

PROPERTY OF THE STATE OF MARYLAND  
 COMPTROLLER OF THE TREASURY  
 GENERAL ACCOUNTING DIVISION

Debt Management

Reversing a two-year decline, issuances of general obligation debt exceeded redemptions and resulted in an increase of \$94,915,000 in outstanding debt during fiscal year 1981. However, reflecting Maryland's long term goal of restraining future debt, new general obligation bond authorizations were maintained at a level below redemptions during the year.

A summary of changes in outstanding general obligation bonds follows:

	Millions	
	1981	1980
Outstanding at beginning of year	\$2,109.1	\$2,154.1
Add Bonds Issued	271.1	117.3
Deduct Bonds Redeemed	(176.1)	(162.3)
Outstanding at end of year	\$2,204.1	\$2,109.1

In addition to Maryland's general obligation bonds, other long-term obligations of the State at the end of fiscal year 1981 included \$739,505,000 of Transportation Bonds, which are serviced solely from certain transportation revenues; \$565,690,000 of Revenue Bonds which are serviced solely from certain enterprise revenues; and \$402,422,000 of pension liabilities which represents the excess of retirement costs over retirement expenditures since 1978 and are being funded on a long-term basis through annual contributions, principally from general revenue sources.

OUTLOOK

Revenue prospects for fiscal year 1982 are encouraging, but will be tempered by current recessionary tendencies in the U.S. economy; the cutback of over \$50,000,000 in funding due to federal budget cuts; and the pass-through of revenue reduction measures embodied in the Economic Recovery Tax Act of 1981, which will reduce revenues by \$8,300,000 during this year and by as much as \$33,700,000 during fiscal year 1983. Despite these factors, revenues for fiscal year 1982 are expected to grow at an amount approximately equal to the growth achieved in fiscal year 1981.

Revenues of the Transportation Trust Fund have suffered in recent years from a decline in motor fuel consumption and slow growth in vehicle sales and registration. Infusions of new revenues from the motor vehicle titling tax and a portion of the general fund share of the corporate income tax have been used to supplement the other revenues. Measures will be proposed to the 1982 General Assembly which, if enacted, will provide additional revenues in fiscal year 1983 and put the Fund on a sound financial basis.

New bond authorizations to support the 1982 capital budget amounted to \$174,418,000. Maryland should again achieve favorable interest rates on bond sales because of its financial disclosure and reporting practices, independent audit, and generally strong financial position.

In the past, Maryland's diversified economic base has provided a moderating influence in times of national economic downturns. This stabilizing factor, together with Maryland's demonstrated leadership in fiscal responsibility, will permit the State to continue to meet the needs of its citizens and preserve its strong financial condition.

I will be pleased to furnish additional information on the State's finances upon request.

Cordially yours,

*Louis L. Goldstein*

Louis L. Goldstein  
 Comptroller of the  
 Treasury of Maryland

Certificate  
 of  
 Conformance  
 in Financial  
 Reporting

Presented to

State of Maryland

For its Comprehensive Annual  
 Financial Report  
 for the Fiscal Year Ended  
 June 30, 1980

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