

In compliance with the Trust Agreement dated December 1, 1985 underlying the Transportation Facilities Projects Revenue Bonds, Series 1985, the Authority has established restricted accounts in the aggregate amount of \$104,786,000 for the payments of debt service related to the revenue bonds, major maintenance, project requirements and improvements, betterments, enlargements or capital additions. Assets consisting of cash and short-term investments, \$6,002,000; investments, \$114,031,000; less current accounts payable, \$23,695,000 have been restricted for such purposes.

At June 30, 1988, \$113,055,000 of revenue bonds are considered defeased.

In August 1981, the Authority entered into an agreement with the City of Baltimore to finance the non-Federal share (approximately \$78,000,000) plus related interest of approximately \$31,000,000, associated with the construction of the Fort McHenry Tunnel. The Authority placed approximately \$96,000,000 from the 1985 bond issuance into an escrow account to cover these costs and expects to recover its costs through future net toll revenues of the tunnel.

Maryland Environmental Service (Service):

Revenue Bonds:

The Service has issued revenue bonds for the construction of certain projects. The bonds bear interest at 57% of prime, not to exceed 10.5% and are collateralized by the assets and revenues of the projects and any other revenues of the Service that are not otherwise pledged. All rights, title and interest in the related property, plant and equipment remains with the Service until expiration or completion of the project and repayment of the revenue bonds. Thereafter, title to the assets passes to the governmental unit served by the projects. Maturities of principal are as follows (amounts expressed in thousands):

<u>Years ending June 30,</u>	<u>Amount</u>
1989	\$ 743
1990	745
1991	747
1992	750
1993	752
1994 and thereafter	<u>4,543</u>
	<u><u>\$8,280</u></u>

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, 1988 is \$1,945,000.

Maryland Deposit Insurance Fund Corporation:

Notes Payable:

The notes payable of \$5,247,000 represent promissory notes payable to member savings and loan associations (see Note 15).