

preceding fiscal year equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority loans and that (ii) total proceeds from pledged taxes equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and any then outstanding Maryland Port Authority loans.

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local participating funds for federally-aided highway projects. Debt service on these bonds is payable from the counties' and Baltimore City's shares of highway user revenues.

As of June 30, 1980, Transportation bond debt service requirements for sinking fund deposits and principal and interest payments (amounts expressed in thousands) in future years were as follows:

| Years ending June 30, | Consolidated Transportation Sinking Fund Deposits | County Transportation Bonds Sinking Fund Deposits | Consolidated Transportation Bonds (Principal and Interest) | County Transportation Bonds (Principal and Interest) | Total Transportation Bond Debt Service Requirements |
|--------------------------|--|--|--|--|---|
| 1981 | \$41,998 | \$18,037 | \$2,970 | \$254 | \$63,259 |
| 1982 | 39,998 | 17,831 | 2,970 | 502 | 61,301 |
| 1983 | 39,998 | 17,781 | 2,970 | 507 | 61,256 |
| 1984 | 39,998 | 17,314 | 2,970 | 506 | 60,788 |
| 1985 | 39,998 | 15,779 | 2,970 | 505 | 59,252 |
| 1986 | 39,998 | 15,171 | 2,970 | 503 | 58,642 |
| 1987 | 13,737 | 5,466 | 2,970 | 500 | 22,673 |
| 1988 | | | 2,970 | 496 | 3,466 |
| 1989 | | | 9,732 | 497 | 10,229 |
| 1990 | | | 9,267 | 492 | 9,759 |
| 1991 | | | 8,812 | 491 | 9,303 |
| 1992 | | | 7,389 | 493 | 7,882 |
| 1993 | | | 6,996 | 489 | 7,485 |
| 1994 | | | 6,600 | 488 | 7,088 |
| 1995 | | | 6,201 | | 6,201 |

On February 15 and May 25, 1978 the Department of Transportation issue Consolidated Transportation Bonds, Refunding Series 1978 and County Transportation Bonds—First Issue Refunding Series 1978. The net proceeds of these issues, after underwriters' discounts and other financing expenses, in principal amounts aggregating \$510,625,000 were used to purchase U.S. Government securities sufficient to fully provide for the timely payment of \$500,585,000 Consolidated Transportation Bonds, State Highway Construction Bonds and County Transportation Bonds. As a result of these transactions, the refunded bonds are deemed to be defeased and, accordingly, are no longer reported as long-term debt in the financial statements.

On July 15, 1980, Consolidated Transportation Bonds aggregating \$60,000,000 were issued. The interest rates on this issue range from 5.7% to 7.4% and the bonds mature serially through 1995. Also on July 15, 1980, the Department issued \$60,000,000 of Consolidated Transportation Bond Anticipation Notes due July 15, 1981 and bearing interest ranging from 5.14% to 5.17%. In connection with these issues the Department held a deposit from the purchasers of the debt in the amount of \$1,200,000 at June 30, 1980.

On November 1, 1980 County Transportation Bonds aggregating \$59,270,000 were issued. The interest rates on this issue range from 7.75% to 8.4% and the bonds mature serially through 1995.