

Each year the Governor presents an annual budget for the following fiscal year to the General Assembly in accordance with Constitutional requirements. The General Assembly is required to enact a balanced budget. All State expenditures are made pursuant to the appropriations in the annual budget, as amended from time to time by budget amendment. The various units of State government may, with the Governor's approval, amend the appropriations for particular programs in their individual budgets funded from the general fund, provided they do not exceed their total general fund appropriations as contained in the annual budget. Additionally, appropriations for programs funded in whole or in part from the special or federal funds may permit expenditures in excess of original special or federal fund appropriations to the extent that revenues from the particular special or federal fund sources exceed original budget estimates and such additional expenditures are approved by the Governor or, in the case of the University of Maryland, the Board of Public Works. Unexpended appropriations from the general fund may be carried over to succeeding years to the extent encumbrances are approved by the Department of Budget and Fiscal Planning. Unexpended appropriations from special and federal funds may be carried over to the extent of (a) available resources, and (b) encumbrances are approved by the Department of Budget and Fiscal Planning.

4. Investments:

Investments (amounts expressed in thousands) as of June 30, 1980 consisted of:

	Funds				Fiduciary Fund Type
	General	Debt Service	Other Enterprise	Higher Education and University Hospital	
U. S. Treasury and Agency obligations		\$179,593	\$41,355	\$11,032	\$ 340,431
Certificates of deposit	\$28,461			8	
Commercial paper				2,369	219,471
Corporate debt securities				1,396	1,285,164
Corporate equity securities				8,264	930,519
Annuity contracts			18,591		50,301
Other				939	100,838
Total	\$28,461	\$179,593	\$59,946	\$24,008	\$2,926,724

Principally all assets of the higher education endowment and similar funds are pooled on a market value basis. Each fund subscribes to or disposes of units on the basis of the per-unit market value at the beginning of the calendar quarter within which the transaction takes place. At June 30, 1980, the fund consisted of 165,010 units, each unit having a market value of \$101.17.

The following tabulation summarizes changes in the relationship between cost and market of the pooled net assets (amounts expressed in thousands) and the change in market value per unit for the year ended June 30, 1980:

	Pooled Net Assets		Excess of Market over Cost	Market Value Per Unit
	Market	Cost		
End of year	\$16,694	\$15,587	\$1,107	\$101.17
Beginning of year	15,682	13,498	2,184	103.56
Unrealized net market depreciation for year			(1,077)	
Realized net (losses) for year			657	
Total change in excess of market over cost for year			\$ (420)	\$ (2.39)

5. Taxes Receivable:

Taxes receivable (amounts expressed in thousands), as of June 30, 1980 consisted of the following:

	Funds		
	General	Special Revenue	Debt Service
Income taxes, current employee withholdings held by employers	\$122,370		
Retail sales and use taxes, current taxes held by collectors	62,616		
Transportation taxes, principally motor vehicle fuel		\$18,851	
Other taxes	3,214		\$3,638
Total	\$188,200	\$18,851	\$3,638