

TOPIC	GAAP REPORTING	SUB-SECTION 27.20.10
SECTION	FUND FINANCIAL STATEMENTS	ISSUANCE DATE June 25, 2009
SUB-SECTION	GAAP FUNDS	REVISED – 2021

GAAP FUNDS

GAAP FUND CATEGORIES AND TYPES

GAAP funds for the primary government are as follows:

- Governmental Funds – used to account for activities primarily supported by taxes, grants and similar revenues.
 - General Fund Type – the government’s main operating fund used to account for and report all financial resources not accounted for and reported in another fund.
 - Permanent Fund Type – used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government’s programs.
- Proprietary funds – used to account for activities that receive significant support from fees and charges.
 - Enterprise Fund Type – used to report activity for which a fee is charged to external users for goods or services.
- Fiduciary Funds – used to account for resources that a government holds as a trustee or agent on behalf of an outside party and cannot be used to support the government’s own programs.
 - Pension and Other Employee Benefit Trust Fund Type – used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, and other postemployment benefit plans, or other employee benefit plans.
 - Private Purpose Trust Fund Type – used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.
 - Custodial Funds Fund Type – used to report resources held by the government in a purely custodial capacity.

TRIAL BALANCE

GAAP trial balances have been designed for each GAAP fund type. General ledger accounts are grouped according to how they are reported in the CAFR for that fund type. MAGIC transaction code GR55 should be used to access the GAAP trial balances. The report group should be selected based on the following:

- ZBL3 - General and Permanent Fund Types
- ZBL4 - Enterprise Fund Type
- ZBL7 - Custodial
- ZBL8 - Pension and OPEB Trust and Private Purpose Trust Fund Types

The GAAP Trial Balance report is based on the fiscal year (accounting year) and can be executed for the agency or for a particular fund. The report can be displayed with general ledger accounts combined into categories as shown in the financial statements, or expanded to show individual accounts. For instructions on how to run a GAAP trial balance, please visit OFR webpage at <http://www.dfa.ms.gov/dfa-offices/financial-reporting> under “GAAP Reporting Resources”

Please note that the GAAP Fund Balance/Net Position is not updated for current year activity, as the revenue

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and expense accounts have not yet closed. To calculate the ending equity balance, the balance for the Statement of Revenues, Expenditures, and Changes in Fund Balance/Net Position for the current year should be added or subtracted to the Fund Balance/Net Position balance shown on the trial balance.

GAAP ADJUSTMENTS

Upon review of the trial balances and completion of all necessary supporting schedules, GAAP adjustments should be made to record the transactions necessary to reflect correct account balances.

The GAAP adjustments are recorded in MAGIC using Y0 and Y1 entries. Once all adjustments have been posted, the agency must generate a new trial balance. The new trial balance will show the posted GAAP adjustments and adjusted balances. See section 27.20.20 for a more detailed discussion of GAAP adjusting entries.

BANK ACCOUNTS – 8XXXXXXXXX FUNDS

An 8XXXXXXXXX fund is used to report a bank account not reported on a 3XXXXXXXXX fund. When the monthly bank statement is reconciled, revenues and expenditures will be recorded to agree to the reconciled bank balance. For 8XXXXXXXXX funds which record activity during the year, GAAP Adjustments are made for year-end accruals based on supporting schedules.

Generally, two categories of GAAP Adjustments are needed for 8XXXXXXXXX funds that do not record periodic activity. One entry or set of entries is made to record current year revenues and expenditures. Another entry or set of entries is made to record year-end accruals based on supporting schedules.