



State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

February 13, 2004

MEMORANDUM NO. SAD 04-20

TO: Vice Chancellors
Business Managers

FROM: Robert L. Powell, State Controller

SUBJECT: GASB Statement No. 39

The provisions of GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14*, are effective for financial statements for periods beginning after June 15, 2003 (i.e., the fiscal year ending June 30, 2004). GASB Statement No. 39 impacts colleges and universities that have foundations and similarly affiliated organizations whose financial data is not currently blended in the institution's annual report.

These organizations must be included as part the institution's financial reporting entity (i.e., as discretely presented component units) if they are found to be "significant." The Office of the President of the University of North Carolina System and the Community College System office have established a uniform threshold for identifying which organizations are "significant." Under this threshold, organizations whose assets or revenues are 5% or greater of the institution's assets or revenues will be considered "significant" to the institution.

To assist with your implementation of GASB Statement No. 39, the Office of the State Controller (OSC) has developed an EXCEL template to convert private foundations to the State CAFR format (i.e., GASB Statement No. 34). This template will be part of the year-end closing package for the 2004 CAFR. The completed foundation template will be due to OSC by September 15, 2004. In the State CAFR, the financial statement data for colleges and universities and their respective foundations will be combined into a single presentation.

Attached is a draft template for your review. Please test this template with the data from your private foundations and notify the OSC of any necessary changes by March 15, 2004. Questions, comments, and feedback should be directed to Clayton Murphy at cmurphy@mail.osc.state.nc.us or (919) 981-5474. We strongly encourage colleges and universities to discuss their GASB Statement No. 39 obligations with their respective foundations.

Attachment

MAILING ADDRESS
1410 Mail Service Center
Raleigh, NC 27699-1410

Telephone: (919) 981-5454
Fax Number: (919) 981-5567
State Courier: 56-50-10
Website: www.osc.state.nc.us

LOCATION
3512 Bush Street
Raleigh, NC