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University of California

Governmental Accounting Standards Board (GASB) Statement No. 41, *Budgetary Comparison Schedules—Perspective Differences, an Amendment of GASB Statement No. 34*

Issues Resolution Memo No. 41-1

Determining Whether GASB Statement No. 41 is Applicable to the University's Circumstances

Background

Generally, GASB Statement No. 41 requires state and local governments to present certain comparisons between the financial statements and the budget when perspective differences exist. Perspective differences exist when the structure of financial information for budgetary purposes differs from the fund structure that is defined in GASB Statement No. 34.

If the University, or any of its separately issued financial statements, is required to comply with the provisions of GASB Statement No. 41, implementation is for financial statements for periods beginning after June 15, 2002.

Define Issues

The University must determine whether the requirements contained in GASB Statement No. 41 apply to the University's financial statements, the separate financial statements of the medical centers, UC Press, CEB, etc., those of the University of California Retirement Plan or Defined Contribution Plans, campus foundation financial statements, or future postemployment benefit plan financial statements.

Authoritative Guidance

For the University and separately issued financial statements of the medical centers, UC Press, CEB, campus foundations, University of California Retirement Plan or Defined Contribution Plans, or future postemployment benefit plan financial statements:

Paragraph 3 in GASB Statement No. 41 states the following:

“The first sentence of paragraph 130 (of GASB Statement No. 34), including the footnote, is replaced by the following:

Budgetary comparisons should be presented for the general fund and for each special major revenue fund that has a legally adopted annual budget. Governments are encouraged to present such budgetary comparison information in schedules as part of RSI. However, a government with significant budgetary differences that result in the government’s not being able to present budgetary comparisons for the general fund and each major special revenue fund is required to present budgetary comparison schedules as RSI based upon the fund, organization, or program structure that the government uses for its legally adopted budget.”

Discussion and Recommended Approach

The University does not have a legally adopted budget. Therefore, the requirements in GASB Statement No. 41 do not apply to the University or separately issued financial statements of the medical centers, UC Press, CEB, campus foundations, University of California Retirement Plan or Defined Contribution Plans, or future postemployment benefit plan financial statements.

Next Steps—Required Actions

Responsibility	Required Completion Date	Action Item/Task
N/A	N/A	None