

1981

Budgetary Funds	General	Special		Loan	Nonbudgeted
Financial Statement Funds	General	Special Revenue	Debt Service	Capital Projects	
Budgetary fund equities, June 30, 1981	\$170,915	\$247,933		\$95,419	\$798,683
Reclassification of budgetary fund equities into GAAP financial statement fund structure	90,067	(73,887)	\$272,102	(41,970)	(798,683)
Budgetary fund equities reclassified into GAAP financial statement funds	260,982	174,046	272,102	53,449	
Other accounting principle differences:					
Assets recognized in the GAAP financial statements not recognized for budgetary purposes (net of applicable deferred revenues):					
Taxes receivable	2,017	1,011	3,457		
Intergovernmental receivables	8,917	29,535	95	1,281	
Other accounts receivable	35,762	(8,314)	(1,171)	532	
Loans and notes receivable			119,842	6,359	
Other, principally accrued investment income	6,510	7,137	8,951		
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:					
Accounts payable and accrued liabilities	(11,361)	(11,001)	(638)	(21,498)	
Local income taxes payable to local income tax agency fund	(92,651)				
Accounts payable to political subdivisions	(12,973)	(28,794)			
GAAP financial statement fund equities, June 30, 1981	\$197,203	\$163,620	\$402,638	\$40,123	\$ -0-

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 systems maintained by the Comptroller, certain individual agencies which are not subject to the State budget maintain accounting systems which permit financial reporting on the basis of generally accepted accounting principles. The most significant of these agencies are: Economic development loan and insurance activities, Maryland Food Center Authority, Maryland State Lottery, Maryland Environmental Service, State Use Industries and all Fiduciary Funds. In certain instances these agencies deposit funds with the State Treasurer and in such instances accountability for such funds is maintained in a non-budgetary fund.

Restatement of Budgetary Fund Balances:

For the year ended June 30, 1981, the State changed its method of accounting for encumbrances in its budgetary financial statements. Prior to July 1, 1980 encumbrances were reported as expenditures and liabilities. Effective July 1, 1980 encumbrances are included with expenditures and encumbrances, and encumbrances outstanding at year end are reported as reservations of fund balances.

Accordingly, fund balances as of July 1, 1980 for the budgetary general and special funds have been increased by \$60,643,000 and \$41,721,000, respectively, to adjust for encumbrances outstanding at June 30, 1980. Also, as of July 1, 1980 the State changed its policy for recognizing revenue from federal grants in the budgetary federal funds. Prior to July 1, 1980, federal grants were recognized generally on the cash basis. Effective July 1, 1980, federal grant revenues are recognized at the time related grant expenditures are paid or accrued. As a result of this change, the budgetary federal fund balance was decreased by \$6,931,000.

4. Investments:

Investments (amounts expressed in thousands) as of June 30, 1981 consisted of:

	Funds					
	General	Special Revenue	Debt Service	Other Enterprise	Higher Education and University Hospital	Fiduciary Fund Type
U. S. Treasury and Agency obligations	\$121,266	\$34,153	\$239,760	\$ 91,617	\$17,221	\$ 285,731
Certificates of deposit	27,288			198	91	
Commercial paper					1,009	349,343
Corporate debt securities					1,654	1,392,319
Corporate equity securities					11,920	922,372
Annuity contracts				17,902		68,981
Other				22,027	1,127	111,245
Total	\$148,554(a)	\$34,153	\$239,760(b)	\$131,744(a)	\$33,022(a)(c)	\$3,129,991(d)