

*State Use Industries:*

*Loans From Other Funds:*

In July 1982, the General fund loaned State Use Industries \$2,000,000. The loan bears no interest and is repayable as operational earnings permit with no time limit. The balance at June 30, 1987 is \$1,945,000.

*Maryland Deposit Insurance Fund Corporation:*

*Notes Payable:*

The notes payable of \$5,376,000 represent promissory notes payable to member savings and loan associations (see Note 14).

*C. Higher Education Fund:*

*Long-Term Debt:*

Certain State colleges have issued revenue bonds and mortgage loans payable for the acquisition and construction of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds. The mortgage loans payable are collateralized by real estate. Interest rates range from 3% to 7.5% on the revenue bonds and 3% to 10% on the mortgage loans payable. Maturities of principal, (amounts expressed in thousands) are as follows:

<u>Years ending</u> <u>June 30,</u>	<u>Revenue Bonds</u>	<u>Mortgages</u>	<u>Total</u>
1988	\$ 2,235	\$ 934	\$ 3,169
1989	2,360	973	3,333
1990	2,480	1,063	3,543
1991	2,625	1,118	3,743
1992	2,770	1,186	3,956
1993 and thereafter	55,555	16,953	72,508
	<u>\$68,025</u>	<u>\$22,227</u>	<u>\$90,252</u>

As of June 30, 1985, the University of Maryland had outstanding \$55,000,000 of variable rate demand bonds issued April 23, 1985, which were subject to mandatory and optional redemption. The University had the option to convert all or part of the bonds to a fixed rate of interest. On May 1, 1986 the University converted all variable rate demand bonds then outstanding (\$53,800,000) to a fixed annual rate of interest ranging from 4.75% to 7.30%, maturing serially on April 1 of each year from 1987 to 2005. Interest on the bonds is payable semi-annually each October 1 and April 1, commencing October 1, 1986, except that the initial interest payment will be for the five month period beginning with the date of conversion, May 1, 1986. An irrevocable letter of credit issued by a bank in connection with the variable rate bond issue was terminated upon conversion of the bonds.

The bonds issued are the debt and obligation of the University and are not a debt and obligation of, or pledge of, the faith and credit of the State.

*Obligations Under Capital Leases:*

Obligations under capital leases of \$45,338,000 exist as of June 30, 1987 bearing interest at annual rates ranging from 6.5% to 17.5%. The following is a schedule of annual future minimum payments under these obligations, along with the present value of the related net minimum payments as of June 30, 1987 (amounts expressed in thousands):