

# ARTHUR ANDERSEN

November 7, 1997

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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, 1997, 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) Maryland Department of 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; and the (8) Maryland Environmental Service, 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	33.4%	7.5%	8.9%
— Maryland Transportation Authority			
Debt Service Fund	52.2	0.6	6.9
— Maryland Transportation Authority			
Enterprise Fund	10.1	3.6	4.1
— One Loan Program			
— State Use Industries			
Pension Trust Fund	99.8	99.6	99.3
— State Retirement and Pension System of Maryland			
Agency Fund	20.7	N/A	N/A
— Maryland Local Government Investment Pool			
Component Unit Proprietary Fund	95.0	99.8	96.8
— Maryland Stadium Authority			
— Maryland Food Center Authority			
— Maryland Environmental Service			

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 and the standards for financial audits contained in *Government Auditing Standards* (1994 Revision), issued by the Comptroller General