

Resources, and Changes in Fund Balances — Budget and Actual — for the year ended June 30, 1995. The State's budgetary fund structure and the basis of accounting used for budgetary purposes, which is the modified accrual basis with certain exceptions, differs from that utilized to present financial statements in conformity with generally accepted accounting principles. The budgetary system's principal departures from the modified accrual basis are the classification of the State's budgetary funds and the timing of 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, as of June 30, 1995, follows (amounts expressed in thousands).

	Total Budgetary Fund Equities and Other Accounts June 30, 1995	Financial Statement Funds							Component Units	
		General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	Higher Education	Proprietary Funds	
Classification of budgetary fund equities and other accounts into GAAP fund structure:										
General.....	\$ 470,576	\$470,576								
Special.....	631,357	183,592	\$274,063	\$ 51,446	\$17,598	\$ 104,658				
Current unrestricted.....	159,282							\$ 159,282		
Current restricted.....	3,504							3,504		
Other accounts (a):										
Non-budgeted.....	435,631	22,641	295,677	117,258			55			
Debt service transportation bonds.....	39,101			39,101						
Capital projects.....	92,803				(7,210)	100,013				
Enterprise.....	796,427					796,427				
Expendable trust.....	659,717						\$ 659,717			
Pension trust.....	16,293,279						16,293,279			
Component units:										
Higher education.....	2,259,217							2,259,217		
Proprietary funds.....	23,492									\$23,492
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Budgetary fund equities and other accounts classified into GAAP fund structure:.....	<u>\$21,864,386</u>	676,809	569,740	207,805	10,388	1,001,153	16,952,996	2,422,003		23,492
Accounting principle differences:										
Assets recognized in the GAAP financial statements not recognized for budgetary purposes:										
Other accounts receivable.....		(466)								
Loans to other funds.....			1,000							
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:										
Accounts payable and accrued liabilities.....										
Deferred revenue.....		18,847								
Loans from other funds.....		(66,766)								
Accrued self-insurance costs.....		(7,088)		(50,000)						
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GAAP financial statement fund equities, June 30, 1995.....		\$621,336	\$520,740	\$207,805	\$10,388	\$1,001,153	\$16,952,996	\$2,422,003		\$23,492

(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 must be included to properly present the State's financial reporting in accordance with generally accepted accounting principles.

4. Cash and Cash Equivalents and Investments:

Substantially all cash and cash equivalents of the governmental fund types and certain enterprise and fiduciary funds are maintained by the State Treasurer on a pooled basis. The State Treasurer's Office invests short-term cash balances on a daily basis. The investments consist 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 Government has pledged its faith and credit for the payment of principal and interest.
- Any obligation that a United States agency issues in accordance with an act of Congress.
- Repurchase agreements that any of the above obligations secure.