

Total minimum future rentals do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the concessionaire's gross revenue in excess of stipulated minimums.

Rent revenue was approximately \$46,492,000 for the year ended June 30, 1986, including contingent rentals of approximately \$14,355,000. Assets of the Department of Transportation subject to such operating lease agreements are included in the general fixed assets account group. The cost of these assets was approximately \$237,852,000 at June 30, 1986.

As of June 30, 1986, direct mortgage loan programs included in the enterprise funds had unfunded mortgage loan commitments aggregating approximately \$121,721,000. These commitments are expected to be funded from existing program resources and proceeds from revenue bonds to be issued.

The Maryland Transportation Authority was contractually liable for approximately \$20,000,000 of uncompleted construction and improvement contracts relating to various projects as of June 30, 1986.

At June 30, 1986, the Maryland State Lottery had commitments of approximately \$11,300,000 for services to be rendered relating principally to the operation of the lottery game.

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, 1986, anticipated workers' compensation claims in the amount of \$49,000,000 applicable to State employees were accrued in the nonexpendable trust fund. For the year ended June 30, 1986, the State paid the State Accident Fund approximately \$14,320,000 in premiums.

17. Contingencies:

The State is party to legal proceedings, which normally occur in governmental operations. Other than the litigation discussed in Note 14, 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.

As of June 30, 1986, mortgage loan insurance programs included in the enterprise funds were contingently liable as insurer of mortgage loans payable, or portions of mortgage loans payable, in an aggregate amount of approximately \$504,338,000 (including \$337,745,000 for the economic development loan programs). In addition, there are commitments to insure mortgage loans which would represent additional contingent liabilities of approximately \$23,340,000.

The State receives significant financial assistance from the U. S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund which received the grant. As of June 30, 1986, the State estimates that no material liabilities will result from such audits.