

11. Changes in General Long-Term Debt:

Changes in general long-term debt, for the year ended June 30, 1989, are summarized as follows (amounts expressed in thousands):

	General Obligation Bonds	Transportation Bonds	Accrued Retirement Costs	Accrued Workers' Compensation Costs	Accrued Annual Leave	Obligations Under Capital Leases
Balance, July 1, 1988	\$2,090,820	\$388,900	\$444,783		\$ 93,808	\$38,224
Bond issuances	160,000	107,285				
Establishment of accrued workers' compensation costs				\$40,653		
Increase in obligations under capital leases						12,384
Bond principal retirements	(245,460)	(26,895)				
Retirement of obligations under capital leases						(5,236)
Excess of expenditures in governmental fund types over actuarially determined retirement costs			(63,827)			
Amortization of prior years' liability for unfunded retirement costs			(13,328)			
Net increase in accrued annual leave					11,374	
Balance, June 30, 1989	\$2,005,360	\$469,290	\$367,628	\$40,653	\$105,182	\$45,372

12. Other Long-Term Obligations:

A. Governmental Fund Types:

Accrued Workers' Compensation Costs:

The State is insured for workers' compensation losses by the State Accident Fund (Fund) under a contract, which provides for the State to pay premiums based upon loss experience plus a proportionate share of administrative costs. In the event of termination of the contract, the State is obligated for any premium deficiency existing at the time of termination.

A liability for accrued workers' compensation costs in the amount of \$40,653,000 exists at June 30, 1989. This amount represents the liability for anticipated claims and claims expense for State employees (governmental fund types) less the cumulative excess of premiums paid to the Fund and net investment income over net claims paid and operating expense applicable to State coverage. This liability was not recognized previously in the general long-term debt account group because the Fund was a part of the State financial reporting entity. As an effect of legislation which became effective July 1, 1988, the State Accident Fund was removed from the financial reporting entity (see Note 1).

Obligations Under Capital Leases:

Obligations under capital leases of \$45,372,000 exist as of June 30, 1989 bearing interest at annual rates ranging from 4.6% to 9.25%. 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, 1989 (amounts expressed in thousands):

Years ending June 30,	Amount
1990	\$ 8,443
1991	7,210
1992	6,076
1993	5,455
1994	3,820
1995 and thereafter	48,378
Total future minimum payments	79,382
Less amount representing interest	34,010
Present value of net minimum lease payments	\$45,372