

ATTACHMENT A

BUSINESS UNITS CASH BALANCE/INTEREST EARNED CREDIT ANALYSIS EXAMPLE

(in millions)

		PBL	Alloc %	TBL	Alloc %	Total
Step 1:						
Accrual	Oct FY 04					
(Second working day of Oct month-end)	Record Oct Interest Accrual	1.1	50%	1.1	50%	2.2
						(Estimate)

Step 2:						
Cash Calculation	FY 03 EOY					
(after Oct month-end closing)	Cash Bal	291.6		116.8		408.4
	Oct FY 04					
	Cash Receipts	179.0		89.3		268.3
	Cash Disb	(80.8)		(36.9)		(117.7)
	Cash Payroll	(6.7)		(27.0)		(33.7)
	Corps/Bureau	(28.2)		0.0		(28.2)
	Bond Interest	(1.5)		(7.4)		(8.9)
	EOM Cash Bal	353.4		134.8		488.2

Step 3:						
Adjustments:						
	ENW Adj	(2.9)		2.9		0.0
	BBL Adj	(2.6)		2.6		0.0
	Adj EOM Bal	347.9		140.3		488.2

These amounts will be used as the beginning balances for the calculation of November's ending cash balances.

Step 4:						
Average Balance & Calculation of Alloc %		319.8	71%	128.6	29%	448.3

These percentages will be used in recording the actuals for October and the accrual for November.

Step 5:						
(After Oct month-end closing)						
	a. Reverse Oct accrual	(1.1)	50%	(1.1)	50%	(2.2)
	b. Record Oct actuals	1.6	71%	0.6	29%	2.2
						(Actual)

Step 1:						
(Second working day of Nov month-end)	Record Nov Interest Accrual	1.6	71%	0.6	29%	2.2
						(Estimate)

Note: The process will be repeated in this sequence each month.