

- Banker's acceptances.
- Mutual funds that invest solely in United States obligations.
- Commercial paper.

A significant portion of the investments maintained by the State Treasurer consists of repurchase agreements. Collateral, which must be at least 102% of the book value of the repurchase agreement, must be delivered to the State Treasurer's custodian for safekeeping. Investments maturing within 90 days of purchase are reported in the financial statements as cash and cash equivalents.

Investments are classified as to credit risk by the three categories described below.

- Category 1 Insured or registered, or securities held by the State or its agent in the State's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the State's name.

All of the State's investments held at year-end are subject to classification of credit risk except for those investments where the State owns units of a whole rather than specific securities and real estate, which by their nature are not categorized. The State's pooled investments include the Deferred Compensation Plan, annuity and guaranteed investment contracts, mutual funds, short-term investments and mortgages.

*A. Primary Government — Governmental Fund Types, Expendable Trust and Agency Funds:*

The bank deposits of the governmental fund types, expendable trust and agency funds of the Primary Government as of June 30, 1995, were entirely insured or collateralized by securities held by the State or its agent in the State's name.

As of June 30, 1995, cash in the amount of \$2,534,000 was maintained with fiscal agents and represents resources transmitted to bond paying agents for which coupons have not been presented. This cash was entirely insured or collateralized with securities held by the State or its agent in the State's name.

Investments of the Deferred Compensation Plan are stated at market value. All other investments are stated at cost, adjusted for amortization of premiums and accretion of discounts. Repurchase agreements aggregating \$1,406,651,000 (market value of collateral of \$1,716,463,000), a US Treasury Bill totaling \$26,000 (market value of \$26,000) and Federal Home Loan Mortgage Corporation Discount Notes aggregating \$122,917,000 (market value of \$123,025,000) as of June 30, 1995, are reported as cash and cash equivalents in governmental fund types. The collateral for the repurchase agreements is held by the State's agent in the State's name. Reported as cash and cash equivalents are money market accounts totaling \$100,605,000. The State also has \$136,411,000 invested in automated government money trusts.

The investments as of June 30, 1995, for the governmental fund types, expendable trust and agency funds of the Primary Government are as follows (amounts expressed in thousands).

	Category			Carrying Value	Market Value
	1	2	3		
Repurchase Agreements.....	\$120,359			\$ 120,359	\$ 120,359
U.S. Treasury and agency obligations .....	494,793			494,793	495,918
Other (certificate of deposits and bonds).....	8,205			8,205	8,459
	<u>\$623,357</u>			623,357	624,736
Deferred Compensation Plan.....				637,926	637,926
Total.....				<u>\$1,261,283</u>	<u>\$1,262,662</u>

*B. Primary Government — Enterprise and Pension Trust Funds:*

The bank deposits of the enterprise funds of the Primary Government as of June 30, 1995, were entirely insured or collateralized with securities held by the funds or their agents in the funds' names.

The Pension Trust Fund's (Fund) cash deposits (including cash equivalents) are also categorized to give an indication of the level of risk assumed at year-end. As of June 30, 1995, the carrying amount and bank balance of the Fund's deposits were \$28,755,000. The Fund's uninsured and uncollateralized deposits at June 30, 1995 were \$28,683,000.