

16. Commitments:

At June 30, 1985, the Department of Transportation and Maryland Transportation Authority had commitments of approximately \$314,596,000 and \$40,000,000, respectively, for construction of highway and mass transit facilities. Approximately 70% 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 terminal space at various marine terminals, airport facilities and office space pursuant to various operating leases. Minimum future rentals (amounts expressed in thousands) are as follows:

Years ending June 30,	Noncancellable Operating Leases Minimum Future Rentals
1986	\$13,606
1987	10,738
1988	9,452
1989	8,328
1990	7,463
1991-1995	13,543
1996-2000	5,550
2001 and thereafter	<u>10,640</u>
	<u>\$79,320</u>

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 \$48,737,000 for the year ended June 30, 1985, including contingent rentals of approximately \$14,168,000. 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 \$236,457,000 at June 30, 1985.

As of June 30, 1985, direct mortgage loan programs included in the enterprise funds had unfunded mortgage loan commitments aggregating approximately \$263,004,000. These commitments are expected to be funded from existing program resources and proceeds from revenue bonds to be issued.

In August 1981, the Maryland Transportation Authority (Authority) entered into an agreement with the City of Baltimore to finance the non-Federal share (approximately \$100,000,000) plus accrued interest on the Federal share, which is estimated to approximate \$20,000,000, of costs associated with the construction of a tunnel across the Patapsco River. The agreement is contingent upon the ability of the Authority to obtain the requisite financing. The Authority expects to recover their debt service and other costs through future net toll revenues of the tunnel. Tunnel construction began in 1980 and is expected to be completed in 1985.

At June 30, 1985, the Maryland State Lottery had commitments of approximately \$17,500,000 for services to be rendered relating principally to the operation of the lottery games.

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, 1985, anticipated workers' compensation claims in the amount of \$41,200,000 applicable to State employees were accrued in the nonexpendable trust fund. For the year ended June 30, 1985, the State paid the State Accident Fund approximately \$11,701,000 in premiums.