

The balance sheet of MDIFC at June 30, 1987 includes \$189,817,000 of deposits resulting from distributions to depositors of two member associations in receivership, the purchase of certain assets from one member association and settlement of a lawsuit. The distributions totalled \$180,350,000 and were made in accordance with the Governor's General Distribution Plan, approved on March 5, 1986. The amount distributed includes \$110,789,000 paid in fiscal year 1986 and \$69,561,000 paid in fiscal year 1987. The 1987 distribution was partially funded by a transfer of \$15,000,000 from the State of Maryland General Fund and borrowings of \$15,000,000 from a bank, which were repaid during fiscal year 1987. MDIFC received subrogation of the depositor's rights to their share of proceeds from the liquidation of the associations' net assets in an amount equal to the distribution. MDIFC received \$13,422,000 in deposit distributions from two member associations in receivership during fiscal year 1987.

In the wake of the savings and loan crisis discussed above, an allowance for estimated insurance losses of \$400,000,000 at June 30, 1987 has been established; however, MDIFC's ultimate liability, if any, cannot presently be determined.

Additionally, MDIFC and MSSIC are parties to numerous lawsuits, and, in the opinion of the Attorney General of the State of Maryland the outcome of the litigation cannot presently be determined. Furthermore, there may be additional future litigation involving MDIFC.

A condensed balance sheet of MDIFC as of June 30, 1987 is as follows (amounts expressed in thousands):

Assets:	
Cash and investments .....	\$ 21,702
Loans and notes receivable .....	16,763
Deposits at Old Court Savings and Loan and First Maryland Savings and Loan ..	189,817
Other Assets .....	384
	<u>\$228,666</u>
Liabilities:	
Estimated loss on insured savings deposits .....	\$400,000
Capital notes .....	5,376
Deferred federal income taxes .....	35,000
Other liabilities .....	722
	<u>441,098</u>
Deficiency in Assets:	
Capital deposits by members .....	144,224
Deficit .....	<u>(356,656)</u>
	<u>(212,432)</u>
	<u>\$228,666</u>

**15. Retirement and Pension Systems:**

As of June 30, 1987, the State of Maryland had employee retirement and pension programs as follows:

“Retirement Systems”—for employees, teachers and State police—retirement programs for substantially all State employees, teachers and State police who are not members of the State Pension System.

“Pension Systems”—for employees and teachers—retirement programs for employees and teachers hired after January 1, 1980, and prior employees who have elected to transfer from the Retirement Systems.

“Judges’ Pension System”—retirement program for State judges.

“Mass Transit Administration Pension Plan”—a retirement program for certain employees of the Mass Transit Administration.

All Retirement and Pension Systems, other than the Mass Transit Administration Pension Plan, are jointly contributory. Employee contributions are established at fixed percentages of total employee compensation, except for the Pension Systems where employee contributions are established at fixed percentages of employee compensation in excess of the F.I.C.A. taxable wage base. The Mass Transit Administration Pension Plan is a pay-as-you-go plan and requires no employee contributions.