

Function	Amount	Percent of Total	Increase (Decrease) Over 1986 Actual	
			Amount	Percent
<b>Current:</b>				
General government	\$ 266,251	3.8%	\$ 17,300	6.9%
Education	1,621,797	22.9	105,305	6.9
Human resources	680,408	9.6	6,062	.9
Health and mental hygiene	1,567,412	22.2	160,783	11.4
Transportation	486,551	6.9	(57,453)	(10.6)
Public safety and judicial	536,267	7.6	64,646	13.7
Economic and community development	39,890	.6	13,456	50.9
Natural resources and recreation	94,254	1.3	11,467	13.9
Agriculture	31,453	.4	3,544	12.7
Personnel and retirement	21,773	.3	500	2.4
Intergovernmental	551,796	7.8	143,277	35.1
Debt service	444,079	6.3	(11,801)	(2.6)
Capital outlays for transportation	726,345	10.3	131,208	22.0
<b>Total</b>	<b><u>\$7,068,276</u></b>	<b><u>100.0%</u></b>	<b><u>\$588,294</u></b>	<b><u>9.1%</u></b>

Expenditures for transportation decreased \$57,453,000 or 10.6 percent from 1986 and intergovernmental increased \$143,277,000 or 35.1 percent over 1986 because of expenditures being reduced for agency fund activities from transportation in 1987 versus being reduced from intergovernmental in the previous year.

Expenditures for economic and community development increased \$13,456,000 or 50.9 percent over 1986 due to the state's decision to finance its contributions to the loan and insurance programs from general fund appropriations rather than general obligation bond proceeds.

Expenditures for capital outlays for transportation increased \$131,208,000 or 22.0 percent over 1986 which is primarily attributable to the construction of new highways.

Operating transfers in from the capital projects fund and enterprise funds (State Lottery) totalled \$2,715,000 and \$332,366,000 respectively. This represents an increase in total operating transfers in of \$7,997,000 over the previous year. Operating transfers out to the capital projects fund, enterprise funds, and the higher education fund totalling \$489,261,000 decreased \$103,790,000 from the preceding year.

The general fund unreserved fund balance at June 30, 1987 was \$341,858,000 compared to an unreserved fund deficit at June 30, 1986 of \$22,090,000 resulting in a positive effect of \$363,948,000 during the year. This improvement was the result of revenues exceeding estimates and expenditures being less than appropriated.

Management of financial resources is exercised through the legally mandated budgetary system of the State. The budgetary system produced a positive general fund balance at June 30, 1987. For information on differences between GAAP and the budgetary system, see footnote 3 to the financial statements.

The special revenue unreserved fund balance of \$136,456,000 increased \$17,782,000 over the preceding year because of increases in motor vehicle taxes and fees revenues. The debt service unreserved fund balance of \$137,328,000 decreased \$123,864,000 from the prior year as a result of a defeasance of transportation bonds.