

CASH MANAGEMENT

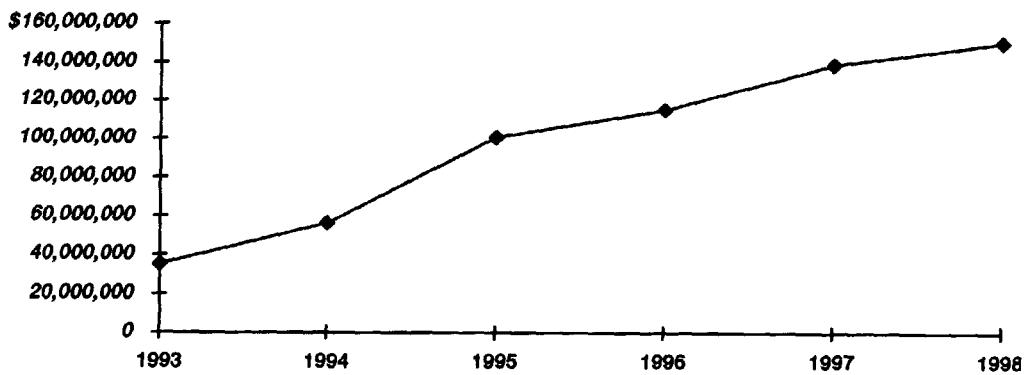
During the year, temporary surpluses of cash in the governmental fund were invested in repurchase agreements, U.S. Treasury and agency obligations, and money market mutual fund accounts with maturities ranging from 1 to 365 days. As of June 30, 1998, the State's cash resources for these funds were invested as follows: in repurchase agreements, 89.2%; in U.S. Treasury and agency obligations, 2.6%; and in money market mutual fund accounts and other, 8.2%. The average yield on maturing cash and investments during the year was 5.5%, as compared to 5.4% in the prior year, and the amount of interest earned was \$151,443,000 which was \$12,550,000 more than the previous year.

The Average Yield on Maturing Investments 1993-1998



Source: Investments Report, State Treasurer's Office, 1998.

Interest Received on Maturing Investments of General Governmental Funds



Source: Investments Report, State Treasurer's Office, 1998.

RISK MANAGEMENT

The State is involved in legal proceedings, which normally occur in government operations. Such proceedings, in the opinion of the Attorney General, are not likely to have a material adverse impact on the financial position of the State's funds.

The State self-insures toward most claims of risk of loss, including general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities and certain employee health benefits. All funds, agencies and authorities of the State participate in the self-insurance programs. As of June 30, 1998, the State and its component units have recorded \$190,902,000 in liabilities associated with its self-insurance programs.