

Capital Projects Fund

Proceeds of general obligation bond issues are accounted for in the capital projects fund. Completed projects and uncompleted construction in progress at year end which are assets of the State are capitalized in the general fixed assets account group, the appropriate enterprise fund for self-supporting projects or the higher education fund. During fiscal year 1989, state projects costing \$150,593,000 were completed. State grants for capital projects of local governments and other public organizations amounted to \$143,111,000 in the fiscal year, a decrease of \$9,982,000 from 1988.

Authorized but unissued general obligation bonds at June 30, 1989 totaled \$1,002,000,000.

General Fixed Assets

The general fixed assets of the State are those used in the performance of general governmental functions and exclude the fixed assets of the proprietary fund type, fiduciary fund types and the higher education fund. As of June 30, 1989, the general fixed assets of the State amounted to \$3,924,379,000 representing the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets.

Enterprise, Fiduciary, and Higher Education Funds

All enterprise funds with the exception of Maryland Deposit Insurance Fund Corporation reported retained earnings for the year ended June 30, 1989. The Maryland State Lottery reported a decline in retained earnings during the year. Overall retained earnings for enterprise funds increased during 1989 by \$91,345,000 compared to an increase of \$49,722,000 in 1988.

Fiduciary fund types include the expendable trust fund, pension trust fund, and agency funds. Agency funds are custodial in nature and do not report fund balances. All other fiduciary fund types reported fund balances of \$9,734,270,000 at June 30, 1989, compared to \$8,832,204,000 at June 30, 1988.

The Maryland Retirement and Pension Systems (System) was established to provide pension benefits for State employees, the employees of the University of Maryland Medical System (a private, nonprofit, nonstock corporation) and employees of 101 participating municipal corporations within the State. The annual actuarial valuation continues to reflect a positive trend in the government's and employees' funding of the System.

The total fund balance for the higher education fund was \$1,550,868,000 at June 30, 1989, compared to \$1,414,086,000 at June 30, 1988.

Debt Administration

The ratio of net bonded debt to assessed property value and the amounts of bonded debt per capita are considered to be useful indicators of the State's debt position to State management, citizens and investors. Data for fiscal years 1988 and 1989 are shown as follows:

	<u>Amount</u> (expressed in thousands)	<u>Ratio of Net</u> <u>Bonded Debt</u> <u>to Assessed</u> <u>Value (50.2% of</u> <u>Present Market)</u>	<u>Ratio of</u> <u>Debt to</u> <u>Present</u> <u>Market</u> <u>Value</u>	<u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
General				
obligation bonds:				
1988	\$2,090,820	2.60%	1.32%	\$462.57
1989	2,005,360	2.28	1.14	437.95