



Independent Auditor's Report

We have audited the balance sheet of the General Accounting Office (GAO) as of September 30, 2000 and 1999, and the related statements of net costs, changes in net position, budgetary resources, and financing for the years then ended. In our report dated December 15, 2000, we expressed an unqualified opinion on those financial statements. We performed our audits in accordance with U. S. generally accepted auditing standards; *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget's (OMB) Bulletin 01-02, *Audit Requirements for Federal Financial Statements*.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

Our report also included our opinion that GAO maintained effective internal control over financial reporting (including the safeguarding of assets) and compliance with laws and regulations as of September 30, 2000. We did not evaluate all internal controls relevant to operating objectives. In addition, because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in condition or that the degree of compliance with controls may deteriorate.

We also reported that we found no reportable noncompliance with laws and regulations tested and that GAO's financial management systems substantially complied with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA). However, the objective of our audit was not to provide an opinion on overall compliance with laws and regulations, and we do not express such an opinion. We did not test compliance with all laws and regulations applicable to GAO. We limited our tests of compliance to those laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements for the fiscal year ended September 30, 2000. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes. Our conclusion on compliance with laws and regulations is intended for Congress and GAO's management and should not be used by anyone other than these specified parties.

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