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November 30, 2001

Governor Ruth Ann Minner
Honorable Members of the 141st General Assembly
and the Citizens of Delaware

It is my pleasure to present the 2001 Comprehensive Annual Financial Report (CAFR) for the State of Delaware. The report for the fiscal year ended June 30, 2001 includes the State's General Purpose Financial Statements, prepared in conformity with accounting principles generally accepted in the United States (GAAP). The CAFR is presented to you and to the financial community to portray clearly Delaware's fiscal and economic status.

Responsibility for the accuracy of data, as well as the completeness and fairness of its presentation – including all disclosures – rests with the State. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various fund types and account groups of the State's reporting entity. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities are included.

This Comprehensive Annual Financial Report is presented in three sections, as outlined below.

- The Introductory Section is comprised of this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the June 30, 2000 report, a list of key State officials and the State's organizational chart.

- The Financial Section includes the Report of Independent Auditors, the General Purpose Financial Statements including the notes and required supplementary information, discretely presented component unit financial statements, as well as the combining financial statements.

- The Statistical Section includes selected financial, economic and demographic information, presented on a multi-year basis.

The CAFR embodies a standardized format for the State's annual financial report, providing the reader with a comprehensive overview of all State fiscal activity. The financial reporting entity includes all fund types and account groups that comprise the State of Delaware's legal entity or primary government. The financial activities of the State accounted for in the accompanying financial statements are organized to include all operations of the State's reporting entity on the basis of individual fund types and account groups. This includes all operating and capital funds and the activity of all agencies and authorities, such as the Delaware Transportation Authority and component unit financial information. A more extensive overview of the various funds under the State entity is contained in the section entitled "Financial Structure – General."

This transmittal letter is designed to provide a broad overview of the factors affecting the State as a fiscal entity. The first section outlines the State's economic condition and outlook. This section is followed by an overview of the State's major initiatives for fiscal 2001, service efforts of a key State agency, a description of its financial structure and controls, and a summary of its financial condition, which includes revenues and expenditures for the fiscal year ended June 30, 2001.