

Debt Service:

Due from other enterprise—
economic development \$ 1,797

Total Memorandum Only:

The "Total Memorandum Only" column represents an aggregation of the individual combined financial statements and does not represent consolidated financial information.

B. Governmental Fund Types, Expendable Trust and Agency Funds:

Basis of Accounting:

The accounts of the general, special revenue, debt service, capital projects, expendable trust and agency funds are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are susceptible to accrual and recognized in the financial statements when they are measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year. Material revenues susceptible to accrual include federal grants, income, sales and motor vehicle fuel and excise taxes. Expenditures are recognized when obligations are incurred as a result of receipt of goods and services. Modifications to the accrual basis of accounting include:

- Interest on long-term obligations reflected in the long-term obligations account group is recognized in the debt service funds when it becomes payable.
- Inventories of materials and supplies are recorded as expenditures when purchased.
- Obligations for employees' vested annual leave and sick leave are recorded as expenditures when paid.
- Encumbrances, represented by executed and unperformed purchase orders and contracts which are approved by the Department of Budget and Fiscal Planning, are recorded as reservations of fund balance as of the end of the fiscal year.

Investments:

Investments are stated at cost, adjusted for amortization of premium and accretion of discounts, plus accrued income. Short term investments aggregating \$477,910,000 (approximate market value \$420,763,000) at June 30, 1981, consisting principally of U. S. Government Securities purchased with agreements to resell, are reported as cash and short term investments in governmental fund types.

Intergovernmental Expenditures:

Payment of General and Special Revenue fund revenues designated for payment to political subdivisions and bond proceeds granted to political subdivisions and other public organizations are recorded as intergovernmental expenditures. Direct grants and other payments to, or on behalf of, political subdivisions are recorded as current expenditures.

Capital Outlays:

Principally all capital expenditures for the acquisition or construction of State general fixed assets are reported as capital outlays in the capital projects fund.

Designated General Fund Balance:

General fund balance of \$62,103,000 at June 30, 1981, representing non-budgeted agency resources, was designated for specific agency activities and programs.

Expendable Trust Fund Balances:

Fund balances of expendable trust funds are restricted to the purpose of the fund and are reported as fund balance reserves.