

*Special Revenue Fund:*

Transactions related to resources obtained, the uses of which are restricted for specific purposes, are accounted for in the special revenue fund. The special revenue fund accounts for resources used for operations (other than debt service) of the Maryland Department of Transportation Trust Fund, including construction or improvement of transportation facilities and mass transit operations.

*Debt Service Fund:*

Transactions related to resources obtained and used for the payment of interest and principal on general long-term debt obligations and transportation debt (other than Maryland Transportation Authority revenue bonds) are accounted for in the debt service fund.

*Capital Projects Fund:*

Transactions related to resources obtained and used for the acquisition, construction or improvement of certain capital facilities, including those provided to political subdivisions and other public organizations are accounted for in the capital projects fund. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the State's general fund.

The State enters into long-term contracts for construction of major capital projects and records the commitments as encumbrances. Since the fund's resources are received, in many cases, after the long-term contracts are executed and recorded as encumbrances, the undesignated fund balance of the capital projects fund reflects a deficit. This deficit will be funded by future bond proceeds and capital appropriations from the general fund (see Note 9).

**PROPRIETARY FUND TYPE**

*Enterprise Funds:*

Transactions related to commercial activities operated by the State are accounted for in the enterprise funds. The proprietary fund type differs from governmental fund types in that the focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. The enterprise funds include:

1. Economic Development—Direct loan and loan insurance programs of the Maryland Departments of Housing and Community Development, Economic and Employment Development, and Environment.
2. Maryland Food Center Authority, which owns and operates warehouse facilities for use by wholesale food distributors.
3. Maryland Transportation Authority, which constructs, maintains and operates transportation toll facilities.
4. Maryland State Lottery Agency, which operates the State Lottery.
5. Maryland Environmental Service, which constructs, maintains and operates water supply, and liquid and solid waste disposal facilities.
6. State Use Industries, which utilizes inmate labor from State correctional institutions to manufacture goods, wares and merchandise to be sold to State agencies, political subdivisions, and charitable, civic, educational, fraternal or religious associations or institutions.
7. Maryland Higher Education Loan Corporation, which assists resident students in meeting costs of attending approved institutions by guarantying loans made by commercial lenders.
8. Maryland Deposit Insurance Fund Corporation, which insured the deposits of member State-chartered savings and loan associations.
9. Maryland Stadium Authority, which maintains and operates a facility for the primary purpose of holding professional baseball games in Baltimore.

At June 30, 1992, the Maryland State Lottery Agency reflected a deficit in capital in the amount of \$322,000. Management expects that the deficit will be eliminated in the coming year.