

## TRUST AND AGENCY FUNDS

Trust and Agency Funds account for assets held by the State of Indiana in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds and Agency Funds.

### EXPENDABLE TRUST FUNDS

Expendable Trust Funds account for resources the State of Indiana holds as a trustee. The principal and earnings on this fund type may be used for purposes designated by trust agreement. The funds considered to be material to the fund type are described below.

**Employees' Deferred Compensation Plan** – This fund is used to account for assets held for employees in accordance with the provisions of the Internal Revenue Code Section 457.

**Unemployment Funds** - Employer taxes are deposited into the Unemployment Compensation fund and then transferred to the Federal Unemployment Trust fund. When benefits are paid to eligible individuals, the federal share is added and the transfer is made of both state and federal funds into the Unemployment Benefits funds, from which benefit payments are made.

### NONEXPENDABLE TRUST FUNDS

Nonexpendable Trust Funds account for resources the State of Indiana holds as a trustee. The principal must be preserved and only the earnings maybe used for purposes designated by trust agreement.

### PENSION TRUST FUNDS

See Note IV (J) of the notes to the financial statements for a description of the pension trust funds.

### AGENCY FUNDS

Agency funds account for resources that are custodial in nature. They generally are amounts held by the State of Indiana on behalf of third parties.

**Professional Sports and Convention Development Fund** – This fund is used to distribute covered taxes collected by the State to counties for which a professional sports and convention area has been established under IC 36-7-31-14. The distributions are to be used by the county for capital improvements relating to a professional sporting event.

**Capital Improvements – 1<sup>st</sup> Class** – This fund is used for the collection and distribution of Food and Beverage and County Innkeeper's taxes. The distributions to the counties can be used for capital improvements, economic development, or to promote tourism.

**Department of Insurance** - This fund includes security deposits of insurance companies, health maintenance organizations and third party administrators as required.

**Institutional Funds** - These funds account for deposits held for residents of state institutions.