



ARTHUR ANDERSEN & CO, SC

November 2, 1994

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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, 1994, 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 (1) Maryland Transportation Authority; (2) four insurance programs and six loan programs of the Maryland Departments of Housing and Community Development, Economic and Employment Development and Environment; (3) State Use Industries; (4) Maryland Stadium Authority; (5) Maryland State Retirement and Pension Systems; (6) Maryland Food Center Authority; (7) Maryland Environmental Service and (8) Maryland Higher Education Loan Corporation, which represent the percentages of the total assets, revenues and expenditures or expenses of the fund types listed below for each fund type.

<u>Agency</u>	<u>Percentage of Total for Fund Type</u>		
	<u>Total Assets</u>	<u>Revenues</u>	<u>Expenditures or Expenses</u>
Maryland Transportation Authority			
- Special Revenue Fund	28.4%	7.6%	5.2%
- Debt Service Fund	26.1	0.4	4.0
Four Insurance Programs			
Six Loan Programs			
State Use Industries			
Maryland Stadium Authority			
- Enterprise Fund	17.0	4.9	7.8
Maryland State Retirement and Pension Systems			
- Pension Trust Fund	99.9	99.6	99.6
Maryland Food Center Authority			
Maryland Environmental Service			
Maryland Higher Education Loan Corporation			
- Component Unit Proprietary Fund	100	100	100

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned agencies and component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall