FUND CONDITION STATEMENTS **6481**
(Revised 09/10)

The Fund Condition Statement presents the summary of a fund's operations for the past, current and budget years. This statement is prepared for all special funds and special accounts within the General Fund. Fund Condition Statements are also prepared for other funds which are of special interest to the Legislature or the Administration. In those cases where a number of departments receive appropriations from one special fund, Finance will normally finalize the Fund Condition Statement.

The body of the statement should include the following information, as applicable, in the order indicated below:

1. Beginning Balance.
    a. Prior Year Adjustments (normally consists of prior year expenditure and revenue adjustments and refunds to reverted appropriations for the past year actual only and is always zero for the current year and budget year).
    b. Adjusted Beginning Balance.
2. Revenues, Transfers, and other Adjustments.
    a. Revenues - Detail is typically provided by type of revenue.
    b. Transfers and Other Adjustments - Transfers (transfers to and transfers from other funds that are treated as a transfer of resources between funds).
    c. Total, Revenues, Transfers, and Other Adjustments.
3. Total Resources.
4. Expenditures and Expenditure Adjustments.
    a. Detailed by department with a further breakdown by State Operations, Local Assistance, Capital Outlay, and Unclassified, as applicable.
    b. Expenditures – Spending is typically shown in the organization code of entities that spend from the fund. The expenditures are shown in those departments' Governor's Budget display.
    c. Expenditure Adjustments – Transfers from other funds that are treated as Expenditure Reductions.
5. Total Expenditures (sum of Total Expenditures and any Expenditure Reduction, if applicable).
6. Fund Balance.
    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 Governor's Budget should always be reviewed before preparation of the new statement. The starting fund balance for the past year must agree with the ending fund balance for the past year as shown in the previous Governor's Budget.

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 discrepancies between budgeting and accounting treatment of transactions, the budgeting treatment of the transactions should be used to prepare the past year Fund Condition Statement.