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University of California

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

Issues Resolution Memo No. 45.2

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Required Changes to Support the Accounting for the University of California OPEB Plan in the University's Financial Statements

Define Issues

Other Postemployment Benefits (OPEB) include postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. The University currently provides medical and dental benefits to its retirees.

This Issues Resolution Memo (IRM) outlines the University's approach to accounting for the GASB's financial reporting requirements for the cost of providing other postemployment benefits in the University's consolidated financial statements. The accounting changes affect each campus, each medical center, CEB, ASUCLA, UC Press, the Office of the President (UCOP), the University of California Retirement Plan (UCRP), each Department of Energy (DOE) laboratory and Hastings College of the Law (Hastings), as well as a UC OPEB Trust to be established effective July 1, 2007.

IRM No. 45.1 documents the University's approach to financial reporting for the UC OPEB. The University must now review its general ledger coding structure and modify it to identify the UC OPEB accumulated accrued liability at June 30, 2007 (transition liability) and at each year-end thereafter, and record the annual UC OPEB expense and UC OPEB liability at the desired level of detail to meet the requirements of the GASB and the University management.

Background

The GASB has published Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement outlines changes to the information that the University must record in its financial statements and report in its footnotes regarding postemployment benefits other than pensions. The UC OPEB generally includes medical, dental, and vision insurance and other healthcare benefits. These changes are required for the fiscal year 2007-08.

The GASB has taken the position that pension benefits, including UC OPEB, are a part of the compensation that employees earn each year, even though these benefits are not received until after the employee has retired. The University currently provides medical and dental benefits to its retirees. Therefore, the cost of these future benefits is a part of the cost of providing services today. Among other matters, GASB Statement No. 45 requires the University to record as an operating expense the actuarially-determined, accrued annual cost (“annual OPEB cost/annual OPEB expense¹”) of providing OPEB to its employees. The GASB uses the terms “annual required contributions of the employer (ARC)²”, “normal cost (of the employer)³”, and “OPEB liability⁴” in their discussion of the annual costs. The Statement also requires the University to record and report the net OPEB obligation⁵ of its program. To comply with this requirement, the University must identify the annual UC OPEB costs and the outstanding obligations for the University as a whole and develop a general ledger coding structure which will provide the necessary financial data.

IRM 45.1 concluded that at the present time the University of California is a “sole and agent employer⁶”, encompassing all of the University, including campuses, medical centers, UC Press,

¹ **Annual OPEB cost/Annual OPEB expense:** An accrual-basis measure of the periodic cost of an employer’s participation in a defined benefit OPEB plan. It is equal to:

- The annual required contribution (ARC) of the employer, excluding any employee portion
- Plus one year’s interest on the beginning net OPEB obligation at the rate of return that was assumed when determining the ARC for the current year
- Minus an ARC adjustment, calculated by dividing the beginning net OPEB obligation by an amortization factor designed to offset, approximately, the actuary’s amortization of the net experience losses from past contribution deficiencies in relation to the ARC. This adjustment is intended to offset the amount of interest (and principal, if any) already included in the ARC for amortization of past contribution deficiencies or excess contributions of the employer.

² **Annual required contributions of the employer (ARC):** The employer’s periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters. Employee contributions, if any, are excluded. The amount should include the employer’s normal cost and a provision for amortizing the total unfunded actuarial accrued liability.

³ **Normal cost:** That portion of the Actuarial Present Value of OPEB benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method used. Normal cost does not include any payment in respect of an Unfunded Actuarial Accrued Liability (amortization payments).

⁴ **OPEB liability:** The amount recognized by the employer for contributions to an OPEB plan less than annual OPEB cost.

⁵ **Net OPEB obligation:** The cumulative difference since the effective date of Statement No. 45 between annual OPEB cost and the employer’s contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt. The net OPEB obligation should not include amounts attributable to employees.

⁶ **Sole and agent employers:** Employers with single-employer or agent multiple-employer (agent) plans. A single-employer plan covers the current and former employees, including beneficiaries, of only one employer. An agent multiple-employer plan (agent plan) is an aggregation of single-employer plans, with pooled administrative and investment functions. Separate accounts are maintained for each employer so that the employer’s contributions provide benefits only for the employees of that employer. A separate actuarial valuation is performed for each individual employer’s plan to determine the employer’s periodic contribution rate and other information for the individual plan, based on the benefit formula selected by the employer and the individual plan’s proportionate share of the pooled assets. The results of the individual valuations are aggregated at the administrative level.

CEB, ASUCLA and the DOE Laboratories (employees at the DOE Laboratories are University employees under the terms of the contracts with the DOE if the contracts are directly with the DOE. Subsequent to September 30, 2007, only the LBNL contract will be directly with the University). However, it would exclude Hastings because their employees are not University of California employees. The actuarially-determined UC OPEB expense and UC OPEB liability will be recorded annually and reported in the consolidated financial statements of the University.

While considering the total University as a “sole and agent employer”, the University will consider the separate “carve out” financial statements of the individual campuses and the medical centers to be predicated upon the premise that they fall within the spirit of “cost-sharing employers” who participate in “cost-sharing multiple-employer plans,”⁷ therefore, the annual expense on the “carve out” statement of revenues, expenses and changes in net assets (SRECNA) will be based upon the common contractually required assessment rate. Since UC OPEB expense and UC OPEB liability will be determined for the consolidated entity, and not determined individually for the “carve out” entities, there will not be any UC OPEB liability or asset on the statement of net assets (SNA) of these “carve out” financial statements, e.g. medical centers, UC Press, CEB, etc.

The University will consider the DOE Laboratories under direct contracts with the DOE to be “agent employers” with separate actuarial valuations. Annual UC OPEB cost and UC OPEB liability for the DOE Laboratories under direct contracts with the DOE will be recorded in the University’s financial statements. However, the annual UC OPEB cost for the laboratories will be included in the DOE Laboratories expense line in the University’s SRECNA, not on the University’s Other Postemployment Plan Benefits expense line.

Hastings is an affiliate of the University, but is not included in the University’s reporting entity. Therefore, as an agent-employer, the annual UC OPEB cost and net UC OPEB obligation associated with this entity will be excluded from the University’s financial statements and actuarial calculations. The University will provide the appropriate actuarial information for Hastings to use in preparation of their financial disclosures.

In order to implement the financial reporting approach as outlined, the UC OPEB Plan must be a separate trust, or equivalent arrangement, as discussed in paragraph 22 of GASB Statement No. 45 (see authoritative guidance below). Therefore, the University has established a retiree health benefit trust as a separate entity, effective July 1, 2007.

Creation of the UC OPEB Trust as a stand-alone entity will require the issuance of separate financial statements for the UC OPEB Plan (medical centers, CEB, UC Press, etc. will refer to the availability of the UC OPEB Plan financial statements in the footnotes to their own financial statements) and will also be included in the University’s financial statements as a separate fiduciary trust fund, similar to the UCRP.

⁷ **Cost-sharing multiple-employer plans:** A single plan with pooling (cost-sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers. A single actuarial valuation covers all plan members, and the same contribution rate(s) applies to each employer.

This IRM also provides certain entries necessary to record the UC OPEB transactions in the UC OPEB Trust accounts, but does not provide the financial reporting details for the UC OPEB Trust.

Authoritative Guidance

Please refer to the full discussion in IRM 45.1.

For the consolidated financial statements of the University of California, the relevant authoritative guidance is as follows:

- Paragraph 26 of GASB Statement No. 35 permits the University to report as a special purpose government engaged in business-type activities (BTA's).
- Paragraph 138 of GASB Statement No. 34 states that governments engaged only in business-type activities should present only the financial statements required for enterprise funds.
- Paragraph 63b of GASB Statement No. 34 includes enterprise funds under proprietary funds.
- Paragraph 11 of GASB Statement No. 45...“For employers with single-employer or agent multiple-employer (agent) plans (sole and agent employers), annual OPEB costs should be equal to the annual required contributions of the employer (ARC) to the plan for that year, calculated in accordance with paragraphs 12 and 13 (the parameters), unless the employer has a net OPEB obligation to the plan at the beginning of the year. ...For purposes of this Statement, a plan's total membership is the sum of its employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits.”
- Paragraph 20 of GASB Statement No. 45...“OPEB expense of proprietary and fiduciary funds should be recognized on the accrual basis in fund financial statements. The employer should report OPEB expense for the year in relation to the ARC equal to annual OPEB cost. The net OPEB obligation should be adjusted for any difference between OPEB expense in relation to the ARC and contributions made in relation to the ARC (including short-term differences incurred), based on the criteria for contributions stated in paragraph 13g. A positive (negative) year-end balance in the net OPEB obligation should be recognized as the year-end liability (asset) in relation to the ARC.”...

For the University's separately audited “carve out” entities, the relevant authoritative guidance follows:

The GASB generally avoids any conclusions on “carve out” financial statements; therefore, the following information is relevant in documenting an approach that complies with the GASB requirements.

- Paragraph 22 of GASB Statement No. 45...“Employers that participate in cost-sharing multiple-employer plans (cost-sharing employers) should apply the following accounting and financial reporting requirements of this Statement:
 - a. Employers should apply the requirements of this Statement applicable to cost-sharing employers if the plan is administered as a formal trust, or as an equivalent arrangement, in which all of the following conditions are met:
 - 1) Employer contributions to the plan are irrevocable.
 - 2) Plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan.
 - 3) Plan assets are legally protected from creditors of the employers or plan administrator.
 - b. If a multiple-employer plan is not administered as a formal trust, or as an equivalent arrangement, in which all of the preceding conditions are met, that plan should be classified as an agent multiple-employer plan for financial reporting purposes, and employers should apply the requirements of the Statement applicable to agent employers.”

- Paragraph 23 of GASB Statement No. 45...“Cost-sharing employers in plans that meet the conditions of paragraph 22a should recognize annual OPEB expense/expenditures for their contractually required contributions to the plan in fund financial statements on the accrual basis or the modified accrual basis, whichever applies to the fund(s) used to report the employer’s contributions. Modified accrual recognition should be in accordance with the criteria stated in the second sentence of paragraph 19. Recognition of expense in government-wide financial statements should be on the accrual basis. OPEB liabilities and assets result from the difference between contributions required and contributions made. OPEB liabilities and assets to different plans should not be offset in the financial statements.”

- Paragraph 144 of GASB Statement No. 45...“Similar to Statement 27, this Statement requires cost-sharing employers to measure their OPEB expense/expenditures based on their *contractually required contributions* to the plan, rather than requiring a measure of annual OPEB cost derived from the application of the parameters. The obligations of employers participating in cost-sharing plans differ significantly from those participating in single-employer or agent plans. For sole and agent employers, the cost of each employer’s commitment to provide benefits is directly attributable to that employer. An actuarial valuation is performed for each employer, and each employer’s contribution rate is based on the projected benefits of that employer’s employees. Because the cost of future benefits is attributable to each employer, this Statement requires all sole and agent employers to measure and report that cost in accordance with the parameters and related provisions of this Statement. Those measurement requirements apply, even if the contributions assessed by the plan differ from the ARC and are legally required.”

- Paragraph 145 of GASB Statement No. 45...“In contrast, in a cost-sharing plan, all assets and benefit obligations are pooled, all risks and costs are shared, one actuarial valuation is performed, and the same contribution rate(s) applies to all participating employers. The contribution rate or amount charged to an individual employer may be higher or lower than the amounts that would result from a calculation based upon the projected benefits of only that employer’s employees. Moreover, the obligation or commitment for benefits is not directly attributable to any individual participating employer. For these reasons, the obligation of cost-sharing employers generally is limited to payment of their contractually required contributions, and the employers have little or no control over the amount of required contributions or how they are determined.”

- Paragraph 146 of GASB Statement No. 45...“The Board has concluded that allocation of any differences between the ARC and the sum of the required contributions assessed to participating employers would be arbitrary and inconsistent with the nature of a cost-sharing plan and of the employer’s obligations, and that resulting liabilities or assets would not provide useful information for users of the employer’s financial statements. Therefore, this Statement requires cost-sharing employers to recognize OPEB expense/expenditures equal to their contractually required contributions and a liability to the plan for contributions due and unpaid.”

Finally, due to the lack of guidance by the GASB on “carve out” financial statements, there is guidance from the Securities and Exchange Commission (SEC) that is not binding, but relevant:

From SEC 4220.43 – Corporate-Overhead-Allocations...“Regardless of a consolidated entity’s organizational structure (which may comprise subsidiaries, divisions or other operating units), it is not unusual for certain services benefiting multiple units within the entity to be performed by the parent company or "corporate headquarters" group. Such services could include, for example, accounting, legal, insurance, advertising and tax services, centralized purchasing and marketing functions and executive management. In addition, certain costs such as pension, OPEB, and other employee benefit costs which pertain to all operating units of the entity may be recorded on the parent company or headquarters level. Although such services and costs are common to many entities, the internal methods of allocating such costs vary widely. For example, some entities do not allocate any of the corporate costs incurred, others allocate on a percentage of revenue or other basis deemed to be "reasonable," while others allocate on a specific identification basis.

Generally, although each situation is unique and requires separate consideration based on its particular facts and circumstances, carve-outs should reflect a "reasonable" basis of allocation of corporate overhead costs from the parent or other unit within the organization providing the services. In such situations, SEC staff has required an explanation in the footnotes of the allocation method used, together with management’s assertion that the method used is reasonable and management’s estimate of what the expenses would have been on a stand-alone basis, if materially different. In the staff’s view, this allocation would be necessary in Generally Accepted Accounting Principles (GAAP) financial statements used in initial public offerings regardless of whether the allocation had been made on an historical basis. Staff Accounting Bulletin (SAB) Topic 1-B emphasizes the importance of presenting operating results that reflect all of the "costs of doing business," notwithstanding that some of the costs may not have historically been allocated to the carve-out entity. What constitutes "reasonable" is, in part, a matter of judgment. However, the

allocation should reflect consideration by management of incremental overhead costs incurred as a result of servicing the carve-out. If material amounts of allocable costs are not reflected in the carve-out financial statements, it is doubtful that such financial statements could purport to fairly present financial position and results of operations in accordance with GAAP. A non-GAAP audit report would be unacceptable.”

For LBNL that is included in the University’s reporting entity, the relevant authoritative guidance follows:

Paragraph 32 of GASB Statement No. 45...”Some governmental entities are legally responsible for contributions to OPEB plans that cover the employees of another governmental entity or entities. For example, a state government may be legally responsible for the annual “employer” contributions to an OPEB plan that covers employees of school districts within the state. In those cases, the entity that is legally responsible for the contributions should comply with all applicable provisions of this Statement for measurement and recognition of expense/expenditures, liabilities, assets, note disclosures, and RSI. If the plan is a defined benefit OPEB plan and the entity with legal responsibility for contributions is the only contributing entity, the requirements of this Statement for sole employers apply, regardless of the number of entities whose employees are covered by the plan.”

Recommended Approach

In order to ensure that the reporting of UC OPEB costs and liability is correct, campuses and UCOP must make certain entries on a monthly and annual basis as outlined in this document. Year-end reporting from the DOE Laboratories (only LBNL subsequent to September 30, 2007) must include information which can be used to prepare the appropriate entries at UCOP.

Important: While there has been no conversation or policy discussion associated with implementing any employee contribution for annuitant health costs (hereafter referred to as annual UC OPEB costs), the coding structure is outlined to contemplate possible employee contributions. In addition, identical coding processes have been developed in order to implement the requirements of GASB Statement No. 27 for the UCRP that includes both employee and employer contributions.

Information Flow

Chart 1, *UC OPEB—The Big Picture: Flow of Data and Funds*, shows the flow of information and transactions between all of the entities involved in the UC OPEB process. Campuses, medical centers, UCRP (for non-DOE Laboratory retirees) and Hastings will transfer employer and employee contributions to the UCRHBT through the UC Collection Fund. The UCRHBT will invest these funds and provide premium payments to the UC Payment Fund, which will pay the vendors. The DOE Laboratories will not transfer employer or employee contributions to the UCRHBT; these payments will continue to be received by HR/B Financial Services, as will UCRP contributions for DOE Laboratory retirees. HR/B Financial Services will provide premium payments to the vendors. At fiscal year-end, UCOP will determine the entries that are required to correctly account for UC OPEB activity and UC OPEB liability at the systemwide level, based on information provided by the participating entities and the actuaries. Chart 2,

Chart 3 and Chart 4 give further details regarding the information flow for the campuses and medical centers, UCRP and the DOE Laboratories.

Glossary

Refer to the Glossary for the explanation of codes used in Exhibits 1 through 7.

New Accounting Codes

Exhibit 1 lists the Corporate Financial System (CFS) codes that are necessary to provide information for financial reporting of UC OPEB activity.

Accounting Entries

Exhibit 2 includes the accounting entries that must be made to correctly record UC OPEB expenses and liabilities. The entries can be summarized as follows:

A. Campus/Medical Center Employer Contributions to the UCRHBT

Entries A1 through A7 reflect the monthly and annual entries necessary to record the assessment of the employer's contribution expense through the payroll system. The "common, contractually-required UC OPEB assessment rate" will be established annually by UC management, with consideration given to the actuarially-determined ARC and the availability of funds, and will be the only expense recorded at the campus and medical center for UC OPEB. Campuses must transfer the funds collected from the assessment to the UC Collection Fund. The transfers will occur by electronic file transfer by pay period beginning with pay periods in July 2007. The electronic transfers will be made using the "UCRS Control for Treasurer's STIP" process (see IRM 45.6). Periodic transfers will be made from the UC Collection Fund into the UCRHBT.

B. Campus/Medical Center Employee Contributions (if any) to the UCRHBT

Entries B1 through B7 reflect the monthly and annual entries necessary to record the deduction and transfer of the employee contribution if required. The charge will appear as salary and wages expense in the campus general ledger, and will be recorded as a deduction from the employee's paycheck. Campuses must transfer the funds to the UC Collection Fund. The transfers will occur by electronic file transfer by pay period beginning with pay periods in July 2007. The electronic transfers will be made using the "UCRS Control for Treasurer's STIP" process (see IRM 45.6). Periodic transfers will be made from the UC Collection Fund into the UCRHBT

C. University of California Retirement Plan Retiree Contributions to the UCRHBT and HR/B Financial Services

Entries C1 through C10 reflect the monthly entries necessary to record the deduction from retiree payments for their share of the UC OPEB cost and the transfer of these funds to the UC Collection Fund (for UC and Hastings retirees) and to HR/B Financial Services (for DOE Laboratory retirees). Periodic transfers will be made from the UC Collection Fund into the UCRHBT. For the deductions for retirees of a DOE Laboratory, the funds will not be transferred to the UC Collection Fund, but will be recorded by HR/B Financial Services.

D. Hastings College of the Law Contributions to the UC OPEB Trust

Entries D1 through D2 reflect the payment received from Hastings. Hastings is a “cost sharing employer” and will contribute common “contractual” assessments to the UCRHBT. Because Hastings employees are not University employees, UC will not record the Hastings net UC OPEB obligation on its SNA or Hastings annual UC OPEB cost on its SRECNA.

E. DOE Laboratories Employer Contributions to HR/B Financial Services

Entries E1 through E7 reflect the payments from the DOE Laboratories under direct contracts with DOE to HR/B Financial Services for their employer share of the actual UC OPEB cost. As of 10/1/07, only LBNL will be included. The DOE Laboratories are considered agent employers. However, UC will record their net UC OPEB obligation on its SNA and their annual UC OPEB cost on its SRECNA, although as an expense in the DOE Laboratories line item, not the retiree health benefits expense line used for non-DOE laboratory employees.

F. DOE Laboratories Employee Contributions (if any) to HR/B Financial Services

Entries F1 through F7 reflect the monthly recording of employee deductions at the DOE Laboratories, if required, and payment of those amounts to HR/B Financial Services.

G. Year-End Systemwide UC OPEB Entries – UC

Entries G1 through G4 reflect the year-end entries required at UCOP to record the annual UC OPEB cost, the UC OPEB liability and the net UC OPEB obligation for the campuses and medical centers. The annual UC OPEB cost, UC OPEB liability, and net UC OPEB obligation will not be “pushed down” to the separately audited financial statements. Using information from the actuary and the employer contributions made to the UCRHBT during the year, UCOP will record the annual UC OPEB cost consisting of the ARC incremental accrual, interest on the beginning of the year net UC OPEB obligation, and the adjustment to the ARC. An entry will also be recorded to reflect the implicit subsidy for retiree health; the implicit subsidy amount reduces the UC OPEB obligation and reduces the health insurance costs for active employees.

H. Year-End Systemwide Consolidating Entries – DOE Laboratories

Entries H1 through H5 record at UC's fiscal year-end the DOE laboratories' activity and liabilities and a receivable from DOE to cover the liabilities. These entries apply only to the DOE Laboratories for which there is a direct contract between UC and DOE. The entries do not include LANL as of 5/31/06 and LLNL as of 9/30/07. DOE Laboratories submit a reporting package at fiscal year-end to UCOP; the information contained in the reporting package is used to record the consolidation of DOE revenue and expenses into the UC general ledger and to record certain liabilities of the DOE Laboratories, including any payment due to UC OPEB. Included in the total expenses will be the amount of the UC OPEB expense related to the ARC, which will be recorded in a separate object code from the remaining laboratories' expense, although both will be reported in the DOE Laboratories expense line in the SRECNA. Note that the ARC will be calculated and recorded from GASB-based actuarial information.

I. Year-End Systemwide UC OPEB Entries – DOE Laboratories

Entries I1 through I5 reflect the year-end entries required at UCOP to record the annual UC OPEB cost, the UC OPEB liability and the net UC OPEB obligation for the DOE laboratories. Using information from the actuary and the employer contributions received during the year, UCOP will record the annual UC OPEB cost consisting of the ARC incremental accrual, interest on the beginning of the year net UC OPEB obligation, and the adjustment to the ARC. In addition, UC will record a receivable from DOE and DOE revenue for any portion of the annual UC OPEB cost and the net UC OPEB obligation related to the DOE laboratories under direct contract with the University. (See discussion in IRM 45.5 related to recording receivables from the DOE.) The UC OPEB liability and receivable from the DOE Laboratories will be reduced by the implicit subsidy. These entries apply only to the DOE Laboratories for which there is a direct contract between UC and DOE. The entries do not include LANL as of 5/31/06 and LLNL as of 9/30/07.

The ARC incremental accrual recorded assumes at this point that the UC OPEB assessment rate provides for funding on a pay-as-you-go basis that is less than the ARC. The portion of the ARC expense associated with the DOE Laboratories employers' share that the DOE has funded will be recorded in the DOE Laboratories revenue and expense line, as a result of the billing procedures and process. The ARC incremental accrual entry represents the difference between the ARC and the expense related to the ARC recorded in the SRECNA as a result of billings to the DOE Laboratories.

J. Additional UCRHBT, UC Collection Fund and UC Payment Fund Entries

Entries J1 through J16 reflect monthly premium expenses of the UC OPEB Trust, paid through the UC Payment Fund, purchases and sales of investments, administrative expense entries, entries related to STIP income earned or paid by the UC Payment Fund and UC Collection Fund, and entries related to rebates from insurance plans. Investments will be adjusted to fair market value monthly.

K. Year-End UCRHBT Entries

Entry K1 reflects the entry to accounts receivable to record a contribution equal to the amount of the implicit subsidy recorded in G4. Accounts receivable year end entries for contributions are described in entries A7, B7, C8 and D2.

L. Benefits Administration Assessment

Entries L1 through L3 reflect entries for the Benefits Administration assessment. Although not directly related to the UC OPEB entries, a new object code was established to separate the Benefits Administration assessment from the UC OPEB assessment. Through June 30, 2005, both assessments are combined into one charge using object code 8990. The use of a liability account to record the assessments will be discontinued and the credit entry at UCOP will reflect a reduction of the object code 8995 (Benefits Administration Assessment). At year end, this object code should net to zero. Any deficit or surplus of expenses over assessment will be funded by or be transferred to a separate fund source to be determined by HR/B.

Exhibit 3 provides T-Accounts illustrations for the accounting entries in Exhibit 2. There are six groups of general ledgers presented: Campus/Medical Centers, UCOP at Location M, the University of California Retirement Plan, the DOE Laboratories (only entries related to the UC OPEB are presented), the UCRHBT and Endowment and Investments.

Financial Statement Presentation

The format of the University's primary statements will be revised to provide more detail for the benefits sections. The new account group codes and object codes established for the UC OPEB will be mapped as follows:

Statement of Net Assets (SNA)

1. The SNA will include a new line in Noncurrent Assets entitled *Department of Energy Receivable* to reflect the amounts due from the DOE for the portion of any UC OPEB expense and net UC OPEB obligation attributable to laboratories under direct contact with the University. (See IRM 45.5.)
2. The SNA Current Liability line entitled *Accrued Salaries and Benefits* will be further broken down as follows:
 - a. A new line entitled *Accrued Salaries* will reflect salaries payable.
 - b. A new line entitled *Retirement Plan Contributions* will reflect contributions due to the UCRP. Expanded codes in this section are discussed in IRM 27.2 related to the UCRP.
 - c. A new line entitled *Other Retiree Health Benefit Contributions* will reflect the current monthly contributions due to the UC OPEB Trust ("short-term differences" as described in paragraph 14 of GASB 45.)

- d. A new line entitled *Other Employee Benefits* will reflect the remainder of the benefits payable.
3. The SNA will include a new Noncurrent Liability line entitled *Obligations to UCRP*. Expanded codes in this section are discussed in IRM 27.2 related to the UCRP.
4. The SNA will include a new Noncurrent Liability line entitled *Obligations for Retiree Health Benefits*.

These changes are reflected in Exhibit 4, with the mapping of new codes shown in Exhibit 4a.

Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)

1. The SRECNA will include a new category of operating expense entitled *UCRP Benefits*, which will include costs related to the annual pension cost. Expanded codes in this section are discussed in IRM 27.2 related to the UCRP.
2. The SRECNA will also include a new category of operating expense entitled *Retiree Health Benefits*. Note that object code 8990 which is currently used to record Annuitant Health Benefits/Benefits Administration Assessment will no longer be used beginning July 1, 2005.
3. Finally, the SRECNA will include a category of operating expense entitled *Other Employee Benefits* which will include the remainder of the object codes that are currently reported under Benefits, with the exception of one new object code titled *Benefits Administration Assessment, OC8995*, which will be used to charge the assessment for the *Benefits Administration* programs effective July 1, 2005.

These changes are reflected in Exhibit 5, with the mapping of new codes shown in Exhibit 5a.

Statement of Cash Flows (SCF)

In the Cash Flows from Operating Activities:

1. The SCF will include a new category entitled *Payments to UCRP*.
2. The SCF will include a new category entitled *Payments for Retiree Health Benefits*.
3. The SCF will include a new category entitled *Payments for Other Employee Benefits*.

In the Cash Flows from Noncapital Financing Activities:

1. The SCF will include a new category entitled *Receipt of Retiree Health Contributions from UCRP*.
2. The SCF will include a new category entitled *Payment of Retiree Health Contributions to UCRHBT*.

3. The SCF will include a new category entitled *Receipts from UCRHBT*.
4. The SCF will include a new category entitled *Payments for Retiree Health Benefits Made on Behalf of UCRHBT*.

These changes are reflected in Exhibit 6.

The details of the mapping of the new codes implemented for UC OPEB accounting are available in updates to IRMs 125, 150 and 175.

Footnote Reports

In order to complete the disclosure requirements, a new footnote report has been developed.

UC OPEB – Retiree Health Benefit Costs and Obligations (Exhibit 7)

This footnote will summarize the annual UC Retiree Health Benefit cost, the contributions made to the UCRHBT and the Retiree Health Benefit Plans and the increase to the net Retiree Health Benefit obligation.

Interrelationship between UC and the UCRHBT

Exhibit 8 illustrates the relationship and the flow of information between UC and the UCRHBT.

Next Steps—Required Actions

Responsibility	Required Completion Date	Action Item/Task
OP	Jan-06	Continue to evaluate opportunities to modify DOE laboratory contracts such that UC can support recording a receivable from the DOE for the laboratory portion of the ARC and net OPEB liability.
OP	May-05	Develop new coding to record annual UC OPEB cost and net UC OPEB obligation in the general ledger and new mapping for CFR.
C,OP	May-05	Discuss implementation with campuses and medical centers.
OP	May-05	New mapping implemented in CFR.
C	May-05	Establish new codes in local general ledger systems to enable UC OPEB to be correctly recorded and transmitted to the Corporate Financial System. Confirm with campuses that benefits account have been assigned to the correct Account Group Code.
UCLA & OP	Jun-05	Finalize the understanding of the arrangement with ASUCLA in terms of being a cost sharing employer and paying the contractual assessment rate as opposed to the actual annuitant cost.
C	Jul-05	Object code 8990, Annuitant Health Insurance Contribution, will be discontinued as of July 1, 2005.
C,OP	Jul-05	Begin using new UC OPEB codes for the pay-as-you-go Annuitant Health assessment. The UC OPEB Trust will not yet be established, funds will be transferred to UCOP liability accounts.
C	Jul-05	Begin recording Benefits Administration assessment as new object code 8995, separate from the UC OPEB assessment.
OP,FM & HR&B	March-May 2007	Work with HR&B to establish a trust arrangement for the UC OPEB Plan effective July 1, 2007.

Chart 1

UCRHBT — The Big Picture: Flow of Data and Funds

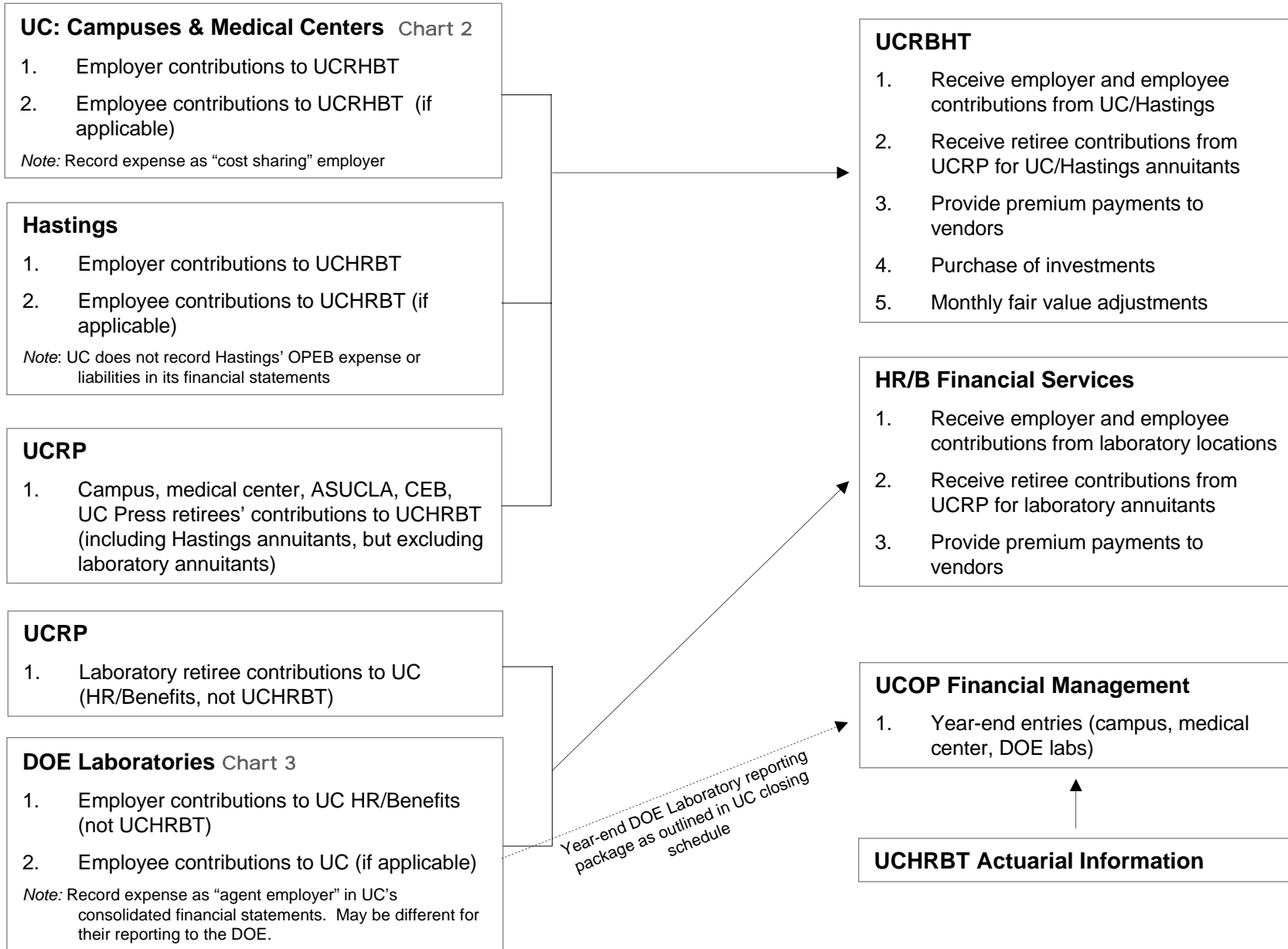


Chart 2

UC: Campuses & Medical Centers

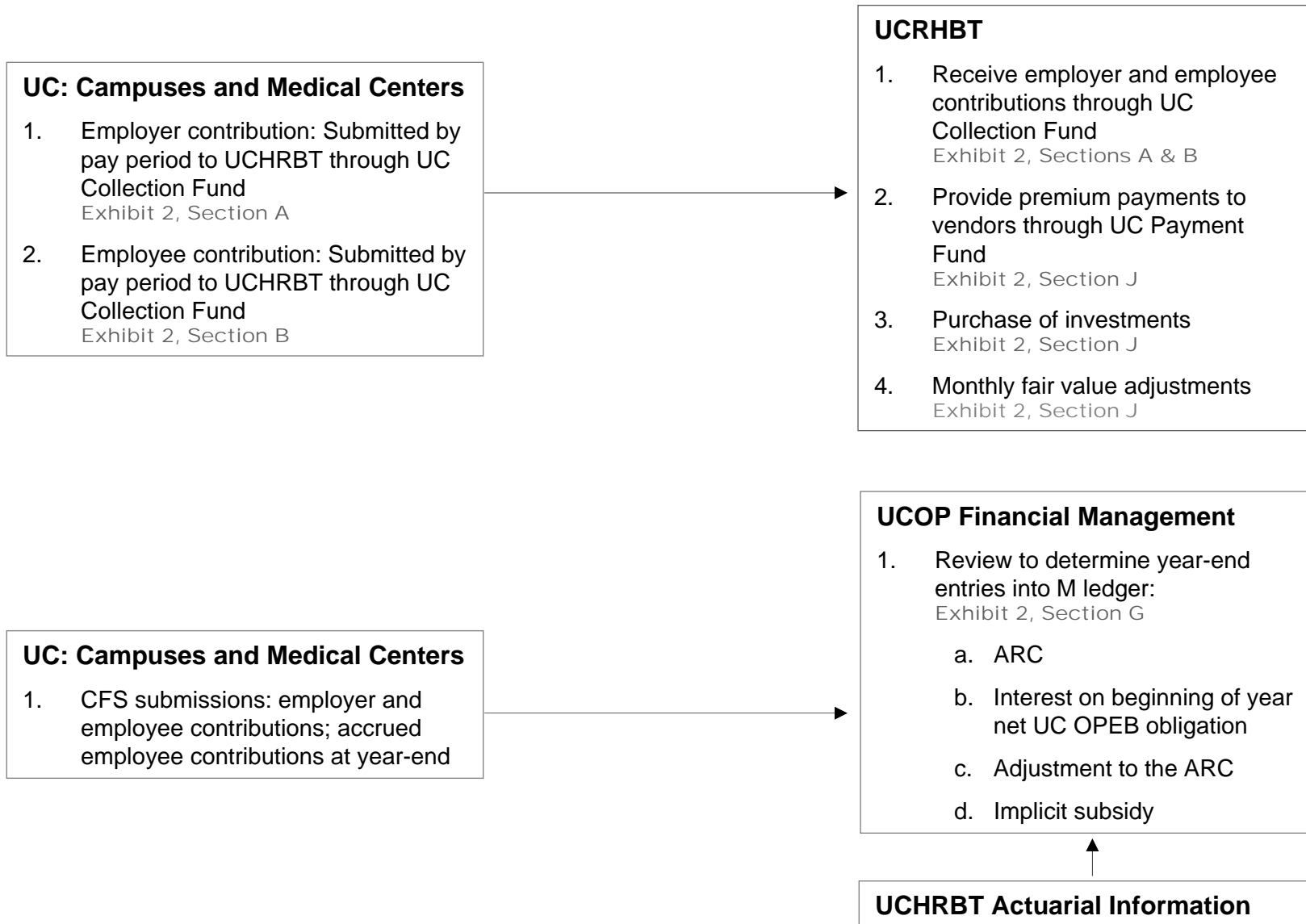


Chart 3
UCRP

UCRP (For Laboratory Annuitants)

1. Laboratory retiree contributions to HR/B Financial Services

HR/B Financial Services

1. Receive retiree contributions from UCRP Exhibit 2, Section C
2. Provide premium payments to vendors Exhibit 2, Section J

UCRP (For UC/Hastings Annuitants)

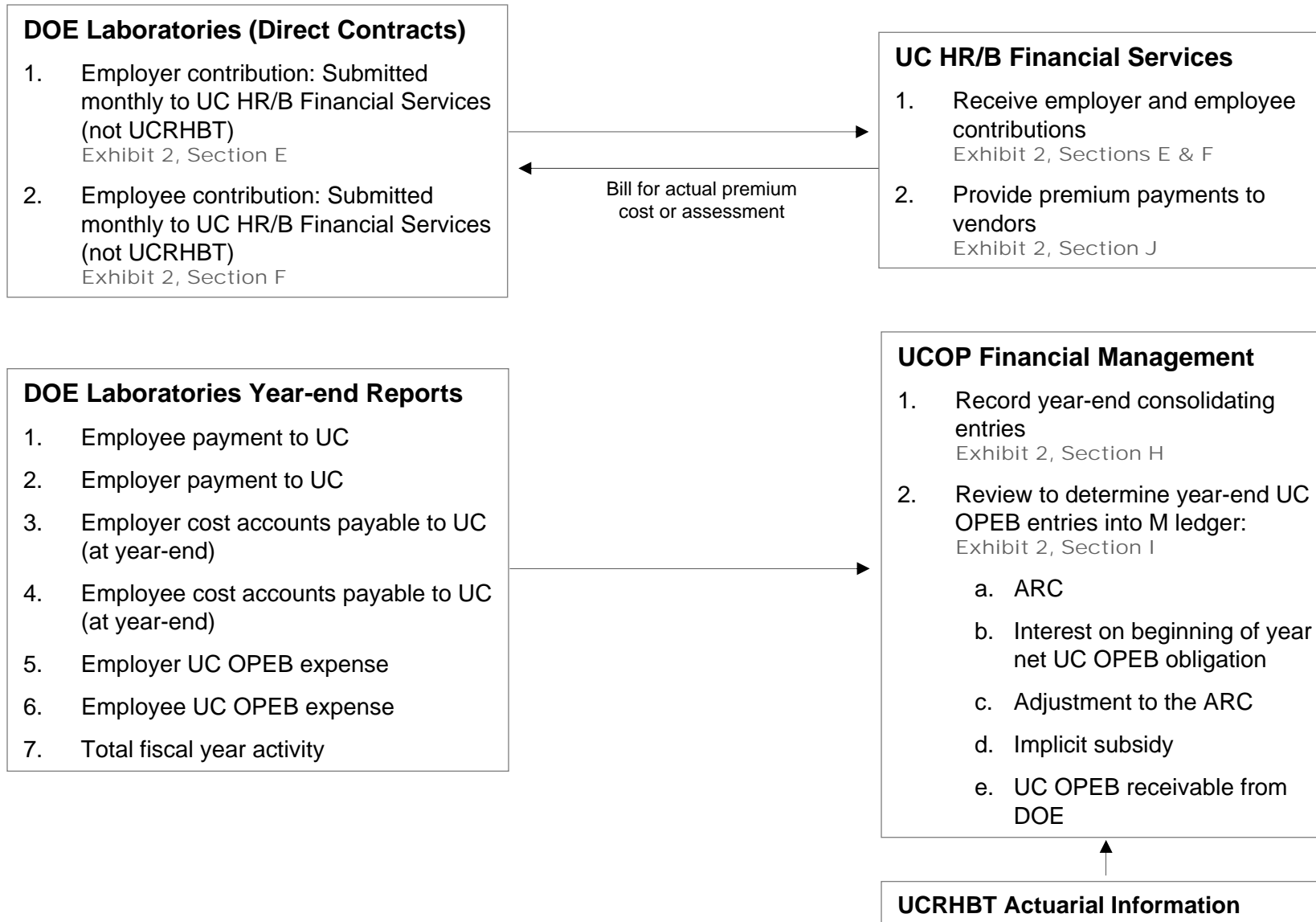
1. Campus, medical center, ASUCLA, CEB, UC Press retirees' contributions to UCRHBT

UCRHBT

1. Receive retiree contributions from UCRP through UC Collection Fund Exhibit 2, Section C
2. Provide premium payments to vendors through UC Payment Fund Exhibit 2, Section J
3. Purchase of investments Exhibit 2, Section J
4. Monthly fair value of investments Exhibit 2, Section J

Chart 4

DOE Laboratories (Direct Contracts*)



* No OPEB obligations for terminated contracts or where UC participates in a Joint Venture

Glossary

The following codes are used in the Exhibits to IRM 45.2:

General Ledger

C	Campus/Medical Center
O	UCOP-Location M
D	DOE Laboratories
U	University of California Retirement Plan (UCRP)
T	UC Retiree Health Benefit Trust (UCRHBT)
E	Endowment & Investment General Ledger

Statement of Net Assets

CA	Current Assets
NA	Noncurrent Assets
CL	Current Liabilities
NL	Noncurrent Liabilities
A	Assets (UCRP & UCRHBT)
L	Liabilities (UCRP & UCRHBT)

Statement of Revenues, Expenses and Changes in Net Assets

OR	Operating Revenue
OE	Operating Expense
NR	Nonoperating Revenue
AD	Additions (UCRP & UCRHBT)
DE	Deductions (UCRP & UCRHBT)

Coding

AGC	Account Group Code
OC	Object Code

DOE Labs

LBNL	Lawrence Berkeley National Laboratory
LLNL	Lawrence Livermore National Laboratory
LANL	Los Alamos National Laboratory

Frequency

MO	Monthly
YE	Year-End June entry

Exhibit 1: New Accounting Codes

General Ledger	Code	Code Title
O	OC 7961	OE-Department of Energy Laboratories Expense-Other-LBNL
O	OC 7962	OE-Department of Energy Laboratories Expense-Other-LLNL (Inactive 10/1/07)
O	OC 7963	OE-Department of Energy Laboratories Expense-Other-LANL (Inactive 6/1/06)
O	OC7964	OE-OPEB Implicit Subsidy-LBNL
C,O	OC 8231	OE-Employer UC Retiree Health Benefit Contribution-UC
O	OC 8233	OE-Employer UC OPEB Contribution-LBNL
O	OC 8234	OE-Employer UC OPEB Contribution-LLNL (Inactive 10/1/07)
O	OC 8235	OE-Employer UC OPEB Contribution-LANL (Inactive 6/1/06)
O	OC 8236	OE-Employee UC OPEB Contribution-LBNL
O	OC 8237	OE-Employee UC OPEB Contribution-LLNL (Inactive 10/1/07)
O	OC 8238	OE-Employee UC OPEB Contribution-LANL (Inactive 6/1/06)
O	OC 8251	OE-UC Retiree Health Benefit ARC Adjustment-UC
O	OC 8252	OE-UC OPEB ARC Adjustment- LBNL
O	OC 8261	OE-Interest on Beginning of Year Net UC Retiree Hlth Ben Obligation-UC
O	OC 8262	OE-Interest on Beginning of Year Net UC OPEB Obligation-LBNL
O	OC 8281	OE-UC Retiree Health Benefit ARC-Incremental Accrual-UC
O	OC 8282	OE-UC OPEB ARC Incremental Accrual-LBNL
O	OC 8915	OE-Health Insurance-Implicit Subsidy Retiree Health Benefits
C,O	OC 8995	OE-Benefits Administration Assessment (effective 7/1/05)
E	AGC 160575	CA-A/R-Other-UCRHBT
E	AGC 160576	CA-A/R-Other-UCRHBT-Settlement
E	AGC 160577	CA-A/R-Other-UCRP Annuitants
O	AGC 160895	CA-OPEB-DOE Receivable-LBNL
O	AGC 161801	NA-UC OPEB DOE Receivable-LBNL
E	AGC 164225	CL-Payments for Retiree Health Benefits
E	AGC 164226	CL-Payments for Retiree Health Benefits-Settlement
C,O	AGC 164231	CL-Employer Liability to UCRHBT-UC
O	AGC 164233	CL-Employer Liability to UC OPEB-LBNL
O	AGC 164234	CL-Employer Liability to UC OPEB-LLNL (Inactive 10/1/07)
O	AGC 164235	CL-Employer Liability to UC OPEB-LANL (Inactive 6/1/06)
C,O,E	AGC 164241	CL-Employer Contribution to UCRHBT-UC
E	AGC 164242	CL-Employer Contribution to UCRHBT-UC Collection Fund
O	AGC 164243	CL-Employer Contribution to UC OPEB-LBNL
O	AGC 164244	CL-Employer Contribution to UC OPEB-LLNL (Inactive 10/1/07)
O	AGC 164245	CL-Employer Contribution to UC OPEB-LANL (Inactive 6/1/06)
E	AGC 164246	CL-UCRP Contribution to UCRHBT-UC
E	AGC 164247	CL-UCRP Liability to UCRHBT-UC
C,O	AGC 164251	CL-Employee Liability to UCRHBT-UC
O	AGC 164253	CL-Employee Liability to UC OPEB-LBNL
O	AGC 164254	CL-Employee Liability to UC OPEB-LLNL (Inactive 10/1/07)
O	AGC 164255	CL-Employee Liability to UC OPEB-LANL (Inactive 6/1/06)
C,O,E	AGC 164261	CL-Employee Contribution to UCRHBT-UC
E	AGC 164262	CL-Employee Contribution to UCRHBT-UC Collection Fund
O	AGC 164263	CL-Employee Contribution to UC OPEB-LBNL
O	AGC 164264	CL-Employee Contribution to UC OPEB-LLNL (Inactive 10/1/07)
O	AGC 164265	CL-Employee Contribution to UC OPEB-LANL (Inactive 6/1/06)
O	AGC 164772	CL-Other-A/P Rebates
O	AGC 165331	NL-Obligations for Retiree Health Benefits-UC
O	AGC 165333	NL-Obligations for Retiree Health Benefits-LBNL
O	AGC 203411	OR-Department of Energy Laboratories-Revenue-LBNL
O	AGC 203412	OR-Department of Energy Laboratories-Revenue-LLNL (Inactive 10/1/07)
O	AGC 203413	OR-Department of Energy Laboratories-Revenue-LANL (Inactive 6/1/06)

Exhibit 1: New Accounting Codes

General Ledger	Code	Code Title
T	AGC 700211	A-Investments-Cash
T	AGC 700221	A-Investments-Securities
T	AGC 700231	A-Investments-Securities-Fair Value Adjustment
T	AGC 700410	A-Investment of Cash Collateral
T	AGC 700601	A-Accounts Receivable Contributions-UC
T	AGC 700602	A-Accounts Receivable Contributions-Hastings
T	AGC 700615	A-Accounts Receivable-Insurance Reserves held by Insurance Carriers
T	AGC 700620	A-Accounts Receivable-Investment Income
T	AGC 700631	A-Accounts Receivable-Other Investment Sales
T	AGC 700632	A-Accounts Receivable-Other Investment Sales-Settlements
T	AGC 700634	A-Accounts Receivable-Other
T	AGC 700701	A-Prepaid Insurance Premiums
T	AGC 704110	L-Accounts Payable-Investment Purchases
T	AGC 704120	L-Accounts Payable-Investment Purchases-Settlement
T	AGC 704211	L-Accounts Payable to UC-Insurance Premiums
T	AGC 704212	L-Accounts Payable to UC-Administrative Expenses
T	AGC 704219	L-Other Payables
T	AGC 704300	L-Collateral Held for Security Lending
T	AGC 709000	Net Assets-Held in Trust for OPEB
T	AGC 705121	AD-Employer Contributions-UC
T	AGC 705122	AD-Employer Contributions-Hastings
T	AGC 705131	AD-Employee Contributions-UC
T	AGC 705132	AD-Employee Contributions-Hastings
T	AGC 705141	AD-Annuitant Contributions-UCRP
T	AGC 705212	AD-Investment Income-Net Appreciation in Fair Value of Investments
T	AGC 705213	AD-Investment Income-Net Appreciation in Fair Value of Investments
T	AGC 705220	AD-Investment Income-Interest, Dividends, Other
T	AGC 705230	AD-Investment Income-Securities Lending
T	AGC 705310	AD-Investment Expenses-Securities Lending
T	AGC 705320	AD-Investment Expenses-Other
T	AGC 707111	DE-Payments to Insured Plans
T	AGC 707112	DE-Rebates from Insured Plans
T	AGC 707121	DE-Payments to Self-Insured Plans
T	AGC 707122	DE-Rebates from Self-Insured Plans
T	AGC 707211	DE-Medicare Part B Reimbursements
T	AGC 707310	DE-Expenses-Plan Administration
T	AGC 707419	DE-Other Expenses

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
A. CAMPUS/MEDICAL CENTER EMPLOYER CONTRIBUTIONS TO THE UC RETIREE HEALTH BENEFIT TRUST (UCRHBT)							
A1	Record employer UC Retiree Health Benefit assessment to liability via payroll - UC			Campus Acctg	MO		
DR	OC 8231	C	OE-Employer UC Retiree Health Benefit Contribution-UC			1,250,000	
CR	AGC 164231	C	CL-Employer Liability to UCRHBT-UC				1,250,000
Current object code 8990 (Annuitant Health Insurance Contribution) will be discontinued as of 7/1/05. New object code 8231 for UC Retiree Health Benefits and 8995 for the Benefits Administration Assessment will be implemented 7/1/05. Campuses must ensure that any assessments charged to Agency funds are reclassified at year-end to accounts with AGCs 300010 through 300140. OC 8231 should match AGC 164231.							
A2	Record transfer of employer UC Retiree Health Benefit Assessment to UC Collection Fund			Campus Acctg	MO		
DR	AGC 164241	C	CL-Employer Contribution to UCRHBT-UC			1,250,000	
CR	AGC 168200	C	Financial Control				1,250,000
The UCRHBT will be established for fiscal year 2007-2008. For fiscal year 2005-2006 and 2006-2007, the assessment will continue to be transferred to the UCOP-Location M general ledger. Annually, after fiscal close, balances in accounts in AGC 164241 must be closed into accounts in AGC 164231. AGC 164241 should reflect contributions to the UC Collection Fund for the current year only. All UC contributions recorded through Collection Fund in the EIA general ledger.							
A3	Record employer contribution in EIA Collection Fund as a payable to the UCRHBT and receivable from UC			Campus Acctg/ HRB Fin. Svcs.	MO		
DR	AGC 168200	E	Financial Control			1,250,000	
CR	AGC 164241	E	CL-Employer Contribution to UCRHBT-UC				1,250,000
DR	AGC 700601	T	A-A/R Contributions-UC			1,250,000	
CR	AGC 705121	T	AD-Employer Contributions-UC				1,250,000
A4	Collection Fund records payment to UCRHBT and UCRHBT records receipt			HRB Fin. Svcs.	MO		
DR	AGC 164242	E	CL-Employer Contribution to UCRHBT-UC Collection Fd			1,250,000	
CR	AGC 160100	E	Cash				1,250,000
DR	AGC 700211	T	A-Investments-Cash			1,250,000	
CR	AGC 700601	T	A-A/R Contributions-UC				1,250,000
Beginning with pay periods in July 2007, the E entry will be made electronically using the process developed for the transfer of STIP balances of UCRP/403(b)/DCP funds. (See IRM 45.6, OPEB Modifications to Payroll/Personnel System: Payroll STIP File) For fiscal year 2005-2006 and 2006-2007, campuses will continue to prepare UCOP journals to record the transfer into the Location M general ledger. The entries to Cash accounts in the E general ledger are automatically generated by the EIA system to balance the funds. Annually, after fiscal close, balances in accounts in AGC 164242 must be closed into accounts in AGC 164241. AGC 164242 should reflect contributions to the UCRBHT for current year only.							
A5	Record campus employer June UC Retiree Health Benefits expense as a current liability and transfer to UCOP.			Campus Acctg	YE		
DR	OC 8231	C	OE-Employer UC Retiree Health Benefit Contribution-UC			125,000	
CR	AGC 164231	C	CL-Employer Liability to UCRHBT-UC				125,000
DR	AGC 164241	C	CL-Employer Contribution to UCRHBT-UC			125,000	
CR	AGC 168200	C	Financial Control				125,000
A6	Record transfer of June UC Retiree Health Benefit assessment to UC Collection Fund and establishment of payable.			Corp. Acctg/ HRB Fin. Svcs.	YE		
DR	AGC 168200	E	Financial Control			125,000	
CR	AGC 164241	E	CL-Employer Contribution to UCRHBT-UC				125,000
If pay date is in June, this entry will be recorded using the electronic file described in A4 above. If pay date is in July, this entry will be recorded on a reversing journal; in July of the new year, the entry will reverse and the electronic file, with effective date in July, will be processed. The reversal and the electronic file entries should zero out in the new year.							
A7	Record UCRHBT receivable for June UC Retiree Health Benefit assessment.			HRB Fin. Svcs.	YE		
DR	AGC 700601	T	A-A/R Contributions-UC			125,000	
CR	AGC 705121	T	AD-Employer Contributions-UC				125,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
B. CAMPUS/MEDICAL CENTER EMPLOYEE CONTRIBUTIONS (IF ANY) TO THE UCRHBT							
B1	Record Employee UC Retiree Health Benefit Assessment to Liability account via Payroll-UC			Campus Acctg	MO		
	DR	OC 1XXX	C OE-Salaries & Wages			60,000	
	CR	AGC 164251	C CL-Employee Liability to UCRHBT-UC				60,000
B2	Record transfer of UC Retiree Health Benefit employee assessment to UC Collection Fund			Campus Acctg	MO		
	DR	AGC 164261	C CL-Employee Contribution to UCRHBT-UC	Campus Acctg		60,000	
	CR	AGC 168200	C Financial Control				60,000
Annually, after fiscal close, balances in accounts in AGC 164261 must be closed into accounts in AGC 164251. AGC 164261 should reflect contributions to the UC Collection Fund for the current year only. All UC contributions recorded through Collection Fund in the EIA general ledger.							
B3	Record employee contribution in EIA Collection Fund and record a payable to the UCRHBT and receivable from UC.			Campus Acctg/ HRB Fin. Svcs.	MO		
	DR	AGC 168200	E Financial Control			60,000	
	CR	AGC 164261	E CL-Employee Contribution to UCRHBT-UC				60,000
	DR	AGC 700601	T A-A/R Contributions-UC			60,000	
	CR	AGC 705131	T AD-Employee Contributions-UC				60,000
B4	Collection Fund records payment to UCRHBT and UCRHBT records receipt.			Campus Acctg/ HRB Fin. Svcs.	MO		
	DR	AGC 164262	E CL-Employee Contribution to UCRHBT-UC Collection Fund			60,000	
	CR	AGC 160100	E Cash				60,000
	DR	AGC 700211	T A-Investments-Cash			60,000	
	CR	AGC 700601	T A-A/R Contributions-UC				60,000
Beginning with pay periods in July 2007, this entry will be made electronically using the process developed for the transfer of STIP balances of UCRP/403(b)/DCP funds. (See IRM 45.6, OPEB Modifications to Payroll/Personnel System: Payroll STIP File) The entries to Cash accounts in the E general ledger are automatically generated by the system to balance the funds. Annually, after fiscal close, balances in accounts in AGC 164262 must be closed into accounts in AGC 164261. AGC 164262 should reflect contributions to UCRBHT for the current year only.							
B5	Record Campus employee June UC Retiree Health Benefit expense as a current liability and transfer to UCOP.			Campus Acctg	YE		
	DR	OC 1XXX	C OE-Salaries & Wages			6,000	
	CR	AGC 164251	C CL-Employee Liability to UCRHBT-UC				6,000
	DR	AGC 164261	C CL-Employee Contribution to UCRHBT-UC			6,000	
	CR	AGC 168200	C Financial Control				6,000
B6	Record transfer of June UC Retiree Health Benefit assessment to UC Collection Fund and establishment of payable.			Corp. Acctg/ HRB Fin. Svcs.	YE		
	DR	AGC 168200	E Financial Control			6,000	
	CR	AGC 164261	E CL-Employee Contribution to UCRHBT-UC				6,000
If pay date is in June, this entry will be recorded using the electronic file described in B4 above. If pay date is in July, this entry will be recorded on a reversing journal; in July of the new year, the entry will reverse and the electronic file, with effective date in July, will be processed. The reversal and the electronic file entries should zero out in the new year.							
B7	UCRHBT records accounts receivable for June employee contribution from campus.			HRB Fin. Svcs.	YE		
	DR	AGC 700601	T A-A/R Contributions-UC			6,000	
	CR	AGC 705131	T AD-Employee Contributions-UC				6,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
C. UNIVERSITY OF CALIFORNIA RETIREMENT PLAN RETIREE CONTRIBUTIONS TO THE UCRHBT AND HR/B FINANCIAL SERVICES							
C1			Record the portion of retiree payments (UC/Hastings) related to UC Retiree Health Benefit contribution as a liability.	HRB Fin. Svcs.	MO		
	DR	AGC 517110	U DE-Benefits Payments - Retirement			200,000	
	DR	AGC 514400	U L-Retiree OPEB Liability				200,000
C2			Record the payment of retiree OPEB contribution (UC/Hastings) to the Collection Fund and record liability to UCRHBT.	HRB Fin. Svcs.	MO		
	DR	AGC 514400	U L-Retiree OPEB Liability			200,000	
	CR	AGC 510211	U A-Investments-STIP (UCRP has no Cash Accounts)				200,000
	DR	AGC 160100	E Cash			200,000	
	CR	AGC 164247	E CL-UCRP Liability to UCRHBT-UC				200,000
	DR	AGC 700601	T A-A/R Contributions-UC			200,000	
	CR	AGC 705141	T AD-Annuitant Contributions-UCRP				200,000
C3			Record the payment of retiree UC Retiree Health Benefit contribution to the UCRHBT for UC/Hastings retirees.	HRB Fin. Svcs.	MO		
	DR	AGC 164246	E CL-UCRP Contribution to UCRHBT-UC			200,000	
	CR	AGC 160100	E Cash				200,000
C4			UCRHBT records UC/Hastings retiree contribution	HRB Fin. Svcs.	MO		
	DR	AGC 700211	T A-Investments-Cash			200,000	
	CR	AGC 700601	T A-A/R Contributions-UC				200,000
C5			Record the payment of retiree UC OPEB contribution to HR/B Financial Services for Laboratory retirees.	HRB Fin. Svcs.	MO		
	DR	AGC 467110	U DE-Benefits Payments - Retirement - LBNL			20,000	
	CR	AGC 460211	U A-Investments-STIP (UCRP has no Cash Accounts) - LBNL				20,000
	DR	AGC 160100	E Cash			20,000	
	CR	AGC 168200	E Financial Control				20,000
	The accounts for the LBNL segment of UCRP will be effective 7/1/08. Until that time, AGC 51XXXX will be used in place of AGC 46XXXX.						
C6			HR/B Financial Services records Laboratory retiree contribution	HRB Fin. Svcs.	MO		
	DR	AGC 168200	O Financial Control			20,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				10,000
	CR	AGC 164734	O CL-Other-Self-Insurance-Employee Healthcare				10,000
C7			Record the June retiree payments (UC/Hastings) related to UC Retiree Health Benefit contribution as a liability.	HRB Fin. Svcs.	YE		
	DR	AGC 517110	U DE-Benefits Payments - Retirement			20,000	
	CR	AGC 514210	U Withdrawals and Refunds				20,000
	DR	AGC 160577	E CA-A/R-Other-UCRP Annuitants			20,000	
	CR	AGC 164247	E CL-UCRP Liability to UCRHBT-UC				20,000
	If pay date is in June, this entry will be recorded using the electronic file used in C1 above. If pay date is in July, this entry will be recorded on a reversing journal; in July of the new year, the entry will reverse and the electronic file, with effective date in July, will be processed. The reversal and the electronic file entries should zero out in the new year.						
C8			UCRHBT records accounts receivable for June retiree contribution (UC/Hastings) from UCRP.	HRB Fin. Svcs.	YE		
	DR	AGC 700601	T A-A/R Contributions-UC			20,000	
	CR	AGC 705141	T AD-Annuitant Contributions-UCRP				20,000
	The balance in AGC 700601 should equal (- AGC 164231 - AGC 164241 - AGC 164242 - AGC 164251 - AGC 164261 - AGC 164262 - AGC 164246 - AGC 164247)						
C9			Record the payment of June retiree UC OPEB contribution to HR/B Financial Services for Laboratory retirees.	HRB Fin. Svcs.	YE		
	DR	AGC 467110	U DE-Benefits Payments - Retirement - LBNL			10,000	
	CR	AGC 460211	U A-Investments-STIP (UCRP has no Cash Accounts) - LBNL				10,000
	DR	AGC 160100	E Cash			10,000	
	CR	AGC 168200	E Financial Control				10,000
C10			HR/B Financial Services records June Laboratory retiree contribution	HRB Fin. Svcs.	YE		
	DR	AGC 168200	O Financial Control			10,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				5,000
	CR	AGC 164734	O CL-Other-Self-Insurance-Employee Healthcare				5,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
D. HASTINGS COLLEGE OF THE LAW CONTRIBUTIONS TO THE UCRHBT							
D1	Hastings remits payment to UCRHBT			HRB Fin. Svcs.	MO		
DR	AGC 700211	T	A-Investments-Cash			30,000	
CR	AGC 705122	T	AD-Employer Contributions-Hastings				20,000
CR	AGC 705132	T	AD-Employee Contributions-Hastings				10,000
D2	Accrual of Hastings June 30 contribution.			HRB Fin. Svcs.	YE		
DR	AGC 700602	T	A-A/R Contributions-Hastings			3,000	
CR	AGC 705122	T	AD-OPEB Employer Contributions-Hastings				2,000
CR	AGC 705132	T	AD-OPEB Employee Contributions-Hastings				1,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
E. DOE LABORATORIES EMPLOYER CONTRIBUTIONS TO HR/B FINANCIAL SERVICES							
E1	LBNL records the employer liability billing from HR/B Financial Services			DOE Lab Acctg.	MO		
	DR	Emplyr UC OPEB Exp.	D Expense - Employer UC OPEB Contribution -LBNL			60,000	
	CR	Liability	D Employer Liability to UC OPEB-LBNL				60,000
E2	LLNL records the employer liability billing from HR/B Financial Services (through 9/30/07)			DOE Lab Acctg.	MO		
	DR	Emplyr UC OPEB Exp.	D Expense - Employer UC OPEB Contribution-LLNL			400,000	
	CR	Liability	D Employer Liability to UC OPEB-LLNL				400,000
E3	LBNL remits employer liability payment to HR/B Financial Services			DOE Lab Acctg.	MO		
	DR	Liability	D Employer Contribution to UC OPEB-LBNL			55,000	
	CR	Cash	D Cash-LBNL				55,000
E4	LLNL remits employer liability payment to HR/B Financial Services (through 9/30/07)			DOE Lab Acctg.	MO		
	DR	Liability	D Employer Contribution to UC OPEB-LLNL			400,000	
	CR	Cash	D Cash-LLNL				400,000
E5	HR/B Financial Services records receipt of contribution-LBNL			HRB Fin. Svcs.	MO		
	DR	AGC 160100	O Cash			55,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				55,000
E6	HR/B Financial Services records receipt of contribution-LLNL (through 9/30/07)			HRB Fin. Svcs.	MO		
	DR	AGC 160100	O Cash			400,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				400,000
E7	HR/B Financial Services records accounts receivable for June employer Contribution from LBNL			HRB Fin. Svcs.	YE		
	DR	AGC 160895	O CA-OPEB-DOE Receivable-LBNL			5,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				5,000

Note: The OPEB receivable recorded here includes the amount of the current liability for UC OPEB which will be remitted to UC HR/B Financial Services in the following month. This is not the Noncurrent Receivable related to the DOE Laboratories long-term UC OPEB obligation.

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
F. DOE LABORATORIES EMPLOYEE CONTRIBUTIONS (IF ANY) TO HR/B FINANCIAL SERVICES							
F1	LBNL records the employee UC OPEB assessment owed to HR/B Financial Services			DOE Lab Acctg.	MO		
	DR	Emplye UC OPEB Exp.	D Expense-Employee UC OPEB Contribution-LBNL			30,000	
	CR	Liability	D Employee Liability to UC OPEB-LBNL				30,000
F2	LLNL records the employee UC OPEB assessment owed to HR/B Financial Services (through 9/30/07)			DOE Lab Acctg.	MO		
	DR	Emplye UC OPEB Exp.	D Expense-Employee UC OPEB Contribution-LLNL			200,000	
	CR	Liability	D Employee Liability to UC OPEB-LLNL				200,000
F3	LBNL remits employee UC OPEB assessment amounts to HR/B Financial Services			DOE Lab Acctg.	MO		
	DR	Liability	D Employee Contribution to UC OPEB-LBNL			25,000	
	CR	Cash	D Cash-LBNL				25,000
F4	LLNL remits employee UC OPEB assessment amounts to HR/B Financial Services (through 9/30/07)			DOE Lab Acctg.	MO		
	DR	Liability	D Employee Contribution to UC OPEB-LLNL			200,000	
	CR	Cash	D Cash-LLNL				200,000
F5	HR/B Financial Services records employee contribution-LBNL			HRB Fin. Svcs.	MO		
	DR	AGC 160100	O Cash			25,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				25,000
F6	HR/B Financial Services records employee contribution-LLNL (through 9/30/07)			HRB Fin. Svcs.	MO		
	DR	AGC 160100	O Cash			200,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				200,000
F7	HR/B Financial Services records accounts receivable for June employee Contribution from LBNL			HRB Fin. Svcs.	YE		
	DR	AGC 160895	O CA-OPEB-DOE Receivable-LBNL			5,000	
	CR	AGC 164220	O CL-Accrued Benefits-Other				5,000

Note: The OPEB receivable recorded here includes the amount of the current liability for UC OPEB which will be remitted to UC HR/B Financial Services in the following month. This is not the Noncurrent Receivable related to the DOE Laboratories long-term UC OPEB obligation.

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
G. YEAR-END SYSTEMWIDE UC OPEB ENTRIES - UC							
G1			Record the incremental ARC accrual-UC	Corp. Acctg.	YE		
	DR	OC 8281	O OE-UC Retiree Health Benefit ARC-Incremental Accrual-UC			2,000,000	
	CR	AGC 165331	O NL-Obligations for Retiree Health Benefits-UC				2,000,000
G2			Record the Adjustment to the ARC-UC	Corp. Acctg.	YE		
	DR	AGC 165331	O NL-Obligations for Retiree Health Benefits-UC			200,000	
	CR	OC 8251	O OE-UC Retiree Health Benefit ARC Adjustment-UC				200,000
G3			Record the interest on the Beginning of Year Net UC OPEB Obligation-UC	Corp. Acctg.	YE		
	DR	OC 8261	O OE-Interest on Beginning of Year Net UC Retiree Health Benefit Obligation-UC			4,500,000	
	CR	AGC 165331	O NL-Obligations for Retiree Health Benefits-UC				4,500,000
G4			Record the Implicit Subsidy for Retiree Health	Corp. Acctg.	YE		
	DR	AGC 165331	O NL-Obligations for Retiree Health Benefits-UC			100,000	
	CR	OC 8915	O OE-Health Insurance-Implicit Subsidy Retiree Health Benefits				100,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
H. YEAR-END SYSTEMWIDE CONSOLIDATING ENTRIES - DOE LABORATORIES							
H1	Record revenue and expense for LBNL based on Year-End Reporting Package.			Corp. Acctg.	YE		
DR	OC 7961	O	OE-Department of Energy Laboratories Expense-Other-LBNL			506,500	
DR	OC 8233	O	OE-Employer UC OPEB Contribution-LBNL			60,000	
DR	OC 8236	O	OE-Employee UC OPEB Contribution-LBNL			30,000	
DR	OC 3800	O	AGC 300155-DOE Indirect Cost Recovery			3,500	
CR	AGC 203411	O	OR-Department of Energy Laboratories-Revenue-LBNL				600,000
H2	Record revenue and expense for LLNL based on Year-End Reporting Package.			Corp. Acctg.	YE		
DR	OC 7962	O	OE-Department of Energy Laboratories Expense-Other-LLNL			3,377,000	
DR	OC 8234	O	OE-Employer UC OPEB Contribution-LLNL			400,000	
DR	OC 8237	O	OE-Employee UC OPEB Contribution-LLNL			200,000	
DR	OC 3800	O	AGC 300155-DOE Indirect Cost Recovery			23,000	
CR	AGC 203412	O	OR-Department of Energy Laboratories-Revenue-LLNL				4,000,000
Note: As of 10/1/07, LLNL will no longer be under direct contract with UC. The 2007-2008 expense and revenue recorded will be for a 3 month period only.							
H3	Record receivable from DOE and liabilities for LBNL based on Year-End Reporting Package - entry will be reversed July 1.			Corp. Acctg.	YE		
DR	AGC 160890	O	Department of Energy Receivables			10,000	
CR	AGC 164600	O	Department of Energy Laboratories Liabilities				10,000
DR	AGC 164243	O	CL-Employer Contribution to UC OPEB-LBNL			60,000	
CR	AGC 164233	O	CL-Employer Liability to UC OPEB-LBNL				60,000
DR	AGC 164263	O	CL-Employee Contribution to UC OPEB-LBNL			30,000	
CR	AGC 164253	O	CL-Employee Liability to UC OPEB-LBNL				30,000
Note: The Employer Contribution/Liability and Employee Contribution/Liability recorded here as liability and contribution is total expense reported by LBNL.							
H4	Record for cash flow purposes the liability for OPEB contributions for LLNL - entry will be reversed July 1.			Corp. Acctg.	YE		
DR	AGC 164244	O	CL-Employer Contribution to UC OPEB-LLNL			400,000	
CR	AGC 164234	O	CL-Employer Liability to UC OPEB-LLNL				400,000
DR	AGC 164264	O	CL-Employee Contribution to UC OPEB-LLNL			200,000	
CR	AGC 164254	O	CL-Employee Liability to UC OPEB-LLNL				200,000
Note: This entry records the transactions for the 3 month period July 1, 2007 through September 30, 2007. Data needed for cash flow and footnote information.							
H5	Record accrual of benefits related to compensated absences reported by LBNL (per GASB 16)			Corp. Acctg.	YE		
DR	OC 7961	O	OE-Department of Energy Laboratories Expense-Other-LBNL			1,000	
CR	AGC 203411	O	OR-Department of Energy Laboratories-Revenue-LBNL				1,000
DR	AGC 160890	O	Department of Energy Receivables			1,000	
CR	AGC 164600	O	Department of Energy Laboratories Liabilities				1,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
I. YEAR-END SYSTEMWIDE UC OPEB ENTRIES - DOE LABORATORIES							
11	Record the incremental ARC accrual-LBNL. (Recorded in the DOE Laboratory Expense line item)			Corp. Acctg.	YE		
DR	OC 8282	O	OE-UC OPEB ARC Incremental Accrual-LBNL			30,000	
CR	AGC 165333	O	NL-Obligations for Retiree Health Benefits-LBNL				30,000
12	Record the adjustment to ARC-LBNL. (Recorded in the DOE Laboratory Expense line item)			Corp. Acctg.	YE		
DR	AGC 165333	O	NL-Obligations for Retiree Health Benefits-LBNL			10,000	
CR	OC 8252	O	OE-UC OPEB ARC Adjustment- LBNL				10,000
13	Record the interest on the Beginning of Year Net UC OPEB Obligation-LBNL. (Recorded in the DOE Laboratory Expense line item)			Corp. Acctg.	YE		
DR	OC 8262	O	OE-Interest on Beginning of Year Net UC OPEB Obligation-LBNL			100,000	
CR	AGC 165333	O	NL-Obligations for Retiree Health Benefits-LBNL				100,000
14	Record a receivable from the DOE to offset both the LBNL annual UC OPEB cost and the net UC OPEB obligation			Corp. Acctg.	YE		
DR	AGC 161801	O	NA-UC OPEB DOE Receivable-LBNL			120,000	
CR	AGC 203411	O	OR-Department of Energy Laboratories-Revenue-LBNL				120,000
	Recorded in the DOE Laboratory Revenue line item. (See IRM 45.5, Recording a Receivable from the Department of Energy (DOE) for the Postemployment Benefits Liability Associated with University of California Employees Working at DOE Laboratories)						
15	Record the Implicit Rate Subsidy for LBNL and reclassify expense for reporting purposes			Corp. Acctg.	YE		
DR	OC 7961	O	OE-Department of Energy Laboratories Expense-Other-LBNL			20,000	
CR	OC 7964	O	OE-OPEB Implicit Subsidy - LBNL				20,000
DR	AGC 165333	O	NL-Obligations for Retiree Health Benefits-LBNL			20,000	
CR	AGC 161801	O	NA-UC OPEB DOE Receivable-LBNL				20,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
J. ADDITIONAL UCRHBT, UC COLLECTION FUND, AND UC PAYMENT FUND ENTRIES							
J1	Record liabilities to carriers from OPEB trust through the UC Payment Fund			HRB Fin. Svcs.	MO		
	DR	AGC 160575	E CA-A/R Other-UCRHBT			1,260,000	
	CR	AGC 164220	E CL-Accrued Benefits-Other				1,260,000
	DR	AGC 707111	T DE-Payments to Insured Plans			965,000	
	DR	AGC 707121	T DE-Payments to Self-Insured Plans			185,000	
	DR	AGC 707211	T DE-Medicare Part B Reimbursements			110,000	
	CR	AGC 704211	T L-A/P to UC-Insurance Premiums				1,260,000
J2	Record payments to carriers						
	DR	AGC 164220	E CL-Accrued Benefits-Other	HRB Fin. Svcs.	MO	1,075,000	
	CR	AGC 160100	E Cash				1,075,000
	DR	AGC 164226	E CL-Payments for Retiree Health Benefits-Settlement			1,075,000	
	CR	AGC 164225	E CL-Payments for Retiree Health Benefits				1,075,000
	Annually, after fiscal close, balances in accounts in AGC 164226 must be closed into accounts in AGC 164225. AGC 164226 should reflect payments for retiree health benefits for the current year only.						
J3	Record payment from UCRHBT to Payment Fund			HRB Fin. Svcs.	MO		
	DR	AGC 704211	T L-A/P to UC-Insurance Premiums			1,260,000	
	CR	AGC 700211	T A-Investments-Cash				1,260,000
	DR	AGC 160100	E Cash			1,260,000	
	CR	AGC 160576	E CA-A/R Other-UCRHBT-Settlement				1,260,000
	Annually, after fiscal close, balances in accounts in AGC 160576 must be closed into accounts in AGC 160575. AGC 160576 should reflect receipts from UCRHBT for the current year only.						
J4	Record Fair Value adjustment to OPEB Investments			Corp. Acctg.	MO		
	DR	AGC 700231	T A-Investments-Securities-Fair Value Adjustment			5,000	
	CR	AGC 705212	T AD-Investment Income-Net Appreciation in Fair Value of Investments				5,000
J5	To record STIP Income in the Collection Fund			Corp. Acctg.	MO		
	DR	AGC 160100	E Cash			5,000	
	CR	AGC 208240	E NR-STIP Investment Income				5,000
J6	To record STIP earnings of the Collection Fund as contributions to UCRHBT			HRB Fin. Svcs.	MO		
	DR	TC 0814	E Transfer Fund Balance to OP			5,000	
	CR	AGC 164241	E CL-Employer Contribution to UCRHBT-UC				5,000
	DR	OC 8231	O OE-Employer UC Retiree Health Benefit Contribution-UC			5,000	
	CR	TC 0800	O Transfer Fund Balance from E				5,000
	DR	AGC 164241	O CL-Employer Contribution to UCRHBT-UC			5,000	
	CR	AGC 164231	O CL-Employer Liability to UCRHBT-UC				5,000
	DR	AGC 700601	T A-A/R Contributions-UC			5,000	
	CR	AGC 705121	T AD-Employer Contributions-UC				5,000
J7	To record payment from Collection Fund to UCRHBT and record employer contribution-UC			HRB Fin. Svcs.	MO		
	DR	AGC 164242	E CL-Employer Contribution to UCRHBT-UC Collection Fd			5,000	
	CR	AGC 160100	E Cash				5,000
	DR	AGC 700211	T A-Investments-Cash			5,000	
	CR	AGC 700601	T A-A/R Contributions-UC				5,000
J8	To record negative STIP Income in the Payment Fund.			Corp. Acctg.	MO		
	DR	AGC 208240	E NR-STIP Investment Income			2,000	
	CR	AGC 160100	E Cash				2,000
J9	To record receivable from UCRHBT for STIP expense recorded at E			HRB Fin. Svcs.	MO		
	DR	AGC 160571	E CA-A/R Other			2,000	
	CR	AGC 208210	E OR-Other Operating Revenue-Other Sources-Other				2,000
	DR	AGC 707310	T DE-Expenses-Plan Administration			2,000	
	CR	AGC 704212	T L-A/P to UC-Administrative Expenses				2,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
J10	To record receivable/payable for additional administrative expenses			HRB Fin. Svcs.	MO		
	DR	AGC 160571	E CA-A/R Other			70,000	
	CR	AGC 168200	E Financial Control				70,000
	DR	AGC 168200	O Financial Control			70,000	
	CR	AGC 208210	O OR-Other Operating Revenue-Other Sources-Other				70,000
	DR	AGC 707310	T DE-Expenses-Plan Administration			70,000	
	CR	AGC 704212	T L-A/P to UC-Administrative Expenses				70,000
J11	To record payment of administrative expenses by UCRHBT			HRB Fin. Svcs.	MO		
	DR	AGC 704212	T L-A/P to UC-Administrative Expenses			72,000	
	CR	AGC 700211	T A-Investments-Cash				72,000
	DR	AGC 160100	E Cash			72,000	
	CR	AGC 160571	E CA-A/R Other				72,000
J12	To record purchase of securities and payment.			Corp. Acctg.	MO		
	DR	AGC 700221	T A-Investments-Securities			1,500,000	
	CR	AGC 704110	T L-A/P-Investment Purchases				1,500,000
	DR	AGC 704120	T L-A/P-Investment Purchases-Settlements			1,500,000	
	CR	AGC 700211	T A-Investments-Cash				1,500,000
J13	To record sales of securities and receipt of cash.			Corp. Acctg.	MO		
	DR	AGC 700631	T A-A/R-Other Investment Sales			1,260,000	
	CR	AGC 700221	T A-Investments-Securities				1,260,000
	DR	AGC 700211	T A-Investments-Cash			1,260,000	
	CR	AGC 700632	T A-A/R-Other Investment Sales-Settlements				1,260,000
J14	To record rebates from insurance carriers - active employees and retirees			HRB Fin Svcs.			
	DR	AGC 160100	O Cash			600,000	
	CR	OC 8900	O OE-Health Insurance				600,000
J15	To record rebates payable to UCRHBT			HRB Fin Svcs.			
	DR	OC8900	O OE-Health Insurance			150,000	
	CR	AGC 164772	O CL-Other-A/P Rebates				150,000
	DR	AGC 700634	T A-A/R Other			150,000	
	CR	AGC 707112	T DE-Rebates from Insured Plans				100,000
	CR	AGC 707122	T DE-Rebates from Self- Insured Plans				50,000
J16	To pay insurance carrier rebates to UCRHBT			HRB Fin Svcs.			
	DR	AGC 164772	O CL-Other-A/P Rebates			150,000	
	CR	AGC 168200	O Financial Control				150,000
	DR	AGC 168200	E Financial Control			150,000	
	CR	AGC 160100	E Cash				150,000
	DR	AGC 700211	T A-Investments-Cash			150,000	
	CR	AGC 700634	T A-A/R Other				150,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
K. YEAR-END UCRHBT ENTRIES							
K1			Record contributions based upon value of Implicit Rate Subsidy	HRB Fin. Svcs.	YE		
	DR	AGC 707111	T DE-Payments to Insured Plans			50,000	
	DR	AGC 707121	T DE-Payments to Self-Insured Plans			30,000	
	DR	AGC 707211	T DE-Medicare Part B Reimbursements			20,000	
	CR	AGC 705121	T AD-Employer Contributions-UC				100,000

Exhibit 2: Accounting Entries

Entry #	Coding	General Ledger	Account Title/Code Title	Responsibility	Frequency	Debit	Credit
L. BENEFITS ADMINISTRATION ASSESSMENT							
L1	Record assessment for Benefits Administration, using object code 8995 which is effective July 1, 2005.			Campus Acctg	MO		
	DR	OC 8995	C OE-Benefits Administration Assessment			65,000	
	CR	AGC 164760	C CL-Other-Miscellaneous				65,000
L2	Transfer Assessment to UCOP Location M			Campus Acctg	MO		
	DR	AGC 164760	C CL-Other-Miscellaneous			65,000	
	CR	AGC 168200	C Financial Control				65,000
L3	UCOP response to transfer of Benefits Administration Assessment			Campus Acctg	MO		
	DR	AGC 168200	E Financial Control (E-1195XX)			65,000	
	CR	AGC 168200	E Financial Control (E-119540)				65,000
	DR	AGC 168200	O Financial Control (M-119500)			65,000	
	CR	OC 8995	O OE-Benefits Administration Assessment				65,000

Exhibit 3: T-Accounts

C Campus/Medical Center General Ledger

Campus Financial Control AGC 168200					CL-Employer Liability to UCRHBT-UC AGC 164231		
A2	1,250,000				A1	1,250,000	
A5	125,000				A5	125,000	
B2	60,000						
B5	6,000						
L2	65,000						
CL-Employer Contribution to UCRHBT-UC AGC 164241		CL-Employee Liability to UCRHBT-UC AGC 164251		CL-Employee Contribution to UCRHBT-UC AGC 164261		CL-Other-Miscellaneous AGC 164760	
A2	1,250,000	B1	60,000	B2	60,000	L2	65,000
A5	125,000	B5	6,000	B5	6,000	L1	65,000
OE-Salaries & Wages-Campus OC 1XXX		OE-Employer UC Ret. Hlth. Ben. Contribution-UC OC 8231		OE-Benefits Administration Assessment OC 8995			
B1	60,000	A1	1,250,000	L1	65,000		
B5	6,000	A5	125,000				

Exhibit 3: T-Accounts

O UCOP-Location M

**CA-Cash
AGC 160100**

E5	55,000
E6	400,000
F5	25,000
F6	200,000
J14	600,000

**Campus Financial Control
AGC 168200**

C6	20,000	J16	150,000
C10	10,000		
J10	70,000		
L3	65,000		

**CA-Department of Energy Receivables
AGC 160890**

H3	10,000
H5	1,000

**CA-OPEB-DOE Receivable-LBNL
AGC 160895**

E7	5,000
F7	5,000

**NA-UC OPEB DOE Receivable-LBNL
AGC 161801**

I4	120,000	I5	20,000
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**CL-Accrued Benefits-Other
AGC 164220**

C6	10,000
C10	5,000
E5	55,000
E6	400,000
E7	5,000
F5	25,000
F6	200,000
F7	5,000

**CL-Employer Liability to UCRHBT-UC
AGC 164231**

J6	5,000
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**CL-Employer Liability to UC OPEB-
LBNL
AGC 164233**

H3	60,000
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**CL-Employer Liability to UC OPEB-
LLNL
AGC 164234**

H4	400,000
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**CL-Employer Contribution to
UCRHBT-UC
AGC 164241**

J6	5,000
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Exhibit 3: T-Accounts

O UCOP-Location M

**CL-Employer Contribution to UC OPEB-LBNL
AGC 164243**

H3	60,000		
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**CL-Employer Contribution to UC OPEB-LLNL
AGC 164244**

H4	400,000		
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**CL-Employee Liability to UC OPEB-LBNL
AGC 164253**

	H3	30,000	
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**CL-Employee Liability to UC OPEB-LLNL
AGC 164254**

	H4	200,000	
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**CL-Employee Contribution to UC OPEB-LBNL
AGC 164263**

H3	30,000		
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**CL-Employee Contribution to UC OPEB-LLNL
AGC 164264**

H4	200,000		
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**CL-Department of Energy Liabilities
AGC 164600**

	H3	10,000	
	H5	1,000	

**CL-Other-Self-Insurance-Employee Healthcare
AGC 164734**

	C6	10,000	
	C10	5,000	

**CL-Other-A/P Rebates
AGC 164772**

J16	150,000	J15	150,000
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**NL-Net OPEB Obligation-UC
AGC 165331**

G2	200,000	G1	2,000,000
G4	100,000	G3	4,500,000

**NL-Net OPEB Obligation-LBNL
AGC 165333**

I2	10,000	I1	30,000
I5	20,000	I3	100,000

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Exhibit 3: T-Accounts

O UCOP-Location M

**OR-Other Operating Revenue-Other Sources
AGC 208210**

	J10	70,000
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**OR-Department of Energy Laboratories-
Revenue-LBNL
AGC 203411**

H1	600,000
H5	1,000
I4	120,000

**OR-Department of Energy
Laboratories-Revenue-LLNL
AGC 203412**

H2	4,000,000
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**OE-Department of Energy Laboratories
Expense-Other-LBNL**

OC 7961

H1	506,500
H5	1,000
I5	20,000

**OE-Department of Energy Laboratories
Expense-Other-LLNL**

OC 7962

H2	3,377,000
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**OE-OPEB Implicit Rate Subsidy-
LBNL**

OC 7964

I5	20,000
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**OE-Employer UC OPEB Contribution-
UC**

OC 8231

J6	5,000
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**OE-Employer UC OPEB Contribution-LBNL
OC 8233**

H1	60,000
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**OE-Employer UC OPEB Contribution-
LLNL
OC 8234**

H2	400,000
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**OE-Employee UC OPEB
Contribution-LBNL
OC 8236**

H1	30,000
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**OE-Employee UC OPEB Contribution-
LLNL
OC 8237**

H2	200,000
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Exhibit 3: T-Accounts

O UCOP-Location M

<p style="text-align: center;">OE-UC OPEB ARC Adjustment-UC OC 8251</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">G2</td> <td style="width: 80%; text-align: right;">200,000</td> </tr> </table>		G2	200,000	<p style="text-align: center;">OE-UC OPEB ARC Adjustment-LBNL OC 8252</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">I2</td> <td style="width: 80%; text-align: right;">10,000</td> </tr> </table>		I2	10,000	<p style="text-align: center;">OE-Interest on Beginning of Year Net UC OPEB Obligation-UC OC 8261</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">G3</td> <td style="width: 80%; text-align: right;">4,500,000</td> </tr> </table>		G3	4,500,000	<p style="text-align: center;">OE-Interest on Beginning of Year Net UC OPEB Obligation-LBNL OC 8262</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">I3</td> <td style="width: 80%; text-align: right;">100,000</td> </tr> </table>		I3	100,000	
	G2	200,000														
	I2	10,000														
	G3	4,500,000														
	I3	100,000														
<p style="text-align: center;">OE-UC OPEB ARC-Incremental Accrual- UC OC 8281</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">G1</td> <td style="width: 10%; text-align: right;">2,000,000</td> <td style="width: 80%;"></td> </tr> </table>	G1	2,000,000		<p style="text-align: center;">OE-UC OPEB ARC Incremental Accrual- LBNL OC 8282</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">I1</td> <td style="width: 10%; text-align: right;">30,000</td> <td style="width: 80%;"></td> </tr> </table>	I1	30,000		<p style="text-align: center;">OE-Health Insurance (Active Employees) OC 8900</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">J15</td> <td style="width: 10%; text-align: right;">150,000</td> <td style="width: 10%; text-align: center;">J14</td> <td style="width: 10%; text-align: right;">600,000</td> </tr> </table>	J15	150,000	J14	600,000	<p style="text-align: center;">OE-Health Insurance-Implicity Subsidy Retiree Health OC 8915</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">G4</td> <td style="width: 80%; text-align: right;">100,000</td> </tr> </table>		G4	100,000
G1	2,000,000															
I1	30,000															
J15	150,000	J14	600,000													
	G4	100,000														
<p style="text-align: center;">OE-Benefits Administration Assessment OC 8995</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">L3</td> <td style="width: 80%; text-align: right;">65,000</td> </tr> </table>		L3	65,000	<p style="text-align: center;">Non-Reportable-DOE Labs-Indirect Cost Recovery OC 3800</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">H1</td> <td style="width: 10%; text-align: right;">3,500</td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: center;">H2</td> <td style="text-align: right;">23,000</td> <td></td> </tr> </table>	H1	3,500		H2	23,000		<p style="text-align: center;">Transfer of Fund Balance from EIA TC 0800</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">J6</td> <td style="width: 80%; text-align: right;">5,000</td> </tr> </table>		J6	5,000	<hr/>	
	L3	65,000														
H1	3,500															
H2	23,000															
	J6	5,000														

Exhibit 3: T-Accounts

U University of California Retirement Plan General Ledger

**A-Investment in STIP-UCRP
AGC 510211**

	C2	200,000
--	----	---------

**A-Investment in STIP-LBNL
AGC 460211**

	C5	20,000
	C9	10,000

**L-Retiree OPEB Liability
AGC 514400**

C2	200,000	C1	200,000
C7	20,000	C7	20,000

**L-Withdrawals and Refunds
AGC 514210**

	C7	20,000
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**DE-Benefit Payments-Retirement
AGC 517110**

C1	200,000
C7	20,000

**DE-Benefits Payments-Retirement-
LBNL
AGC 467110**

C5	20,000
C9	10,000

Exhibit 3: T-Accounts

D DOE Laboratories General Ledger

Cash-LBNL	
E3	55,000
F3	25,000

Cash-LLNL	
E4	400,000
F4	200,000

Employer Liability to UC OPEB-LBNL (Loc M AGC 164233)	
E1	60,000

Employer Liability to UC OPEB-LLNL (Loc M AGC 164234)	
E2	400,000

Employer Contribution to UC OPEB-LBNL (Loc M AGC 164243)	
E3	55,000

Employer Contribution to UC OPEB-LLNL (Loc M AGC 164244)	
E4	400,000

Employee Liability to UC OPEB-LBNL (Loc M AGC 164253)	
F1	30,000

Employee Liability to UC OPEB-LLNL (Loc M AGC 164254)	
F2	200,000

Exhibit 3: T-Accounts

D DOE Laboratories General Ledger

<p>Employee Contribution to UC OPEB-LBNL (Loc M AGC 164263)</p>		<p>Employee Contribution to UC OPEB-LLNL (Loc M AGC 164264)</p>		
F3	25,000	F4	200,000	
<p>Expense-Employer UC OPEB Contribution-LBNL (Loc M OC 8233)</p>		<p>Expense-Employer UC OPEB Contribution-LLNL (Loc M OC 8234)</p>		
E1	60,000	E2	400,000	
<p>Expense-Employee UC OPEB Contribution-LBNL (Loc M OC 8236)</p>		<p>Expense-Employee UC OPEB Contribution-LLNL (Loc M OC 8237)</p>		
F1	30,000	F2	200,000	

Note: These accounts reflect the transactions recorded in the DOE Laboratories' general ledger systems. The University's closing process includes consolidating the DOE Laboratories' expenses, revenues and certain liabilities into the University's records. The coding in parenthesis above, labeled Loc M, reflects the University coding where these summarized amounts will appear in the UCOP-Location M general ledgers. (See Location M T-Accounts (pages2-5 of this exhibit)).

Exhibit 3: T-Accounts

T UCRHBT General Ledger

**A-Investments-STIP
AGC 700211**

A4	1,250,000	J3	1,260,000
B4	60,000	J11	72,000
C4	200,000	J12	1,500,000
D1	30,000		
J7	5,000		
J13	1,260,000		
J16	150,000		

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**A-Investments-Securities
AGC 700221**

J12	1,500,000	J13	1,260,000
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**A-Investments-Securities-Fair Value
Adjustment
AGC 700231**

J4	5,000		
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**A-A/R Employee Contributions-UC
AGC 700601**

A3	1,250,000	A4	1,250,000
A7	125,000	B4	60,000
B3	60,000	C4	200,000
B7	6,000	J7	5,000
C2	200,000		
C8	20,000		
J6	5,000		

**A-A/R-Contributions-Hastings
AGC 700602**

D2	3,000		
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**A-A/R-Other Investment Sales
AGC 700631**

J13	1,260,000		
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**A-A/R-Other Investment Sales-Settlements
AGC 700632**

		J13	1,260,000
--	--	-----	-----------

**A-A/R-Other
AGC 700634**

J15	150,000	J16	150,000
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--	--	--	--

**L-Accounts Payable-Investment Purchases
AGC 704110**

		J12	1,500,000
--	--	-----	-----------

**L-Accounts Payable-Investment Purch-
Sltmt
AGC 704120**

J12	1,500,000		
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**L-Insurance Premiums
AGC 704211**

J3	1,260,000	J1	1,260,000
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**L-Other Payables-Administrative
Expenses
AGC 704212**

J11	72,000	J9	2,000
		J10	70,000

Exhibit 3: T-Accounts

T UCRHBT General Ledger

AD-OPEB Employer Contributions-UC AGC 705121		AD-OPEB Employer Contributions- Hastings AGC 705122		AD-OPEB Employee Contributions-UC AGC 705131		AD-OPEB Employee Contributions- Hastings AGC 705132	
	A3 1,250,000		D1 20,000		B3 60,000		D1 10,000
	A7 125,000		D2 2,000		B7 6,000		D2 1,000
	J6 5,000						
	K1 100,000						
AD-OPEB Contributions-UCRP AGC 705141		AD-Fair Value Adjustment AGC 705212					
	C2 200,000		J4 5,000				
	C8 20,000						
DE-OPEB Payments to Insured Plans AGC 707111		DE-Rebates from Insured Plans AGC 707112		DE-OPEB Payments to Self-Insured Plans AGC 707121		DE-Rebates from Self-Insured Plans AGC 707122	
J1	965,000		J15 100,000	J1	185,000		J15 50,000
K1	50,000			K1	30,000		
DE-OPEB Medicare Part B AGC 707211		DE-Expenses-Plan Administration AGC 707310					
J1	110,000	J9	2,000				
K1	20,000	J10	70,000				

Exhibit 3: T-Accounts

E Endowment & Investment General Ledger

CA-Cash			
AGC 160100			
C2	200,000	A4	1,250,000
C5	20,000	B4	60,000
C9	10,000	C3	200,000
J3	1,260,000	J2	1,075,000
J5	5,000	J7	5,000
J11	72,000	J8	2,000
		J16	150,000

Financial Control			
AGC 168200			
A3	1,250,000	C5	20,000
A6	125,000	C9	10,000
B3	60,000	J10	70,000
B6	6,000	L3	65,000
J16	150,000		
L3	65,000		

CA-A/R Other			
AGC 160571			
J9	2,000	J11	72,000
J10	70,000		

CA-A/R Other-UCRHBT			
AGC 160575			
J1	1,260,000		

CA-A/R Other-UCRHBT-Settlement			
AGC 160576			
		J3	1,260,000

CA-A/R-Other-UCRP Annuitants			
AGC 160577			
C7	20,000		

CL-Accrued Benefits-Other			
AGC 164220			
J2	1,075,000	J1	1,260,000

CL-Payments for Retiree Health Benefits			
AGC 164225			
		J2	1,075,000

CL-Payments for Retiree Health Benefits-Stlmts			
AGC 164226			
J2	1,075,000		

CL-Employer Contribution to UCRHBT UC			
AGC 164241			
		A3	1,250,000
		A6	125,000
		J6	5,000

CL-Employer Contr to Ret Hlth Ben-UC Coll Fd			
AGC 164242			
A4	1,250,000		
J7	5,000		

Exhibit 3: T-Accounts

E Endowment & Investment General Ledger

CL-UCRP Contribution to UCRHBT AGC 164246		CL-UCRP Liability to UCRHBT AGC 164247		CL-Employee Contribution to UC OPEB-UC AGC 164261		CL-Employee Contribution to UC OPEB- UC AGC 164262	
C3	200,000					B3	60,000
			C2 200,000			B6	6,000
			C7 20,000				
NR-STIP Investment Income AGC 208240		OR-Other Operating Revenue-Other Sources AGC 208210		Transfer of Fund Balance to OP TC 0814			
J8	2,000	J5	5,000			J6	5,000
			J9	2,000			

Exhibit 4: University of California Statement of Net Assets

AT JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
ASSETS				
Cash and cash equivalents				
Short-term investments				
Investment of cash collateral				
Investments held by trustees				
Accounts receivable, net				
Pledges receivable, net				
Current portion of notes and mortgages receivable, net				
Inventories				
Department of Energy receivable				
Other current assets				
Current assets				
Investments				
Investment of cash collateral				
Investments held by trustees				
Pledges receivable, net				
Notes and mortgages receivable, net				
Department of Energy receivable				
Capital assets, net				
Other noncurrent assets				
Noncurrent assets				
Total assets				
LIABILITIES				
Accounts payable				
Accrued salaries				
Retirement plan contributions				
Other retiree health benefit contributions				
Other employee benefits				
Deferred revenue				
Collateral held for securities lending				
Commercial paper				
Current portion of long-term debt				
Funds held for others				
Department of Energy laboratories' liabilities				
Other current liabilities				
Current liabilities				
Federal refundable loans				
Self-insurance				
Obligations under life income agreements				
Long-term debt				
Obligations to retirement plan				
Obligations for retiree health benefits				
Other noncurrent liabilities				
Noncurrent liabilities				
Total liabilities				
NET ASSETS				
Invested in capital assets, net of related debt				
Restricted:				
Nonexpendable:				
Endowments and gifts				
Expendable:				
Endowments and gifts				
Other, including debt service, loans, capital projects and appropriations				
Unrestricted				
Total net assets				

See accompanying Notes to Financial Statements

Exhibit 4a: Changes to IRM 125 - Statement of Net Assets**Current Funds
AGC****Noncurrent Assets**

Department of Energy receivable		
NA-UC OPEB DOE Receivable-LBNL		161801
NA-UCRP DOE Receivable		161811
NA-Compensated Absences DOE Receivable-LBNL		161821
NA-Compensated Absences DOE Receivable-LLNL		161822
NA-Compensated Absences DOE Receivable-LANL (Inactive 6/1/06)		161823

Current Liabilities

Accrued salaries		
CL-Accrued Salaries		164210
Retirement plan contributions		
CL-Employer Liability to UCRP-UC		164271
CL-Employer Liability to UCRP-LBNL		164272
CL-Employer Liability to UCRP-LLNL		164273
CL-Employer Liability to UCRP-Terminated Contracts		164274
CL-Employer Contribution to UCRP-UC		164276
CL-Employer Contribution to UCRP-LBNL		164277
CL-Employer Contribution to UCRP-LLNL		164278
CL-Employer Contribution to UCRP-Terminated Contracts		164279
CL-Employee Liability to UCRP-UC		164281
CL-Employee Liability to UCRP-LBNL		164282
CL-Employee Liability to UCRP-LLNL		164283
CL-Employee Contribution to UCRP-UC		164286
CL-Employee Contribution to UCRP-LBNL		164287
CL-Employee Contribution to UCRP-LLNL		164288
Retiree health benefit plan contributions		
CL-Employer Liability to UCRHBT-UC		164231
CL-Employer Contribution to UCRHBT-UC		164241
CL-Employer Contribution to UCRHBT-UC Collection Fund		164242
CL-Employee Liability to UCRHBT-UC		164251
CL-Employee Contribution to UCRHBT-UC		164261
CL-Employee Contribution to UCRHBT-UC Collection Fund		164262
CL-UCRP Contribution to UCRHBT-UC		164246
CL-UCRP Liability to UCRHBT-UC		164247
Other employee benefits		
CL-Accrued Benefits-Other		164220
CL-Termination Benefits Liability-Salaries & Wages-Voluntary		164221
CL-Termination Benefits Liability-Salaries & Wages-Involuntary		164222
CL-Termination Benefits Liability-Other Employee Benefits-Voluntary		164223
CL-Termination Benefits Liability-Other Employee Benefits-Involuntary		164224
CL-Payments for Retiree Health Benefits		164225
CL-Payments for Retiree Health Benefits-Settlement		164226

Exhibit 4a: Changes to IRM 125 - Statement of Net Assets

	Current Funds AGC
Department of Energy laboratories' liabilities	
CL-Department of Energy Laboratories Liabilities	164600
CL-Employer Liability to UC OPEB-LBNL	164233
CL-Employer Liability to UC OPEB-LLNL	164234
CL-Employer Liability to UC OPEB-LANL (Inactive 6/1/06)	164235
CL-Employer Contribution to UC OPEB-LBNL	164243
CL-Employer Contribution to UC OPEB-LLNL	164244
CL-Employer Contribution to UC OPEB-LANL (Inactive 6/1/06)	164245
CL-Employee Liability to UC OPEB-LBNL	164253
CL-Employee Liability to UC OPEB-LLNL	164254
CL-Employee Liability to UC OPEB-LANL (Inactive 6/1/06)	164255
CL-Employee Contribution to UC OPEB-LBNL	164263
CL-Employee Contribution to UC OPEB-LLNL	164264
CL-Employee Contribution to UC OPEB-LANL (Inactive 6/1/06)	164265
Noncurrent Liabilities	
Obligations to UCRP	
NL-Liability to UCRP-UC	165361
Obligations for Retiree Health Benefits	
NL-Obligations for Retiree Health Benefits-UC	165331
NL-Obligations for Retiree Health Benefits-LBNL	165333

Exhibit 5: University of California Statement of Revenues, Expenses and Changes in Net Assets

YEARS ENDED JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
OPERATING REVENUES				
Student tuition and fees, net				
Grants and contracts, net:				
Federal				
State				
Private				
Local				
Medical centers, net				
Educational activities, net				
Auxiliary enterprises, net				
Department of Energy laboratories				
Campus foundation private gifts				
Other operating revenues, net				
Total operating revenues				
OPERATING EXPENSES				
Salaries and wages				
Retirement plan benefits				
Retiree health benefits				
Other employee benefits				
Scholarships and fellowships				
Utilities				
Supplies and materials				
Depreciation and amortization				
Department of Energy laboratories				
Campus foundation grants				
Other operating expenses				
Total operating expenses				
Operating income (loss)				
NONOPERATING REVENUES (EXPENSES)				
State educational appropriations				
State financing appropriations				
Private gifts, net				
Investment income:				
Short Term Investment Pool and other, net				
Endowment, net				
Securities lending, net				
Campus foundations				
Net appreciation in fair value of investments				
Interest expense				
Gain (loss) on disposal of capital assets				
Other nonoperating revenues (expenses)				
Net nonoperating revenues				
Income before other changes in net assets				
OTHER CHANGES IN NET ASSETS				
State capital appropriations				
Capital gifts and grants net				
Permanent endowments				
Increase in net assets				
NET ASSETS				
Beginning of year				
End of year				

See accompanying Notes to Financial Statements

Exhibit 5a: Changes to IRM 150 - Statement of Revenues, Expenses and Changes in Net Assets

	Current Funds	415(m)
Operating Revenue		
Department of Energy laboratories		
Department of Energy Laboratories-Revenue-LBNL	AGC 203411	
Department of Energy Laboratories-Revenue-LLNL	AGC 203412	
Department of Energy Laboratories-Revenue-LANL (Inactive 6/1/06)	AGC 203413	
Department of Energy Laboratories-Revenue-UCRP-Terminated Contr.	AGC 203431	
Operating Expenses		
UCRP Benefits		
Employer UCRP Contribution-UC	OC8600	
UCRP ARC Adjustment-UC	OC8666	
Interest on Beginning of Year Net UCRP Obligation-UC	OC8671	
UCRP ARC-Incremental Accrual-UC	OC8681	
Retiree Health Benefits		
Employer UC OPEB Contribution-UC	OC8231	
UC OPEB ARC Adjustment-UC	OC8251	
Interest on Beginning of Year Net UC OPEB Obligation-UC	OC8261	
UC OPEB ARC-Incremental Accrual-UC	OC8281	
Other Employee Benefits		
Equivalent of Month Earnings Paid to Dependent	OC7400	
Payment of UCRS Benefits	OC7500	
415(m) Restoration Plan Contribution	OC7920	
PERS-VERIP Annuity Contribution	OC8220	
OASDI	OC8300	
Medicare	OC8310	
State Teachers Retirement System Regents Contribution	OC8400	
Orange County Retirement System	OC8450	
Federal Civil Service Retirement Service	OC8460	
Workers Compensation	OC8500	
Campus Benefit Cost	OC8515	
Unemployment Insurance	OC8520	
Employee Support Programs	OC8530	
Health Insurance Sec.89	OC8540	
Life Insurance Sec.89	OC8560	
Graduate Student Health Insurance	OC8570	
Health Sciences Severance Pay Plan	OC8580	
Partial Fee Remission	OC8590	
UCRS Regents Contribution Phased Retirement	OC8610	
Health Science Compensation Reserve	OC8620	
Graduate Student Partial Fee Remission	OC8640	
UCRS Regents Contribution Summer Salaries	OC8650	
Senior Management Supplement	OC8660	
PERS Regents Contribution	OC8700	
Dental Insurance-PSBP	OC8710	
Health Insurance-PSBP	OC8720	
Vision Insurance-PSBP	OC8730	
Disability Insurance-PSBP	OC8740	
Life Insurance-PSBP	OC8750	

Exhibit 5a: Changes to IRM 150 - Statement of Revenues, Expenses and Changes in Net Assets

	Current Funds	415(m)
Broker Fees-PSBP	OC8760	
Voluntary Termination Benefits	OC8770	
Involuntary Termination Benefits	OC 8775	
Non-Industrial Disability Insurance Premium	OC8800	
SCERS Employer Contributions	OC8820	
Vision Care Contribution	OC8830	
Vision Care Alternative Contribution	OC8840	
Accrued Benefits-Comp Abs-UCRP	OC8870	
Accrued Benefits-Comp Abs-Other	OC8880	
Elimination of Capitalized Benefits	OC8890	
Elimination of Benefits-R & R	OC8892	
Health Insurance	OC8900	
Employee Benefit Cost Transfers	OC8910	
Health Insurance-Implicit Subsidy Retiree Health Benefits	OC8915	
Construction Class Various Benefits	OC8920	
General Liability Insurance	OC8930	
Benefit Accrual	OC8940	
Incentive Award Program Assessment	OC8945	
Employers Dental Plan Contribution	OC8950	
Incentive Award Program Benefit Funding	OC8955	
Faculty Benefit Cost Offset	OC8960	
Tuition Remission (RA)	OC8970	
Special Life Insurance Contribution	OC8980	
Annuitant Health Insurance Contribution (Inactive 7/1/05)	OC8990	
Benefits Administration Assessment	OC8995	
415(m) Supplemental Benefit Payments		AG597110
415(m) Contributions from Campuses		AG597120
Department of Energy laboratories		
DOE Laboratories Expense-Other-LBNL	OC7961	
DOE Laboratories Expense-Other-LLNL	OC7962	
DOE Laboratories Expense-Other-LANL	OC7963	
OPEB Implicit Subsidy-LBNL	OC7964	
Employer UC OPEB Contribution-LBNL	OC8233	
Employer UC OPEB Contribution-LLNL	OC8234	
Employer UC OPEB Contribution-LANL (Inactive 6/1/06)	OC8235	
Employee UC OPEB Contribution-LBNL	OC8236	
Employee UC OPEB Contribution-LLNL	OC8237	
Employee UC OPEB Contribution-LANL (Inactive 6/1/06)	OC8238	
UC OPEB ARC Adjustment-LBNL	OC8252	
Interest on Beginning of Year Net UC OPEB Obligation-LBNL	OC8262	
UC OPEB ARC Incremental Accrual-LBNL	OC8282	
Employer UCRP Contribution-LBNL	OC8601	
Employer UCRP Contribution-LLNL	OC8602	
Employer UCRP Contribution-Terminated Contracts	OC8603	
Employee UCRP Contribution-LBNL	OC8604	
Employee UCRP Contribution-LLNL	OC8605	
UCRP ARC Adjustment-DOE Laboratories	OC8667	
Interest on Beginning of Year Net UCRP Obligation-DOE Laboratories	OC8672	
UCRP ARC-Incremental Accrual-DOE Laboratories	OC8682	

Exhibit 6: University of California Statement of Cash Flows

YEARS ENDED JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Student tuition and fees				
Grants and contracts				
Medical centers				
Educational activities				
Auxiliary enterprises				
Collection of loans from students and employees				
Campus foundation private gifts				
Payments to employees				
Payments to suppliers and utilities				
Payments for retiree health benefits				
Payments to retirement plan				
Payments for other employee benefits				
Payments for scholarships and fellowships				
Loans issued to students and employees				
Payments to campuses and beneficiaries				
Other receipts (payments)				
Net cash used by operating activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State educational appropriations				
Gifts received for other than capital purposes:				
Private gifts for endowment purposes				
Other private gifts				
Receipts of retiree health contributions from UCRP				
Payments of retiree health contributions to UCRHBT				
Receipts from UCRHBT				
Payments for retiree health benefits made on behalf of UCRHBT				
Student direct lending receipts				
Student direct lending payments				
Other receipts (payments)				
Net cash provided by noncapital financing activities				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Commercial paper financing:				
Proceeds from issuance				
Payments of principal				
Interest paid				
State capital appropriations				
State financing appropriations				
Capital gifts and grants				
Proceeds from debt issuance				
Proceeds from the sale of capital assets				
Proceeds from insurance recoveries				
Purchases of capital assets				
Refinancing or prepayment of outstanding debt				
Scheduled principal paid on debt and capital leases				
Interest paid on debt and capital leases				
Net cash used by capital and related financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments				
Purchase of investments				
Investment income, net of investment expenses				
Net cash provided (used) by investing activities				
Net increase (decrease) in cash and cash equivalents				
Cash and cash equivalents, beginning of year				
Cash and cash equivalents, end of year				

See accompanying Notes to Financial Statements.

Exhibit 6: University of California Statement of Cash Flows

YEARS ENDED JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES				
Operating income (loss)				
Adjustments to reconcile operating income (loss) to net cash used by operating activities:				
Depreciation and amortization expense				
Noncash gifts				
Allowance for doubtful accounts				
Loss on impairment of capital assets				
Change in assets and liabilities:				
Investments				
Accounts receivable				
Pledges receivable				
Investments held by trustees				
Inventories				
Other assets				
Accounts payable				
Accrued salaries				
Other employee benefits				
Deferred revenue				
Self-insurance				
Obligations to life beneficiaries				
Obligations for retiree health benefits				
Obligations to retirement plan				
Other liabilities				
Net cash used by operating activities				

SUPPLEMENTAL NONCASH ACTIVITIES INFORMATION

Capital assets acquired through capital leases
Capital assets acquired with a liability at year-end
Investments held by trustees
State financing appropriations
Gifts of capital assets
Other noncash gifts
Gain (loss) on the disposal of capital assets
Debt service for, or refinancing of, lease revenue bonds
Refinancing of interim loans under lease-purchase agreements
Securities lending activity

See accompanying Notes to Financial Statements

Exhibit 7: UC Footnote Disclosure - Retiree Health Benefit Costs and Obligations

CFRU 2721 UC FOOTNOTE DISCLOSURE

Retiree Health Benefit Costs and Obligations
Debit (Credit)

	Current Year			Prior Year
	Campuses and Med Ctr	LBNL	Total UC	Total UC
Annual Required Contribution (ARC)				
Employer Contribution-ARC Assessments	OC 8231	OC 8233	OC 8231 + OC 8233	OC 8231 + OC 8233
ARC Incremental Accrual	OC 8281	OC 8282	OC 8281 + OC 8282	OC 8281 + OC 8282
Annual Required Contribution (ARC)	A Sum	Sum	Sum	Sum
Interest on Obligations for Retiree Health Benefits				
	B OC 8261	OC 8262	OC 8261 + OC 8262	OC 8261 + OC 8262
Adjustments to ARC				
	C OC 8251	OC 8252	OC 8251 + OC 8252	OC 8251 + OC 8252
Annual Retiree Health Benefit Cost				
	D A + B + C	A + B + C	A + B + C	A + B + C
Contributions:				
Employer Contributions Made to Retiree Health Benefit Trust (UC Only)	E - OC 8231		- OC 8231	- OC 8231
Employer Contributions Made to Healthcare Insurers and Administrators	E1	- OC 8233	- OC 8233	- OC 8233
Implicit Subsidy	E2 OC 8915	OC 7964	OC 8915 + OC 7964	OC 8915 + OC 7964
Total Contributions	E3 E + E1 + E2	E + E1 + E2	E + E1 + E2	E + E1 + E2
Increase/(Decrease) in Net UC OPEB Obligation				
	F D + E3	D + E3	D + E3	D + E3
Net UC OPEB Obligation Beginning of Year				
Noncurrent Liability-Beginning of Year	G AGC 165331	AGC 165333	AGC 165331 + AGC 165333	AGC 165331 + AGC 165333
Net UC OPEB Obligation End of Year				
	G - F	G - F	G - F	G - F
Net UC OPEB Obligation End of Year (Per G/L)				
	AGC 165331	AGC 165333	AGC 165331 + AGC 165333	AGC 165331 + AGC 165333
Memo Information				
		Current Year		Prior Year
Cash Contributions to UC Retiree Health Benefit Trust				
	UC	LBNL	DOE Labs LLNL	Total
Employee Cash Payments to UC Retiree Health Benefit Trust	AGC 164261 + AGC 164262			AGC 164261
Employer Cash Payments to UC Retiree Health Benefit Trust	AGC 164241 + AGC 164242			AGC 164241
Non-Lab Retiree Cash Payments to UC Retiree Health Benefit Trust (from UCRP)	AGC 164246			AGC 164246
Total Cash Payments to UC Retiree Health Benefit Trust	SUM			SUM
Short Term Liability due to UC Retiree Health Benefit Trust-End of Year (Per G/L)				
Employee Contributions	(1)			AGC 164251 + AGC 164261
Employer Contributions	(2)			AGC 164231 + AGC 164241
Non-Lab Retiree Contributions (from UCRP)	AGC 164246 + AGC 164247			AGC 164246 + AGC 164247
Total Short Term Liability due to UC Retiree Health Benefit Trust-End of Year (Per G/L)	Sum			Sum
DOE-Annual OPEB Cost				
Employer		OC 8233	OC 8234	OC 8233 + OC 8234
Employee		OC 8236	OC 8237	OC 8236 + OC 8237
Total DOE Annual OPEB Cost		SUM	SUM	SUM
DOE Receivables Related to UC OPEB				
CA-OPEB DOE Receivable-LBNL		AGC 160895		AGC 160895
NA-OPEB DOE Receivable-LBNL		AGC 161801		AGC 161801
Total DOE Receivables Related to UC OPEB		SUM		SUM

(1) AGC 164251 + AGC 164261 + AGC 164262

(2) AGC 164231 + AGC 164241 + AGC 164242

(3) AGC 164247 + AGC 164246

Exhibit 8: Interrelationship between UC and UCRHBT: UC as collection agent and paying agent

KEY RISK POINTS

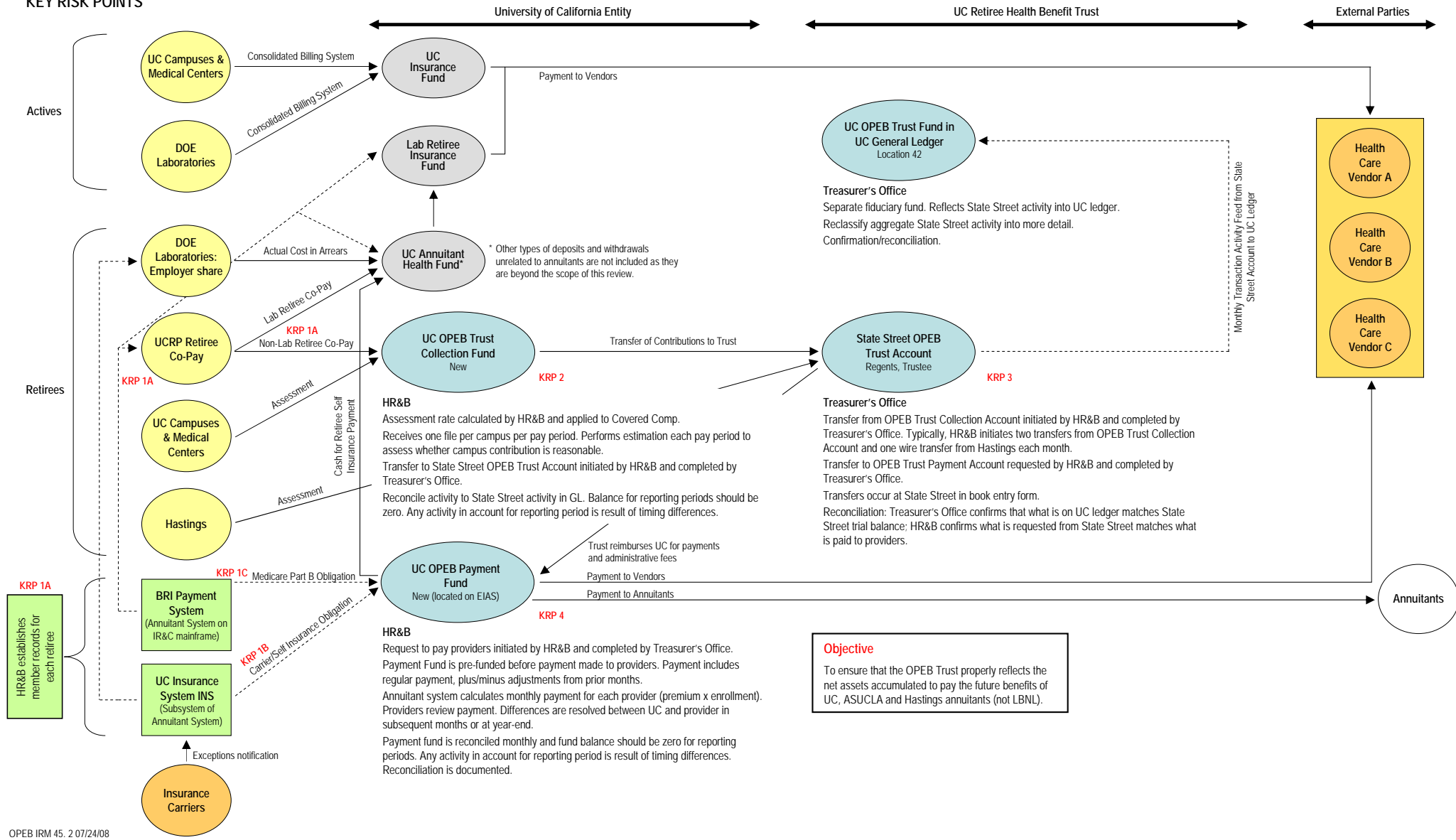


Exhibit 8: Interrelationship between UC and UCRHBT: UC as collection agent and paying agent

ACCOUNTING

