

B. Higher Education and University Hospital Fund:

Certain State Colleges have issued revenue bonds and mortgage loans payable for the acquisition of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds, and the mortgage loans payable are collateralized by real estate. Interest rates range from 3% to 6% on the revenue bonds and 6% to 10% on the mortgage loans payable. Maturities of principal (amounts expressed in thousands) are as follows:

<u>Years ending June 30,</u>	<u>Amount</u>
1982	\$ 468
1983	521
1984	595
1985	605
1986	624
1987 and thereafter	<u>18,446</u>
	<u>\$21,259</u>

13. Commitments:

At June 30, 1981, the Department of Transportation and Maryland Transportation Authority had commitments of approximately \$295,000,000 and \$25,041,000, respectively, for construction of highway and mass transit facilities. Approximately 62% of future expenditures related to the Department of Transportation commitments are expected to be reimbursed from proceeds of approved federal grants when the actual costs are incurred.

As of June 30, 1981, direct mortgage loan programs included in other enterprise funds had unfunded mortgage loan commitments aggregating approximately \$57,348,000. These commitments are expected to be funded from existing program resources and proceeds from revenue bonds to be issued.

Principally all full-time employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 35 days as of the end of each calendar year. As of June 30, 1981, accumulated earned but unused annual leave for employees whose activities are accounted for in governmental fund types aggregated approximately \$49 million.

The State is insured for workers' compensation losses by the State Accident Fund under a contract which provides for the State to pay premiums based upon loss experience plus a proportionate share of administrative costs. In the event of termination of the contract, the State is obligated for any premium deficiency existing at the time of termination. As of June 30, 1981, anticipated workers' compensation claims in the amount of \$19,500,000 applicable to State employees were accrued in Nonexpendable Trust Fund.

Effective July 1, 1979, the State is required to distribute to its political subdivisions the estimated local portion of income tax withholding and estimated payments received for which no individual income tax returns, claiming the payments, were filed by the taxpayers. In fiscal year 1981, the State distributed approximately \$6 million applicable to payments received for tax years prior to 1978. Amounts received for tax years after 1978 will become distributable to the political subdivisions upon the expiration of the three year period during which taxpayers have the right to file tax returns and claim refunds. As of June 30, 1981, the approximate balance of such unclaimed payments was \$8,431,000 for the tax year 1978, which, to the extent not claimed by taxpayers, will be distributed to the political subdivisions and recorded as an expenditure in the year 1982. Because the legislation requiring these distributions became effective July 1, 1979, the State accrues the liability for distributions applicable to tax years after 1978.

14. Contingencies:

The State is party to legal proceedings, which normally recur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the financial position of the affected funds.