

### C. Component Units:

Property, plant and equipment of the discretely presented Component Units, as of June 30, 1996, consists of the following (amounts expressed in thousands).

	Higher Education Fund	Proprietary Funds
Land and improvements (proprietary funds include \$1,526 of land held for development).....	\$ 188,586	\$ 4,529
Structure and improvements.....	1,822,519	152,232
Equipment .....	526,464	11,054
Construction in progress .....	262,817	1,922
	2,800,386	169,737
Less accumulated depreciation .....	—	(34,455)
Total.....	\$2,800,386	\$135,282

## 9. Long-Term Obligations

### A. General Long-Term Debt:

Changes in general long-term debt, for the year ended June 30, 1996, are as follows (amounts expressed in thousands).

	General Obligation Bonds	Transportation Bonds	Maryland Transportation Authority Bonds	Accrued Self- Insurance Costs	Accrued Annual Leave	Obligations Under Capital Leases	Obligations Under Capital Leases with Component Units	Total Long-Term Obligations
Balance, July 1, 1995.....	\$2,619,069	\$1,061,710	\$465,182	\$108,371	\$143,655	\$102,373	\$ 6,905	\$4,507,265
Bond issuances.....	470,000							470,000
Bond accretion .....			2,964					2,964
New obligations under capital leases.....						18,442		18,442
Reduction in bond principal.....	(229,130)	(81,830)	(59,715)					(370,675)
Retirements of obligations under capital leases.....						(20,975)	(4,083)	(25,058)
Net increase in accrued self- insurance costs.....				6,995				6,995
Net increase in accrued annual leave .....					3,039			3,039
Change in accounting.....							210,574	210,574
Balance, June 30, 1996.....	\$2,859,939	\$ 979,880	\$408,431	\$115,366	\$146,694	\$ 99,840	\$213,396	\$4,823,546

### 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 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 loans for particular objects or purposes. Thereafter, the Board of Public Works, a constitutional body comprised of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution, authorizes the issuance of bonds in specified amounts for part or all of the loans authorized by particular enabling acts.

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. During fiscal year 1996, the State issued \$470,000,000 of general obligations with related issuance cost of \$496,000.

Bonds issued after January 1, 1988, are subject to redemption provisions at the option of the State.

As of June 30, 1996, the State has \$310,515,000 of defeased debt outstanding.