

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS
REVENUE BONDS, FIRST SERIES (REFUNDING)
DATED JULY 1, 1978

Financial Statements for the Period
From August 24, 1978 to June 30, 1979
and Supplemental Schedules and
Auditors' Opinion

AUDITORS' OPINION

Maryland Transportation Authority:

We have examined the financial statements of Maryland Transportation Authority - Transportation Facilities Projects Revenue Bonds, First Series (Refunding) dated July 1, 1978 as of June 30, 1979 and for the period from August 24, 1978 (see Note 1) to June 30, 1979, listed on page 2. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Authority - Transportation Facilities Projects Revenue Bonds, First Series (Refunding) dated July 1, 1978 at June 30, 1979 and the results of its operations and the changes in its financial position for the period from August 24, 1978 to June 30, 1979, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Our examination also comprehended the supplemental schedules as of June 30, 1979 and for the period from August 24, 1978 to June 30, 1979 listed on page 2, and, in our opinion, such supplemental schedules, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.

Section 710 of the Trust Agreement dated as of July 1, 1978 provides, among other things, for a report on (a) whether the moneys received by the Authority under the provisions of this Agreement have been applied in accordance with the provisions of this Agreement; (b) whether any obligations for Current Expenses were incurred in the preceding fiscal year in excess of the total amount provided for Current Expenses in the Annual Budget for such fiscal year; and, (c) whether the net revenues of the transportation facilities projects for the preceding fiscal year have exceeded or were less than the amount for such fiscal year referred to in Section 501 of this Agreement. We report that, in conducting our examination of the accompanying financial statements and supplemental schedules, nothing came to our attention during the course of our examination which causes us to believe that there has been a default by the Authority under the foregoing provisions. Also, in our opinion, the net revenues of the transportation facilities projects for the period August 24, 1978 to June 30, 1979 exceeded the amount referred to in Section 501 of this Agreement for such period.

Deloitte Haskins+Sells

September 14, 1979

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

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 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978

BALANCE SHEET, JUNE 30, 1979

ASSETS		LIABILITIES AND EQUITY	
CURRENT ASSETS:		CURRENT LIABILITIES (Payable from Current Assets):	
Cash (overdraft) (Note 3).....	\$(11,237,380)	Accounts payable and accrued operating expenses.....	\$ 1,418,854
Investments - at cost (Note 4).....	15,274,627	Deferred income.....	581,311
Accrued interest receivable.....	95,000	Guarantee deposit.....	2,000
Accounts receivable:		Total current liabilities payable from	
Book ticket sales.....	\$ 18,493	current assets.....	2,002,165
Toll charges.....	23,893	CURRENT LIABILITIES (Payable from Restricted Assets):	
Concessionaires.....	254,395	Accounts and retainages payable:	
Restricted funds.....	11,646	Major repairs and replacements.....	766,403
Supply inventory - at cost.....	308,427	Additions to property.....	1,120,591
Total current assets.....	101,168	Due to current assets.....	11,646
	<u>4,541,842</u>	Total current liabilities payable from	
RESTRICTED ASSETS:		restricted assets.....	1,898,640
Maintenance and Operations Reserve Fund:		REVENUE BONDS, FIRST SERIES (REFUNDING) (Notes 2 and 5).....	121,155,000
Cash.....	320,767	EQUITY:	
Investments - at cost (Note 4).....	11,013,711	Federal grants for construction.....	4,331,189
Accrued interest receivable.....	225,000	Accumulated excess of revenues over expenses:	
Supply inventory - at cost.....	60,823	Restricted for:	
Interest and Sinking Fund:		Major repairs, replacements, and insurance.....	10,853,898
Bond Service Account - cash.....	3,733,750	Payment of bonds and interest.....	12,081,238
Reserve Account:		Acquisition, construction, and improvements to	
Cash.....	4,336	transportation facilities projects.....	16,178,487
Investments - at cost (Note 4).....	8,085,152	General purposes.....	14,859,470
Accrued interest receivable.....	258,000	Total restricted equity.....	53,973,093
Capital Fund:		Unrestricted.....	510,877,674
Cash (overdraft).....	(491,770)	Total accumulated excess of revenues over expenses...	567,850,767
Investments - at cost (Note 4).....	17,487,494	Total equity.....	572,181,956
Accrued interest receivable.....	315,000		
General Fund:			
Cash.....	7,495,020		
Investments - at cost (Note 4).....	7,196,450		
Accrued interest receivable.....	168,000		
Total restricted assets.....	14,859,470		
	<u>55,871,733</u>		
DEFERRED BOND ISSUANCE COSTS (Note 1).....	3,430,984		
PROPERTY - Bridges, tunnel, expressway, and related			
 facilities - at cost (Note 1).....	633,393,202		
TOTAL ASSETS.....	\$697,237,761	TOTAL LIABILITIES AND EQUITY.....	\$697,237,761

See notes to financial statements.

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

STATEMENT OF REVENUES AND EXPENSES AND
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES
FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

OPERATING REVENUES:	
Tolls.....	\$ 48,497,990
Concessions and other.....	2,127,839
Total operating revenues.....	<u>50,625,829</u>
OPERATING EXPENSES:	
Collection, police patrol, and maintenance.....	11,675,028
Major repairs, replacements, and insurance.....	3,578,034
General and administrative.....	1,837,016
Total operating expenses.....	<u>17,090,078</u>
OPERATING INCOME.....	<u>33,535,751</u>
NON-OPERATING INCOME (EXPENSE):	
Income from investments.....	3,623,685
Interest on revenue bonds.....	(6,800,617)
Amortization of bond issuance costs.....	(116,548)
Other.....	135,897
Non-operating expense - net.....	<u>(3,157,583)</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM.....	30,378,168
EXTRAORDINARY ITEM - Gain on refunding of prior revenue bonds (Note 2).....	<u>36,216,135</u>
EXCESS OF REVENUES OVER EXPENSES.....	66,594,303
ACCUMULATED EXCESS OF REVENUES OVER EXPENSES:	
Beginning of period.....	501,256,464
End of period.....	<u>\$567,850,767</u>

See notes to financial statements.

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

SOURCE OF FUNDS:

Excess of revenues over expenses before extraordinary item.....	\$ 30,378,168
Expense not requiring the outlay of funds - amortization of bond issuance costs.....	116,548
Total provided from operations, exclusive of extraordinary item.....	30,494,716
Extraordinary item - gain on refunding of prior revenue bonds (Note 2).....	36,216,135
Issuance of revenue bonds, first series (refunding) (Note 2).....	121,900,000
Decrease in restricted assets.....	76,827,182
Decrease in cash and investments from current assets..	4,167,840
Increase in accounts payable and accrued operating expenses from current assets.....	579,959
TOTAL.....	<u>\$270,185,832</u>

APPLICATION OF FUNDS:

Refunding of prior revenue bonds (Note 2).....	\$252,542,000
Property additions.....	5,557,943
Decrease in accrued interest payable on revenue bonds from restricted assets.....	4,849,931
Deferred bond issuance costs.....	3,547,532
Decrease in accounts and retainages payable from restricted assets.....	2,632,188
Payment of revenue bonds, first series (refunding) serial bonds due July 1, 1979.....	745,000
Decrease in deferred income.....	162,192
Increase in current assets:	
Accrued interest receivable.....	64,817
Accounts receivable.....	56,268
Supply inventory.....	27,961
TOTAL.....	<u>\$270,185,832</u>

See notes to financial statements.

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying financial statements include the assets, liabilities, and operations relating to the transportation facilities projects of the Maryland Transportation Authority consisting of the Susquehanna River Bridge, the Potomac River Bridge (the "Harry W. Nice Memorial Bridge"), the Chesapeake Bay Bridge (the "Wm. Preston Lane, Jr. Memorial Bridge"), the Baltimore Harbor Tunnel, the Baltimore Harbor Outer Bridge (the "Francis Scott Key Bridge"), and the John F. Kennedy Memorial Highway (the "Northeastern Expressway") projects. The projects are operated under a Trust Agreement dated as of July 1, 1978. Reference is made to Note 2 for information concerning refunding of the prior Bridge and Tunnel and Northeastern Expressway Revenue Bonds and combining the operations and financing of the transportation facilities projects of the Authority under the Trust Agreement dated as of July 1, 1978.

The accompanying financial statements cover the period August 24, 1978 (the date the operations of the transportation facilities projects were combined under the Trust Agreement dated July 1, 1978) to June 30, 1979. The balances at the beginning of the period are based on the combined amounts as shown by the financial statements of the Bridge and Tunnel Revenue Bonds and Northeastern Expressway Revenue Bonds at August 23, 1978.

Trust Agreement

The provisions of the Trust Agreement govern the disposition of revenues and other income and prescribe certain accounting practices including the conditions for transfer of moneys among the various funds and accounts held by the Authority or the Trustee and the use of such funds.

Deferred Bond Issuance Costs

Expenses of issuance of the revenue bonds, first series (refund- ing) dated July 1, 1978 are amortized over the life of the bonds.

Property

Property is carried at cost, including interest on revenue bonds during construction of \$51,702,688. Maintenance and repairs are expensed. Expenditures for additions and betterments are capital- ized. No provision is made for depreciation.

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues and Expenses

Revenues and expenses are recorded generally on the accrual basis.

Payment of Interest and Principal of Bonds Due July 1, 1979

Funds for the payment of bond interest of \$3,987,314 due July 1, 1979 and for the redemption of \$745,000 principal amount of serial bonds maturing July 1, 1979 were paid from the Bond Service Account to the paying agent on June 29, 1979 and effect has been given to these transactions in the accompanying financial statements.

2. REFUNDING OF PRIOR REVENUE BONDS

On August 24, 1978, the Maryland Transportation Authority, acting on behalf of the Department of Transportation of Maryland, issued \$121,900,000 Transportation Facilities Projects Revenue Bonds, First Series (Refunding) (the "Refunding Bonds"), under Trust Agreement dated July 1, 1978, to refund all of the outstanding bonds of the Authority (collectively the "Refunded Bonds") as follows:

	<u>Principal Amount</u>	<u>Interest Payable</u>	<u>Total</u>
Refunded Bonds:			
Bridge and Tunnel			
Revenue Bonds.....	\$213,445,000	\$4,616,978	\$218,061,978
Northeastern Expressway			
Revenue Bonds.....	39,097,000	232,953	39,329,953
	<u>\$252,542,000</u>	<u>\$4,849,931</u>	257,391,931
Funds deposited with			
Trustee to refund all			
of the Refunded Bonds..			<u>221,175,796</u>
Gain on refunding of			
prior revenue bonds....			<u>\$ 36,216,135</u>

The net proceeds on the Refunding Bonds, together with moneys deposited by the Authority with the Trustee as trustee under the trust agreements dated as of January 1, 1962 and October 1, 1968, as supplemented, relating to the Northeastern Expressway Revenue Bonds and the Bridge and Tunnel Revenue Bonds, respectively, were used to acquire direct obligations of the United States Government. The principal of and the interest on the Government Obligations when due will provide moneys sufficient to pay (1) the redemption prices of the Refunded Bonds called prior to their respective maturities, (2) the principal of the Refunded Bonds becoming due

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 NOTES TO FINANCIAL STATEMENTS

2. REFUNDING OF PRIOR REVENUE BONDS - (Continued)

at their respective maturities, and (3) the interest to become due on the Refunded Bonds on and prior to their respective redemption or maturity dates. Upon the deposit of the Government Obligations with the Trustee, the Refunded Bonds were deemed to be paid and will be secured by the Government Obligations. The Refunded Bonds will not be entitled to any lien, benefit or security under the Trust Agreement dated as of July 1, 1978 relating to the Refunding Bonds.

In the opinion of counsel, this refunding transaction constituted a defeasance of the Bridge and Tunnel Revenue Bonds and the North-eastern Expressway Revenue Bonds, which are no longer shown as liabilities.

The Trust Agreement dated as of July 1, 1978 provided, among other things, for combining the operations and financing of the transportation facilities projects. The combination was effected on August 24, 1978.

On August 24, 1978 the net assets of the reserves created under the trust agreements relating to the Refunded Bonds, together with the proceeds from sale of \$121,900,000 Refunding Bonds were transferred as follows:

Reserves created under Trust Agreement dated as of October 1, 1968, as supplemented, relating to Bridge and Tunnel Revenue Bonds:	
Revenue Fund.....	\$ 5,029,991
Maintenance and Operations Reserve Fund.....	6,804,163
Interest and Sinking Fund:	
Bond Service Account.....	8,502,508
Reserve Account.....	25,538,430
Redemption Account.....	3,857,522
General Fund.....	17,417,782
Construction Fund.....	13,226,101
Special Construction Fund.....	71,837
Investment income of Bond Closing Account.....	35,254
Total.....	<u>80,483,588</u>

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 NOTES TO FINANCIAL STATEMENTS

2. REFUNDING OF PRIOR REVENUE BONDS - (Continued)

Reserves created under Trust Agreement dated as of January 1, 1962, relating to Northeastern Expressway Revenue Bonds:	
Revenue Fund.....	\$ 2,554,126
Reserve Maintenance Fund.....	7,349,348
Interest and Sinking Fund:	
Bond Interest Account.....	811,577
Reserve Account.....	3,305,137
Redemption Account.....	13,134
Improvement Fund.....	43,145,686
Construction Fund.....	2,250,534
Investment income of Bond Closing Account.....	25,369
Total.....	<u>59,454,911</u>
Total reserves created under trust agreements for Refunded Bonds.....	139,938,499
Proceeds from sale of \$121,900,000 Refunding Bonds, including accrued interest of \$1,174,048 for the period from July 1, 1978 to August 24, 1978.....	120,192,768
Income from investment of good faith deposit.....	5,088
Net assets available at August 24, 1978.....	<u>\$260,136,355</u>
The net assets available at August 24, 1978 were transferred as follows:	
Funds deposited with trustee to refund all of the Refunded Bonds.....	\$221,175,796
To reserves created under Trust Agreement dated as of July 1, 1978 relating to Refunding Bonds:	
Operating Fund.....	1,691,213
Maintenance and Operations Reserve Fund.....	10,016,758
Sinking Fund:	
Bond Service Account (accrued interest received on sale of Refunding Bonds).....	1,174,048
Reserve Account.....	7,974,665
Capital Fund.....	<u>18,103,875</u>
TOTAL.....	<u>\$260,136,355</u>

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
NOTES TO FINANCIAL STATEMENTS

3. CASH

The cash overdraft in current assets arose primarily from the temporary investment by the Trustee of the cash balances of all funds in a repurchase agreement with Maryland National Bank which matured July 2, 1979.

4. INVESTMENTS

Investments consist of United States Government and Agency obligations and Maryland National Bank repurchase agreements which mature as follows:

<u>Description and Maturity</u>	<u>Cost, Which Approximates Market Value</u>
Maryland National Bank repurchase agreement due July 2, 1979.....	\$11,600,025
United States Government and Agency obligations, maturing:	
Within one year.....	27,601,753
Within one to two years.....	8,439,561
Within two to three years.....	1,224,280
August 15, 1993.....	10,191,815
Total.....	<u>\$59,057,434</u>

5. TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING)

The Transportation Facilities Projects Revenue Bonds, First Series (Refunding) issued in accordance with the provisions of the Trust Agreement dated as of July 1, 1978, do not constitute a debt or a pledge of the faith and credit of, the State of Maryland or the Department of Transportation of Maryland, but are payable solely from the revenues of the transportation facilities projects.

The State of Maryland is not obligated to pay these bonds or the interest thereon except from revenues of the transportation facilities projects, and neither the faith and credit nor the taxing power of the State nor the revenues of the Department are pledged to the payment of the principal of or the interest on these bonds.

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 NOTES TO FINANCIAL STATEMENTS

5. TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) - (Continued)

Bonds outstanding at June 30, 1979 consist of:

Transportation facilities projects revenue bonds,
 first series (refunding):

Serial bonds maturing in annual instalments ranging from \$795,000 to \$2,415,000 from July 1, 1980 to July 1, 1997, inclusive, with interest rates ranging from 4.75% to 6.20%, payable semi-annually.....	\$ 26,435,000
Term bonds with interest at 6.625%, payable semi-annually, due July 1, 2003.....	18,550,000
Term bonds with interest at 6.80%, payable semi-annually, due July 1, 2016.....	<u>76,170,000</u>
Total.....	<u>\$121,155,000</u>

The bonds are subject to redemption, upon 30 days' published notice, either in whole or in part, on any date or dates on or after July 2, 1987, at the Authority's option, from any moneys made available for such purpose, or in part, on any July 1 on or after July 1, 1983, by operation of the Sinking Fund.

The redemption prices (expressed as a percentage of principal amount) are as follows:

<u>Period</u>Redemption Prices.....	
	<u>Non-Sinking Fund</u>	<u>Sinking Fund</u>
July 1, 1983 to July 1, 1987....	-	100%
July 2, 1987 to July 1, 1988....	102%	100
July 2, 1988 to July 1, 1989....	101-1/2	100
July 2, 1989 to July 1, 1990....	101	100
July 2, 1990 to July 1, 1991....	100-1/2	100
July 2, 1991 and thereafter prior to maturity.....	100	100

The bonds maturing on July 1, 2003 are subject to redemption by operation of the Sinking Fund in the years 1998 through 2002 and the bonds maturing July 1, 2016 are subject to redemption by operation of the Sinking Fund in the years 2004 through 2015. The initial amortization requirements range from \$2,615,000 to \$8,400,000 a year.

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978
NOTES TO FINANCIAL STATEMENTS

6. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES

The Authority was contractually liable on uncompleted contracts in connection with the construction and improvement of the bridges and tunnel in the approximate amount of \$6,870,000 at June 30, 1979.

A claim aggregating approximately \$3,200,000 for additional compensation under a contract for construction of the John F. Kennedy Memorial Highway was settled during the period ended June 30, 1979 for \$1,250,000.

Two contractors have filed claims aggregating \$21,654,080 for additional compensation under contracts for construction of the Baltimore Harbor Outer Bridge. In the opinion of the Authority, the ultimate disposition of these claims will not have a material effect on the financial statements.

7. RETIREMENT PLAN

Eligible employees are covered under the contributory Employees' Retirement System of the State of Maryland. Pension expense for the period August 24, 1978 to June 30, 1979 was \$423,168.

8. SUBSEQUENT EVENT

On September 11, 1979 the members of the Maryland Transportation Authority adopted a resolution directing the transfer of \$13,000,000 from the General Fund to the Transportation Authority Fund for further transfer to the Transportation Trust Fund of the Department of Transportation of Maryland. The transfer will be made on a monthly basis as the funds become available.

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

BONDS ISSUED, PAID, PURCHASED, OR REDEEMED
FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

Bonds issued:

Serial bonds:

<u>RATE OF INTEREST</u>	<u>MATURITY JULY 1</u>	<u>PRINCIPAL AMOUNT</u>	
4.50%	1979	\$ 745,000	
4.75%	1980	795,000	
5.00%	1981	850,000	
5.10%	1982	905,000	
5.20%	1983	970,000	
5.30%	1984	1,035,000	
5.40%	1985	1,105,000	
5.50%	1986	1,180,000	
5.60%	1987	1,260,000	
5.70%	1988	1,345,000	
5.80%	1989	1,435,000	
5.90%	1990	1,530,000	
6.00%	1991	1,635,000	
6.05%	1992	1,745,000	
6.05%	1993	1,860,000	
6.10%	1994	1,985,000	
6.10%	1995	2,120,000	
6.15%	1996	2,265,000	
6.20%	1997	<u>2,415,000</u>	\$ 27,180,000

Term bonds:

6.625% interest, maturing July 1, 2003.....	18,550,000
6.80% interest, maturing July 1, 2016.....	76,170,000
Total bonds issued.....	<u>121,900,000</u>
Bonds paid, purchased, or redeemed - serial bonds due July 1, 1979.....	<u>745,000</u>
Bonds outstanding, June 30, 1979.....	<u>\$121,155,000</u>

See Notes 1, 2, and 5 of notes to financial statements.

**MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978**

**NET OPERATING REVENUES UNDER TRUST AGREEMENT
DATED AS OF JULY 1, 1978
FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979**

	TOTAL	SUSQUEHANNA RIVER TOLL BRIDGE	POTOMAC RIVER TOLL BRIDGE	CHESAPEAKE BAY TOLL BRIDGE	BALTIMORE HARBOR TUNNEL	BALTIMORE HARBOR OUTER BRIDGE	JOHN F. KENNEDY MEMORIAL HIGHWAY
OPERATING REVENUES:							
Revenues based on toll transactions - Schedule 3.....	\$47,992,813	\$ 921,547	\$2,356,003	\$10,909,987	\$15,703,313	\$3,892,924	\$14,209,039
Unredeemed toll tickets.....	379,761	102,262	13,223	99,600	133,506		31,170
Collections in excess of calculated tolls - net.....	47,888	2,450	2,212	20,233	12,183	(1,431)	12,241
Sales of stickers for use with commutation tickets.....	77,528	66,829	417	2,508	4,930	2,844	
Concessions.....	2,064,312						2,064,312
Participation in maintenance costs by concessionaires and others.....	11,386						11,386
Telephone commissions.....	6,849				550		6,299
Miscellaneous.....	10,292	137	48	369	7,788	1,478	472
Total operating revenues.....	50,590,829	1,093,225	2,371,903	11,032,697	15,862,270	3,895,815	16,334,919
OPERATING EXPENSES, excluding general and administrative expenses:							
Operating salaries.....	5,669,937	427,761	363,530	619,415	2,279,780	753,435	1,226,016
Maintenance salaries.....	1,944,231	46,628	41,976	156,898	610,904	273,059	814,766
Other operating and maintenance expenses.....	3,459,150	202,893	111,759	278,934	1,331,421	516,346	1,017,797
Total.....	11,073,318	677,282	517,265	1,055,247	4,222,105	1,542,840	3,058,579
REMAINDER.....	39,517,511	\$ 415,943	\$1,854,638	\$ 9,977,450	\$11,640,165	\$2,352,975	\$13,276,340
GENERAL AND ADMINISTRATIVE EXPENSES - Schedule 7.....	1,858,767						
NET OPERATING REVENUES BEFORE TRANSFER TO MAINTENANCE AND OPERATIONS RESERVE FUND.....	37,658,744						
TRANSFER TO MAINTENANCE AND OPERATIONS RESERVE FUND.....	4,200,000						
NET OPERATING REVENUES.....	\$33,458,744						
A reconciliation of net operating revenues as shown above with excess of revenues over expenses before extraordinary item for the period August 24, 1978 to June 30, 1979 is as follows:							
Net operating revenues, as shown above.....				\$33,458,744			
Add:							
Transfer to Maintenance and Operations Reserve Fund.....	\$ 4,200,000						
Accounts payable and accrued operating expenses, August 23, 1978.....	838,895						
Accrued concession revenues, June 30, 1979.....	237,000			5,275,895			
Deduct:							
Major repairs, replacements, and insurance.....	3,578,034						
Non-operating expense - net.....	3,157,583						
Accounts payable and accrued operating expenses, June 30, 1979.....	1,418,854						
Accrued concession revenues, August 23, 1978.....	202,000	8,356,471					
Excess of revenues over expenses before extraordinary item - Exhibit B.....				330,378,168			

See Notes 1 and 2 of notes to financial statements.

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TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

TRAFFIC AND REVENUE, BY TOLL CLASSIFICATION
 FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

TOLL CLASSIFICATION	RATE	TOLL		RATIO TO TOTAL	
		TRANSACTIONS	REVENUE	TRANSACTIONS	REVENUE
<u>SUSQUEHANNA RIVER TOLL BRIDGE</u>					
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:					
Passenger cars, etc.	\$.50	1,147,100	\$ 573,505	24.34	62.23
Passenger cars, etc. - commutation rate - Maryland tags	**	2,959,490		62.81	
Passenger cars, etc. - commutation rate - out-of-state tags	.03	181,484	5,445	3.85	.59
Recreational vehicles - 3 axle	.75	3,061	2,296	.06	.25
Recreational vehicles - 4 axle	1.00	3,711	3,711	.09	.40
Local buses on scheduled runs - commutation rate	.15	2,718	408	.06	.05
HEAVY COMMERCIAL VEHICLES:					
2 axle	.50	66,435	33,218	1.41	3.60
3 axle	.75	31,219	23,414	.66	2.54
4 axle	1.00	23,626	23,626	.50	2.56
5 axle	1.25	174,641	218,301	3.71	23.69
6 axle or more	1.50	116	174		.02
Unusual size	5.00	2,211	11,055	.05	1.20
2 axle - commutation rate	.25	28,112	7,028	.60	.76
3 axle - commutation rate	.35	33,667	11,783	.71	1.28
4 axle - commutation rate	.45	1,578	710	.03	.08
5 axle - commutation rate	.55	12,496	6,873	.27	.75
OFFICIAL DUTY	None	39,982		.85	
TOTAL		4,711,552	\$ 921,547	100.00	100.00

** Represents usage by vehicles on automatic vehicle identification system for which a six-month sticker fee of \$2.00 per vehicle has been charged.

(Continued)

SCHEDULE 1

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 TRAFFIC AND REVENUE, BY TOLL CLASSIFICATION, ETC.

TOLL CLASSIFICATION	RATE	TOLL	 RATIO TO TOTAL....	
		TRANSACTIONS	REVENUE	TOLL TRANSACTIONS	REVENUE
FOTOMAC RIVER TOLL BRIDGE					
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:					
Passenger cars, etc.....	\$.75	1,645,721	\$ 1,234,291	69.10	52.39
Passenger cars only - commutation rate.....	.40	3,314	1,326	.14	.05
Passenger cars, etc. - commutation rate.....	.25	214,815	53,704	9.02	2.28
Recreational vehicles - 3 axle.....	1.10	25,050	27,555	1.05	1.17
Recreational vehicles - 4 axle.....	1.45	20,956	30,386	.88	1.29
HEAVY COMMERCIAL VEHICLES:					
2 axle.....	1.00	51,202	51,202	2.15	2.17
3 axle.....	1.50	25,357	38,035	1.06	1.61
4 axle.....	2.00	50,844	101,688	2.14	4.32
5 axle.....	2.50	325,868	814,670	13.68	34.58
6 axle or more.....	3.00	457	1,371	.02	.06
Unusual size.....	5.00	355	1,775	.01	.08
OFFICIAL DUTY.....	None	17,842		.75	
TOTAL.....		2,281,731	\$ 2,356,003	100.00	100.00
CHESAPEAKE BAY TOLL BRIDGE					
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:					
Passenger cars, etc.....	\$1.25	5,186,909	\$ 6,483,636	66.39	59.43
Passenger cars only - commutation rate.....	.60	62,037	37,222	.79	.34
Passenger cars, etc. - commutation rate.....	.45	1,362,821	613,269	17.44	5.62
Recreational vehicles - 3 axle.....	1.85	90,762	167,910	1.16	1.54
Recreational vehicles - 4 axle.....	2.45	48,181	118,043	.62	1.08
HEAVY COMMERCIAL VEHICLES:					
2 axle.....	1.80	146,802	264,244	1.88	2.42
3 axle.....	2.70	52,095	140,657	.66	1.29
4 axle.....	3.60	97,468	350,885	1.25	3.22
5 axle.....	4.50	601,783	2,708,023	7.70	24.82
6 axle or more.....	5.40	1,414	7,636	.02	.07
Unusual size.....	6.00	3,077	18,462	.04	.17
OFFICIAL DUTY.....	None	160,338		2.05	
TOTAL.....		7,813,687	\$10,909,987	100.00	100.00

SCHEDULE 3

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 TRAFFIC AND REVENUE, BY TOLL CLASSIFICATION, ETC.

TOLL CLASSIFICATION	RATE	TOLL TRANSACTIONS	REVENUE RATIO TO TOTAL ...	
				TOLL TRANSACTIONS	REVENUE
<u>BALTIMORE HARBOR TUNNEL</u>					
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:					
Passenger cars, etc.....	\$.75	12,457,866	\$ 9,343,399	66.12	59.50
Passenger cars, etc. - commutation rate.....	.35	3,393,386	1,187,685	18.01	7.56
Recreational vehicles - 3 axle.....	1.10	56,018	61,620	.30	.39
Recreational vehicles - 4 axle.....	1.45	21,325	30,921	.11	.20
HEAVY COMMERCIAL VEHICLES:					
2 axle.....	1.00	525,555	525,555	2.79	3.35
3 axle.....	1.50	254,965	382,448	1.35	2.44
4 axle.....	2.00	392,946	785,892	2.09	5.00
5 axle.....	2.50	1,374,536	3,436,340	7.30	21.88
6 axle or more.....	3.00	1,999	5,997	.01	.04
Unusual size.....	5.00	6	30		
Volume discounts - 4 axle and over, Maryland tags.....			(56,574)		(.36)
OFFICIAL DUTY.....	None	361,681		1.92	
TOTAL.....		<u>18,819,683</u>	<u>\$15,703,313</u>	<u>100.00</u>	<u>100.00</u>
<u>BALTIMORE HARBOR OUTER BRIDGE</u>					
AUTOMOBILES AND LIGHT COMMERCIAL VEHICLES:					
Passenger cars, etc.....	\$.75	2,629,909	\$ 1,972,432	49.90	50.67
Passenger cars, etc. - commutation rate.....	.35	1,852,988	648,546	35.16	16.66
Recreational vehicles - 3 axle.....	1.10	25,840	28,424	.49	.73
Recreational vehicles - 4 axle.....	1.45	15,428	22,370	.29	.57
HEAVY COMMERCIAL VEHICLES:					
2 axle.....	1.00	103,213	103,213	1.96	2.65
3 axle.....	1.50	77,782	116,673	1.47	3.00
4 axle.....	2.00	63,245	126,490	1.20	3.25
5 axle.....	2.50	345,010	862,525	6.55	22.16
6 axle or more.....	3.00	1,037	3,111	.02	.08
Unusual size.....	5.00	1,828	9,140	.03	.23
OFFICIAL DUTY.....	None	154,306		2.93	
TOTAL.....		<u>5,270,586</u>	<u>\$ 3,892,924</u>	<u>100.00</u>	<u>100.00</u>

(Continued)

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 TRAFFIC AND REVENUE, BY TOLL CLASSIFICATION, ETC.

TOLL CLASSIFICATION	RATE	TOLL		...RATIO TO TOTAL...	
		TRANSACTIONS	REVENUE	TRANSACTIONS	REVENUE
<u>JOHN F. KENNEDY MEMORIAL HIGHWAY</u>					
BARRIER:					
Automobiles and light commercial vehicles:					
Passenger cars, etc.....	\$ 1.00	8,209,495	\$ 8,209,495	77.99	62.49
Recreational vehicles - 3 axle.....	1.50	14,124	21,186	.13	.16
Recreational vehicles - 4 axle.....	2.00	13,407	26,814	.13	.21
Heavy commercial vehicles:					
2 axle.....	1.00	260,151	260,151	2.47	1.98
3 axle.....	1.50	197,803	296,704	1.88	2.26
4 axle.....	2.00	384,924	769,848	3.66	5.86
5 axle.....	2.50	1,400,365	3,500,913	13.31	26.65
6 axle or more.....	3.00	2,400	7,200	.02	.05
Unusual vehicles.....	10.00	4,481	44,810	.04	.34
Official duty.....	None	38,601		.37	
Total - barrier.....		<u>10,525,751</u>	<u>13,137,121</u>	<u>100.00</u>	<u>100.00</u>
AUTOMATIC RAMPS - Schedule 4 (see Note):					
Automobiles and light commercial vehicles.....	\$.25	3,992,772	998,193	95.15	93.12
Heavy commercial vehicles.....	Various	123,516	73,725	2.95	6.88
Official duty.....	None	79,862		1.90	
Total - automatic ramps.....		<u>4,196,150</u>	<u>1,071,918</u>	<u>100.00</u>	<u>100.00</u>
TOTAL.....		<u>14,721,901</u>	<u>\$14,209,039</u>		

NOTE - The statistics for heavy commercial vehicles at the automatic ramps have been shown herein as recorded by the toll equipment; all other collections have been assigned to automobiles and light commercial vehicles. The statistics for official duty do not include project patrol cars, construction, and maintenance vehicles.

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978

TRAFFIC AND REVENUE, BY TOLL CLASSIFICATION, OF THE AUTOMATIC RAMP
 AT JOHN F. KENNEDY MEMORIAL HIGHWAY
 FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

TOLL CLASSIFICATION	RATE	TOLL TRANSACTIONS	REVENUE	...RATIO TO TOTAL...	
				TOLL TRANSACTIONS	REVENUE
AUTOMATIC RAMP:					
MOUNTAIN ROAD, ROUTE 152 INTERCHANGE:					
Station No. 1 - Northbound off ramp:					
Automobiles and light commercial vehicles.....	\$.25	640,854	\$ 160,163	15.27	14.94
Heavy commercial vehicles.....	.50	10,724	5,362	.26	.50
Official duty.....	None	1,260		.03	
Station No. 2 - Southbound on ramp:					
Automobiles and light commercial vehicles.....	.25	605,707	151,427	14.44	14.13
Heavy commercial vehicles.....	.50	31,365	15,683	.75	1.46
Official duty.....	None	1,503		.03	
EDGEWOOD, ROUTE 24 INTERCHANGE:					
Station No. 3 - Northbound off ramp:					
Automobiles and light commercial vehicles.....	.25	673,017	168,254	16.04	15.70
Heavy commercial vehicles.....	.50	12,385	6,192	.30	.58
Official duty.....	None	1,562		.04	
Station No. 4 - Southbound on ramp:					
Automobiles and light commercial vehicles.....	.25	669,443	167,361	15.95	15.61
Heavy commercial vehicles.....	.50	9,238	4,619	.22	.43
Official duty.....	None	1,628		.04	
ABERDEEN, ROUTE 22 INTERCHANGE:					
Station No. 5 - Northbound off ramp:					
Automobiles and light commercial vehicles.....	.25	392,960	98,240	9.36	9.16
Heavy commercial vehicles.....	.75	11,772	8,829	.28	.83
Official duty.....	None	22,601		.54	
Station No. 6 - Southbound on ramp:					
Automobiles and light commercial vehicles.....	.25	379,366	94,842	9.04	8.85
Heavy commercial vehicles.....	.75	10,311	7,733	.25	.72
Official duty.....	None	22,057		.52	

(Continued)

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 TRAFFIC AND REVENUE, BY TOLL CLASSIFICATION, OF THE AUTOMATIC RAMP, ETC.

TOLL CLASSIFICATION	RATE	TOLL		...RATIO TO TOTAL...	
		TRANSACTIONS	REVENUE	TRANSACTIONS	REVENUE
AUTOMATIC RAMP (Continued):					
HAVRE de GRACE, ROUTE 155 INTERCHANGE:					
Station No. 7 - Northbound off ramp:					
Automobiles and light commercial vehicles.....	\$.25	185,698	\$ 46,424	4.43	4.33
Heavy commercial vehicles.....	1.00	2,679	2,679	.06	.25
Official duty.....	None	2,572		.06	
Station No. 8 - Southbound on ramp:					
Automobiles and light commercial vehicles.....	.25	156,904	39,226	3.74	3.66
Heavy commercial vehicles.....	1.00	1,774	1,774	.04	.16
Official duty.....	None	2,496		.06	
PERRYVILLE, ROUTE 222 INTERCHANGE:					
Station No. 9 - Northbound on ramp:					
Automobiles and light commercial vehicles.....	.25	62,987	15,747	1.50	1.47
Heavy commercial vehicles.....	.75	9,395	7,046	.22	.66
Official duty.....	None	11,778		.28	
Station No. 10 - Southbound off ramp:					
Automobiles and light commercial vehicles.....	.25	58,879	14,720	1.40	1.37
Heavy commercial vehicles.....	.75	7,484	5,613	.18	.52
Official duty.....	None	11,209		.27	
NORTHEAST, ROUTE 272 INTERCHANGE:					
Station No. 11 - Northbound on ramp:					
Automobiles and light commercial vehicles.....	.25	80,260	20,065	1.91	1.87
Heavy commercial vehicles.....	.50	8,301	4,151	.20	.39
Official duty.....	None	656		.02	
Station No. 12 - Southbound off ramp:					
Automobiles and light commercial vehicles.....	.25	86,897	21,724	2.07	2.03
Heavy commercial vehicles.....	.50	8,088	4,044	.19	.38
Official duty.....	None	540		.01	
TOTAL.....		4,196,150	\$1,071,918	100.00	100.00

See notes to Schedule 3.

(Concluded)

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

CHANGES IN VARIOUS FUNDS CREATED UNDER ARTICLE V OF TRUST AGREEMENT DATED AS OF JULY 1, 1978
FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

	OPERATING FUND	MAINTENANCE AND OPERATIONS RESERVE FUND	INTEREST AND BOND SERVICE ACCOUNT	RESERVE ACCOUNT	CAPITAL FUND	GENERAL FUND
BALANCE, AUGUST 24, 1978 (See Note 2 of notes to financial statements)....	\$ 1,691,213	\$10,016,758	\$ 1,174,048	\$7,974,665	\$18,103,875	
ADDITIONS:						
Net operating revenues before transfer to Maintenance and Operations Reserve Fund - Schedule 2.....	37,658,744					
Income from investments.....	554,864	475,451	280,109	213,245	1,291,461	\$ 1,192
Transfers of funds in accordance with Trust Agreement:						
From Operating Fund.....	(36,769,644)	4,200,000	11,279,367			21,290,277
From Interest and Sinking Fund.....	493,354		(280,109)	(213,245)		
From General Fund.....					6,600,000	(6,600,000)
Property damage recoveries.....		90,972				
Proceeds from sales of property - Schedule 9.....		44,015				
Proceeds from insurance - Schedule 9.....		130				
Proceeds from sales of plans and specifications.....		336			2,243	
Miscellaneous.....					200	
Total.....	3,628,531	14,827,662	12,453,415	7,974,665	25,997,779	14,691,469
DEDUCTIONS:						
Expenditures for major repairs, replacements, and insurance:						
Resurfacing.....		25,582				
Unusual or extraordinary maintenance or repairs.....		1,486,659				
Renewals and replacements.....		814,219				
Engineering.....		151,168				
Insurance.....		954,733				
Interest paid on outstanding revenue bonds, first series (refunding) - due January 1, 1979 and July 1, 1979.....			7,974,665			
Payment of revenue bonds, first series (refunding) due July 1, 1979.....			745,000			
Additions to property - Schedule 6:						
Rights-of-way.....					8,243	
Construction.....					7,615,061	
Utility adjustment.....					167,361	
Engineering.....					430,010	
Administrative and legal, including bond issuance costs of \$639,005.....					746,933	
General operating equipment.....					34,447	
Total.....		3,432,361	8,719,665		9,002,055	
BALANCE, JUNE 30, 1979.....	\$ 3,628,531	\$11,395,301	\$ 3,733,750	\$7,974,665	\$16,995,724	\$14,691,469

(Continued)

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 CHANGES IN VARIOUS FUNDS CREATED UNDER ARTICLE V OF TRUST AGREEMENT, ETC.

	OPERATING FUND	MAINTENANCE AND OPERATIONS RESERVE FUND	INTEREST AND BOND SERVICE ACCOUNT	RESERVE ACCOUNT	CAPITAL FUND	GENERAL FUND
THE BALANCE AT JUNE 30, 1979 IS COMPOSED OF THE FOLLOWING:						
Cash on deposit (overdraft):						
Maryland National Bank - Trust Department.....	\$(11,956,627)	\$ 320,767	\$3,733,750	\$ 4,336	\$ (491,770)	\$ 7,495,020
Maryland National Bank - revolving fund.....	5,000					
Undeposited receipts.....	502,897					
Petty cash and change funds.....	211,350					
Total cash (overdraft).....	<u>(11,237,380)</u>	<u>320,767</u>	<u>3,733,750</u>	<u>4,336</u>	<u>(491,770)</u>	<u>7,495,020</u>
Investments - at cost and accrued interest purchased:						
Principal						
Amount						
		Description				
\$10,078,000		United States Government and Agency Obligations:				
1,000,000		Treasury notes 8-5/8%, due August 15, 1993.....	2,999,063	7,077,925		
225,000		Treasury notes 7-7/8%, due March 31, 1982.....			999,280	
550,000		Federal Intermediate Credit Bank 10%, due July 20, 1981.....			225,000	
5,690,000		Federal Home Loan Bank 9.55%, due May 26, 1981.....	555,085			
2,000,000		Federal National Mortgage Association notes 10%, due April 10, 1981.....			3,140,590	2,744,028
2,545,000		Treasury notes 8-5/8%, due September 30, 1980.....	1,999,859			
525,000		Treasury notes 8%, due May 31, 1980.....			2,541,439	
45,000		Federal Home Loan Bank 8.40%, due May 27, 1980.....	519,417			
1,650,000		Treasury bills, due May 27, 1980.....	40,930			
110,000		Treasury bills, due April 29, 1980.....			1,498,945	
1,495,000		Treasury bills, due March 4, 1980.....			99,772	
1,300,000		Federal Farm Credit Bank notes 10.1%, due February 4, 1980.....	1,495,414			
45,000		Federal Home Loan discount notes, due January 29, 1980.....			1,217,578	
3,500,000		Treasury bills, due January 8, 1980.....			42,488	
2,677,000		Federal Farm Credit Bank notes 10.25%, due January 2, 1980.....	2,509,602	1,006,090		
1,700,000		Treasury notes 7-1/2%, due December 31, 1979.....			2,677,000	
3,080,000		Federal Intermediate Credit Bank 10.45%, due December 3, 1979.....	500,000		1,200,000	
545,000		Federal Farm Credit Bank notes 10.45%, due December 3, 1979.....			892,404	2,204,938
625,000		Treasury bills, due November 29, 1979.....				
1,570,000		Treasury bills, due November 8, 1979.....	599,351		519,211	
3,530,000		Treasury bills, due October 25, 1979.....	1,496,581			
75,000		Treasury bills, due October 16, 1979.....			3,252,960	27,645
300,000		Treasury bills, due September 6, 1979.....			73,231	
2,205,000		Federal Farm Credit Bank notes 10.40%, due September 4, 1979.....	301,921			
665,000		Federal Farm Credit notes 10.5%, due August 1, 1979.....				2,219,838
11,600,000		Federal Land Banks 7-1/2%, due July 25, 1979.....	665,000			
		Maryland National Bank Repurchase Agreement: 9.05%, due July 2, 1979.....				
		Total investments.....	11,600,025			
Accounts receivable for ticket sales, toll charges, concessionaires, and other.....	15,274,627	11,013,711		7,970,329	17,487,494	7,196,449
Supply inventory.....	71,427					
Toll tickets sold for future use (deduct).....	101,168	60,823				
	(581,311)					
BALANCE, JUNE 30, 1979.....	<u>\$ 3,628,531</u>	<u>\$11,395,301</u>	<u>\$3,733,750</u>	<u>\$7,974,665</u>	<u>\$16,995,724</u>	<u>\$14,691,469</u>

(Continued)

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978
CHANGES IN VARIOUS FUNDS CREATED UNDER ARTICLE V OF
TRUST AGREEMENT, ETC.

NOTE:

1. The total cash (overdraft) and total investments shown above agree with the amounts shown in the accompanying balance sheet except for investments of the Reserve Account of the Interest and Sinking Fund. The difference of \$114,823 represents the unamortized premium relating to the purchase of United States Government Treasury Notes 8-5/8%, due August 15, 1993, which was applied by the Trustee to reduce investment income of the Reserve Account, but for financial statement purposes is being amortized against investment income ratably until the maturity of the investment.
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MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

FUNDS INVESTED IN TRANSPORTATION FACILITIES PROJECTS
UNDER TRUST AGREEMENT DATED AS OF JULY 1, 1978
FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979
AND CUMULATIVE TO JUNE 30, 1979

	TOTAL	SUSQUEHANNA RIVER BRIDGE	POTOMAC RIVER BRIDGE	CHESAPEAKE BAY BRIDGE	BALTIMORE HARBOR TUNNEL	BALTIMORE HARBOR OUTER BRIDGE	JOHN F. KENNEDY MEMORIAL HIGHWAY	FINANCING AND UNALLOCATED EXPENSES
Expenditures from prior trust agreements.....	\$614,848,419	\$4,705,052	\$5,629,470	\$168,337,000	\$147,563,093	\$134,526,265	\$125,838,871	\$28,248,668
Expenditures for projects from capital fund during period August 24, 1978 to June 30, 1979:								
Rights-of-way.....	8,243				1,200	1,048	5,995	
Construction.....	7,615,061	15,664		77,600	308,113	5,546,735	1,666,949	
Utility adjustment.....	167,361					167,361		
Engineering.....	430,010	897	15,825	13,002	48,847	324,328	27,111	
Administrative and legal expenses....	746,933	747	176	2,211	3,702	60,860	3,807	675,430
General operating equipment.....	34,447					34,145	302	
Total expenditures for period.....	9,002,055	17,308	16,001	92,813	361,862	6,134,477	1,704,164	675,430
Total.....	623,850,474	\$4,722,360	\$5,645,471	\$168,429,813	\$147,924,955	\$140,660,742	\$127,543,035	\$28,924,098
Expenditures for other projects from prior trust agreements:								
Baltimore Harbor Tunnel approach.....	8,878,783							
Northern and southern crossings.....	197,960							
Funds invested in transportation facilities projects at June 30, 1979.....	\$632,927,217							

Note:

1. A reconciliation of the funds invested in transportation facilities projects at June 30, 1979 as shown above with the cost of property shown in the accompanying balance sheet is as follows:

Funds invested in projects as shown above.....	\$632,927,217
Accounts and retainages payable at June 30, 1979....	1,120,591
Amount due to Operating Fund at June 30, 1979.....	11,646
Less - deferred bond issuance cost relating to Transportation Facilities Projects Revenue Bonds, First Series (Refunding) dated July 1, 1978, paid by Capital Fund.....	(666,252)
Amount as shown in the accompanying balance sheet....	\$633,393,202

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

GENERAL AND ADMINISTRATIVE EXPENSES
 UNDER TRUST AGREEMENT DATED AS OF JULY 1, 1978
 FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

SALARIES.....	\$1,132,647
PENSION EQUALIZATION AND SOCIAL SECURITY.....	155,765
HOSPITALIZATION.....	65,348
HEALTH INSURANCE CONTRIBUTIONS (APPLICABLE TO ADMINISTRATIVE, TOLL COLLECTION, AND MAINTENANCE EMPLOYEES OF THE JOHN F. KENNEDY MEMORIAL HIGHWAY PROJECT).....	106,451
TRUSTEE'S AND FISCAL AGENT'S FEES.....	83,736
ACCOUNTANTS' FEE.....	42,907
CONSULTING ENGINEERS' FEE.....	100,000
PERSONNEL SERVICES AND EXPENSES:	
State Highway Administration.....	10,683
Maryland Transportation Authority.....	12,312
OFFICE FURNITURE AND EQUIPMENT - Rentals and service.....	11,001
PRINTING, POSTAGE, AND OFFICE SUPPLIES.....	27,950
ARMORED CAR SERVICE.....	16,218
HEAT AND LIGHT.....	15,927
TELEPHONE.....	9,833
PUBLICITY AND ADVERTISING.....	36,491
OTHER.....	31,498
TOTAL.....	<u>\$1,858,767</u>

Notes:

1. A reconciliation of general and administrative expenses as shown above with the amount shown on Exhibit B is as follows:

Total as shown above, recorded on the cash basis as provided under Trust Agreement.....	\$1,858,767
Add - accounts payable and accrued general general and administrative expenses at June 30, 1979.....	169,515
Deduct - accounts payable and accrued general and administrative expenses at August 23, 1978...	(191,266)
General and administrative expenses - Exhibit B....	<u>\$1,837,016</u>

2. See Note 1 of notes to financial statements.

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

DEPOSITS AND WITHDRAWALS OF FUNDS CREATED UNDER ARTICLE V OF TRUST AGREEMENT DATED AS OF JULY 1, 1978
FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

	OPERATING FUND	MAINTENANCE AND OPERATIONS RESERVE FUND	INTEREST AND SINKING FUND BOND SERVICE ACCOUNT	RESERVE ACCOUNT	CAPITAL FUND	GENERAL FUND
DEPOSITS:						
Toll collections.....	\$ 42,304,465					
Toll tickets sold for future use.....	5,832,519					
Collections of accounts receivable.....	405,231					
Sales of stickers for use with commutation tickets.....	77,528					
Concession income.....	2,064,313					
Participation in maintenance costs by concessionaires and others....	11,386					
Telephone commissions.....	6,849					
Miscellaneous revenue.....	10,292				\$ 200	
Property damage recoveries.....		\$ 90,972				
Proceeds from sales of plans and specifications.....		336			2,243	
Proceeds from sales of property.....		44,015				
Proceeds from insurance.....		130				
Proceeds from sales or redemptions of investment securities:						
Portion of principal realized applied to cost.....	1,210,810,295	20,923,951	\$21,840,570	\$ 821,434	52,443,183	\$ 4,423,000
Net gain (loss) realized on disposals of investments.....			17,719		(8,583)	
Recovery of accrued interest purchased.....		74,784	320	74,584	66,570	
Interest.....	554,864	475,451	262,390	213,245	1,300,044	1,192
Transfers of investment interest and net realized gain (loss) in accordance with Article VI, Section 602 of Trust Agreement.....	493,354		(280,109)	(213,245)		
Transfers of funds in accordance with Article V of Trust Agreement.....	(36,769,644)	4,200,000	11,279,367		6,600,000	14,690,277
Total deposits.....	<u>1,225,801,452</u>	<u>25,809,639</u>	<u>33,120,257</u>	<u>896,018</u>	<u>60,403,657</u>	<u>19,114,469</u>
WITHDRAWALS:						
Expenditures for supply inventory, operations, maintenance, and general expenses, and additions to property.....	12,960,047	3,476,427			9,002,055	
Refunds (toll tickets sold for future use and volume discounts).....	67,635					
Advance to other funds.....	156,969					
Advance for concessionaire utility costs.....	80,608					
Interest due January 1 and July 1, 1979.....			7,974,665			
Payment of revenue bonds, first series (refunding) serial bonds due July 1, 1979.....			745,000			
Purchases of investment securities.....	1,224,443,154	31,923,834	21,840,570	8,092,062	54,015,220	11,533,995
Accrued interest purchased.....	145	88,611	320	75,876	96,898	85,454
Total withdrawals.....	<u>1,237,708,558</u>	<u>35,488,872</u>	<u>30,560,555</u>	<u>8,167,938</u>	<u>63,114,173</u>	<u>11,619,449</u>
EXCESS OF DEPOSITS (WITHDRAWALS).....	<u>(11,907,106)</u>	<u>(9,679,233)</u>	<u>2,559,702</u>	<u>(7,271,920)</u>	<u>(2,710,516)</u>	<u>7,495,020</u>
CASH BALANCES, AUGUST 24, 1978.....	<u>669,726</u>	<u>10,000,000</u>	<u>1,174,048</u>	<u>7,276,256</u>	<u>2,218,746</u>	
CASH BALANCES (OVERDRAFT), JUNE 30, 1979.....	<u>\$ (11,237,380)</u>	<u>\$ 320,767</u>	<u>\$ 3,733,750</u>	<u>\$ 4,336</u>	<u>\$ (491,770)</u>	<u>\$ 7,495,020</u>

MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

PROCEEDS RECEIVED FROM SALES OF PROPERTY PURSUANT TO
 PROVISIONS OF SECTION 712 OF TRUST AGREEMENT
 DATED AS OF JULY 1, 1978
 FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

DESCRIPTION OF PROPERTY	PROCEEDS RECEIVED
PROCEEDS FROM SALES DEPOSITED TO CREDIT OF MAINTENANCE AND OPERATIONS RESERVE FUND - Schedule 5 - Used motor vehicles and maintenance equipment.....	<u>\$44,015</u>

PROCEEDS RECEIVED FROM INSURANCE PURSUANT TO
 PROVISIONS OF SECTIONS 706 AND 707 OF TRUST AGREEMENT
 DATED AS OF JULY 1, 1978
 FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

INSURANCE PROCEEDS DEPOSITED TO THE CREDIT OF THE MAINTENANCE AND OPERATIONS RESERVE FUND - Schedule 5.....	<u>\$ 130</u>
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MARYLAND TRANSPORTATION AUTHORITY
TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
FIRST SERIES (REFUNDING) DATED JULY 1, 1978

COMPARISON OF BUDGET WITH ACTUAL EXPENSES UNDER TRUST AGREEMENT
 DATED AS OF JULY 1, 1978
 FOR THE PERIOD AUGUST 24, 1978 TO JUNE 30, 1979

	1979 BUDGET	ACTUAL EXPENSES APPLICABLE TO BUDGET	BUDGET OVER (UNDER)
SUSQUEHANNA RIVER TOLL BRIDGE:			
Operating salaries.....	\$ 455,000	\$ 407,688	\$ 47,312
Maintenance salaries and wages..	51,625	44,027	7,598
Maintenance and operating expenses.....	207,375	187,936	19,439
Total - Susquehanna.....	<u>714,000</u>	<u>639,651</u>	<u>74,349</u>
POTOMAC RIVER TOLL BRIDGE:			
Operating salaries.....	387,625	346,661	40,964
Maintenance salaries and wages..	49,875	40,040	9,835
Maintenance and operating expenses.....	120,750	105,188	15,562
Total - Potomac.....	<u>558,250</u>	<u>491,889</u>	<u>66,361</u>
CHESAPEAKE BAY TOLL BRIDGE:			
Operating salaries.....	701,750	583,956	117,794
Maintenance salaries and wages..	175,875	150,008	25,867
Maintenance and operating expenses.....	304,500	262,182	42,318
Total - Chesapeake.....	<u>1,182,125</u>	<u>996,146</u>	<u>185,979</u>
BALTIMORE HARBOR TUNNEL:			
Operating salaries.....	2,382,625	2,177,131	205,494
Maintenance salaries and wages..	680,750	581,851	98,899
Maintenance and operating expenses.....	1,357,125	1,258,308	98,817
Total - Baltimore Harbor Tunnel.....	<u>4,420,500</u>	<u>4,017,290</u>	<u>403,210</u>
BALTIMORE HARBOR OUTER BRIDGE:			
Operating salaries.....	743,750	718,545	25,205
Maintenance salaries and wages..	294,875	260,413	34,462
Maintenance and operating expenses.....	463,750	492,047	(28,297)
Total - Baltimore Harbor Outer Bridge.....	<u>1,502,375</u>	<u>1,471,005</u>	<u>31,370</u>
JOHN F. KENNEDY MEMORIAL HIGHWAY:			
Operating salaries.....	1,274,450	965,562	308,888
Maintenance salaries and wages..	856,625	777,352	79,273
Maintenance and operating expenses.....	940,175	1,045,173	(104,998)
Total - John F. Kennedy Memorial Highway.....	<u>3,071,250</u>	<u>2,788,087</u>	<u>283,163</u>
GENERAL AND ADMINISTRATIVE EXPENSES:			
Salaries.....	1,292,700	1,063,924	228,776
Other.....	663,800	499,742	164,058
Total - general and administrative.....	<u>1,956,500</u>	<u>1,563,666</u>	<u>392,834</u>
MAINTENANCE AND OPERATIONS RESERVE FUND.....			
	<u>4,200,000</u>		<u>4,200,000</u>
TOTAL.....	<u>\$17,605,000</u>	<u>\$11,967,734</u>	<u>5,637,266</u>
TRANSFERRED TO MAINTENANCE AND OPERATIONS RESERVE FUND.....			<u>4,200,000</u>
EXCESS OF 1979 BUDGET OVER ACTUAL EXPENSES.....			<u>\$1,437,266</u>

MARYLAND TRANSPORTATION AUTHORITY
 TRANSPORTATION FACILITIES PROJECTS REVENUE BONDS,
 FIRST SERIES (REFUNDING) DATED JULY 1, 1978
 COMPARISON OF BUDGET WITH ACTUAL EXPENSES, ETC.

Notes:

1. Charges against prior years' budgets during the period August 24, 1978 to June 30, 1979 are summarized as follows:

	Unexpended Balance August 23, 1978	Expenses Paid August 24, 1978 to June 30, 1979	Budget Over (Under) June 30, 1979
1978 Budget:			
Susquehanna.....	\$ 91,512	\$ 37,631	\$ 53,881
Potomac.....	84,272	25,375	58,897
Chesapeake Bay.....	152,755	59,101	93,654
Baltimore Harbor Tunnel.	631,861	204,815	427,046
Baltimore Harbor Outer Bridge.....	134,964	71,835	63,129
John F. Kennedy Memorial Highway.....	1,407,574	270,493	1,137,081
General and administrative.....	447,844	289,204	158,640
Total.....	<u>\$2,950,782</u>	<u>\$ 958,454</u>	<u>\$ 1,992,328</u>
1977 Budget:			
Susquehanna.....	\$ (3,037)		\$ (3,037)
Potomac.....	21,781		21,781
Chesapeake Bay.....	(57,323)		(57,323)
Baltimore Harbor Tunnel.	405,059		405,059
Baltimore Harbor Outer Bridge.....	214,430		214,430
John F. Kennedy Memorial Highway.....	131,180		131,180
General and administrative.....	(35,303)	\$ 5,897	(41,200)
Total.....	<u>\$ 676,787</u>	<u>\$ 5,897</u>	<u>\$ 670,890</u>

2. A reconciliation of total expenses as shown above with the amounts of such expenses shown in Exhibit B is as follows:

Total expenses as shown above:		
Charged to 1979 budget.....	\$11,967,734	
Charged to 1978 budget.....	958,454	
Charged to 1977 budget.....	5,897	\$12,932,085
Add - accounts payable and accrued expenses at June 30, 1979.....		1,418,854
Deduct - accounts payable and accrued expenses at August 23, 1978.		(838,895)
Total.....		<u>\$13,512,044</u>

Amounts shown in Exhibit B, consisting of:

Collection, police patrol, and maintenance.....	\$11,675,028	
General and administrative.....	1,837,016	<u>\$13,512,044</u>