

Maryland Transportation Authority (Authority):

Revenue Bonds:

The Authority has issued Transportation Facilities Projects Revenue Bonds, Series 1985 (Refunding), which are payable solely from the revenues of the transportation facilities projects. Bonds outstanding as of June 30, 1989, consisted of (amounts expressed in thousands):

Serial bonds maturing in annual installments from \$2,015 to \$4,540 from July 1, 1989, through July 1, 2000 with interest rates ranging from 5.5% to 8.65%, payable semiannually	\$ 36,835
Term bonds with interest at 8.8%, payable semi-annually, due July 1, 2005	29,390
Term bonds with interest at 9.0%, payable semi-annually, due July 1, 2015	114,195
Term bonds with interest at 7.0%, payable semi-annually, due July 1, 2016	17,795
	<u>\$198,215</u>

The serial bonds maturing after July 1, 1995 are subject to redemption, at the Authority's option, beginning July 1, 1995. The redemption prices range, as a percentage of the principal amount, from 100% to 102%. The bonds maturing July 1, 2016 are subject to redemption, at the Authority's option, beginning July 1, 1995 at a redemption price of 100%. A portion of the bonds maturing on July 1, 2005, \$22,480,000, are subject to redemption beginning in 2001. A portion of the bonds maturing July 1, 2015, \$97,870,000, are subject to redemption beginning in 2006. The principal amortization requirements range from \$4,930,000 to \$14,975,000 per year.

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 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, \$42,245,000; investments, \$30,901,000; less current accounts payable, \$22,044,000 have been restricted for such purposes.

At June 30, 1989, \$111,710,000 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.

Subsequent to June 30, 1989, the Authority has issued \$55,000,000 of revenue bonds.

Maryland Environmental Service (Service):

Revenue Bonds:

The Service has issued revenue bonds for the construction of certain projects. The balance at June 30, 1989 is \$4,700,000. 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.

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 fiscal year 1989 budget law contained a provision whereby \$500,000 of the loan would become null and void if State Use Industries increased inmate employment by a certain level. This was accomplished, and accordingly, the loan was reduced by \$500,000. The balance at June 30, 1989 is \$1,445,000.