

The series 1985 revenue 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, is subject to redemption beginning in 2001. A portion of the bonds maturing July 1, 2015, \$97,870,000, is subject to redemption beginning in 2006. The principal amortization requirements range from \$4,930,000 to \$14,975,000 per year. The series 1991 revenue bonds maturing after July 1, 2001 are subject to redemption, at the Authority's option, on or after July 1, 2001 at redemption prices ranging from 100% to 102% of the principal amount.

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, \$81,699,000; investments, \$23,653,000; and other assets, \$853,000; less current accounts payable, \$16,522,000 have been restricted for such purposes.

At June 30, 1991, \$163,745,000 of revenue bonds are considered defeased.

*Maryland State Lottery:*

*Obligations Under Capital Leases:*

Obligations under capital leases of \$20,120,000 exist as of June 30, 1991 bearing interest at an annual rate of 7.5%. 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, 1991 (amounts expressed in thousands).

Years Ending June 30,	Amount
1992 .....	\$ 4,595
1993 .....	5,011
1994 .....	5,010
1995 .....	5,010
1996 .....	5,010
1997 and thereafter .....	415
Total future minimum payments .....	25,051
Less amount representing interest .....	4,931
Present value of net minimum lease payments .....	\$20,120

*Maryland Environmental Service (Service):*

*Revenue Bonds:*

The Service has issued revenue bonds for the construction of certain projects. The balance at June 30, 1991 is \$22,176,000. Series 1985 bonds bear interest at 57% of prime, not to exceed 10.5%, and other debt bears interest at rates ranging from 5.7% to 7.41%. The bonds 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 1990 and 1989 budget laws contained provisions whereby \$500,000 of the loan would become null and void each year if State Use Industries increased inmate employment by a certain level. This was accomplished and, accordingly, the loan was reduced each year by \$500,000. The balance at June 30, 1991 is \$945,000.