

University of California

Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

Issues Resolution Memo No. 62-1

Evaluation of GASB Statement No. 62 as it Relates to the UC Reporting Entities

Issued: May 4, 2011

Background

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was adopted by the University during the year ended June 30, 2011. This Statement incorporates into GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedures that were issued on or before November 30, 1989.

Define Issues

The University must determine whether GASB Statements No. 62 changes any existing financial reporting and disclosure requirements for any of the University's financial reporting entities.

Authoritative Guidance and Approach

For All of the University's Financial Reporting Entities

Statement No. 34 provides that reporting for governmental and business-type activities should be based on all applicable GASB pronouncements as well as FASB and AICPA pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Statement No. 20 permitted business-type activities to make an election to apply FASB pronouncements issued after November 30, 1989.

The primary objective of Statement 62 is to directly incorporate the applicable guidance from those FASB and AICPA pronouncements issued on or before November 30, 1989 into the state and local government accounting and financial reporting standards, with the provisions modified, as appropriate, to recognize the effects of the government environment and the needs of governmental financial statement users without affecting the applicable substance of the guidance.

Implementation

The University's policy has been to apply GASB statements and all FASB statements issued through November 30, 1989. The University did not make an election to apply FASB and AICPA pronouncements issued after November 30, 1989.

Since the codification incorporated existing guidance with affecting the applicable substance of the guidance, no changes will be made to the University's accounting policies. The following change will be made to the financial reports for all the University's financial reporting entities:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable effective statements of the Government Accounting Standards Board (GASB) ~~and all statements of the Financial Accounting Standards Board issued through November 30, 1989~~, using the economic resources measurement focus and the accrual basis of accounting.

Next Steps—Required Actions

None.