

statutory merger to Maryland Savings Share Insurance Corporation (MSSIC). All savings and loan associations that were members of MSSIC automatically became members of MDIFC. All except three institutions, which are currently in receivership, have either been acquired by a federally insured institution, converted to a mortgage company or a credit union, or voluntarily liquidated.

As of June 30, 1994, MDIFC had net assets of \$1,245,000, which were net of accruals and reserves of \$311,360,000. Most of MDIFC's assets are held by the receivership trustee. MDIFC and MSSIC are parties to numerous lawsuits. Furthermore, there may be additional future litigation involving MDIFC. Management believes that the reserves as of June 30, 1994, are sufficient to provide for MDIFC's ultimate liability for such claims.

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, 1994, the State estimates that no material liabilities will result from such audits.

17. Landfill Closure and Postclosure Care Costs:

State and Federal laws require the Maryland Environmental Service (the Service), a component unit, to place a final cover on the Midshore Regional Landfill (Midshore), which is expected to close in 2009, and the Easton Landfill (Easton), which is filled to capacity and in the process of being closed, and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. Although closure and postclosure care costs at Midshore will be paid near or after the date the landfill stops accepting waste, the Service reports a portion of these closure and postclosure care costs as a liability based on the use of 16% of the estimated capacity of the landfill. The Service recognizes a liability for Easton equal to the estimated total current cost of closure and postclosure care that has not been paid. A \$4,805,000 liability is included in accounts payable and accrued liabilities in the accompanying balance sheet of the Service. Total closure and postclosure care costs are currently estimated to approximate \$14,300,000, as determined through engineering studies. Actual costs may be higher due to inflation.