

A summary of the effects of the fund structure differences and exceptions to the modified accrual basis of accounting, as of June 30, 1997, follows (amounts expressed in thousands).

	Total Budgetary Fund Equities and Other Accounts June 30, 1997	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.....	\$ 837,778	\$ 837,778								
Special.....	637,944	181,411	\$195,759	\$ 46,817	\$ 16,679	\$ 172,029			\$ 25,249	
Current unrestricted.....	186,006							\$ 186,006		
Current restricted.....	3,534							3,534		
Other accounts (a):										
Non-budgeted.....	86,215	77,301	8,769		41	136				(32)
Transportation Authority .....	281,975		213,410	68,565						
Debt service transportation bonds .....	12,818			12,818						
Capital projects .....	212,305				112,389	99,916				
Enterprise .....	764,604	990				763,614				
Expendable trust.....	800,507						\$ 800,507			
Pension trust.....	24,588,298						24,588,298			
Component units:										
Higher education.....	2,687,858							2,687,858		
Proprietary funds .....	187,345									187,345
Budgetary fund equities and other accounts classified into GAAP fund structure:.....	<u>\$31,287,187</u>	1,097,480	417,938	128,200	129,109	1,035,695	25,388,805	2,877,398		212,562
Accounting principle differences:										
Assets recognized in the GAAP financial statements not recognized for budgetary purposes:										
Cash.....		20,431								
Investments .....		8,794								
Other accounts receivable.....		34,668	(2,180)							
Loans and notes receivable.....			12,500							
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:										
Accounts payable and accrued liabilities.....		(134,514)	(8,091)							
Deferred revenue.....		32,204								
GAAP financial statement fund equities, June 30, 1997 .....		\$1,059,063	\$420,167	\$128,200	\$129,109	\$1,035,695	\$25,388,805	\$2,877,398		\$212,562

(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 are required to 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.
- Banker's acceptances.
- Mutual funds.
- Commercial Paper.