

future debt service payments on the portion of the Series 1990 Bonds being advanced refunded and which were subsequently paid in March 2000. As a result, \$5,430,000 of the Series 1990 Bonds were considered to be defeased, and the liability for those bonds was removed from revenue bonds and notes payable.

The advance refunding resulted in an excess of the reacquisition price over the net carrying amount of the old debt of \$392,000. This difference, reported as a deduction from bonds payable, is being amortized to interest expense through the year 2010. The Service completed the advance refunding to reduce its total debt service payments over the next 11 years by \$435,000 and to obtain an economic gain of \$495,000.

Subsequent of June 30, 2000, the Service issued \$6,385,000 in Cecil County Landfill Project Revenue Bonds Series 2000 (Series 2000 Bonds) with interest rate of 4.8% to 5.5%. These bonds constitute special obligations of the Service payable solely from revenues (sublease payments) from the project pledged by bond indenture.

10. Loans from Primary Government:

Component Units - Maryland Food Center Authority (Authority) -

The State loaned the Authority \$4,000,000, which the Authority is obligated to repay after all principal and interest has been paid on any revenue bonds which may be issued by the Authority. The loan accrued interest until June 30, 1993. The outstanding balance as of June 30, 2000, including deferred interest of \$1,577,000 was \$5,577,000.

The Authority assumed a non-interest bearing obligation in the amount of \$795,000 due to the debt service fund of the primary government pursuant to the transfer of the assets and obligations of the New Marsh Market to the Authority. The Authority is obligated to repay the debt service fund after all principal and interest has been paid on any revenue bonds which may be issued by the Authority. The outstanding principal as of June 30, 2000, is \$795,000.

Component Units - Maryland Pre-Paid College Trust (Trust) -

During the fiscal year ended June 30, 2000, the Trust was granted a loan of \$250,000 from the Maryland Higher Education Commission (MHEC). Additionally, in fiscal year 1999, the Trust was granted and received additional loans totaling \$400,000, of which \$30,000 has been repaid. The loans are non-interest bearing. During the 2000 legislative session, the General Assembly