GASB CODIFICATION · FINANCIAL REPORTING

GARS 2400

Section 2400

Budgetary Reporting

What has to be presented, in RSI, to compare a government's legally adopted budget to what actually happened — and how to reconcile the budget's structure back to GAAP. Plain-language reference only; not a substitute for the authoritative text.

¶.101 – .103

Who Needs a Budgetary Comparison Schedule

The general fund and each major special revenue fund.
Required, as RSI, for any fund with a legally adopted annual budget.

A perspective-difference exception exists.
If budgetary perspective differences make that presentation impossible, the schedule is instead based on the fund, organization, or program structure the government actually uses to budget.

Variances get their own columns.
Original-to-final and final-to-actual variance columns are both required, along with note explanations of significant swings.

¶.102A – .103

Original vs. Final Budget

The original budget is the first complete appropriated budget.
Adjusted only by legally authorized changes made before the fiscal year begins, plus any legally required roll-forward of prior-year appropriations.

The final budget captures everything through year-end.
The original budget as adjusted by all legally authorized legislative and executive changes applicable to the fiscal year.

Two acceptable formats.
Governments can mirror the budget document's own format and terminology, or use the statement of revenues, expenditures, and changes in fund balances format — either way, reconciled to GAAP.

¶.109 – .119

Four Kinds of Budget-to-GAAP Differences

Basis differences.
The budget uses a different basis of accounting than GAAP requires for that fund type.

Timing differences.
Continuing appropriations, project appropriations, automatic reappropriations, or biennial budgeting shift when things count.

Perspective differences.
The budget is structured by fund, by organization, or by program — and that structure doesn't match the GAAP fund perspective.

Entity differences.
The appropriated (or nonappropriated) budget covers organizations that fall outside the GAAP reporting entity, or vice versa.

¶.107 – .108, .121

Levels of Budgetary Authority

Three possible levels.
The legally adopted “appropriated budget,” a legally authorized but separate “nonappropriated budget” review process, and nonbudgeted activities that still matter for financial management even though no legal process governs them.

The ACFR follows the legal level of control.
Individual fund budgetary comparisons must be presented at whatever level of budgetary control is legally binding — department, program, or object — even if RSI itself is allowed to aggregate up to revenue source and expenditure function.

Paraphrased for plain-language reference from GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2400, “Budgetary Reporting.” Principal sources: NCGA Interpretations 6 and 10; GASB Statements 34, 37, 41, 98, 103. This summary is not authoritative — consult the current Codification (GARS-Online) or your auditor for application to a specific district.