

B. General Fixed Assets:

General fixed assets activity by asset classification for the year ended June 30, 1998, are as follows (amounts expressed in thousands).

Classification	Balance July 1, 1997	Additions	Deletions	Transfers in (out)	Balance June 30, 1998
Land and improvements	\$1,261,459	\$ 34,791	\$ 821	\$ 62,304	\$ 1,357,733
Structure and improvements.....	5,962,598	239,420	32	326,293	6,528,279
Equipment	1,569,876	78,282	52,980	93,847	1,689,025
Construction in progress	803,504	240,370		(482,444)	561,430
Total.....	<u>\$9,597,437</u>	<u>\$592,863</u>	<u>\$53,833</u>	<u>\$ —</u>	<u>\$10,136,467</u>

C. Component Units:

Property, plant and equipment of the discretely presented Component Units, as of June 30, 1998, consists of the following (amounts expressed in thousands).

	Higher Education Fund	Proprietary Funds
Land and improvements (proprietary funds include \$4,261 of land held for development).....	\$ 61,287	\$ 7,334
Structure and improvements.....	2,340,686	48,549
Equipment	608,480	12,932
Construction in progress	230,365	81
	<u>3,240,818</u>	<u>68,896</u>
Less: Accumulated depreciation.....		39,534
Total.....	<u>\$3,240,818</u>	<u>\$ 29,362</u>

9. Long-Term Obligations:

A. General Long-Term Debt:

Changes in general long-term debt, for the year ended June 30, 1998, are as follows (amounts expressed in thousands).

	General Obligation Bonds	Transportation Bonds	Maryland Transportation Authority Bonds	Accrued Self- Insurance Costs	Accrued Annual Leave	Obligations Under Capital Leases	Obligations Under Capital Leases with Component Units	Total Long-Term Obligations
Balance, July 1, 1997	\$3,025,394	\$935,355	\$391,938	\$123,895	\$144,340	\$ 85,847	\$267,193	\$4,973,962
Bond issuances.....	500,000	93,645	16,380					610,025
Bond accretion			3,496					3,496
New obligations under capital leases.....						9,794	50,252	60,046
Reduction in bond principal.....	(254,869)	(178,855)	(36,870)					(470,594)
Retirements of obligations under capital leases.....						(16,288)	(4,550)	(20,838)
Net increase in accrued self- insurance costs.....				4,025				4,025
Net increase in accrued annual leave					8,448			8,448
Balance, June 30, 1998.....	<u>\$3,270,525</u>	<u>\$850,145</u>	<u>\$374,944</u>	<u>\$127,920</u>	<u>\$152,788</u>	<u>\$ 79,353</u>	<u>\$312,895</u>	<u>\$5,168,570</u>

General Obligation Bonds —

General obligation bonds are authorized and issued primarily to provide funds for State owned capital improvements, including facilities for institutions of higher education and the construction of public schools in political subdivisions. Bonds have also been issued for local government improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes loans for particular objects or purposes. Thereafter, the Board of Public Works, a constitutional body comprised of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution, authorizes the issuance of bonds in specified amounts for part or all of the loans authorized by particular enabling acts.

General obligation bonds, which are paid from the general obligation debt service fund, are backed by the full faith and credit of the State and, pursuant to the State Constitution, must be fully paid within 15 years from the