

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, at June 30, 1992, follows (amounts expressed in thousands):

	Total Budgetary Fund Equities and Other Accounts June 30, 1992	Financial Statement Funds						Trust and Agency	Higher Education
		General	Special Revenue	Debt Service	Capital Projects	Enterprise			
Classification of budgetary fund equities and other accounts into GAAP fund structure:									
General	\$ (21,415)	\$ (21,415)							
Special	296,244	105,441	\$15,432	\$ 57,296	\$18,972	\$ 99,103			
Current unrestricted	102,161								\$ 102,161
Current restricted	1,747								1,747
Other accounts (a):									
Non-budgeted	63,143	60,105	2,480				558		
Debt service transportation bonds	93,830			93,830					
Capital projects	170,927				71,182	99,745			
Enterprise	2,417,129					2,417,129			
Expendable trust	285,293						\$ 285,293		
Pension trust	12,734,094						12,734,094		
Higher education	2,065,194								2,065,194
Budgetary fund equities and other accounts classified into GAAP fund structure:	<u>\$18,208,347</u>	144,131	17,912	151,126	90,154	2,616,535	13,019,387		2,169,102
Accounting principle and timing differences:									
Assets recognized in the GAAP financial statements not recognized for budgetary purposes:									
Intergovernmental receivables		(9,306)							
Other accounts receivable		3,899							
Loans and notes receivable, net		(1,181)							
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:									
Accounts payable and accrued liabilities		(89,435)							
Local income taxes payable to local income taxes agency fund		(164,035)							
Deferred revenue		(5,798)							
GAAP financial statement fund equities, June 30, 1992		<u>\$(121,725)</u>	<u>\$17,912</u>	<u>\$151,126</u>	<u>\$90,154</u>	<u>\$2,616,535</u>	<u>\$13,019,387</u>		<u>\$2,169,102</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 permit financial reporting on the basis of generally accepted accounting principles. The changes in net assets of agencies whose accounting systems are not entirely maintained by the Comptroller are recorded in the State's accounting system as of the end of the fiscal year.

At June 30, 1992, the budgetary General Fund reflected a total deficit and undesignated deficit in the amounts of \$21,415,000 and \$56,440,000, respectively. On July 22, 1992, the Board of Public Works approved the Governor's plan to reduce fiscal year 1993 general fund appropriations by \$56,500,000.

4. Cash and Cash Equivalents and Investments:

Substantially all cash and cash equivalents of the governmental fund types and certain proprietary and fiduciary funds are maintained by the State Treasurer on a pooled basis. The State Treasurer's Office invests short-term funds on a daily basis. The investments consist of purchases of securities or repurchase agreements. 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 has pledged its faith and credit for the payment of principal and interest.
- Any obligation that a federal agency issues in accordance with an act of Congress.
- Repurchase agreements that any of these obligations secure.
- Banker's acceptances.
- Mutual funds that invest solely in federal obligations.