

This example letter will need to be adapted by the auditor, depending on the type of agency being audited and the applicable funds.

Office of the State Auditor Example of unqualified opinions on Basic Financial Statements and on Combining and Individual Fund Financial Statements Presented as Supplementary Information, including a Single Audit SAS 29 opinion on the Schedule of Expenditures of Federal Awards

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, **and the budgetary comparisons for the general fund and major special revenue funds** of the *agency name*, as of and for the year ended June 30, 20XX, which collectively comprise the agency's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the *agency's* nonmajor governmental, nonmajor enterprise, internal service funds, **and the budgetary comparisons for the major capital project funds, debt service funds, permanent funds and all nonmajor funds** presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 20X1, as listed in the table of contents. These financial statements are the responsibility of the *agency's* management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. [*Optional: An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we express no such opinion.*] An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *the agency*, as of June 30, 20XX, and the respective changes in financial position and cash flows, where applicable, thereof **and the respective budgetary comparisons for the general fund and major special revenue funds** for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the

financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service fund of the *agency* as of June 30, 20XX, and the respective changes in financial position and cash flows, where applicable, thereof **and the respective budgetary comparisons for the major capital project funds, debt service funds, permanent funds and all nonmajor funds** for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated [*date of report*] on our consideration of the *agency's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages XX through XX are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

[Signature]

[Date]