

**Instructions to Convert Proprietary Funds to a Cash Basis
Net Position Adjustments**

To appropriately analyze the fees and rates proposed for internal service and enterprise fund operations, the ending fund balance (net position) and the fund's net profit or loss will need to be adjusted for the OPEB and pension liabilities. This adjustment will need to be made for your beginning fund balance for FY 2018, as well as amounts charged to the pension and OPEB revenue and expenditure amounts for fiscal years 2018 through 2019.

Note: Accrual amounts are not included in this conversion process, so any amounts from this column need to be excluded.

Step #1 - Back Off Accumulated OPEB and Pension Liability Amounts from Beginning Net Position for 2018:

- 1) Run the Data Mine Account Balances query for your fund, choosing fiscal year 2017 through fiscal year 2019 as your dates.
- 2) Select Balance Sheet as your output report. The report will automatically be organized by Account Category, Account Level 0, and Account. Add Fiscal Year to the pivot table, remove Account Level 0, and move the Fiscal Year filter to the left column location in the report. The result will now be organized by fiscal year, Account Category, and Account.

Amount		Ledger	
Fiscal Year	Account	ACTUALS	Total
2017		0.00	0.00
10000 Assets			
	1104 Cash In Bank	284,304.45	284,304.45
	1306 Due From Other BU or Fund	0.00	0.00
	1704 Equipment	148,739.00	148,739.00
	1709 Accum Depr - Equipment	(145,398.40)	(145,398.40)
	1802 Merchandise Inventory	0.00	0.00
	1804 Supplies Inventory	0.00	0.00
	1823 Due From BU Fund Clearing	(0.00)	(0.00)
	1905 Prepaid Expense	8,910.80	8,910.80
	1918 Pension Deferred Outflows	28,377.55	28,377.55
20000 Liabilities			
	2101A Accounts Payable Non-Open Item	(1,208.16)	(1,208.16)
	2106B Due To Other BU or Fund - B	0.00	0.00
	2107 Vouchers Payable	0.00	0.00
	2113 FYE Payroll Pay DofA Use Only	(8,711.87)	(8,711.87)
	2123 Pension Deferred Inflows	(2,823.76)	(2,823.76)
	2301B Accrued Liability (B)	0.00	0.00
	2605 Comp Abs - Non Current	2,349.00	2,349.00
	2606 Net Pension Liability	(175,171.14)	(175,171.14)
	2625 Comp Abs - Current	(5,954.00)	(5,954.00)
	2650 OPEB Implicit Rate Subsidy LT	(108,561.80)	(108,561.80)
Equity+Rev+Exp		(24,851.67)	(24,851.67)
Total		0.00	0.00

- 3) For fiscal year 2017, add back the amount shown for the OPEB Implicit Rate Subsidy LT (#2650), the Net Pension Liability (#2606), Pension Deferred Inflows (#2123), and the Pension Deferred Outflows (#1918). This is your Beginning Net Position – July 1 for fiscal year 2018.
- 4) Beginning with fiscal year 2018, you will also need to add back the amounts shown for OBEP Def Inflow of Resources (#2122) and OPEB Def Outflow of Resources (#1921) to obtain your Beginning Net Position – July 1 for fiscal year 2019.

Amount	Ledger	
Fiscal Year	Account	Account
2018	ACTUALS	
		0.00
10000 Assets		
	1104 Cash In Bank	286,646.36
	1306 Due From Other BU or Fund	0.00
	1704 Equipment	148,739.00
	1709 Accum Depr - Equipment	(145,398.40)
	1802 Merchandise Inventory	0.00
	1804 Supplies Inventory	(0.00)
	1823 Due From BU Fund Clearing	0.00
	1905 Prepaid Expense	4,600.00
	1918 Pension Deferred Outflows	47,655.55
	1921 OPEB Def Outflow of Resources	323.82
20000 Liabilities		
	2101A Accounts Payable Non-Open Item	(27.83)
	2106B Due To Other BU or Fund - B	0.00
	2107 Vouchers Payable	0.00
	2113 FYE Payroll Pay DofA Use Only	(10,863.09)
	2122 OPEB Def Inflow of Resources	(1,573.98)
	2123 Pension Deferred Inflows	(2,917.76)
	2301B Accrued Liability (B)	0.00
	2508 Due To Federal Government	(150.00)
	2605 Comp Abs - Non Current	3,402.00
	2606 Net Pension Liability	(220,161.14)
	2625 Comp Abs - Current	(11,506.00)
	2650 OPEB Implicit Rate Subsidy LT	(16,544.03)
	Equity+Rev+Exp	(82,224.50)
		(275,442.04)
Total		0.00

In this example, the ending fund balance for FY 2018, which includes the revenue and expenditure activity, is a credit balance of (\$82,224.50). Adding back the highlighted amounts results in the (\$275,442.04) total - $(\$82,224.50) + (\$16,544.03) + (\$220,161.14) + (\$2,917.76) + (\$1,573.98) + \$323.82 + \$47,655.55 = (\$275,442.04)$.

Note: Any direct entries to your fund balances for fiscal years 2018 through 2019 that are not related to OPEB or pension liability adjustments will also need to be included in the net position entries to balance out the amounts on your Biennium Report worksheet to SABHRS.

Instructions to Convert Proprietary Funds to a Cash Basis Income Statement Adjustments

In addition to converting your beginning and ending net position amounts to a cash basis, you will also need to adjust off the pension revenue amounts, as well as add back expenditure entries related to the OPEB and pension liabilities, to reflect a cash basis income statement.

Step #2 – Back Off Revenues and Expenses Related to OPEB and Pension Liability Entries:

You can use the same Account Balances report generated in Step #1 and just select the Income Statement tab after the report run is completed. This provides the revenue and expense amounts that you can use to complete the amounts in the proprietary table. Note: You can also run the Revenues/Expenditures workbook and obtain the same results.

For the Income Statement report, add Fiscal Year and Account Level 1 filters to the pivot table and remove Account Level 0. Results will be organized by fiscal year when you move this column to the left in the report.

Rev_Exp Amount	Ledger
Fiscal Year	ACTUALS
2018	(12,275.16)
520000 Charges For Services	677,537.18
520000 Charges For Services	677,537.18
61000 Personal Services	(236,466.49)
61100 Salaries	(160,844.89)
61400 Employee Benefits	(71,122.60)
61900 Personal Services-Other	(4,499.00)
62000 Operating Expenses	(453,345.85)
62100 Other Services	(149,889.57)
62200 Supplies & Materials	(7,194.99)
62300 Communications	(256,779.00)
62400 Travel	(4,042.76)
62500 Rent	(17,170.97)
62800 Other Expenses	(18,268.56)
Total	(12,275.16)

Exclude the following amounts by unchecking these accounts in the Account drop down box:

- NonER Pension Revenue - #581212
- OPEB Contribution Expense - NB #61432
- Pension Contribution Offset - NB #61433
- Other Post Employment Expense - #6A001
- Pension Expense - NB #6A002
- OPEB Contribution Offset - NB #6A003

Use the revenues and expenses from this report to complete your 2023 Biennium Report on Internal Service Fund and Enterprise Funds worksheet for fiscal years 2018 through 2019. If your spreadsheet is prepared prior to fiscal year-end 2020, then use your most up-to-date projections through fiscal year-end.

For fiscal year 2021, use your approved 2021B budget. If there have been substantial changes to the budgeted revenues and/or expenses, then use your most up-to-date projections for these amounts.

For fiscal years 2022 and 2023, build in your proposed revenues and expenditures.

2023 Biennium Report on Internal Service and Enterprise Funds									
Fund	Fund Name	Agency #	Agency Name	Program Name					
				Actual FY 18	Actual FY 19	Estimated FY 20	Estimated FY 21	Proposed FY 22	Proposed FY 23
Operating Revenues									
Fees and Charges									
	Charges for Services			677,537	697,079	692,240	687,153		
Total Operating Revenues				677,537	697,079	692,240	687,153		-
Expenses									
	Personal Services			236,466	252,316	256,375	255,761		
	Other Operating Expense			453,346	519,455	490,833	489,760		
Total Operating Expense				689,812	771,771	747,208	745,521		
Operating Income (Loss)				(12,275)	(74,692)	(54,968)	(58,368)		
Change in Net Position				(12,275)	(74,692)	(54,968)	(58,368)		
Beginning Net Position - July 1				283,031	275,442	200,750	145,782		
	Prior Period Adjustments			4,686	-	-			
Change in Net Position				(12,275)	(74,692)	(54,968)	(58,368)		
Ending Net Position - June 30				275,442	200,750	145,782	87,414		

Step #3 – Working Capital Analysis

For internal service funds only, use the Balance Sheet Report created in Step 1 to complete the Working Capital and Fees Commensurate Analysis spreadsheet. Enterprise funds do not need to complete this spreadsheet.

For state budgetary and rate calculation purposes, working capital is defined as the amount of cash that would remain if all the current assets were converted and all the current liabilities paid. Building, building improvements, depreciation, inventories, and long-term investment amounts are excluded from this analysis, as well as OBEP, pension, and other long-term liabilities.

Amount	Ledger		
Fiscal Year	Account	Account	ACTUALS
2018			0.00
10000 Assets			
	1104	Cash In Bank	286,646.36
	1306	Due From Other BU or Fund	0.00
	1704	Equipment	148,739.00
	1709	Accum Depr - Equipment	(145,398.40)
	1802	Merchandise Inventory	0.00
	1804	Supplies Inventory	(0.00)
	1823	Due From BU Fund Clearing	0.00
	1905	Prepaid Expense	4,600.00
	1918	Pension Deferred Outflows	47,655.55
	1921	OPEB Def Outflow of Resources	323.82
		Current Assets	291,246.36
20000 Liabilities			
	2101A	Accounts Payable Non-Open Item	(27.83)
	2106B	Due To Other BU or Fund - B	0.00
	2107	Vouchers Payable	0.00
	2113	FYE Payroll Pay DofA Use Only	(10,863.09)
	2122	OPEB Def Inflow of Resources	(1,573.98)
	2123	Pension Deferred Inflows	(2,917.76)
	2301B	Accrued Liability (B)	0.00
	2508	Due To Federal Government	(150.00)
	2605	Comp Abs - Non Current	3,402.00
	2606	Net Pension Liability	(220,161.14)
	2625	Comp Abs - Current	(11,506.00)
	2650	OPEB Implicit Rate Subsidy LT	(16,544.03)
		Current Liabilities	(22,546.32)
Equity+Rev+Exp			
		Working Capital	268,699.44
Total			0.00

For fiscal years 2018 and 2019, complete the table using the amount of current assets and current liabilities identified in the above step. The table will automatically calculate your working capital and then compare it to the 30-day or 60-day cash requirement to fund operations.

For fiscal years 2020 through 2023, the worksheet uses the working capital amount from FY 2019 and then adds or subtracts the estimated change in net position from the Biennium Report worksheet.

2023 Biennium Internal Service Fund							
Working Capital and Fees Commensurate Analysis							
Fund	Fund Name	Agency #	Agency Name	Program Name			
					Actual	Actual	Estimated
					FY 18	FY 19	FY 20
							FY 21
							Proposed
							FY 22
							Proposed
							FY 23
Cash Available for Fund Operations (Working Capital)							
	Current Assets				291,246	220,568	
	Less Current Liabilities				(22,547)	(34,894)	
	Working Capital (WC)				268,699	185,674	130,706
							72,338
							72,338
Cash Required for Fund Operations							
	60 Days Operations Expense				114,969	128,628	-
							-
	Difference				153,731	57,045	130,706
							72,338
							72,338
Budgeted WC = Actual WC FY 2019 + or - Estimated FY 2020 and FY 2021, and Proposed FY 2022 and FY 2023, Change in Net Position							