B. Long Term Obligations — Enterprise Funds —

The enterprise fund long-term obligations as of June 30, 1996, consists of the following (amounts expressed in thousands).

Community Development Administration Revenue Bonds	$2,394,813
Maryland Water Quality Financing Administration Revenue Bonds	163,449
Total Revenue Bonds	2,558,262
Maryland State Lottery Agency Notes Payable	10,481
Accrued Self-Insurance Costs	330
Accrued Annual Leave	751
Total long-term obligations	$2,569,824

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 State Lottery Agency
1997	$ 101,357	$ 7,255	$ 3,978
1998	52,750	8,285	4,178
1999	55,605	8,360	2,325
2000	57,643	8,765	
2001	56,490	9,195	
2002 and thereafter	2,070,968	121,589	
	$2,394,813	$163,449	$10,481

Community Development Administration (Administration) — Revenue Bonds:

The Administration, an agency of the Department of Housing and Community Development, has issued revenue bonds, the proceeds of which were used for various mortgage loan programs. Assets aggregating approximately $2,630,911,000 and revenues of each mortgage loan program are pledged as collateral for the revenue bonds. Interest rates range from 3.4% to 14%, with the bonds maturing serially through May 2036. The principal amount outstanding as of June 30, 1996, is $2,394,813,000. Substantially all bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at rates ranging from 100% to 103% of the outstanding principal amount.

Subsequent to June 30, 1996, the Administration redeemed $34,187,000 of revenue bonds.

Maryland Water Quality Financing Administration (Administration) — Revenue Bonds —

The Administration, an agency of the Department of Environment, has issued revenue bonds for making loans. Interest rates range from 3.7% to 6.9% with principal of $142,899,221, due serially from September 1, 1996 to September 1, 2014, and term bonds aggregating principal of $20,550,000, due from September 1, 2013 to 2015. These bonds are payable solely from the revenue, money or property of the Administration.

The bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at premiums ranging up to 2.5% of the outstanding principal amount.

On September 20, 1995, the Administration issued $42,035,000 in Refunding Revenue Bonds Series 1995 A, with an average interest rate of 5.36%, to advance refund $37,510,000 of certain maturities of outstanding Series 1990 A, 1990 B, 1991 A, and 1991 B bonds (Refunded Bonds) with interest rates above 6.7%. The net proceeds of $41,189,000 (after payment of $846,000 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded Bonds. As a result, the Refunded Bonds are considered to be defeased and the liability for those bonds has been removed from bonds payable.

The Administration completed the advance refunding to reduce its debt service payments over the next 25 years by $3,777,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $2,317,000. The excess of the reacquisition price (amount placed in escrow) of $41,189,000 over the net carrying amount of the old debt of $37,510,000 ($3,679,000) has been deferred on the balance sheet and will be amortized to interest expense through the year 2011.