

Amounts reported in prior years in the special revenue fund as Designated for Agency Activities and Emergency Medical Services System have been reclassified as Reserved fund balances beginning in fiscal year 1991. The unreserved fund balance of \$44,363,000 decreased \$89,853,000 from the preceding year after adjusting for the aforementioned reclasses. This decline was primarily the result of a planned reduction of the fund balance for projects funded from prior years' revenues. The debt service unreserved fund balance of \$104,466,000 declined \$5,037,000 from the prior year. This decline was the result of a planned reduction in the budgetary fund balance.

Capital Projects Fund

Proceeds of general obligation bond issues are accounted for in the capital projects fund. Completed projects and uncompleted construction in progress at year end which are assets of the State are capitalized in the general fixed assets account group, the appropriate enterprise fund for self-supporting projects or the higher education fund. During fiscal year 1991, State projects costing \$111,130,000 were completed. State grants for capital projects of local governments and other public organizations amounted to \$200,235,000 in the fiscal year, an increase of \$45,029,000 over 1990.

Authorized but unissued general obligation bonds at June 30, 1991 totaled \$1,022,773,000.

General Fixed Assets

The general fixed assets of the State are those used in the performance of general governmental functions and exclude the fixed assets of the proprietary fund type, and the higher education fund. As of June 30, 1991, the general fixed assets of the State amounted to \$4,754,903,000. This amount represents the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets.

Enterprise, Fiduciary, and Higher Education Funds

All enterprise funds, with the exception of Maryland Deposit Insurance Fund Corporation, reported retained earnings for the year ended June 30, 1991. The Economic Development Insurance Programs, Maryland State Lottery Agency, and State Use Industries reported declines in retained earnings during the year. Overall retained earnings for enterprise funds increased during 1991 by \$101,872,000, compared to an increase of \$257,545,000 in 1990.

Fiduciary fund types include the expendable trust fund, pension trust fund and agency funds. Agency funds are custodial in nature and do not report fund balances. All other fiduciary fund types reported fund balances of \$11,709,771,000 at June 30, 1991, compared to \$10,867,884,000 at June 30, 1990.

The Maryland State Retirement and Pension Systems (System) was established to provide pension benefits for State employees, the employees of the University of Maryland Medical System (a private, nonprofit, nonstock corporation) and employees of 103 participating municipal corporations within the State. The annual actuarial valuation continues to reflect a positive trend in the government's and employees' funding of the System.

The total fund balance for the higher education fund was \$1,953,209,000 at June 30, 1991, compared to \$1,737,627,000 at June 30, 1990.