

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

Management believes that the allowance for estimated insurance losses remaining at June 30, 1990, of \$350,000,000, will be sufficient to provide for MDIFC's ultimate liability after liquidation of the remaining assets of the six institutions in receivership, after adjudication of the numerous lawsuits and upon completion of MDIFC's operations. However, the ultimate outcome of the liquidation of assets and the litigation is uncertain at this time.

A condensed balance sheet of MDIFC as of June 30, 1990 is as follows (amounts expressed in thousands):

Assets:	
Cash and investments	\$ 32,094
Loans and notes receivable	9,027
Deposits at Old Court Savings and Loan, First Maryland Savings and Loan and three other associations	351,581
Other assets	313
	<u>\$ 393,015</u>
Liabilities:	
Estimated loss on insured savings deposits	\$ 350,000
Due to the general fund	39,000
Other liabilities	1,036
	<u>390,036</u>
Capital:	
Capital deposits by members	144,224
Deficit	(141,245)
	<u>2,979</u>
	<u>\$ 393,015</u>

16. Retirement and Pension System:

The State of Maryland contributes to the Maryland State Retirement and Pension Systems (System), an agent multiple-employer public employee retirement system established by the State of Maryland to provide pension benefits for State employees and employees of 102 participating municipal corporations within the State. Additionally, the System provides benefits for the University of Maryland Medical System (a private, nonprofit, nonstock corporation), the Maryland Automobile Insurance Fund and the State Accident Fund (none of which are in the State's reporting entity). The System is considered part of the State of Maryland's financial reporting entity and is included in the State's financial statements as a Pension Trust Fund. For the year ended June 30, 1990, the State's covered payroll was \$4,682,550,000, which represents the State's total employer payroll.

Plan Description:

The System which is administered in accordance with Article 73B of the Annotated Code of Maryland consists of the following systems which are managed by the Board of Trustees for the System. All retirement and pension systems discussed herein are included in the System. All State employees and employees of the participating municipalities are covered by the systems.

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

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