

## *FIDUCIARY FUND TYPES*

Transactions related to assets held by the State in a trustee or agency capacity are accounted for in fiduciary fund types. Fiduciary fund types are comprised of:

1. The expendable trust fund, which reflects the transactions, assets, liabilities and fund equity of the Unemployment Insurance Program. This fund is used to account for the unemployment taxes collected from employers, federal revenue received and remittance of benefits to the unemployed, and is accounted for on a flow of current financial resources measurement focus.
2. The pension trust fund, which reflects the transactions, assets, liabilities and fund equities of the State administered retirement and pension systems, and is accounted for using the flow of economic resources measurement focus.
3. Agency funds, which account for the receipt and disbursement of various taxes and federal grant proceeds collected by the State for distribution to the Federal government and political subdivisions, patient and prisoner accounts, amounts in the custody of the State Treasurer to be paid to holders of refunded transportation bonds and amounts withheld from employees and invested in the Deferred Compensation Plan as directed by the employee.

## *ACCOUNT GROUPS*

Account groups are used to establish accounting control and accountability for the State's general fixed assets and the unmatured principal of its general long-term debt and other long-term obligations of governmental funds. General fixed assets do not represent financial resources available for appropriation and expenditure, nor does the unmatured principal of general long-term obligations require current appropriation and expenditure of governmental fund financial resources.

### *General Fixed Assets Account Group:*

General fixed assets acquired or constructed for use by the State in the conduct of its activities, other than activities accounted for in the proprietary fund type and the higher education fund, are reflected in the general fixed assets account group at the time of acquisition. As of June 30, 1980, the State established and recorded in the general fixed assets account group the estimated cost of general fixed assets based on available historical cost records. Activity subsequent to June 30, 1980 is recorded at cost. Donated fixed assets are recorded at their fair market value at the time donated. Depreciation is not provided for general fixed assets. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets account group.

### *General Long-Term Debt Account Group:*

Unmatured long-term loans from other funds, general obligation and transportation bonds payable, capital lease obligations, accrued retirement costs, accrued workers' compensation costs and accrued annual leave related to general governmental activities are reflected in the general long-term debt account group.

## *HIGHER EDUCATION FUND*

Transactions related to the financial activities of State higher education institutions are accounted for in the higher education fund. The financial statements of this fund have been prepared in accordance with the American Institute of Certified Public Accountants' Industry Audit Guide—Audits of Colleges and Universities, and therefore, are presented as a discrete entity in a separate column in the combined balance sheet.

## **2. Summary of Significant Accounting Policies:**

### *A. All Funds:*

#### *Grants:*

Federal reimbursement type grants are recorded as revenues when the related expenditures, or expenses, are incurred.