

Report of Independent Auditors

The Honorable William D. Schaefer,
 Comptroller of the Treasury of Maryland:

We have audited the accompanying general purpose financial statements of the State of Maryland as of June 30, 2000 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 Water Quality Financing Administration; (3) Maryland State Lottery Agency; (4) State Use Industries; (5) Certain direct loan and insurance programs of the Maryland Departments of Housing and Community Development and Business and Economic Development included in the Economic Development Fund; (6) Deferred Compensation Plan; (7) Maryland Local Government Investment Pool; (8) State Retirement and Pension System of Maryland; (9) Maryland Food Center Authority; (10) Maryland Environmental Service; and (11) Maryland Industrial Development Financing Authority, which represent the percentages of the total assets, operating revenues or additions, and expenditures, expenses or deductions of the fund types listed below.

| Fund Type/Agency or Component Unit | Percentage of Total Fund Type | | |
|---|-------------------------------|------------------------------------|--|
| | Total Assets | Operating Revenues or Additions | Expenditures, Expenses, or Deductions |
| Enterprise | 99.6 | 99.7 | 99.8 |
| Maryland Water Quality Financing Administration | | | |
| Maryland State Lottery Agency | | | |
| State Use Industries | | | |
| Economic Development | | | |
| Special Revenue | 38.8 | 6.8 | 5.7 |
| Maryland Transportation Authority | | | |
| Debt Service | 60.1 | .5 | 7.1 |
| Maryland Transportation Authority | | | |
| Trust and Agency | 94.3 | — | — |
| Expendable Trust | — | 43.9 | 18.9 |
| Deferred Compensation Plan | | | |
| Investment and Pension Trust | — | 99.7 | 99.7 |
| Maryland Local Government Investment Pool | | | |
| State Retirement and Pension System of Maryland | | | |
| Component Unit Proprietary | 16.5 | 55.8 | 49.4 |
| Maryland Food Center Authority | | | |
| Maryland Environmental Service | | | |
| Maryland Industrial Development Financing Authority | | | |