

**Accounting Principles Committee (APC)**  
**TACUBO Winter Conference**  
**Tuesday, January 23, 2024**  
**7:15 a.m. – 8:15 a.m.**

## Agenda

- **Welcome (Leanna Odom/Leslie Fluharty)**
  
- **GASB Implementations – Looking Back – Any Lessons Learned?**

**GASB Statement No. 96**, *Subscription-Based Information Technology Arrangements (SBITA)*, is effective 2023. This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

Other than the portion of this statement implemented in 2022, the remainder of GASB Statement No. 99, *Omnibus 2022*, is effective in 2023 and 2024. The requirements related to leases, PPPs, and SBITAs are effective 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective 2024.

**GASB Statement No. 94**, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements*, effective 2023, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for availability payment arrangements.

**GASB Statement No. 91**, *Conduit Debt Obligations*, effective 2023, provides a single method of reporting conduit debt obligations.

**GASB Implementation Guide No. 2023-1** – Implementation Guide Update – 2023 – issued in June 2023 – Q&A regarding leases and SBITAs, and GASB 100.

- **Upcoming GASB Pronouncements – Looking Forward**

**GASB Statement No. 99, *Omnibus 2022***

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (*Already implemented in FY 2023.*)
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal

years beginning after June 15, 2023, and all reporting periods thereafter. (Review for impact for FY 2024.) (See actual GASB 99 for details as needed.)

**GASB Statement No. 100**, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective fiscal **2024**.

GASB 100:

- Enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability
- Requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature
- Addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI)

**GASB Statement No. 101**, *Compensated Absences*, effective fiscal **2025**.

GASB 101:

- Updates the recognition and measurement guidance for compensated absences by:
  - Aligning the recognition and measurement guidance under a unified model
  - Amending certain previously required disclosures
- Amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability
- Supersedes GASB 16

**Things to consider (from past notes):**

- Sick leave is a challenge; it is calculating to be twice as much as vacation payouts.
- Review all earned balances; determine what percentage is being used. If 60%, then this will be the current and non-current liability.
- Per GASB, other institutions have already been recording sick leave in their liability balances, so this standard is bringing our financials in line with others.
- NACUBO stated it is accelerating the sick leave expense.
- Need to communicate with the budgeting team for planning purposes.
- Is it going to be “more than likely used”? Page 40 under B/Appendix C. There’s some language that speaks to us.

**Current things to consider:**

- Any current progress by IHE?
- Anyone working with their IT?

- **Other Topics:**

- **Tuition Discounting – NACUBO Update**

The annual Tuition Discounting Study measures institutional tuition discount rates and other indicators of institutionally funded scholarships awarded to undergraduates attending private, nonprofit (independent) colleges and universities. Tuition Discounting changes to move away from the Alternative Approach.

**10/6/2023 - 2023 Tuition Discounting Study** - Data collection for the 2023 NACUBO Tuition Discounting Study (TDS) begins in October 2023. Final results will be posted in May 2024. *Any updates from other IHE? What are you hearing? Is there an interest in an informal subcommittee meeting on this topic (UT Dallas, Greg Argueta)?*

*Did anyone make this change in FY 2023?*

- **Capital Asset Question 5.1 on Bulk Purchases** (*waiting on interpretation from Comptroller in Summer 2023*) Implementation Guide No. 2021-1, Implementation Guidance Update-2021 ([gasb.org](http://gasb.org)) – *as of 12/28/2023*, Comptroller stated that the question is answered in the AFR reporting requirements. The example provided was in the lease section for GASB 87 where it emphasizes the “per unit” value of an item. Conclusion: no changes by Comptroller to GASB guidance.
- **USAS replacement possibility** – Comptroller sent out a survey on June 29 FMX; reality of interfacing with a new system is becoming more and more likely. SurveyMonkey Powered Online Survey – *as of 12/28/2023*, Comptroller is assembling a cross-functional team to evaluate and implement a replacement for USAS. A new software system has not been chosen yet. The RFP will be going out soon.
- **Faster ACFR Initiative - 88(R) HB 4510 - Introduced version ([texas.gov](http://texas.gov)) – Deadlines- Reporting Requirements for Annual Financial Reports ([texas.gov](http://texas.gov))  
The Comptroller is authorized, through Texas Government Code, Section 2101.0376, to impose an administrative penalty against any agency whose failure to meet the deadline results in the Comptroller’s office publishing an incomplete or late ACFR. In addition, any agency that fails to comply with the reporting requirements may be included in the *State Auditor’s Statewide Management Letter*.**

Due to the requirements set forth in HB 4510 (passed by 88th Legislature), beginning in **fiscal 2024**, agencies’ annual submission of their AFR to the Comptroller’s office is required by:

- **Nov. 1** — for each non-statutorily-required audited agency submitting its unaudited AFR.
- **Nov. 20** — for each institution of higher education submitting its unaudited AFR.
- **Dec. 15** — for each agency submitting its audited AFR.

If an agency or an institution of higher education chooses to undergo a non-statutorily-required financial statement audit for its AFR, it must submit its intention to do so with a signed letter on agency letterhead from the agency executive director or head of the university system. The letter must state the agency's intention of undergoing the audit and the name of the CPA firm that will be conducting the audit. This required documentation is due to the Comptroller's office **each fiscal year** no later than close of business on **Sept. 15**.

Failure to complete the intended audit will result in an out-of-compliance audit finding for the agency during the ACFR consolidation process. Such requests in the future will not be granted and the agency will be required to become a statutorily-required audited agency in order to be exempt from the Nov. 1 deadline (Nov. 20 deadline for institutions of higher education).

- How are you preparing for this change?
- Any feedback on pass-through deadlines being adjusted for this? *Per Comptroller on 1/17/2024, the pass-through deadlines will not change.*
- If an audited AFR is submitted, the deadline moves to December 15<sup>th</sup>; not sure of the date for the USAS data entry. *Per Comptroller on 1/17/2024,*
  - *If a university issues an audited AFR, the deadline is December 15. USAS will remain open to this university until then.*
  - *If a university does not submit an audited AFR the deadline is November 20 (just like now). USAS will remain open to that university until then.*
  - *If a university does not normally submit an audited AFR, they can request an extension until December 15 to get the audit completed.*
- **Any audits of accounting relevance?**
- **Ethics session planned for Summer 2024 for those interested.**
- **New AFR software solutions were implemented:**
  - UT System - Workiva (*TSUS implemented for AFR consolidation purposes and certain other financial reporting several years ago*)
  - Texas State Technical College - Workday
  - Texas A&M System - OneStream
  - Any others?
- **Any desire to meet more often (semi-annually) virtually to promote networking (Q&A)?**
- **Anything else?**
- **Adjourn**