

Principally all full-time employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 35 days as of the end of each calendar year. As of June 30, 1983, accumulated earned but unused annual leave for employees whose activities are accounted for in governmental fund types aggregated approximately \$59,000,000. Liabilities for accumulated earned but unused annual leave applicable to proprietary fund type and higher education and university hospital fund are reported in the respective funds.

Interfund Receivables and Payables:

Interfund receivables and payables consist of the following at June 30, 1983 (amounts expressed in thousands):

General fund:	
Due from:	
Special revenue fund	<u>\$ 2,790</u>
Due to:	
Expendable trust funds—	
Federal payroll taxes	\$ 11,915
Agency fund—local income taxes	<u>148,408</u>
	<u>\$160,323</u>

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 general long-term debt account group is recognized in the debt service funds when it becomes payable.
- Inventories of materials and supplies are recorded as expenditures when purchased. Such inventories are not material.
- 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 premiums and accretion of discounts, plus accrued income. Short-term investments aggregating \$454,436,000 (which approximates market value) at June 30, 1983, consisting principally of U. S. Government Securities purchased with agreements to resell, are reported as cash and short-term investments in governmental fund types.