

obligations for accrued retirement costs of \$561,960,000 represent the excess of retirement costs over retirement expenditures since 1978 and are being funded on a long-term basis through annual contributions, principally from general fund revenue. Long-term obligations for accrued annual leave of \$60,689,000 represent the value of accumulated earned but unused annual leave for general government employees at June 30, 1984.

In 1978, the Capital Debt Affordability Committee was created to study the State's debt structure and to recommend maximum limitations on annual debt authorizations. Although the recommendations of the Committee are not binding on the State's General Assembly, the amounts of annual general obligation bond authorizations for 1984 were within the limits established by the Committee. For the fiscal year 1984, new general obligation bond authorizations amounted to \$203,150,000.

The following tabulation shows the general obligation bonds issued during the past three fiscal years.

State of Maryland—General Obligation Bonds

<u>Date of Issue</u>	<u>Amount</u>	<u>Average Life in Years</u>	<u>Effective Interest Rate</u>	<u>Interest Cost Per Borrowed Dollar</u>
July 1, 1981	\$ 91,915,000	10.1	9.20%	93.0¢
November 15, 1981	96,265,000	10.2	11.30	115.6
July 1, 1982	140,495,000	10.4	11.10	115.6
December 1, 1982	126,735,000	10.3	8.37	86.0
June 30, 1983	125,000,000	10.1	8.31	83.9
March 1, 1984	116,700,000	10.1	8.18	82.7

Maryland's general obligation bonds have been rated Aaa by Moody's Investors Service and AAA by Standard and Poor's for a number of years.

Additionally, limited obligation bonds issued by the Department of Transportation and self supporting revenue bonds issued by enterprise agencies amounted to \$29,770,000 and \$282,177,000, respectively, during 1984.

Cash Management

During the year, temporary surpluses of cash in general governmental funds were invested in repurchase agreements and U. S. Treasury and Agency obligations with maturities ranging from one to 181 days and in time deposits ranging from 180 to 365 days. For the fiscal year ended June 30, 1984 the State's cash resources for general governmental funds were invested as follows: in repurchase agreements, 42.6 percent; in United States Treasury and Agency obligations, 57.2 percent; and in certificates of deposits, 0.2 percent. The average yield on maturing investments during the year was 9.8 percent, as compared to 9.1 percent in the prior year, and the amount of interest received was \$84,421,000, which was \$12,200,000 less than the previous year.

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 and university hospital fund. During fiscal year 1984, state projects costing \$815,088,000, of which \$755,362,000 relates to the Baltimore City subway system, were completed. State grants for capital projects of local governments and other public organizations amounted to \$99,649,000 in the fiscal year, a decrease of \$113,000 from 1983.

Authorized but unissued general obligation bonds at June 30, 1984 totaled \$650,284,000.