

17. Commitments:

The State leases office space under various agreements that are accounted for as operating leases. Many of the agreements contain rent escalation clauses and renewal options. Rent expenditures for fiscal year 1995 were approximately \$32,284,000. Future lease expense commitments under these agreements as of June 30, 1995, follow (amounts expressed in thousands).

Years ending June 30	Amounts
1996.....	\$28,444
1997.....	22,921
1998.....	15,568
1999.....	9,979
2000.....	6,699
2001 and thereafter.....	3,986
	<u>\$87,597</u>

As of June 30, 1995, the State had general fund commitments of approximately \$70,000,000 for the completion of projects under construction.

As of June 30, 1995, the Department of Transportation and Maryland Transportation Authority had commitments of approximately \$685,831,000 and \$156,000,000, respectively, for construction of highway and mass transit facilities. Approximately 87% 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. The remaining portion will be funded by other financial resources of the Department.

The Department of Transportation, as lessor, leases space at various marine terminals, airport facilities and office space pursuant to various operating leases. Minimum future rental revenues follow (amounts expressed in thousands).

Years ending June 30	Noncancellable Operating Leases Minimum Future Rentals
1996.....	\$ 40,939
1997.....	31,199
1998.....	23,220
1999.....	21,116
2000.....	20,639
2001 and thereafter.....	132,420
	<u>\$269,533</u>

Total minimum future rental revenues 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. Rental revenue was approximately \$81,228,000 for the year ended June 30, 1995, including contingent rentals of approximately \$19,452,000.

As of June 30, 1995, the Maryland State Lottery Agency had commitments of approximately \$40,738,000 for services to be rendered relating principally to the operation of the lottery game.

As of June 30, 1995, the Maryland Stadium Authority had commitments of approximately \$91,349,000 for property and construction.

As of June 30, 1995, the higher education fund, a component unit, had commitments of approximately \$93,966,000 for the completion of projects under construction.

18. Contingencies:

The State is party to legal proceedings, which normally occur 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 State as a whole.

As of June 30, 1995, 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 \$806,641,000 (including \$650,970,000 for the economic development loan programs). In addition, there are commitments to insure mortgage loans which would represent additional contingent liabilities of approximately \$66,548,000.