

Expenditures for environment decreased \$9,696,000 or 15.8 percent from 1992 due to unspent appropriations for capital expenditures.

Expenditures for transportation increased \$110,748,000 or 19.0 percent over 1992 primarily because of the inclusion of the Maryland Transportation Authority in the governmental funds and operation of the new light rail system and an increase in the grant to Washington Suburban Transit Commission.

Expenditures related to housing and community development decreased \$12,746,000 or 11.0 percent from 1992 primarily because of the reduced appropriations for housing subsidy programs.

Natural resources and recreation related expenditures decreased \$15,316,000 or 12.1 percent from 1992 primarily due to reductions in spending for program open space and an overall downsizing of the department.

Expenditures for agriculture decreased \$5,982,000 or 18.0 percent from 1992 primarily because of decreased agricultural land preservation.

Capital outlays for transportation decreased \$68,558,000 or 9.3 percent from 1992 primarily because of the completion of major portions of a central light rail system.

Operating transfers in from the capital projects fund and enterprise funds (State Lottery Agency, Maryland Deposit Insurance Fund Corporation and Maryland Stadium Authority) totaled \$1,500,000 and \$313,804,000, respectively. This represents a decrease of \$43,672,000 from the previous year. Operating transfers out to the capital projects fund and higher education funds totaled \$595,990,000, for an increase of \$10,583,000 over the preceding year.

The general fund unreserved fund deficit at June 30, 1993 was \$146,461,000, representing an increase of \$222,963,000 over the previous year's deficit. This increase was the result of growth in revenues exceeding the managed growth in expenditures.

Management of financial resources is exercised through the legally mandated budgetary system of the State. The budgetary general fund balance at June 30, 1993, reflected a total fund balance and undesignated balance in the amounts of \$109,941,000 and \$10,520,000, respectively. For information on differences between GAAP and the budgetary system, see footnote 3 to the general purpose financial statements.

The special revenue unreserved fund balance of \$59,887,000 increased \$50,714,000 over the preceding year. The debt service unreserved fund balance of \$123,593,000 increased \$20,661,000 over the prior year. These increases are partially attributable to the Maryland Transportation Authority's reclassification from an enterprise fund to a governmental fund. The special revenue unreserved fund balance increased \$57,218,000 over the prior year and the debt service unreserved fund balance decreased \$14,631,000 from the prior year after adjusting for the aforementioned reclassification.

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 1993, State projects costing \$208,270,000 were completed. State grants for capital projects of local governments and other public organizations amounted to \$168,981,000 in the fiscal year, an increase of \$12,314,000 over 1992.

Authorized but unissued general obligation bonds at June 30, 1993 totaled \$1,139,018,000.

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, 1993, the general fixed assets of the State amounted to \$7,485,090,000. 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 (excluding Maryland Transportation Authority), consisting principally of highways, roads and bridges are not recorded in the general fixed assets.