026 by Forbes. He volunteers his time serving on the Board of Trustees for the Georgia Baptist Foundation. He resides in Duluth, Ga. with his family.

Q: Looking back on your career, what's one opportunity or experience that wouldn't have happened without becoming a CPA? Becoming a CPA has opened the door for me to become a business owner and to help build a firm. Nichols Cauley has provided so much more than a job and has introduced me to so many people that I am honored to call friends.

Q: Is there a defining moment in your career that helped shape the professional you are today? Early in my career, I thought I would work four to six years in public accounting and then move into industry. About four years in, a partner at my firm said he knew I would be a CPA firm partner one day. I didn't think much about it at the time. Over the following years, he gave me invaluable opportunities that he knew I could handle, even if I didn't have that same confidence yet. That experience helped me gain relationships and knowledge that are still valuable over 20 years later.

Q: Throughout your career, you've invested significant time in serving the profession through GSCPA. What has motivated you to give back? So many people have poured into my career and have made it possible for me to thrive in this profession. I believe I have a responsibility to do the same. There are so many pathways to success in our profession, and I believe through mentorship, volunteering and

sharing knowledge with others we can ensure these pathways and opportunities are available to future CPAs.

Q: As a former President of the GSCPA Educational Foundation, why is the Foundation's work important to the future of the profession? Education is one of the fundamental requirements to become a CPA, and I believe we should work to make sure that education is affordable and relevant to promote students' success and ensure there is a bright future for the profession. The Educational Foundation provides scholarships and establishes relationships with accounting programs across the state to help achieve this important goal.

Q: From your perspective, what are the biggest opportunities and challenges facing CPAs today? CPAs don't just prepare a tax return or sign an audit report. We develop relationships and serve our clients to create value in their businesses, protect their legacies, advise on management and family dynamics. Our biggest opportunities will continue to be in the relationships we create and the real-world experience we can add to our technical proficiency. Technology and AI will create challenges, but also opportunities. The automation and knowledge that technologies will bring to the profession will require us to adapt and change. We may not

be populating the tax return or the excel spreadsheet, but we will remain the advisor who understands the thinking of the CEO or the family elder.

Q: Based on your area of expertise, what's one issue you believe deserves more attention from the profession?

How we recruit young professionals to make public accounting a career and how we train them in a rapidly changing environment is a crucial professional issue. A fellow Georgia CPA, James Freeman, often says that we have to tell our stories better. We must be outspoken about the awesome opportunities this profession has given each of us and not just focus on the number of hours or returns we complete. A college degree is the beginning. It is up to us as established professionals to accelerate the training of young professionals through intentional experiences beyond task completion and to help foster relational opportunities, so they develop professional judgement and management skills.

Q: Over the course of your career, what's one lesson that has stayed with you? Learning is a lifelong quest, especially as a CPA. There is always something else you need to learn to make a difference to those you serve. Learning is also more than just technical abilities, it is learning to be relational and developing the ability to successfully serve others in a way that helps them to achieve their goals.

Q: If you could offer one piece of advice to someone just beginning their CPA career, what would it be? Finish the CPA exam and become certified (because it does not get easier to complete the longer you are out of school), and you will never be unemployed. Once you have your CPA certification, opportunities abound, including hanging out your own shingle.

Q: Do you have a favorite Georgia hidden gem — a local spot you find yourself recommending to others? My new favorite is Butter and Cream Ice Cream in Duluth (where I get to observe my daughter's client service abilities). I grew up inside the Perimeter, so I also need a Varsity chili dog occasionally.

GSCPA Annual Convention Hosts Members on Lake Louise



The Georgia Society of CPAs recently hosted its highly anticipated 2026 Annual Convention at the breathtaking Fairmont Chateau Lake Louise in Alberta, Canada, from June 21–24, 2026. With sweeping views of turquoise waters and a serene mountain setting, over 100 GSCPA members, families and guests gathered for a four-day event blending high-quality professional education, meaningful networking and memorable island experiences.

The convention kicked off Sunday evening with beautiful mountain views at the opening reception and dinner. With walls of windows overlooking the bright blue of Lake Louise, the reception provided the perfect environment for members to reconnect and welcome new attendees.



The annual convention provided up to 12 hours of CPE credit with some sessions in person and some virtual through GSCPA's on-demand platform to allow attendees to explore Lake Louise on their own schedule. Sessions featured a diverse range of sessions covering timely topics such as a legislative update, artificial intelligence in tax and auditing, an update from Lexy Kessler at the AICPA and leadership trends.

Calvin Wong, GSCPA director of information technology, led a forward-thinking technology session highlighting trends impacting accounting firms. GSCPA CEO Boyd Search provided a powerful update on legislative and professional issues shaping the accounting landscape in Georgia and beyond. Attendees heard what GSCPA has accomplished over the past year and what's in store for the coming year at the in-person annual business meeting.

While education was the centerpiece of the convention, attendees also enjoyed a range of excursions and leisure activities that showcased the best of the Lake Louise area. Many took advantage of on-property dining, local hikes and shopping and the Lake Louise summer gondola ride for views of mountain peaks, glaciers and meadows.

Tuesday evening marked a special celebration in honor of James K. Underwood's outstanding service as chair of the GSCPA board of directors. A heartfelt tribute video highlighted his accomplishments, leadership and dedication during his term. The evening concluded with the ceremonial passing of the gavel to incoming Chair Cromwell Baun, officially launching the GSCPA's new governance year.

Mark your calendars for the 2027 GSCPA Annual Convention, scheduled for June 13–16, 2027, at the Embassy Suites St. Augustine, Fla. With its beautiful beach and pools in historic St. Augustine, this promises to be another unforgettable experience for members and their families. 2028 Annual Convention will be held June 11–14, 2028 at Black Desert Resort in Ivins, Utah.





Clays and CPAs: Second Annual Fundraiser

November 19, 2026 | Garland Mountain Sporting Clays and Grill, Waleska, Ga.

Join The Georgia Society of CPAs for the second annual Political Action Committee (PAC) fundraiser, Clays & CPAs. This event provides a beautiful outdoor setting to connect with colleagues, build relationships, get involved in the political process and have an impact on the CPA profession.

Clays & CPAs is a clay shoot tournament bringing members and colleagues together for a fun-filled day of shooting and raising funds for the GSCPA-PAC. Throughout the day, shooters aim for the ultimate prize — bragging rights as the top shooters!

Garland Mountain Sporting Clays & Grill is nestled within the scenic landscape of northwest Cherokee County and provides a picturesque fall activity for those wishing to compete or simply join the event for networking and camaraderie. Check-in begins at 8:30 a.m.

Contributions to the GSCPA-PAC fund efforts to advocate for policies that benefit CPAs and the business community. GSCPA-PAC is the only political action committee dedicated to protecting and promoting Georgia's CPAs.

LAST YEAR'S EVENT

Last year's 2nd Annual Clays & CPAs event was a tremendous success, with over 60 attendees. Together, we're shaping the future of the CPA profession.

BECOME A SPONSOR

Sponsoring the Clays and CPAs fundraiser is an excellent opportunity to support the CPA profession while gaining valuable visibility and networking with industry leaders.

This event provides a unique, relaxed setting to connect with potential clients, build relationships and demonstrate your company's dedication to the future of accounting. Sponsorships available starting at \$500.

JOIN US!

Visit www.gscpa.org/content/Advocacy/ClaysCPAs.aspx for more information on how to register or sponsor this event. Contact Elizabeth Cook at ecook@gscpa.org or call 404-504-2941.

registration pricing

SHOOTER REGISTRATION - \$250

- Including golf cart
- Singles will be placed with other individuals to fill a cart
- Grab & go breakfast, lunch, 2 drink tickets

SOCIAL TICKET - \$100

- Bring your spouse or experience the view, the fire pits and the great company and networking without participating in the clay shoot
- Grab & go breakfast, lunch, 2 drink tickets

RAFFLE TICKETS - \$25 PER TICKET

- 10 raffle tickets - \$200 (\$50 savings)
- 25 raffle tickets - \$550 (\$75 savings)

Volunteer with GSCPA

At GSCPA, our number one priority is serving our members. And we could use your help! As a member of the profession, you are familiar with what CPAs in our state require, and you probably have some fantastic ideas about how GSCPA can better meet current needs and how to anticipate best and prepare for future needs in an ever-changing environment.

A great way to help shape GSCPA policy and programming is to serve on our committees, task forces, advisory councils or chapter officer roles. Various opportunities are available for those who can give only a small amount of time and those who can provide more. With many meetings held via teleconference, we make participation easy for members throughout the state. Are you interested in serving GSCPA at a higher level of governance in the future? In that case, membership on a committee, task force, advisory council or acting as a chapter officer is a great place to start.

Serving in a GSCPA volunteer capacity is also an excellent way to network with professional colleagues and learn from the inside about the operation of a statewide 501(c)(6) nonprofit organization. Share ideas and best practices and further your professional development. GSCPA has a committee that suits almost any interest and skill set. If you are considering volunteering for a specific committee but would like more information, we can provide the staff liaison contact or a current committee member.

If you want to learn more about the Society's volunteer opportunities, please visit our website at www.gscpa.org/content/volunteer.aspx and fill out a volunteer interest profile. If you have further questions, contact the Member Services Department at memberservices@gscpa.org or 800-330-8889, extension 2986.



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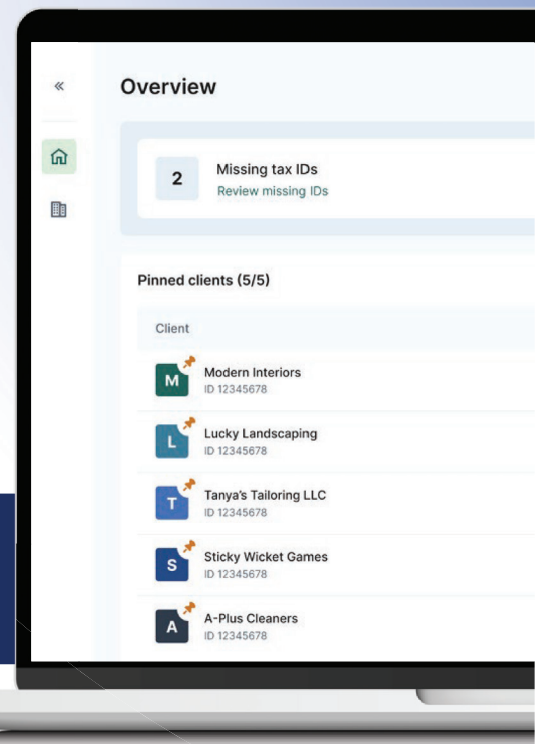
Power Up Your Client Advisory Services (CAS)

A single, streamlined dashboard to manage your shared clients' payroll and HR data.

Save time, stay connected, and strengthen your CAS with real-time resources that guide strategic conversations.

Simplify the Grind. Elevate Your Role.
Learn how at go.paychex.com/gscpa-nov25

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JJ the CPA's 2026 Federal Tax Updates

Prepare for the 2026 federal tax return season with JJ the CPA's engaging and practical tax updates. Attendees will leave with confidence to apply what they have learned and remain compliant. All events are available for in-person or virtual attendance and qualify for CFP credit. Register at www.gscpa.org.

JJ THE CPA'S 2026 FEDERAL TAX UPDATE

December 8, 2026

In-Person, Alpharetta (12097)

Live Stream (LS12097)

The 2026 Federal Tax Update is designed to keep tax professionals current on the latest federal tax developments while focusing on how those changes are applied in real-world client situations. This program covers the most significant recent legislation, including the One Big Beautiful Bill Act (OBBBA), along with newly released IRS forms, instructions, and evolving guidance affecting individual, corporate, and business income taxation. The course emphasizes the key developments impacting current-year return preparation, extended filings, and forward-looking tax planning.

Through a combination of real-world examples, Tax Court case analysis, and practical application, participants will gain insight into both planning opportunities and compliance risks. The program is structured to follow how practitioners actually serve clients — identifying issues, evaluating strategy, and executing returns with clarity and confidence. The course will also cover the growing use of artificial intelligence in tax practice, including its role in workflow, research, and documentation considerations.

JJ THE CPA'S 2026 FEDERAL INDIVIDUAL TAX UPDATE

December 9, 2026

In-Person, Alpharetta (12098)

Live Stream (LS12098)

The Federal Individual Tax Update is a practical, execution-focused program designed to move beyond understanding tax law and into how it is applied in real-world client situations. Through real-world examples, tax court case analysis and practical application, participants will gain insight into planning opportunities and compliance risks. The program is structured to follow how practitioners prepare

individual returns — identifying issues, evaluating strategy and executing with clarity and confidence. The course will also address the growing use of artificial intelligence in tax practice, including its role in workflow, research, and documentation considerations.

JJ THE CPA'S 2026 FEDERAL CORPORATE/ BUSINESS TAX UPDATE

December 10, 2026

In-Person, Alpharetta (12099)

Live Stream (LS12099)

The Business Income Tax Update covers the most significant developments affecting partnerships, S corporations, and business income taxation, including recent legislation, IRS guidance, and key issues impacting current-year and extended return preparation. The course emphasizes areas where compliance frequently breaks down, including self-employment tax determinations with partnerships, at-risk limitations, passive versus nonpassive activity classifications, and material participation.

ABOUT JJ THE CPA

Joshua Jenson, CPA, also known as “JJ the CPA,” is a national tax strategist and CPE educator with more than three decades of experience advising individuals and business owners. A third-generation CPA with 34 tax seasons in the field, JJ is the founder of a CPA firm where he serves as a senior tax strategist. He educates CPAs, EA and tax professionals nationwide and is known for translating complex tax law into practical, real-world application, using analysis to highlight planning opportunities and compliance risk in today's tax environment.

JJ is a five-time author and produces tax-focused content followed by a national audience, with more than 100,000 subscribers and over eight million views on YouTube. He has been recognized by the U.S. Chamber of Commerce as one of the Top 10 Small Business Experts to follow on social media.



*what past
attendees had
to say...*

“Great speaker and good overview with the right amount of detail.”

“He is knowledgeable and fun to listen to. Wish he had a longer session.”

“JJ is a great speaker. Outstanding course!”

“High-energy every time!”

“Always informative and entertaining.”



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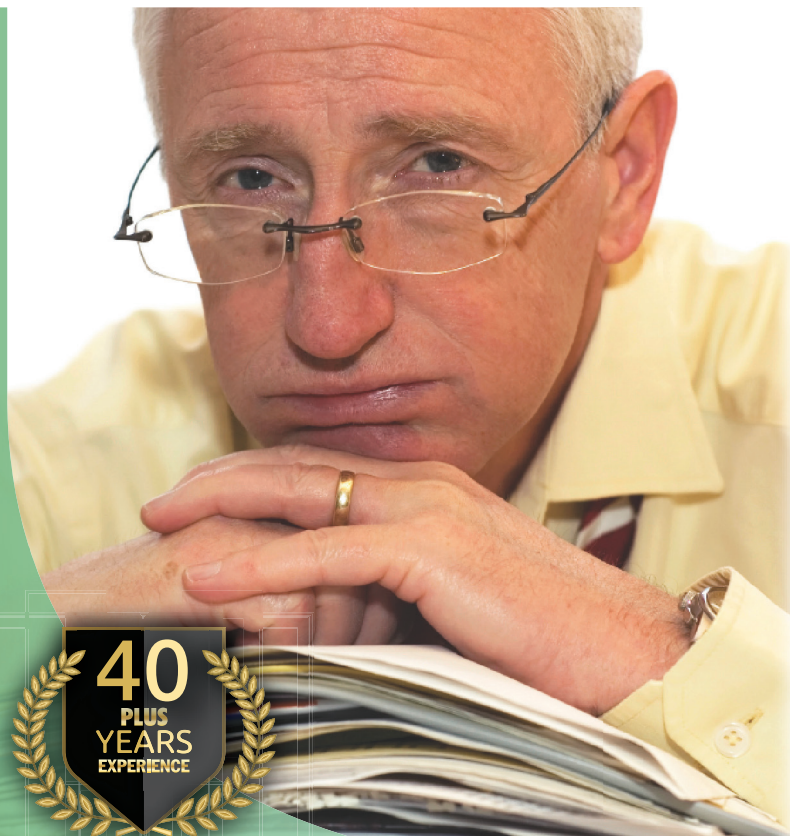
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4. Complete the test and click "Submit" when you are finished.
5. Print the confirmation page for your records.

PRINT INSTRUCTIONS

1. Detach this page from *Current Accounts*.
2. Take the test, recording your answers on the answer sheet by filling in the appropriate circle.
3. Complete the registration and payment information. Payment must be submitted with the test. Print clearly.
4. Email this page to the CPE Department at cpe@gscpa.org or mail this page along with your payment to:

The Georgia Society of CPAs
Current Accounts Self-Study Test
5405 Windward Parkway, Suite 300
Alpharetta, GA 30004

PRICING

	Online	Print
Members	\$35	\$40
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TEST RESULTS

Upon completion of the test, your answers will be graded and within two business days you will either receive an Event Acknowledgement stating you passed the test along with certificate of attendance or an email stating you did not pass along with a link to retake the test.

QUESTIONS

If you have any questions about this test, please contact the CPE Department at 404-504-2985.

ATTRIBUTION

The self-study test is developed and written by Lowell Mooney, CPA, Ph.D., professor of accounting at Georgia Southern University.

SEPT/OCT 2026

TEST NO. CA260910

1. (A) (B) (C) (D)
2. (A) (B) (C) (D)
3. (A) (B) (C) (D)
4. (A) (B) (C) (D)
5. (A) (B) (C) (D)
6. (A) (B) (C) (D)
7. (A) (B) (C) (D)
8. (A) (B) (C) (D)
9. (A) (B) (C) (D)
10. (A) (B) (C) (D)

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THE AI THREATS CHANGING CYBER INSURANCE

1. Why could a CPA firm's internal use of AI create an errors and omissions insurance concern?
 - A. Employees may provide AI-generated work to clients without appropriate human review.
 - B. AI systems automatically invalidate a firm's professional liability coverage.
 - C. Cyber insurance generally prohibits firms from using AI for administrative purposes.
 - D. AI-generated documents cannot be protected by cybersecurity controls.
2. Why is selecting a cyber insurance policy based primarily on the lowest premium potentially risky?
 - A. Lower-cost cyber policies don't include business interruption coverage.
 - B. Insurance carriers must charge higher premiums to CPA firms that use AI.
 - C. Cyber policies vary substantially in their definitions, exclusions, sub-limits and AI-related provisions.
 - D. The least expensive policy generally requires firms to discontinue employee training.

GEORGIA SALES TAX OBLIGATIONS FOR NONPROFIT FUNDRAISING EVENTS

3. Overripe, a nonprofit food organization whose headquarters is in Fulton County (Alpharetta), plans to sell tickets online for a fundraising festival to be held in Chatham County (Savannah). A ticket purchaser lives in Richmond County (Augusta). Which sales tax rate should the nonprofit generally apply?
 - A. The rate where the purchaser lives (Richmond County)
 - B. The rate where the event will be held (Chatham County)
 - C. The rate where Overripe's offices are located (Fulton County)
 - D. The lowest rate among the applicable jurisdictions

GASB CHAIR ADDRESSES BOARD'S PROJECT ON GOING CONCERN UNCERTAINTIES AND SEVERE FINANCIAL STRESS

4. What forward-looking assessment has the GASB tentatively decided to require management to make?
 - A. Whether it is probable that the government will be insolvent within 12 months from the date the financial statements are available to be issued
 - B. Whether the government will experience a budget deficit during the next five fiscal years
 - C. Whether the government will legally dissolve before the next reporting date
 - D. Whether all bonded debt will be repaid within 12 months of year-end

PCC ADDRESSES PRIORITY PRIVATE COMPANY ISSUES IN Q2

5. What issue did PCC members identify as an important area for further research regarding employee stock ownership plans (ESOP)?
 - A. Whether ESOPs should be prohibited from holding private-company stock
 - B. Whether enhanced information about repurchase obligations would better meet the needs of financial statement users
 - C. Whether all ESOP obligations should be classified as current liabilities
 - D. Whether ESOP disclosures should be eliminated for closely held companies

A MARKET PRICING AT TWO SPEEDS: MID-2026 M&A DYNAMICS AND WHAT BUSINESS LEADERS SHOULD DO ABOUT THEM

6. What does the article identify as the primary reason global M&A value increased substantially while the number of transactions remained relatively stable?
 - A. Private equity firms completed a larger number of lower middle-market acquisitions.
 - B. Sellers broadly reduced valuation expectations to stimulate deal activity.
 - C. Financing costs declined uniformly across all transaction sizes.
 - D. A small number of exceptionally large transactions drove aggregate deal value.
7. Which action does the article describe as particularly valuable for owners preparing for a possible transaction?
 - A. Delaying financial reporting improvements until a buyer begins due diligence
 - B. Assuming current lending terms will remain available throughout the transaction process
 - C. Maintaining clean, well-documented and audit-ready financial information
 - D. Focusing primarily on headline global M&A statistics when setting valuation expectations

HOW CPA FIRMS CAN LEAD THE AI ERA

8. Why does AI make an intentional apprenticeship model more important rather than less important?
 - A. Professionals need experience and mentoring to develop the judgment required to evaluate automated work and understand client-specific circumstances.
 - B. AI eliminates the need for technical instruction but increases the need for administrative training.
 - C. Apprenticeship prevents firms from automating work that associates traditionally perform.
 - D. Firms must ensure that associates complete the same volume of repetitive work as previous generations.

THE RISE OF CAPTIVE INSURANCE

9. All the following are potential reasons a middle-market business might consider forming a captive insurance company EXCEPT:
 - A. Retaining underwriting profits when the company has favorable loss experience
 - B. Designing coverage for risks that commercial policies do not adequately address
 - C. Accessing reinsurance markets to transfer selected catastrophic exposures
 - D. Avoiding insurance regulation, reserve requirements, and ongoing oversight

THREE CPAS SERVING GEORGIA UNDER THE GOLD DOME

10. Which of the following does NOT illustrate how CPA experience may contribute to effective legislative service?
 - A. Evaluating the financial consequences of proposed legislation
 - B. Eliminating the need for collaboration and debate thanks to the CPA's financial expertise
 - C. Asking informed questions about taxes and government spending
 - D. Considering the practical effects of laws on businesses and taxpayers

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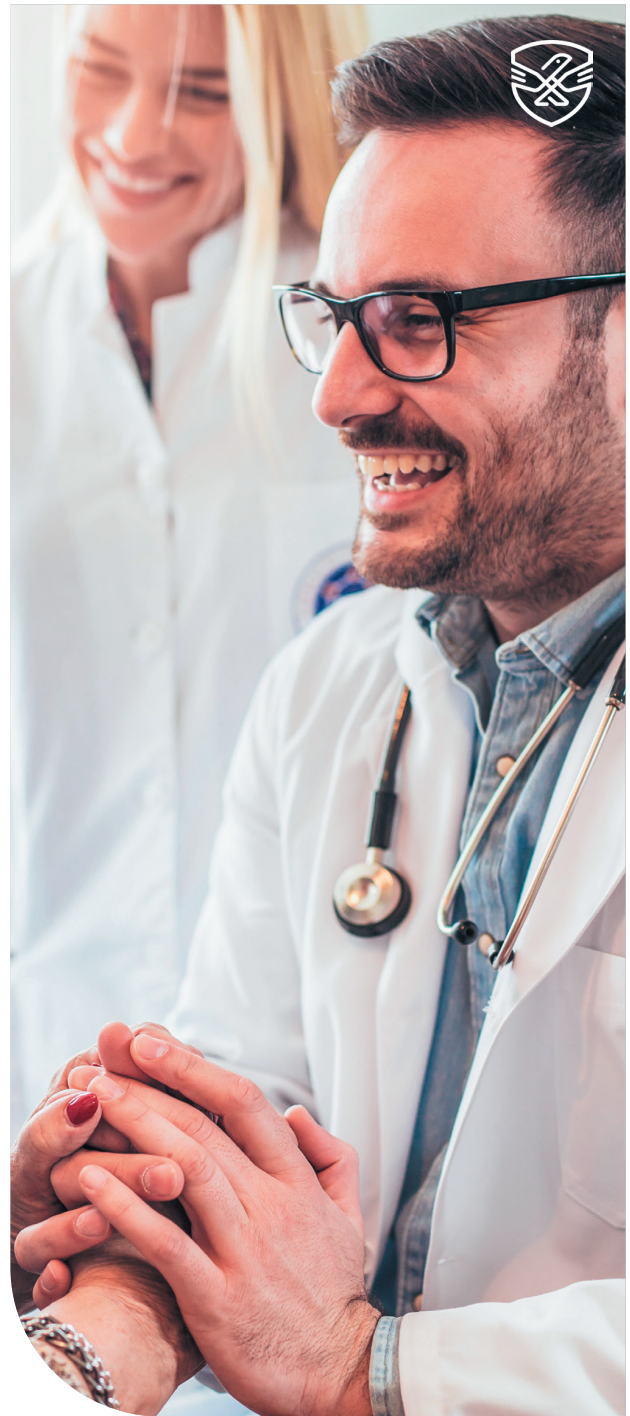
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How I Pay It Forward

by **WILL LAZENBY, CPA, CFE**

Please Note: The views and interpretations reflected below are those of the author and do not necessarily reflect an expression of opinion on the part of The Georgia Society of CPAs.

My involvement with The Georgia Society of CPAs has come full circle. When I look back on my journey in the accounting profession, it is hard to separate my story from the impact that GSCPA and the GSCPA Educational Foundation have had along the way. I joined as a student member, benefitted from the generosity of those who invested in aspiring CPAs, built a rewarding career in the profession and now have the privilege of giving back through service and leadership. My experience has reinforced something I strongly believe: our profession is at its best when we invest in each other.

Like many college students pursuing accounting, I entered the profession with plenty of ambition and a lot of questions. The GSCPA Educational Foundation provided support through a scholarship that helped me pursue my professional goals. Looking back, the financial assistance was meaningful, but what was even more valuable was what it represented. It was evidence that experienced professionals whom I had never met believed in the next generation and were willing to invest in our success.

That investment stayed with me. I felt a sense of gratitude and responsibility that has followed me throughout my career. Every significant step in my professional development can be traced back to someone who was willing to share knowledge, provide guidance or offer encouragement. I benefitted from people who believed that helping others is simply part of being a professional: a professor who challenged me, a supervisor who invested time in my growth or a mentor who offered perspective during difficult decisions.

What began as taking courses and networking through GSCPA gradually evolved into volunteer service and leadership opportunities. Each role allowed me to see firsthand the incredible work being done to support students, young professionals and experienced CPAs across Georgia. The more involved I became, the more I appreciated the countless volunteers who quietly give their time to strengthen the profession. GSCPA creates connections that influence careers and foster leaders. This reminds us that we are part of something larger than ourselves. We belong to a profession built on trust, integrity and service.

One of the greatest privileges of my career has been serving with the GSCPA Educational Foundation. In many ways, the Foundation represents the future of our profession. Through scholarships, outreach and support for accounting education, it helps ensure that talented students have opportunities to pursue careers as CPAs. Serving in a leadership role with the Foundation is especially meaningful as a former scholarship recipient myself. This leadership role gave me the chance to create opportunities for others just as others once created opportunities for me.

I often think about the concept of paying it forward. The people who helped me early in my career did not expect anything in return. They simply invested in someone they believed had potential. The best way I know to honor their generosity is to do the same for the next generation. Whether through mentoring, volunteering, serving on committees, supporting the Foundation or simply taking time to encourage a student, each of us has the ability to make a lasting impact.

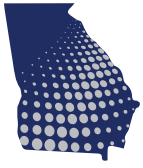
The accounting profession faces challenges that are well-documented. Recruiting and retaining talent continues to be a concern. The profession is evolving rapidly as technology, especially AI, changes how we work. Yet I remain optimistic about the future. I believe the profession will continue to thrive because of the people within it. We have an opportunity and an obligation to encourage young people to pursue accounting, demonstrate the value of the CPA designation and share the many rewarding career paths available to them.

GSCPA and the Educational Foundation played an important role in shaping my career, and I will always be thankful for that investment. Remaining involved is my way of giving back to a profession that has given so much to me.

My hope is that every CPA finds a way to contribute in some way. The future of our profession depends on both technical excellence and our willingness to support one another. We strengthen the profession for everyone when we invest in students and young professionals. And perhaps, most importantly, we ensure that the opportunities we were given will continue to be available for generations to come.



WILL LAZENBY, CPA, CFE is a partner at Carr, Riggs & Ingram, LLC serving privately held businesses within manufacturing, distribution, construction and healthcare, with a strong track record in conducting employee benefit plan audits*. Distinguished by his commitment to delivering practical, tailored solutions, Lazenby excels in forging and maintaining lasting client relationships through active engagement and involvement. He is a past president of The Educational Foundation of The Georgia Society of CPAs. *Assurance, attest, and audit services provided by Carr, Riggs & Ingram, LLC.



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