Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the State of Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 1985.

In order to be awarded a Certificate of Achievement, 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 Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.
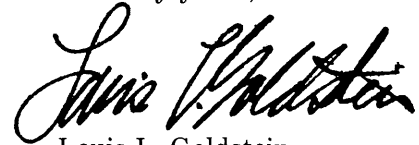
Outlook

Economic conditions are favorable and continued expansion is expected during 1986 and 1987, thus indicating favorable revenue prospects for the 1987 fiscal year. Rising employment and income within the State should ensure that general fund revenues will grow at a rate consistent with budgeted general fund expenditures during the 1987 fiscal year.

As a result of legislation adopted by the General Assembly; beginning in fiscal year 1987 general fund revenues will be reduced through distribution of taxes on the net income of corporations to restore funds transferred from the Transportation Trust Fund to the Maryland Deposit Insurance Fund Corporation. These funds were transferred to accelerate repayment to depositors of amounts frozen in several failed nonfederally insured savings and loan associations. It is expected that this reduction will be fully offset by additional general fund revenues generated by behavioral responses to the 1986 Federal Tax Reform Act.

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