

A summary of the effects of the fund structure differences and exceptions to the modified accrual basis of accounting, as of June 30, 1999, follows (amounts expressed in thousands).

	Total Budgetary Fund Equities and Other Accounts June 30, 1999	Financial Statement Funds							Component Units	
		General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	Higher Education	Proprietary Funds	
Classification of budgetary fund equities and other accounts into GAAP fund structure:										
General.....	\$ 1,514,461	\$1,514,461								
Special .....	748,253	284,125	\$150,566	\$ 50,647	\$ 13,263	\$ 249,652				
Current unrestricted .....	271,568							\$ 271,568		
Current restricted .....	(1,835)							(1,835)		
Other accounts (a):										
Non-budgeted.....	98,252	87,531	10,227		44	450				
Transportation Authority .....	319,473		245,337	74,136						
Debt service										
transportation bonds .....	4,904			4,904						
Capital projects .....	518,641				436,944	81,697				
Enterprise .....	901,780	990				901,874			\$ (1,084)	
Expendable trust .....	2,216,849						\$ 2,216,849			
Pension trust .....	30,760,854						30,760,854			
Component units:										
Higher education .....	3,147,848							3,147,848		
Proprietary funds .....	271,121									271,121
Budgetary fund equities and other accounts classified into GAAP fund structure: .....										
	<u>\$40,772,169</u>	<u>1,887,107</u>	<u>406,130</u>	<u>129,687</u>	<u>450,251</u>	<u>1,233,673</u>	<u>32,977,703</u>	<u>3,417,581</u>	<u>270,037</u>	
Accounting principle differences:										
Assets recognized in the GAAP financial statements not recognized for budgetary purposes:										
Cash .....		12,277								
Investments .....		622								
Taxes receivable.....		78,045	(5,515)							
Other accounts receivable.....		19,712	1,000							
Other assets.....		59,838								
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:										
Accounts payable and accrued liabilities .....		(75,284)	(10,868)							
Accrued self-insurance costs		(4,352)								
GAAP financial statement fund equities, June 30, 1999 .....										
		<u>\$1,977,965</u>	<u>\$390,747</u>	<u>\$129,687</u>	<u>\$450,251</u>	<u>\$1,233,673</u>	<u>\$32,977,703</u>	<u>\$3,417,581</u>	<u>\$270,037</u>	

(a) The State's accounting system is maintained by the Comptroller in compliance with State Law and in accordance with the State's Budgetary Funds. In addition to the accounting system maintained by the Comptroller, certain individual agencies, which are not subject to the State's budget, maintain accounting systems which are required to be included to properly present the State's financial reporting in accordance with generally accepted accounting principles.

#### 4. Cash and Cash Equivalents and Investments:

Substantially all cash and cash equivalents of the governmental fund types and certain enterprise fiduciary funds and component units are maintained by the State Treasurer on a pooled basis. The State Treasurer's Office invests short-term cash balances on a daily basis primarily in repurchase agreements, U.S. Government obligations and money market mutual funds. Under the State Finance and Procurement Article of the Annotated Code of Maryland, Title 6, Subtitle 2, the State Treasurer may only invest in the following:

- Any obligation for which the United States Government has pledged its faith and credit for the payment of principal and interest.
- Any obligation that a United States agency issues in accordance with an act of Congress.
- Repurchase agreements that any of the above obligations secure.
- Banker's acceptances.