



March 31, 2023  
**2021-001**

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 audit opinions on the State of California's basic financial statements for the fiscal year ended June 30, 2021. Because of the matters described within our auditor's report regarding the Employment Development Department, we have modified our opinions for the financial statements of the Unemployment Programs Fund, Federal Fund, Governmental Activities, and Business-Type Activities. Our Independent Auditor's Report appears on page 2 of the Annual Comprehensive Financial Report for fiscal year 2020–21 located on the California State Controller's Office website at <https://www.sco.ca.gov/Files-ARD/ACFR/acfr21web.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,

A handwritten signature in black ink that reads 'Linus Li' in a cursive script.

LINUS LI, CPA  
Acting Deputy State Auditor