



ARTHUR ANDERSEN & Co. SC

October 30, 1995

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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, 1995, 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 eight 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) State Retirement and Pension System of Maryland; (6) Maryland Food Center Authority and (7) Maryland Environmental Service, 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	36.2%	7.5%	8.2%
- Debt Service Fund	54.7	0.9	3.7
Four Insurance Programs			
Eight Loan Programs			
State Use Industries			
Maryland Stadium Authority			
- Enterprise Fund	19.0	5.9	8.1
State Retirement and Pension System of Maryland			
- Pension Trust Fund	99.9	99.4	99.3
Maryland Food Center Authority			
Maryland Environmental Service			
- Component Unit Proprietary Fund	98.3	65.8	49.5

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 of the United States. 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