

*Maryland State Lottery Agency (Lottery) - Notes Payable -*

As of June 30, 2000, the Lottery had notes payable outstanding related to the financing of certain gaming equipment. The balance outstanding as of June 30, 2000, is \$4,068,000. Payments of principal and interest, at rates ranging from 4.5% to 6.7%, are to be made through 2005.

*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 4.3% to 7.2% on the revenue bonds with the rate being 3.0% on the mortgage loans payable. Since June 1992, the University System of Maryland (System) has issued serial Notes Payable 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 ranging from 2.6% to 6.2%, are to be made semiannually through 2007. The Notes Payable are callable, at the option of the System, at premiums of no more than 2.0% of the outstanding principal, beginning in 2003. Maturities of principal are as follows (amounts expressed in thousands).

Years Ending June 30,	Notes Payable and Other Long-Term Debt	Revenue Bonds	Total
2001.....	\$ 4,782	\$ 34,229	\$ 39,011
2002.....	4,987	35,861	40,848
2003.....	5,046	35,803	40,849
2004.....	5,321	36,352	41,673
2005.....	5,483	35,208	40,691
2006 and thereafter.....	81,691	414,175	495,866
	<u>\$107,310</u>	<u>\$591,628</u>	<u>\$698,938</u>

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

On September 1, 1999, the System issued \$19,140,000 of University System of Maryland Auxiliary Facility and Tuition 1999 Series B Revenue Bonds. The 1999 Series B bonds consist of serial and term bonds maturing through the year ended June 30, 2008 with stated rates of interest of from 4.1% to 5.0%, and were issued at an aggregate premium of \$167,000. The proceeds of the 1999