

Chapter 7. Cash and Security Holdings

Introduction

Governments possess numerous financial and capital assets. Financial assets are represented by the cash and security holdings of the government and its dependent agencies. Capital assets consist of the buildings, land, and infrastructure (highways, sewer lines, and so forth) owned by the government. In the Census Bureau's classification system on government finances, only financial assets are included in the statistics.¹ They are labeled as "Cash and Security Holdings." This chapter contains explanations of how the Census Bureau defines and classifies these statistics.

7.1 Cash and Security Holdings Definition

Census Bureau statistics on government assets include only cash and security holdings. The definition covers cash on hand, demand or time deposits, savings accounts, government securities (of Federal, state, and local governments), and private securities (bonds, notes, mortgages, corporate stocks, etc.). Also included are loans and other credit paper held by government loan and investment funds. Table 7.1 contains a listing of the more common types of assets found in government accounting records, and their status (in-scope or out-of-scope) with respect to the Census Bureau's classification categories. In summary, the following are included:

Cash and Short-Term Deposits

Government Securities:

- Federal Government Securities
- Federal Agency Securities
- State and Local Government Securities

Private Securities:

- Corporate Bonds
- Corporate Stocks
- Mortgages Held Directly (by a government as an investment)
- International Securities
- All Other Securities, NEC

The definition explicitly excludes other types of assets often reflected in the accounting records of a government. In this regard, the Census Bureau definition is more limited than some other statistical measures of a government's financial resources, because it does not include physical plant and other types of assets (see Section 7.1.1).

As with other Census Bureau statistics on government finances and employment, the concept includes cash and security holdings of the general government as well as of the government's utility, liquor stores, and insurance trust sectors. The statistics represent the parent government and also the assets of all autonomous agencies, boards, commissions, or other organizations classified as dependent on the parent government. Statistics on individual governments include the combined assets of each parent government and its dependent agencies. Aggregate statistics, including those by type of government, level of government, or geographic area, represent the sum of the appropriate individual parent governments and their respective dependent agencies.

¹Capital assets are measured indirectly, by the level of expenditure for such activities during each fiscal year, as noted in Chapter 5. However, the classification system excludes the standing value of such assets and also excludes the amount of depreciation attributable to them.

7.1.1 Assets Outside of Census Bureau Definition

Unlike the other three major types of finance data collected by the Census Bureau, the Bureau's concept of cash and security holdings is an exclusive one, limited to the most fluid types of assets governments own.

The following types of assets are excluded from Census Bureau statistics on governments:

- Real property, land, buildings, improvements, machinery, equipment, and other fixed assets.²
- Construction in progress.
- Materials, supplies, and inventories.
- Accounts receivables, taxes receivables, special assessment receivables, interfund receivables, tax liens, advances to other funds, and other such monies owed to a government.
- Unamortized premiums on investments.
- Prepaid or deferred expenses.
- Goods or commodities held for resale (e.g., of liquor stores or utilities).
- Intangible assets.
- Assets held by private trust funds or by funds representing agency transactions (e.g., withholdings of employee Social Security taxes).

See Table 7.1 for additional detail.

7.2 Measurement Issues

There are two important conceptual issues related to statistics on cash and security holdings of governments. Unlike revenue and expenditure, such financial assets are measured at a particular point in time, namely the close of the fiscal year. Also, the Census Bureau must determine how to value the financial assets, for statistical purposes. Recent changes in government accounting standards have influenced this aspect of the statistical program and are explained in Section 7.2.2.

7.2.1 Measurement Issues: Timing

There are two important considerations in the Census Bureau methodology for reporting statistics on government assets – timing and valuation. Each of these presents measurement problems that require resolution for statistical purposes.

The timing problem relates to a government's fiscal year, since the dollar value of assets fluctuates

²Data on real property holdings are collected for the survey of public employee retirement systems, using special exhibit codes (see Chapter 8 for details).

during the fiscal year period. To overcome this problem, the Census Bureau definition uses the last day of each government's fiscal year for measuring assets. This definition has been used consistently in the Census Bureau's statistical program, so that all historical data on government assets have been measured in the same manner (with respect to timing) over the life of the statistical program.

The approach to resolving the timing problem is similar to that used to measure government debt (see Chapter 6), although the latter statistics also include measures of debt issued and retired during the fiscal year. There are no similar variables for asset changes during the fiscal year in the Census Bureau's statistical classification system. There are, however, statistics that cover the gain or loss on investment transactions during the year for public employee retirement systems, as discussed later and in Chapter 8.

Aggregate statistics on government assets, such as by state area, necessarily represent a mix of time points that depend on the fiscal years of the governments included in the aggregation. Even within a government unit, some dependent agencies could have a fiscal year that differs from that of the parent government. The rule for measuring assets at the end of the fiscal year still applies in such cases, however, even for the component unit with a different fiscal year.

7.2.2 Measurement Issues: Valuation

Assigning a value to assets is one of the most complex aspects of the Census Bureau's program on government finance statistics. As discussed in Section 3.12, the Census Bureau program is first and foremost statistical in nature and is not intended to reflect the same types of measures developed for purely accounting purposes. Nevertheless, the Census Bureau uses standard accounting records to develop its government finance statistics, so accounting definitions and concepts must be taken into consideration.

Consequently, Census Bureau statistics are impacted by accounting industry changes such as the GASB guidelines noted throughout this *Classification Manual*. GASB Statement 34 (issued in 1999) had a major impact on the way governments (and especially government administered employee retirement systems) valued their assets for accounting purposes. The Census Bureau decided to adopt GASB standards for reporting the value of assets that were in-scope for Census Bureau surveys.³ This change was phased in over two stages, as summarized below. Appendix 1 contains a more lengthy explanation of this change to the definition used in the Census Bureau's statistical program.

This edition of the *Classification Manual* contains this major change to asset valuation. It was first applied to statistics effective with the 2002 Census of Governments. At that time, the Census Bureau began to use the market value of corporate stocks, corporate bonds, and international securities held by public employee retirement systems. Prior to the 2002 Census of Governments, Census Bureau statistics for these three asset types represented the book value (cost) of the asset. For assets other than corporate stocks, corporate bonds, and international securities, the statistics continued to reflect the book value (cost) of the holdings.

Then, effective with this edition of the *Classification Manual* and with government finance statistics for 2005, market value became the basis of measurement for all government cash and security

³ The Census Bureau obtained approval for this change in definition from the Office of Management and Budget. The Census Bureau also sought and received concurrence from two major users affected by the change, the Federal Reserve Board and the Bureau of Economic Analysis.

holdings. Prior to 2005, these assets were valued using a mix of concepts, but primarily using book value (cost) of the asset. Appendix Table 1.1 in Appendix 1 provides an explanation of the historical changes to the valuation method applied to cash and security holdings for the three time periods:

2005 to Current
2002 through 2004
Pre - 2002

The Census Bureau made no adjustment to historical data on assets to reflect this change in definition. This was because of the difficulty of obtaining reliable statistics on the differences in reporting at the government unit level. Analysts noted that some components units of governments, particularly employee retirement systems, had been changing to market valuation in their reporting for Census surveys.

Market value of cash and security holdings is defined in two ways, depending on the type of asset. For cash and cash-based short-term investments such as certificates of deposit, the valuation is based on current dollar value of the holdings. For all other security holdings, market value is the amount that a government can reasonably expect to receive for an investment in a current sale between a willing buyer and willing seller (other than in a force or liquidation sale). This definition is essentially the same as found in GASB statement 25. In both cases, the measure is taken as of the close of the government's fiscal year. Market value also is referred to as "fair value" in many accounting references.

7.3 Special Topics: Assets of State Lottery Systems

Assets held in funds of state-operated lottery systems present a special classification case. Lottery system assets that are held for future distribution of prize monies are excluded from the Census Bureau statistics on cash and security holdings. In effect, they are treated as agency funds, where the state has no discretion as to disbursement of the funds. Such funds are held in trust for the prize winners (usually those persons who choose to receive their winnings over a period of time, rather than in one lump sum). Similarly, interest earnings on such lottery funds held in trust are excluded from the Census Bureau statistic *Interest Earnings*, code U20.

This treatment of lottery system finances is consistent within the Census Bureau classification system, where code U95 represents *Net Lottery System Revenue* (see Chapter 4). See also Chapter 10 for additional information on classifying lottery financial activity.

7.4 Special Topics: Federal Government Cash and Security Holding Statistics

Census Bureau statistics on government finances do not include measures of cash and security holdings of the Federal Government. The Federal Government is included in the classification system (and data exist) for the other three general areas of financial coverage – revenue, expenditure, and indebtedness. However, the area of cash and security holding never has been covered in the classification system, nor in the actual data compiled and released to the public.

7.5 Special Topics: Liquor Stores Cash and Security Holdings

Even though liquor stores constitute one of the four sectors of government for purposes of regular Census Bureau statistics on government finance, there are no separate cash and security holding statistical

categories for liquor stores. Instead, any such assets of state or local liquor store operations are reported in the general government sector at the appropriate code, usually at *All Other Holdings*, code W61.

7.6 Statistical Classification Categories for Cash and Security Holdings

The Census Bureau uses a two-way classification system for statistics on government cash and security holdings – By Purpose and By Type. More specifically, the “By Purpose” classification categories (and sub-categories) apply to the overall government and cover all sectors. However, within the social insurance trust government sector, assets also are classified “By Type” for two sub-sectors – government administered public employee retirement systems and the state-administered unemployment compensation systems. This special classification treatment reflects the primary use for which these statistics are collected. Employee retirement systems hold over two trillion dollars, and economists have a long-standing interest in knowing how these systems are investing their assets. Consequently, the Census Bureau uses additional statistical categories, patterned after accounting standards, to classify assets of these retirement systems. Chart 7.A on the next page summarizes this classification topic.

Chart 7.A Statistical Classification Categories for Cash and Security Holdings	
Classification By Purpose (applies to all Census Bureau statistics on Cash and Security Holdings)	Classification By Type of Holding
<i>Other Than Social Insurance Trust Systems:</i>	
Sinking Funds	Not applicable
Bond Funds	Not applicable
Other Funds	Not applicable
<i>Social Insurance Trust Systems:</i>	
Unemployment Compensation Systems	- Cash in Trust Fund Account of US Treasury - Cash in Clearing and Special Benefit Account of US Treasury
Workers Compensation Systems	Not applicable
Other State Social Insurance Trust Systems	Not applicable
Employee Retirement Systems	Cash and Short-Term Investments - Cash and Demand Deposits - Time or Saving Deposits - All Other Short-Term Investments Total Federal Government Securities - Federal Treasury Securities - Federal Agency Securities Total Corporate Bonds - Federally-Sponsored Agencies - Corporate Bonds, Other Corporate Stocks Mortgages Held Directly Total Other Securities - State and Local Governments - Foreign and International - Investment Held in Trust - Other Securities Total Other Investments - Real Property - Other Investments

The “By Type” categories shown above are defined in the Description Pages later in this chapter, as well as in Chapter 8.

7.7 Description of Cash and Security Holdings Categories

The following pages contain the detailed Description Pages explaining the statistical classification categories used for cash and security holdings of a government. The codes apply only to state and local governments. No comparable data are collected for the Federal Government.

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: OTHER THAN SOCIAL INSURANCE TRUST SYSTEMS

Code W01

Offsets to Debt (Debt Service or Sinking Funds)

Definition: Cash and security holdings held specifically for debt service purposes (interest payments and redemption of principal) on long-term debt, including those of utilities, regardless of debt purpose.

Includes: Cash and security assets as delineated in Table 7.1 and industrial leases recorded as offsets to industrial development debt for the private sector. Includes cash on hand with fiscal agents for debt service or for redemption of uncanceled debt; bond reserve funds; balances in refunding bond accounts held pending completion of refunding transactions (other than for advance refunding); and credit paper or other assets of credit funds pledged to the ultimate redemption of debt incurred to finance loan activities of such funds. Covers assets held for debt redemption up to the amount of the specific debt for which they were accumulated plus interest.

Also includes any mortgages and land contracts, notes receivables held as offsets to public debt for financing private sector activities (i.e., an amount equal to debt outstanding classified at *Public Debt for Private Purposes*, code 44T), and the value of loans made by credit funds from debt proceeds.

Excludes: Balances in advance refunding accounts held for future payment of debt that has been defeased and removed from the official accounts of the government (exclude entirely from survey). Excludes value set on land acquired by foreclosure, other real property, taxes or accounts receivable, interfund loans, and other noninvestment assets.

Special Considerations:

1. An amount recorded as offsets to public debt for private purposes is reduced as the debt creating it is retired. Prior to fiscal year 1988 data, the treatment of these offsets was limited to mortgage revenue bonds. Effective with fiscal year 1988 data, it was expanded to cover all types of public debt for private purposes.
2. Prior to fiscal year 1988 data, this code was further divided into cash and deposits (code W01), Federal treasury securities (code W10), Federal agency securities (code W13), state and local government securities (code W15), and nongovernmental securities (code W24).
3. Prior manuals made a distinction between reserves for the redemption of debt principal (reported under this category) and for the payment of interest (reported under *All Other Funds*, code W61). In recent years, however, data reported here has included an increasing amount for interest since the majority of financial reports from which the data are gathered no longer separate the two components. Note, too, that the GASB definition of a debt service fund makes no distinction between interest and principal.

Applicability By Level and Type of Government

Federal	State	Local
No	Yes	Yes - All Types

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: OTHER THAN SOCIAL INSURANCE TRUST SYSTEMS

Code W31

Bond Funds

Definition: Cash and security holdings of accounting funds established specifically to hold proceeds of bond issues (and related revenues) pending their disbursement.

Includes: Various cash and security assets as delineated in Table 7.1.

Excludes: “Capital project funds” whose sources of revenue do not include proceeds of bond issues (report at *All Other Funds*, code W61) and proceeds of public debt for private purposes not yet distributed (report at *Offsets to Debt*, code W01).

Special Consideration:

Prior to fiscal year 1988 data, this code was further divided into cash and deposits (code W31), Federal treasury securities (code W40), Federal agency securities (code W43), state and local government securities (code W45), and nongovernmental securities (code W54).

Applicability By Level and Type of Government

Federal	State	Local
No	Yes	Yes - All Types

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: OTHER THAN SOCIAL INSURANCE TRUST SYSTEMS

Code W61

All Other Funds

Definition: Cash and security holdings of funds and other accounts except those cited above, including utilities and liquor stores.

Includes: Various cash and security assets as delineated in Table 7.1.

Excludes: Cash and security holdings of social insurance trust systems (report at appropriate public employee retirement system, unemployment trust, workers compensation trust, or other sub-category as delineated below, and in Chapters 8 and 9).

Special Consideration:

Prior to fiscal year 1988 data, this code was further divided into cash and deposits (code W61), Federal treasury securities (code W70), Federal agency securities (code W73), state and local government securities (code W75), and nongovernmental securities (code W84).

Applicability By Level and Type of Government

Federal	State	Local
No	Yes	Yes - All Types

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: SOCIAL INSURANCE TRUST SYSTEMS

Public Employee Retirement Systems

As noted, the Census Bureau uses additional “By Type” classification categories for cash and securities of public employee retirement systems. The applicable “By Type” codes are listed here, along with their descriptions and any special considerations. In addition to the categories below, there are also special exhibit codes for employee retirement cash and security holding categories. They are referenced here, but described more completely in Chapter 8.

Code X21 Total Cash and Short-Term Investments

Public Employee Retirement Systems

Definition: Cash on hand and on deposit; demand deposits; time or savings deposits; certificates of deposits; repurchase agreements (“repos”); reverse repurchase agreements (“reverse repos”); commercial and finance company paper; bankers acceptances; and money market funds.

Special Consideration:

This is a calculated statistic. It is the sum of three exhibit codes (see Chapter 8):

- + Z68 All Other Short-Term Investments
- + Z87 Time or Savings Deposits
- + Z88 Cash on Hand and Demand Deposits

Code X30 Total Federal Government Securities

Public Employee Retirement Systems

Definition: Obligations of the U.S. Treasury (including short-term notes) and the Federal Financing Bank (FFB); and bonds and mortgage-backed securities issued by Federal agencies, such as the Commodity Credit Corporation (CCC), Export-Import Bank, Federal Housing Administration (FHA), Government National Mortgage Association (GNMA, or “Ginnie Mae”), Saving Association Insurance Fund (SAIF), Small Business Administration (SBA), U.S. Postal Service, and Tennessee Valley Authority (TVA).

Excludes: Mortgages directly held by employee retirement system (use *Mortgages Held Directly*, code X42) and securities of Federally-Sponsored or chartered private and quasi-private credit organizations, such as the Federal National Mortgage Association, FNMA or “Fannie Mae” (use *Corporate Bonds, Federally-Sponsored Agencies*, code Z62).

Special Considerations:

1. This is a calculated statistic, representing the sum of two exhibit codes (see Chapter 8).
 - + X33 Federal Agency Securities
 - + Z89 Federal Treasury Securities
2. Prior to fiscal year 1988 data, these securities were differentiated between Federal Treasury notes (code X30) and Federal agency securities (code X33). Code X30 is now the total holdings, while Z89 represents the *Federal Treasury Securities*. Also see Chapter 8 for a discussion of special exhibit codes for employee retirement cash and securities.

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: SOCIAL INSURANCE TRUST SYSTEMS

Code Z77 Total Corporate Bonds

Public Employee Retirement Systems

Definition: Debentures; convertible bonds; railroad equipment certificates; and securities of Federally-Sponsored or chartered private and quasi-private organizations like Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC, or “Freddie Mac”), Federal National Mortgage Association (FNMA, or “Fannie Mae”), Federal farm credit banks, and Student Loan Marketing Association (SLMA, or “Sallie Mae”).

Special Considerations:

1. Report such securities at their market value at the end of the fiscal year, as determined by the government. This valuation methodology was effective in survey year 2002. Market value also is referred to as “fair value” in many CAFRs.
2. This is a calculated statistic. It represents the sum of two exhibit codes (both measured at market value). See Chapter 8.
 - + Z62 Corporate Bonds, Federally-Sponsored Agencies
 - + Z63 Corporate Bonds, Other
3. Prior to 2002, corporate bonds were reported at book value (i.e., their original cost less any discounts), not at market value. The code used for that category was X40.
4. Code Z77 was added to regular finance statistics effective with 2002. Prior to that, it was an exhibit code used occasionally during Census of Government surveys only.

Code Z78 Corporate Stocks

Public Employee Retirement Systems

Definition: Common and preferred stock, warrants, and shares in investment companies.

Special Considerations:

1. Report corporate stocks at their market value at the end of the fiscal year, as determined by the government. This valuation methodology was effective in survey year 2002. Market value also is referred to as “fair value” in many CAFRs.
2. Prior to 2002, corporate stocks were reported at book value (i.e., their original cost less any discounts), not at market value. The code used for that category was X41.
3. Code Z78 was added to regular finance statistics effective with 2002. Prior to that, it was an exhibit code used occasionally during Census of Government surveys only.

Code X42 Mortgages Held Directly

Public Employee Retirement Systems

Definition: Mortgages held by (owed to) the public employee retirement system and issued as an investment.

Excludes: Mortgage-backed Federal securities (use *Total Federal Government Securities*, code X30) and real property directly owned by system (use exhibit *Real Property*, code X46).

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: SOCIAL INSURANCE TRUST SYSTEMS

Code X44 Total Other Securities

Public Employee Retirement Systems

Definition: Securities of state and local governments (including those issued by parent government administering the system and purchased for investment purposes); investments held in trust by other agencies, including funds administered by private agencies, guaranteed investment accounts, and governmental pooled investment accounts (if allocation among previous categories is not possible); shares held in mutual funds; foreign and international securities; conditional sales contracts; pooled life insurance investments; direct loans; and loans to system members.

Special Considerations:

1. This is a calculated statistic. It is the sum of four exhibit codes (see Chapter 8):
 - + X35 State and Local Government Securities
 - + Z70 Foreign and International Securities
 - + Z83 Other Securities
 - + Z84 Investments Held in Trust by Other Agencies
2. Securities of state and local governments were added to this category effective with fiscal year 1988 data. Prior to that time, they were separately identified in regular government finance statistics and coded at X35.
3. Report international securities, included in this category, at their market value at the end of the fiscal year, as determined by the government. This valuation methodology was effective in survey year 2002. Market value also is referred to as “fair value” in many CAFRs.
4. Foreign and International Securities, code Z70, was reported at code Z69 from 1997 to 2001.

Code X47 Other Investments

Public Employee Retirement Systems

Definition: All other investments of the retirement system, not classified in other categories.

Includes: Venture capital; partnerships; and real estate investment trusts (REITs).

Excludes: Real property held directly by system (use exhibit code X46).

Special Considerations:

1. Prior to fiscal year 1988 data, this category was classified as an exhibit code.
2. For public employee retirement statistics, this category is combined with *Real Property*, exhibit code X46, to create the calculated statistic *Total Other Investments*, exhibit code Z82. See Chapter 8.

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: SOCIAL INSURANCE TRUST SYSTEMS

Applicability By Level and Type of Government (All regular codes – X21, X30, Z77, Z78, X42, X44, X47)

Federal	State	Local
No	Yes	Yes - All Types *

* These codes apply only where parent governments have dependent agencies that meet Census Bureau definitions of public employee retirement systems. As of the 2002 Census of Governments, such systems had been recognized in all local government types.

The following exhibit codes are also used for classifying assets of Public Employee Retirement Systems. They are not included directly in the regular Census Bureau statistics program, but are used for the annual survey Finances of Public Employee Retirement Systems. Some are used indirectly in the regular government finance statistics, in that they are used to calculate specific variables (codes) noted above. Chapter 8 contains more detailed explanations of these codes.

Exhibit Codes Related to Cash and Securities Holdings for Public Employee Retirement Systems (Summarized – see Chapter 8 for detail)

<u>Code and Description</u>	<u>Used to Calculate Regular Code</u>
Z68 All Other Short-Term Investments	X21
Z87 Time or Savings Deposits	X21
Z88 Cash on Hand and Demand Deposits	X21
X33 Federal Agency Securities	X30
Z89 Federal Treasury Securities	X30
Z62 Corporate Bonds, Federally-Sponsored Agencies	Z77
Z63 Corporate Bonds, Other	Z77
Z84 Investments Held in Trust by Other Agencies	X44
X35 State and Local Government Securities	X44
Z70 Foreign and International Securities	X44
Z83 Other Securities	X44
Z82 Total Other Investments	Not used
X46 Real Property	Not used
Z81 Total Holdings and Investments	Not used

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: SOCIAL INSURANCE TRUST SYSTEMS

Unemployment Compensation Systems

The Census Bureau uses two “By Type” classification categories for cash and securities of the state-administered Unemployment Compensation Systems. Both of the categories shown below are considered to be “cash and deposits.” There are no securities, per se, for the holdings of the state Unemployment Compensation System accounts.

Unemployment Compensation Systems are explained more fully in Chapter 9. The Census Bureau defines these systems as dependent activities of the fifty state governments and the District of Columbia. The latter is the only local government to which these codes apply. These categories do not apply to Federal Government statistics.

Data for this category are obtained primarily from the Employment and Training Administration of the U.S. Department of Labor. However, as states have become more inclusive in their reporting as a result of GASB guidelines, Census Bureau analysts can make use of individual state financial statements, where the states include the Unemployment Compensation Systems activity in such accounting records.

Code Y07 Trust Fund Account in U.S. Treasury Unemployment Compensation Systems

Code Y08 Other (Clearing and Benefit Accounts) Unemployment Compensation Systems

Special Considerations:

1. Y08 can be a positive or a negative number. Negative balances occur during periods of higher than normal unemployment, where the state governments “borrow” from the Federal Government to cover extended or special benefit unemployment benefits.
2. Pre-1988 versions of the *Classification Manual* showed code Y09 for negative balances and limited Y08 to positive balances. Y08 now represents the net balance, plus or minus.

Applicability By Level and Type of Government

Federal	State	Local
No	Yes	No - All Types *

* These codes apply to Washington, DC (classified by the Census Bureau as a municipal government).

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: SOCIAL INSURANCE TRUST SYSTEMS

Workers' Compensation Systems

The Census Bureau uses no "By Type" classification categories for cash and securities of the state-administered Workers' Compensation Systems. The category shown below is not further subdivided.

Statistics included in the category below must be from Workers' Compensation Systems recognized by the Census Bureau as dependent agencies of a parent state government. Such systems do not exist in all states. See Chapter 9 for additional information.

Code Y21 Total Cash and Securities

Workers' Compensation Systems

Definition: Cash and security holdings of state government compulsory accident and injury insurance systems for workers' compensation.

Includes: Various cash and security assets as delineated in Table 7.1.

Special Considerations:

1. Prior to fiscal year 1988 data, this code was divided further into cash and deposits (represented by code Y21), Federal treasury securities (code Y30), Federal agency securities (code Y33), state and local government securities (code Y35), and nongovernmental securities (code Y44).
2. As a consequence of the 1988 revisions, code Y21 has two meanings in historical Census Bureau historical statistics on government finances.

Applicability By Level and Type of Government

Federal	State	Local
No	Yes	No - All Types

CASH AND SECURITY HOLDINGS CATEGORIES

PURPOSE CATEGORY: SOCIAL INSURANCE TRUST SYSTEMS

Other State Social Insurance Trust Systems

The Census Bureau uses no “By Type” classification categories for cash and securities of the state-administered Other Social Insurance Trust Systems. The category shown below is not further subdivided. Statistics included in the category below must be from Other Social Insurance Trust Systems recognized by the Census Bureau as dependent agencies of a parent state government. Such systems do not exist in all states.

Code Y61 Cash and Securities

Other State Social Insurance Trust Systems

Definition: Cash and security holdings of state government insurance trust systems other than employee retirement, unemployment compensation, and workers’ compensation.

Includes: Various cash and security assets as delineated in Table 7.1.

Examples: Maryland Automobile Insurance Fund, a dependent agency of the state of Maryland.

Special Consideration:

Prior to fiscal year 1988 data, this code was further divided into cash and deposits (code Y61), Federal treasury securities (code Y70), Federal agency securities (code Y73), state and local government securities (code Y75), and nongovernmental securities (code Y84).

Applicability By Level and Type of Government

Federal	State	Local
No	Yes	No - All Types

7.8 Tables

The tables on the following pages contain valuable information on how the Census Bureau classifies statistics on cash and security holdings. Table 7.1 describes assets generally held by government units and shows whether they are included or excluded (in-scope or out-of-scope) from the Census Bureau classification system. Table 7.2 shows the applicability of all cash and security codes (regular and exhibit) by level and type of government. Note also that Appendix Table 1.1 contains important historical information on how cash and security holdings were measured.

Table 7.1
Examples of Assets Included and Excluded from
Census Bureau Definition of Cash and Securities – page 1 of 2

Examples of assets found on a government’s balance sheet and their classification for Census Bureau purposes. Note: This list is not exhaustive. It contains the most common types of assets found in annual financial reports for purposes of illustration.

Included in Census Bureau Definition of Cash And Securities	Excluded from Census Bureau Definition of Cash And Securities
Bankers acceptances	Accounts receivables
Cash on deposit	Accrued interest or dividends on investments
Cash on hand	Advances to other funds
Cash with fiscal agent (e.g., for debt service)	Allowances for delinquent taxes
Cash “equivalents”	Amortized or deferred bond issue costs
Certificates of deposit (CDs)	Construction-in-Progress
Commercial paper	Customer deposits
Conditional sales contracts	Deferred charges (or other revenues)
Corporate bonds (including debentures, convertible bonds, and railroad equipment certificates)	Deferred compensation
Corporate stock (common and preferred)	Deposits with other governments
Current investments	Depreciation
Debentures held	Dividends receivables
Demand deposits	Due from other funds
Equity in pooled cash or investments accounts	Fixed assets (land, equipment, buildings, and other structures)
Federal agency securities (FHA, TVA, etc.)	Goodwill
Federally-Sponsored agency securities	Grants receivables
Federal treasury notes	Improvements “other than buildings”
Finance company papers	Interest receivables
Foreign and international securities	Interfund receivables
Guaranteed investment accounts	Inventory
Leveraged buyouts	Investment in general fixed assets
Loans to members of insurance trusts systems	Leases receivable (other than industrial leases as offsets to industrial development debt)
Loans receivables	

Table 7.1
Examples of Assets Included and Excluded from
Census Bureau Definition of Cash and Securities – page 2 of 2

Examples of assets found on a government’s balance sheet and their classification for Census Bureau purposes. Note: This list is not exhaustive. It contains the most common types of assets found in annual financial reports for purposes of illustration.

Included in Census Bureau Definition of Cash And Securities	Excluded from Census Bureau Definition of Cash And Securities
Marketable equity securities	Letters of credit
Marketable securities	Machinery and equipment
Money market funds	Materials and supplies
Mortgages (receivable) held directly	Net depreciation
Mutual funds	Prepaid expenses
Notes receivables	Real property*
Partnerships	Special assessments receivables
Real estate investment trusts (REITS)	Tax liens receivables
Repurchase agreements (‘repos’)	Taxes receivables
“Restricted” cash and investments	Unamortized premiums on investments
Savings accounts	Unbilled accounts receivables
Share of funds in governmental investment accounts or pools	Unrealized gains on investments **
State and local government securities (including own securities held by its insurance trusts)	
Time deposits	
Venture capital	
Warrants (to purchase securities)	
Unrealized gains on investments **	

**For employee retirement statistics real property is reported at a special exhibit code.
See Chapter 8.
**See Section 7.2.2*

Table 7.2 Applicability of Cash and Security Codes, by Level of Government					
Category	Code	Code Type	Federal	State	Local - All Types
Other Than Social Insurance Trust Systems:					
Sinking Funds	W01	R	X	Valid	Valid
Bond Funds	W31	R	X	Valid	Valid
Other Funds	W61	R	X	Valid	Valid
Social Insurance Trust Systems – Public Employee Retirement Systems:					
Cash and Short-Term Investments	X21	R	X	Valid	Valid
Cash and Demand Deposits	Z88	E	X	Valid	Valid
Time or Savings Deposits	Z87	E	X	Valid	Valid
All Other Short-Term Investments	Z68	E	X	Valid	Valid
Total Federal Government Securities	X30	R	X	Valid	Valid
Federal Treasury Securities	Z89	E	X	Valid	Valid
Federal Agency Securities	X33	E	X	Valid	Valid
Total Corporate Bonds	Z77	R	X	Valid	Valid
Federally-sponsored Agencies	Z62	E	X	Valid	Valid
Corporate Bonds, Other	Z63	E	X	Valid	Valid
Corporate Stocks	Z78	R	X	Valid	Valid
Mortgages Held Directly	X42	R	X	Valid	Valid
Total Other Securities	X44	R	X	Valid	Valid
Investments Held in Trust	Z84	E	X	Valid	Valid
State and Local Government Securities	X35	E	X	Valid	Valid
Foreign and International Securities	Z70	E	X	Valid	Valid
Other Securities	Z83	E	X	Valid	Valid
Total Other Investments	Z82	E	X	Valid	Valid
Real Property	X46	E	X	Valid	Valid
Other Investments	X47	R	X	Valid	Valid
Total Holdings and Investments	Z81	E	X	Valid	Valid
Social Insurance Trust Systems – Unemployment Compensation System:					
Trust Fund Account - US Treasury	Y07 ¹	R	X	Valid	X ¹
Clearing and Benefit Account Balance	Y08 ¹	R	X	Valid	X ¹
Social Insurance Trust Systems – Workers' Compensation Systems:					
Total Cash and Security Holdings	Y21	R	X	Valid	X
Social Insurance Trust Systems – Other State Social Insurance Trust Systems:					
Total Cash and Security Holdings	Y61	R	X	Valid	X

Key:

X Not a valid code for the level or type of government indicated (there are no statistics).
Valid Applicable code for the level or type of government indicated (statistics are collected and reported).
Code Type
R = Regular Statistic
E = Exhibit Statistic
D = Descriptive Statistic

Notes:

¹Applies to Washington, DC, only, for local governments.