

March 29, 2017

2016-001

The Governor of California  
President pro Tempore of the Senate  
Speaker of the Assembly  
State Capitol  
Sacramento, California 95814

Dear Governor and Legislative Leaders:

In accordance with Government Code section 8546.4, which requires the California State Auditor's Office to annually issue an auditor's report on the State of California's basic financial statements, we have issued an audit opinion on the State of California's basic financial statements for the fiscal year ended June 30, 2016. Our Independent Auditor's Report appears on page 2 of the Comprehensive Annual Financial Report for fiscal year 2015-16 located on the California State Controller's Office website at <http://www.sco.ca.gov/Files-ARD/CAFR/cafr16web.pdf>. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Respectfully submitted,



JOHN F. COLLINS II, CPA  
Deputy State Auditor