**STATUTORY BALANCE ADJUSTMENT (2019 Form 78)**

***General Information***

* The Statutory Balance Adjustment (SBA) on the 2019 Form 78 is the difference between the FYE 2018 General Ledger Equity (less FYE 2018 A/R) and the 2018 Form 78 Closed Balance Continuing balance.
* Revolving appropriations (ERU: R) and Apps 99998/99999 are subject to SBAs. Executive appropriations (ERU: E) and Undetermined (ERU: U) appropriations are not subject to SBAs. Also, Funds 36000 and 36300 are not subject to SBAs.
* Because the SBA is a component of the “Beginning Statutory Balance” total on the Form 78, the ERU Indicator of an appropriation is determined at the close of Fiscal Year 2018.
* The SBA is the sum of four amounts: (1) Other A/R Adjustments, (2) Equity Transactions, (3) Wismart Variance, (4) Other.

***Column Definitions***

* General Ledger Equity (Balance Sheet 3990000): Per WI\_GL\_LEDGER\_BAL\_RPT query. Ran query for Fiscal Year: 2018, with Acctg Period: 999 (after the roll of revenues/expenditures). Positive numbers represent credit balances, negative numbers represent debit balances.
* A/R at FYE 2018: Ran same query and timeframe as above. Account range: 1301000-1499000 (excluding 1352000 – “AR Between Year”).
* Other A/R Adjustments: Represent the process to convert the Actuals Revenue to Collected Revenue. It equates to A/R at FYE 2017 + Non-Revenue Adjustments in STAR thru 2018 Form 78.
* Equity Transactions: Per WI\_GL\_JOURNAL\_ACTIVITY\_RPT query. Ran query from 07/01/2015 to 06/30/2018 for each fiscal year. Account: 3990000. These represent direct equity transactions. Positive numbers represent debit totals, negative numbers represent credit totals.
* Wismart Variance: Difference which existed between General Ledger Equity (Balance Sheet 9900) and Form 78 at 9/30/15. Positive numbers indicate the Form 78 is more favorable, negative numbers indicate the General Ledger Equity is more favorable.
* Other: These totals represent all other differences between General Ledger Equity and the Form 78 that are not related to the other three items (Other A/R Adjustments, Equity Transactions, Wismart Variance). These amounts all occurred under the STAR system since 10/1/15. See “Other” column explanation, if known.
* Ending Balance (Form 78: FY 2018): Per “Closed Balance Continuing” line on 2018 Form 78. Positive numbers represent cumulative revenues in excess of expenditures, negative numbers represent cumulative expenditures in excess of revenues.

***Action Steps for Business Units***

* Equity Transactions: Please review these transactions to determine if they are necessary and correct. These transactions were coded during the fiscal years in STAR but were not part of the year-end roll process. These are direct equity entries which only are recorded in the general ledger and are not recognized in the Form 78 Beginning Balance.
* Wismart Variance: These totals relate to accumulated differences in G/L equity and the Beginning Cash Balance (EAP2 table) throughout the Wismart years from 1994-2015. Please examine any transactions which hit the budget table, but not general ledger, and vice versa. This would include old AP budget transactions which changed only the Beginning Cash Balance, and direct equity transactions which only affected the general ledger.
* Other: Please review any one-sided transactions made in the STAR system which were recorded in the budget ledger only or general ledger only, but not both. For example, some relate to beginning balance adjustments that changed the Form 78 balance but was not reflected in general ledger equity. This column includes rounding differences, so minimal amounts don’t need to be examined.

***Statutory Balance Adjustment spreadsheet***

* Known: Place an “X” in the “Known” column if you’re able to identify the cause of the variance. Provide an excel spreadsheet of the correcting entry and any supporting documentation.
* Unknown: Place an “X” in the “Unknown” column if you’re unable to identify the cause of the variance.
* Once all these columns within your business unit are completed, e-mail the Beginning Balance Spreadsheet with the above information to DOASCOYearEnd@wisconsin.gov . Once we’ve reviewed the information, SCO will be recording the entry in STAR and notifying the agency of the journal ID.