

12. Equity:

Fund Balances/Retained Earnings —

Fund balances and retained earnings are reserved as follows (amounts expressed in thousands).

	Governmental Fund Types				Fiduciary Fund Types	Component Units	
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	Higher Education	Proprietary Fund Types
Loans and Notes Receivable	\$ 1,990	\$ 3,718	\$30,565				
Loans to Other Funds		50,000					
Loans to Component Units.....			6,372				
State Reserve Fund.....	295,773						
Encumbrances	159,231	190,409		\$331,562			
Agency Activities.....	55,999	45,904					\$4,605
Shore Erosion Loan Program.....				16,074			
Pension Benefits.....					\$16,293,279		
Unemployment Compensation Benefits.....					659,717		
Higher Education Programs.....						\$ 97,630	
Endowment Funds.....						65,883	
Debt and Plant Additions						122,964	
Total reserved fund balance/retained earnings....	\$512,993	\$290,031	\$36,937	\$347,636	\$16,952,996	\$286,477	\$4,605

Loans receivable maturing after June 30, 1995, in the amounts of \$1,990,000 and \$3,718,000, are not available for current operations and, accordingly, have been reflected as reservations of general fund balance and special revenue fund balance, respectively. The special revenue reserved fund balance also includes \$50,000,000 as of June 30, 1995, related to an intrafund loan from the Maryland Transportation Authority to the Maryland Department of Transportation.

Portions of the general fund balance and the special revenue fund balance, in the amounts of \$55,999,000 and \$45,904,000, respectively, as of June 30, 1995, representing special budgetary and nonbudgeted agency resources, were reserved for agency activities and programs.

A portion of the general fund balance, in the amount of \$295,773,000 as of June 30, 1995, has been reserved for the State Reserve Fund. The State Reserve Fund is comprised of a Dedicated Purpose Account, an Economic Development Opportunities Program Fund, a Catastrophic Event Fund and a Revenue Stabilization Account with balances as of June 30, 1995, of \$6,036,000, \$612,000, \$3,010,000 and \$286,115,000, respectively. The Dedicated Purpose Account is designed to retain appropriations for major multi-year expenditures and to meet contingency requirements. The major use of the account has been the accumulation of reserves to meet the State's commitment to make payments to insured account holders of certain State chartered savings and loans in receivership. The Economic Development Opportunities Program Fund is to be used for extraordinary economic development opportunities and only as a supplement to existing programs. The Catastrophic Event Fund is to be used to respond without undue delay to a natural disaster or other catastrophic event that cannot be managed without appropriations. The Revenue Stabilization Account is designed to retain State revenues for future needs and reduce the need for future tax increases.

A portion of the General Fund unreserved fund balance is designated for fiscal year 1996 appropriations in the amount of \$105,975,000. Furthermore, portions of the Debt Service unreserved fund balance are designated for payment of the debt service on the general long-term debt, Transportation debt and the Maryland Transportation Authority bond debt in the amounts of \$14,509,000, \$39,101,000 and \$117,258,000, respectively.

The Maryland Deposit Insurance Fund Corporation (MDIFC), an enterprise fund, has an accumulated deficit balance as of June 30, 1995, of \$147,766,000. This deficit balance is partially offset by capital deposits by members in the amount of \$144,224,000. The net deficit in the capital accounts of MDIFC is \$3,542,000 which will be funded through operations or the general fund.

The Maryland Higher Education Loan Corporation, a discrete component unit, was dissolved as of June 30, 1995. All assets and liabilities were transferred to a privately owned corporation, except for a balance of \$1,335,000 which is on hand at year end.

The beginning fund balance for Higher Education Component Units was restated for Plant Funds to reflect a change in accounting policy. The threshold used for including equipment and other personal property in the Plant Fund asset category, Investment in Plant, was increased. The beginning fund balance was adjusted with a decrease of \$199,071,000.