

Maryland State Lottery Agency — Obligations Under Capital Leases —

Obligations under capital leases of \$6,754,000 exist as of June 30, 1994, 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, 1994 (amounts expressed in thousands):

Years Ending June 30	Amount
1995.....	\$3,678
1996.....	3,678
Total future minimum payments.....	7,356
Less amount representing interest.....	602
Present value of net minimum lease payments.....	\$6,754

Maturities of enterprise funds notes payable and revenue bond principal are as follows (amounts expressed in thousands):

Years Ending June 30	Community Development Administration	Maryland Water Quality Financing Administration	Maryland Stadium Authority	Maryland State Lottery Agency
1995.....	\$ 111,614	\$ 3,650	\$ 1,950	\$ 3,761
1996.....	51,569	5,830	2,085	3,952
1997.....	52,119	6,435	2,240	3,977
1998.....	52,384	6,715	2,400	4,178
1999.....	53,658	7,000	2,580	2,326
2000 and thereafter.....	2,024,832	103,567	140,215	
	\$2,346,176	\$133,197	\$151,470	\$18,194

C. Long Term Obligations — Component Units:

Higher Education Fund —

Certain State higher education institutions have issued revenue bonds and mortgage loans payable for the acquisition and construction of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds. The mortgage loans payable are collateralized by real estate. Interest rates range from 4% to 7.2% on the revenue bonds and the rate is 3% on the mortgage loans payable. In June 1992, the University of Maryland System issued serial Equipment Loan Program Obligations to finance the acquisition of new equipment and to refinance the balance of amounts due under certain installment purchase agreements for equipment then in the possession of the System. Payments of principal and interest, at rates from 2.6% to 6.15%, are to be made semiannually through 2007. The Equipment Obligations are callable, at the option of the System, at premiums of no more than 2%, beginning in 2003. Maturities of principal are as follows (amounts expressed in thousands):

Years Ending June 30	Equipment Loan Program Obligations	Revenue Bonds	Mortgages and Other	Total
1995.....	\$ 6,605	\$ 18,600	\$ 2,827	\$ 28,032
1996.....	5,950	19,759	2,652	28,361
1997.....	5,695	20,926	2,287	28,908
1998.....	1,665	22,349	1,513	25,527
1999.....	1,750	23,716	1,120	26,586
2000 and thereafter.....	11,335	351,655	3,508	366,498
	\$33,000	\$457,005	\$13,907	\$503,912

The bonds issued are the debt and obligation of the issuing higher education institution and are not a debt and obligation of, or pledge of, the faith and credit of the State.

On October 6, 1993, the University of Maryland System issued \$124,225,000 of Auxiliary Facility and Tuition Revenue Bonds 1993 Refunding Series C (1993 Refunding Series C Revenue Bonds) to advance refund \$107,568,288 of selected maturities of the 1989 Refunding Series A, 1989 Series B, 1991 Series A, 1992 Series A, and 1992 Series B Revenue Bonds. The net proceeds of the 1993 Refunding Series C (after payment of underwriting fees and other issuance costs) were used to purchase U.S. Treasury and agency obligations, which were placed in an irrevocable trust to pay the debt service, and the principal and corresponding premiums at the date of redemption, on each of the refunded obligations. The advance refunding will result in a reduction of debt service requirements of \$11,663,046 and an economic gain (the difference between the present value of the debt service requirements on