

Executive and Legislative branches of State government. This requirement has been complied with, and the auditor's opinion has been included in this report.

#### Certificate of Conformance

The Municipal Finance Officers Association of the United States and Canada (MFOA) awarded a Certificate of Conformance in Financial Reporting to the State of Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 1982.

In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Conformance is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to Certificate of Conformance Program requirements, and we are submitting it to the MFOA to determine its eligibility for another certificate.

#### Outlook

The recent national recession has ended and the prospects for future economic growth points to strong revenue prospects for the 1984 fiscal year. Responding to improvements in construction activity, consumer confidence and rising employment statewide, general fund revenues are currently expected to grow at a rate significantly greater than that experienced during the 1983 fiscal year.

Revenues of the special revenue fund (Transportation Trust Fund) were augmented during fiscal year 1983 by increases in the motor fuels tax rate from 9 cents to 11 cents per gallon effective June 1, 1982 and from 11 cents to 13½ cents per gallon effective June 1, 1983. These increases, coupled with a strong upturn in revenues from the motor vehicle titling tax and prospects for an upturn in corporation income tax revenues, will allow future enhancements to State transportation programs during fiscal years 1984 and 1985.

State aid to political subdivisions will be increased during fiscal years 1984 and 1985 through the allocation of net proceeds from a new lotto game during the game's first year of operation.

New bond authorizations to support the 1984 capital budget amounted to \$194,999,000. For the third consecutive year the authorizations were within the limit recommended by the Capital Debt Affordability Committee.

While the recently ended recession had an adverse effect on the general fund, other funds were not seriously affected and remain strong. We anticipate the return of a strong economy which, coupled with effective cost containment measures, will result in replenishment of the general fund balance at reasonable levels.

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

Cordially yours,



Louis L. Goldstein  
Comptroller of the Treasury  
of Maryland