

STATUTORY BALANCE ADJUSTMENT (2020 Form 78)

General Information

- The Statutory Balance Adjustment (SBA) on the 2020 Form 78 is the difference between the FYE 2019 General Ledger Equity (less FYE 2019 A/R) and the 2019 Form 78 Closed Balance Continuing balance.
- Revolving appropriations (ERU: R) are subject to SBAs. However, Funds 36000 (S490) and 36300 (S495) 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 2019.
- The SBA is the sum of seven amounts: (1) Collected Revenue Adjustments, (2) Equity Transactions, (3) Wismart Variance, (4) Beginning Balance Adjustments, (5) KK/GL Expense Differences, (6) Statutory Balance Adjustment Changes, and (7) Other.

Column Definitions

- General Ledger Equity (Balance Sheet 3990000): Per WI_GL_LEDGER_BAL_RPT query. Ran query for Fiscal Year: 2019, with Acctg Period: 999 (after the roll of revenues/expenditures). Positive numbers represent credit balances, negative numbers represent debit balances.
- A/R at FYE 2019: Ran same query and timeframe as above. Account range: 1301000-1499000 (excluding 1352000 – “AR Between Year”).
- Collected Revenue Adjustments: Represent the process to convert the Actuals Revenue to Collected Revenue. The amounts are per AFR schedules (2016-2017) and Form 78 (2018-2019).
- Equity Transactions: Per WI_GL_JOURNAL_ACTIVITY_RPT query. Ran query from 07/01/2015 to 06/30/2019 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.
- Beginning Balance Adjustments: Represent carryforward differences from prior year Form 78 “Closed Balance Continuing” amounts to “Beginning Balance” amounts the following year.
- KK/GL Expense Differences: Represent differences between “Expenses” totals on Form 78 vs. G/L expenses that were rolled into equity that year.

- Statutory Balance Adjustment Changes: Represent agency-directed changes to Statutory Balance Adjustments calculated on prior year Form 78's.
- Other: Rounding and other immaterial amounts.
- Ending Balance (Form 78: FY 2019): Per "Closed Balance Continuing" line on 2019 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/SCO

- Collected Revenue Adjustments: No action required.
- 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.
- Wismart Variance: No action required.
- Beginning Balance Adjustments: SCO will contact the agency to determine if these carryforward differences were requested by your agency and are legitimate. If not, SCO will correct these errors and adjust your 2020 Form 78 "Beginning Statutory Balance" to eliminate them. If they are accurate, SCO will work with the agency to make a FY 2020 entry for G/L Equity to mirror these previous Form 78 beginning balance changes.
- KK/GL Expense Differences: No action required. SCO will adjust your 2020 Form 78 "Beginning Statutory Balance" to eliminate these prior year variances.
- Statutory Balance Adjustment Changes: No action required. SCO will contact the agency to make a FY 2020 entry for G/L Equity to mirror these previous Form 78 balance increases.
- Other: No action required. SCO will adjust your 2020 Form 78 "Beginning Statutory Balance" to eliminate these amounts.

Note: If you have any questions/comments, please e-mail bill.newman@wisconsin.gov .