

Complete and submit this form, along with any supplemental documentation, to the Office of the President by 5:00pm on the seventh day prior to the Board meeting.

**Date of Board Meeting:** October 18, 2022

**Subject:**

Approve transfer of \$1,468,923.16 from the Unrestricted Current Operating Fund to the Investment in Plant Fund.

**Recommendation:**

Recommend approval.

**Background and Rationale:**

The college has implemented Governmental Accounting Standard Board Statement 87 (GASB 87) – Leases. The standard requires the restatement of operating leases previously recorded as rental expense in the Current Operating Fund to a “right of use” asset with the associated lease liability, interest expense and amortization in the Investment in Plant Fund.

For fiscal year 2022, the college reclassified \$1,468,923.16 of Current Operating Fund rental expenditures incurred for Brazos Hall, UH Library, and Northside Center to the Investment in Plant Fund without an associated transfer of revenues. This transfer will reclassify the expense and revenue to the Investment in Plant Fund.

**Cost and Budgetary Support:**

N/A This transfer will eliminate the fund inequities resulting from the implementation of GASB 87.

**Strategic Priority Alignment:**

- Student Success       Community Impact  
 Resource Optimization       Institutional Excellence

**Resource Person(s):**

Bryce D. Kocian, Vice President of Administrative Services  
Gus Wessels, Jr., CPA, Dean of Financial and Business Services  
Cynthia Ward, Controller

**Signatures:**

*Cynthia Ward*  
Originator

10-11-2022  
Date

*B. D. Kocian*  
Cabinet-Level Supervisor

10/11/2022  
Date

**President's Approval:**

*Bryce D. McCreed*  
President

10/12/22  
Date