

The general fund unreserved fund balance at June 30, 1995 was \$108,343,000 representing an increase of \$23,097,000 over the previous year's balance. This increase was the result of growth in revenues exceeding the managed growth in expenditures. The amount of \$105,975,000 has been designated for 1996 operations.

Management of financial resources is exercised through the legally mandated budgetary system of the State. The budgetary general fund balance at June 30, 1995, reflected a total fund balance and undesignated balance in the amounts of \$470,576,000 and \$26,529,000, 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 \$230,709,000 increased \$74,496,000 over the preceding year. The debt service unreserved fund balance of \$170,868,000 increased \$77,647,000 over the previous year.

#### 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 component units. During fiscal year 1995, State projects costing \$494,242,000 were completed. State grants for capital projects of local governments and other public organizations amounted to \$270,388,000 in the fiscal year, an increase of \$67,070,000 over 1994.

Authorized but unissued general obligation bonds at June 30, 1995 totaled \$1,190,974,197.

#### 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 component units. As of June 30, 1995, the general fixed assets of the State amounted to \$8,373,728,000. 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 general fixed assets.

#### Enterprise, Fiduciary, and Higher Education Funds

All enterprise funds with the exception of the Maryland Deposit Insurance Fund Corporation reported retained earnings for the year ended June 30, 1995. The Maryland Deposit Insurance Fund Corporation reported a decline in retained earnings of \$4,787,000 during the year. Overall retained earnings for enterprise funds increased during 1995 by \$58,931,000 compared to a decrease of \$3,723,000 in 1994.

Fiduciary fund types include the expendable trust fund, pension trust funds and agency funds. Agency funds are custodial in nature and do not report fund balances. All other fiduciary fund types reported fund balances of \$16,952,996,000 at June 30, 1995, compared to \$15,570,130,000 at June 30, 1994.

The State Retirement and Pension System of Maryland (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 105 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 component unit was \$2,422,003,000 at June 30, 1995, compared to \$2,454,025,000 at June 30, 1994. Retained earnings for the proprietary component units totaled \$18,067,000 for June 30, 1995, representing a \$1,147,000 increase over 1994 for the Maryland Food Center Authority and the Maryland Environmental Service.

Effective June 30, 1995, the Maryland Higher Education Loan Corporation was dissolved by the Maryland General Assembly. All of the Corporation's assets and liabilities except for \$1,335,000, which is in dispute, were transferred to a privately owned corporation.