
Why This Engagement? The purpose of the ACFR is to be transparent about the use of taxpayers’ money and to provide an accounting of all state expenditures. The ACFR does this by including dozens of basic and intricate financial reports, along with notes, narratives and supporting data.

The state’s ACFR examines all funds, departments, organizations, bureaus, boards, commissions, offices of elected officials and authorities that make up the state’s legal entity. Individually presented component units, which are legally separate entities for which the State is financially accountable, are also included. These entities had their own financial statement audits performed:

- Delaware State Housing Authority*,
- Diamond State Port Corporation*,
- Riverfront Development Corporation,
- Delaware State University,
- Delaware Agricultural Lands Preservation Foundation*, and
- 23 charter schools.

In addition, the Department of Transportation* and the Delaware State Lottery* had separate financial statement audits and are included as business-type activities in the ACFR. Business-type activities recover all or a portion of their costs through user fees and charges.

The ACFR is an important tool used to analyze the state’s overall financial position for purposes of bond financing and for establishing financial transparency and credibility with its creditors and oversight agencies.

This engagement was performed in accordance with 29 Del. C. § 2906(a). This ACFR audit was conducted using generally accepted auditing standards (GAAS) in the United States. The internal control report and findings of the ACFR, conducted according to generally accepted government auditing standards (GAGAS), will be presented at a later date.
**What Was Found?** It is my pleasure to report this audit contained an unmodified opinion.¹

The State of Delaware’s Annual Comprehensive Financial Report for Fiscal Year 2021 can be found on our website [here](#).

For any questions regarding the attached report, please contact State Auditor Kathleen McGuiness at 302-739-5055 or [Kathleen.McGuiness@delaware.gov](mailto:Kathleen.McGuiness@delaware.gov).

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¹ *An unmodified opinion is sometimes referred to as a “clean” opinion. It is one in which the auditor expresses an opinion that the financial statements present fairly, in all material respects, an entity’s financial position, results of operations and cash flows in conformity with generally accepted accounting principles.*

*Denotes a financial statement audit that the State Auditor’s Office managed. These reports are available at auditor.delaware.gov.*