

ARTHUR ANDERSEN

November 14, 1996

Arthur Andersen LLP

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Honorable Louis L. Goldstein,
Comptroller of the Treasury of Maryland:

We have audited the accompanying general purpose financial statements of the State of Maryland as of June 30, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the State of Maryland's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the (1) Maryland Transportation Authority; (2) two insurance programs and eight loan programs of the Maryland Departments of Housing and Community Development, Business and Economic Development and Environment; (3) State Use Industries; (4) State Retirement and Pension System of Maryland; (5) Maryland Local Government Investment Pool, (6) Maryland Stadium Authority; (7) Maryland Food Center Authority; (8) Maryland Environmental Service; and the (9) Maryland Industrial Development Financing Authority, which represent the percentages of the total assets, operating revenues or deductions, and expenditures, expenses or deductions of the fund types listed below.

<u>Agency</u>	<u>Percentage of Total Fund Type</u>		
	<u>Total Assets</u>	<u>Operating Revenues or Deductions</u>	<u>Expenditures, Expenses or Deductions</u>
Special Revenue Fund	38.6%	7.8%	8.3%
— Maryland Transportation Authority			
Debt Service Fund	41.8	0.6	14.2
— Maryland Transportation Authority			
Enterprise Fund	13.4	3.9	4.6
— Two Insurance Programs			
— Eight Loan Programs			
— State Use Industries			
Pension Trust Fund	99.8	99.5	99.3
— State Retirement and Pension System of Maryland			
Agency Fund	23.7	N/A	N/A
— Maryland Local Government Investment Pool			
Component Unit Propriety Fund	100.0	100.0	100.0
— Maryland Stadium Authority			
— Maryland Food Center Authority			
— Maryland Environmental Service			
— Maryland Industrial Development Financing Authority			