

FUND CONDITION STATEMENTS

6481

(Revised 09/2017)

The Fund Condition Statement displays the summary of a fund's operations for the past, current, and budget years. This statement is generally prepared for all funds classified as special funds within the Manual of State Funds. Fund Condition Statements are also prepared for other funds which are of special interest to the Legislature or the Administration.

The body of the Fund Condition Statement includes the following information, as applicable, in the order indicated below:

1. Beginning Balance – Past year ending balance from the previous Enacted Budget.
 - a. Prior Year Adjustment – Changes to the past year beginning balance, consisting of net total adjustments of expenditures, revenues, and refunds to reverted appropriations for previous years. It may also include minor past year assessments, as determined by the Department of Finance. The prior year adjustment affects only the past year column. The current year and budget year columns must always show zero.
 - b. Adjusted Beginning Balance – The sum of the Beginning Balance and the Prior Year Adjustment.
2. Revenues, Transfers, and other Adjustments.
 - a. Revenues – Detail is provided by type of revenue.
 - b. Transfers and Other Adjustments – Transfer of resources between funds (transfers to and transfers from other funds).
 - c. Total, Revenues, Transfers, and Other Adjustments.
3. Total Resources – The sum of the Adjusted Beginning Balance and the Total Revenue, Transfers, and Other Adjustments.
4. Expenditures and Expenditure Adjustments – Spending by department, displayed by character (State Operations, Local Assistance, Capital Outlay, and Unclassified), as applicable.
 - a. Expenditures – Spending is typically shown in the Business Unit code of entities that spend from the fund. The expenditures are shown in those departments' Governor's Budget and Enacted Budget displays.
 - b. Expenditure Adjustments – Transfers from other funds that are treated as Expenditure Reductions.

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5. Total Expenditures and Expenditure Adjustments – Sum of Expenditures and Expenditure Adjustments, if applicable.
6. Fund Balance – May include reserves for various purposes.
 - a. Reserve for economic uncertainties.
 - b. Other reserves as appropriate – (e.g., unencumbered balance of continuing appropriations).

The Fund Condition Statement printed in the previous Enacted Budget should always be reviewed before preparation of the new Fund Condition Statement. As noted above, the beginning fund balance for the past year must agree with the ending fund balance for the past year as shown in the Fund Condition Statement published in the previous Enacted Budget display.

The department's year-end accounting reports should provide most of the information needed to prepare the past year portion of the Fund Condition Statement. However, when there are acceptable and reconcilable differences between budgeting and accounting treatment of transactions, the budgeting treatment of the transactions is used to prepare the past year Fund Condition Statement. Use the latest and best information in the Statement to facilitate best budget decisions.