

*Special Fund:*

The Special Fund includes all of the transportation activities of the State (except for the Maryland Transportation Authority), fishery and wildlife funds, shared taxes and payments of debt service on general obligation bonds, whereas the GAAP Special Revenue Fund includes only the operations (other than debt service) of the Maryland Department of Transportation Trust Fund.

*Federal Fund:*

The Federal Fund is the fund in which principally all grants from the Federal government are recorded.

*Higher Education Funds:*

**Current Unrestricted Fund:** Unrestricted revenue used or available for use in carrying out the current operations of the State's colleges and universities is accounted for in the current unrestricted fund.

**Current Restricted Fund:** Restricted gifts, grants and other restricted resources are accounted for in the current restricted fund.

In addition to the annual budget, the General Assembly adopts authorizations for the issuance of general obligation bonds and the expenditures of the funds obtained thereby are accounted for in the capital projects fund. Because capital projects fund authorizations are not part of the annual budget, capital projects fund activities are not presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special, Federal, Current Unrestricted and Current Restricted Funds.

All State budgetary expenditures for the general, special, federal, current unrestricted and current restricted funds are made pursuant to the appropriations in the annual budget, as amended from time to time by budget amendments. State governmental departments and independent agencies may, with the Governor's approval, amend the appropriations by major function within the general fund, provided they do not exceed their total general fund appropriations as contained in the annual budget. Increases in general fund appropriations must be approved by the General Assembly. For the fiscal year ended June 30, 1990, the General Assembly approved increases in General Fund appropriations aggregating \$88,798,000. Appropriations for programs funded in whole or in part from the special, federal, current unrestricted or current restricted funds may permit expenditures in excess of original special, federal, current unrestricted or current restricted fund appropriations to the extent that revenues from the particular special, federal, current unrestricted or current restricted fund sources exceed original budget estimates and such additional expenditures are approved by the Governor or, in case of the University of Maryland System, 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; all other appropriations lapse as of June 30, 1990. Unexpended appropriations from special, federal, current unrestricted and current restricted funds may be carried over to the extent of (a) available resources, and (b) encumbrances approved by the Department of Budget and Fiscal Planning.

The amended budget adopted by the General Assembly for the general, special, federal, current unrestricted and current restricted funds is presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special, Federal, Current Unrestricted and Current Restricted Funds. The State's budgetary fund structure and the basis of accounting used for budgetary purposes, which is the modified accrual basis with certain exceptions, differs from that utilized to present financial statements in conformity with generally accepted accounting principles. The budgetary system's principal departures from the modified accrual basis are the classification of the State's principal funds and the timing of recognition of certain revenues and expenditures. A summarization of the effect of the fund structure differences and exceptions to the modified accrual basis of accounting, as of June 30, 1990, follows (amounts expressed in thousands):