

**8. Property, Plant and Equipment:**

Property, plant and equipment, as of June 30, 1990, consisted of the following (amounts expressed in thousands):

*Enterprise Funds:*

	Depreciable Assets	Non-depreciable Assets
Land and improvements (includes land being held for sale of \$1,591) .....		\$ 4,594
Structure and improvements .....	\$37,070	1,859,630
Equipment .....	33,606	339
	70,676	1,864,563
Less accumulated depreciation .....	39,610	
<b>Total .....</b>	<b>\$31,066</b>	<b>\$1,864,563</b>

*General Fixed Assets:*

General fixed assets activity by asset classification for the year ended June 30, 1990, was as follows (amounts expressed in thousands):

Classification	Balance July 1, 1989	Additions	Deletions	Transfers in (out)	Balance June 30, 1990
Land and improvements .....	\$ 611,240	\$ 35,591	\$ 283	\$ 28,063	\$ 674,611
Structure and improvements .....	2,237,933	52,733	5,931	52,173	2,336,908
Equipment .....	815,458	102,212	37,874	42,955	922,751
Construction in progress .....	259,748	255,532		(123,191)	392,089
<b>Total .....</b>	<b>\$3,924,379</b>	<b>\$446,068</b>	<b>\$44,088</b>	<b>\$ -0-</b>	<b>\$4,326,359</b>

*Higher Education Fund:*

Property, plant and equipment, as of June 30, 1990, consisted of the following (amounts expressed in thousands):

Land .....	\$ 55,195
Buildings and improvements .....	1,027,239
Contents .....	501,921
Construction in progress .....	132,262
<b>Total .....</b>	<b>\$1,716,617</b>

**9. General Obligation Bonds:**

General obligation bonds are authorized and issued primarily to provide funds for state owned capital improvements, including facilities for institutions of higher education, and the construction of public schools in political subdivisions. Bonds have also been issued for local government improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for repayable loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes a loan for a particular object or purpose. Thereafter, the Board of Public Works, a constitutional body composed of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution, authorizes the issuance of bonds in a specified amount for part or all of the loan authorized by a particular enabling act.

General obligation bonds, which are paid from the general obligation debt service fund, are backed by the full faith and credit of the State and, pursuant to the State Constitution, must be fully paid within 15 years from the date of issue. Property taxes, debt service fund loan repayments and general fund appropriations provide the resources for repayment of general obligation bonds.

The proceeds of general obligation bonds issued after December 31, 1986 are subject to Federal regulations governing the investment and use of proceeds of tax-exempt debt issuances.

Bonds issued after January 1, 1980 are subject to redemption provisions at the option of the State.

During the year, general obligation bonds aggregating \$234,227,000 were issued with a discount of \$1,888,000.