

statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The State of Maryland has included such disclosures in Note 20. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the State of Maryland's disclosures with respect to the year 2000 issue made in Note 20. Further, we do not provide assurance that the State of Maryland is or will be year 2000 ready, that the State of Maryland's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the State of Maryland does business will be year 2000 ready.

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Maryland as of June 30, 1998, and the results of its operations and the cash flows of its Enterprise Funds and Component Unit Proprietary Funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 7, 1998, on our consideration of the State of Maryland's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents, which are also the responsibility of the State of Maryland's management, are presented for purposes of additional analysis and to meet legal reporting requirements and are not a required part of the general purpose financial statements. The information, except for the Schedules of Estimated Revenues- Budgetary Basis and General, Special, Federal, Current Unrestricted and Current Restricted Fund Appropriations-Budgetary Basis for the year ending June 30, 1999 (pages 98 and 99) has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and the reports of other auditors referred to above, and in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The other data included in this Comprehensive Annual Financial Report have not been audited by us and, accordingly, we express no opinion on such data.

A handwritten signature in cursive script that reads "Arthur Anderson LLP". The signature is written in dark ink and is positioned in the lower right quadrant of the page.