

**REVIEW OF LOCAL GOVERNMENTAL ENTITY
2009-10 FISCAL YEAR AUDIT REPORTS
PREPARED BY INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS**



The review was coordinated by Anita Marlowe, CPA, and supervised by David T. Ward, CPA. Please address inquiries regarding this report to Marilyn D. Rosetti, CPA, Audit Manager, by e-mail at marilynrosetti@aud.state.fl.us or by telephone at (850) 487-9031.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

**REVIEW OF LOCAL GOVERNMENTAL ENTITY
2009-10 FISCAL YEAR AUDIT REPORTS
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SUMMARY

Pursuant to Section 218.39, Florida Statutes¹, counties and certain municipalities and special districts are required to provide for annual financial audits conducted by independent certified public accountants (CPAs). Audit reports for the 2009-10 fiscal year were required to be submitted to us within 45 days after delivery of the audit report to the local governmental entity's governing body, but no later than 12 months after the end of the fiscal year. We are required to review all local governmental entity audit reports submitted pursuant to Section 218.39, Florida Statutes. In addition, pursuant to Section 215.97(11)(f), Florida Statutes, we are required to perform ongoing reviews of a sample of financial reporting packages submitted pursuant to Section 215.97, Florida Statutes (the *Florida Single Audit Act*). We reviewed audit reports for 1,175 local governmental entities received through October 7, 2011, and determined that the audit reports were generally presented in accordance with generally accepted government auditing standards, generally accepted accounting principles, and Rules of the Auditor General. However, we noted instances in which the audit reports were not submitted timely or were not prepared in accordance with all applicable requirements, as follows:

Finding No. 1: As of December 31, 2011, audit reports were not submitted to us for 9 municipalities and 39 special districts required to provide for an audit. Also, 2 municipalities and 11 special districts that may have been required to provide for an audit did not submit an audit report to us. Additionally, 175 local governmental entities did not submit the audit report timely, including 107 entities that did not submit the audit reports within the required 45-day time frame, and 68 entities that did not submit the audit reports by the 12-month deadline.

Finding No. 2: Audits of eight local governmental entities were performed by seven different audit firms that did not hold active or temporary licenses certified by the Florida Board of Accountancy as of the date of the auditors' reports on the financial statements.

Finding No. 3: Our completeness reviews of 1,175 audit reports received as of October 7, 2011, pursuant to Section 218.39, Florida Statutes, disclosed instances of noncompliance with certain requirements, primarily related to the auditors' reports and notes to the financial statements.

Finding No. 4: Our comprehensive reviews of samples of audit reports disclosed several instances of noncompliance with generally accepted government auditing standards, generally accepted accounting principles, and Chapter 10.550, Rules of the Auditor General. Noncompliance was also disclosed related to pension note disclosures, other postemployment benefit disclosures, and the presentation of the schedules of expenditures, and schedules of findings and questioned costs, for Federal awards and State financial assistance, respectively.

BACKGROUND

Section 218.39, Florida Statutes, provides for annual financial audits of each county, and for municipalities and special districts meeting certain revenue or expenditure/expense thresholds. Section 218.31(17), Florida Statutes, defines a financial audit as an examination of financial statements in order to express an opinion on the fairness with which they are presented in conformity with generally accepted accounting principles (GAAP) and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. Financial audits must be conducted in accordance with auditing standards generally accepted in the United States and generally accepted government auditing standards (*Government Auditing Standards* issued by the Comptroller of the United States).

¹ All references to the Florida Statutes are to the 2010 Statutes.

Section 218.39, Florida Statutes, establishes several requirements that independent CPAs must follow when conducting financial audits of local governmental entities. Independent CPAs performing these financial audits must:

- Prepare a management letter that is included as a part of the financial audit report;
- Discuss all findings that will be included in the financial audit report with the appropriate official(s); and
- Conduct the audits in accordance with Rules of the Auditor General.

Additionally, the law requires that an officer of the entity, as specified in Section 218.39, Florida Statutes, respond in writing to findings contained in the audit reports and management letters, and that the written response be submitted to the entity’s governing body within 30 days after delivery of the CPAs findings.

We have developed rules that provide, among other things, procedural guidelines for independent CPAs to follow to ensure compliance with the above requirements (Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits). These rules require that the scope of a financial audit include: an examination of the financial statements in order to express an opinion on them; an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements; an examination of any additional financial information necessary to comply with GAAP; and, when applicable, the additional activities necessary to determine compliance with the Federal *Single Audit Act Amendments of 1996* and the *Florida Single Audit Act*. To assist auditors in complying with the requirements of generally accepted government auditing standards (GAGAS), GAAP, and applicable laws, rules, and regulations, we promulgated the Local Government Audit Report Review Guidelines. These rules and guidelines are available on our Web site.

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Timely Submission of Audit Reports

Section 218.39(8), Florida Statutes, requires that the local governmental entity submit the audit report and a written response to any report or management letter findings to us within 45 days after delivery of the audit report to the entity’s governing body, but no later than 12 months after the end of the fiscal year. Table 1 shows noncompliance, or potential noncompliance, with the audit report submission requirements for the 2009-10 fiscal year as of December 31, 2011, and the previous four fiscal years.

Table 1

Type of Exception	Fiscal Year				
	2010	2009	2008	2007	2006
Audit required, but report not submitted.	48	40	57	30	34
Audit may have been required, but report not submitted.	13	15	37	31	48
Audit report submitted after 45-day deadline, but before the 12-month deadline.	107	107	67	93	105
Audit report submitted after 12-month deadline.	68	86	104	176	100

Source: Auditor General

Further, for the 2009-10 fiscal year information provided in Table 1:

- The 48 local governmental entities required to submit an audit report to us, but did not, included 9 municipalities and 39 special districts (see Exhibit A).

- For the 13 local governmental entities that may have been required to provide for an audit, but which had not submitted an audit report to us, it was not practicable for us to determine for the 2 municipalities and 11 special districts whether an audit was required based on the financial criteria specified in Section 218.39(1), Florida Statutes, because sufficient information was not readily available, either from the entity, the Florida Department of Financial Services’ records (because the entities had not filed annual financial reports, contrary to law), or other sources (see Exhibit B).
- Audit reports for 107 local governmental entities were not submitted to us within 45 days of delivery to the governing body (up to 241 days late) but were submitted before the 12-month deadline (see Exhibit C).
- Of the 68 audit reports submitted after the 12-month deadline (see Exhibit D), 34 were submitted to us more than one month late. Additionally, for 38 of the 68 audit reports, the independent auditor’s report was dated after the 12-month deadline.

Local governmental entities that fail to provide for audits may be subject to a penalty pursuant to Section 11.40(5), Florida Statutes. Timely audits are necessary to ensure that management is promptly informed of control deficiencies and financial-related noncompliance. Additionally, timely filing of audit reports is necessary to allow timely review by appropriate Federal and State oversight agencies.

Recommendation: Local governmental entities should ensure that audit reports are completed and submitted within the required time frame.

Finding No. 2: Licensing of Auditors

Section 218.39(1), Florida Statutes, requires that audits of local governmental entities be performed by independent CPAs. Section 473.322, Florida Statutes, requires individuals or firms that practice public accountancy within the State to hold active licenses certified by the Florida Board of Accountancy (Board) to the Florida Department of Business and Professional Regulation. Additionally, Section 473.314(1), Florida Statutes, provides for the issuance of temporary licenses to certified public accountants or firms of other states to enable them or their employees to perform specific engagements involving the practice of public accountancy in Florida. Temporary licenses are not valid for more than 90 days after issuance, and do not cover more than one engagement. After the expiration of 90 days, a new license is required.

Based on information provided to us by Board staff, we determined that the 2009-10 fiscal year audits of one county, six municipalities, and one special district were performed by seven individual audit firms that did not hold active or temporary licenses certified by the Board as of the date of the auditor’s report on financial statements, as follows:

- Audits of one county, three municipalities, and one special district were performed by four audit firms that did not hold firm licenses.
- One audit of a municipality was performed by a firm that did not hold a firm license by the name indicated on the auditor’s report on the financial statements; however, there was a licensed firm with a similar name and the same business address.
- Audits of two municipalities were performed by two out-of-state firms that did not have a temporary license.

For comparison purposes, Table 2 includes similar information for the 2009-10 fiscal year and the previous four fiscal years.

Table 2

Type of Exception	Fiscal Year				
	2010	2009	2008	2007	2006
Audits performed by firms that did not hold active licenses.	8	9	14	10	7
Audit firms without appropriate licensure.	7	5	3	6	5

Source: Florida Board of Accountancy

Audit firms identified with inappropriate or no licensure were reported to Board staff. Those firms that were previously licensed may be subjected to disciplinary actions as determined by the Board pursuant to Section 473.323, Florida Statutes, whereas those that were not previously licensed may be subjected to penalties prescribed in Section 455.228, Florida Statutes.

Recommendation: Local governmental entities, in contracting for audits, should ensure that auditors hold active licenses certified by the Board. Also, auditors of local governmental entities should ensure that the license is active and current through the audit report date and that the name used on the audit report is consistent with the name on file in the Board's records.

Finding No. 3: Completeness Reviews

All 1,175 local governmental entity audit reports submitted to us as of October 7, 2011, pursuant to Section 218.39, Florida Statutes, were subjected to completeness reviews to determine: (1) whether the audit reports included the required financial statements, note disclosures, reports, and other items listed in Chapter 10.550, Rules of the Auditor General, and (2) the extent to which they complied, for selected significant matters, with GAGAS, GAAP, and Chapter 10.550, Rules of the Auditor General, as applicable.

Section 11.45(7)(b), Florida Statutes, requires us to request from local governmental entities significant items omitted from audit reports. Accordingly, for those audit reports that did not include required items, such as financial statements, required supplementary information, auditor's reports/management letter, and auditee's response thereto, the local governmental entity was requested by letter to provide the missing items. We concurrently provided a copy of the letter to the local governmental entity's auditor. Local governmental entities are required to provide us with the requested items no later than 45 days after the date of our request.

For the 2009-10 fiscal year, 55 local governmental entities (including county agencies) were sent letters requesting items omitted from the audit report. Most of the items requested related to: (1) a written statement of explanation or rebuttal concerning the auditor's comments included in the auditor's report on internal control over financial reporting and compliance or management letter or (2) a statement in the management letter as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit report. Of the 55 local governmental entities sent letters requesting items omitted from the audit report, 17 had not provided the requested items as of December 12, 2011. Pursuant to Section 11.45(7)(b), Florida Statutes, we notified the Legislative Auditing Committee of those entities that had not provided the requested items as of December 12, 2011.

Most of the audit reports included audited financial statements, and notes thereto, and the required auditor's reports on the financial statements and on internal control over financial reporting and compliance. Additionally, most reports reviewed were generally presented in accordance with GAGAS, GAAP, and Chapter 10.550, Rules of the Auditor General. The majority of the instances of noncompliance disclosed by our completeness reviews relate to: (1) the presentation of the auditor's report on internal control over financial reporting and compliance in accordance with GAGAS and (2) the adequacy of financial statement note disclosures in accordance with GAAP. For example:

- The auditor's report on internal control over financial reporting and compliance, where the auditors issued other than an unqualified opinion, did not include a description of the departure from the standard auditor's report on the financial statements for 10 (34 percent) of 29 applicable reports reviewed.
- The auditor's report on internal control over financial reporting and compliance did not include a statement that noncompliance (not considered material to the financial statements) or items involving internal control over financial reporting (not considered to be significant deficiencies) were communicated to management in a separate management letter for 63 (14 percent) of 437 applicable reports reviewed.
- Contrary to Section I50.134, Codification of Governmental Accounting and Financial Reporting Standards (as of June 30, 2010), 59 (62 percent) of 95 applicable reports reviewed that disclosed investments exposed to foreign currency risk did not provide the U.S. dollar balances organized by currency denomination and, if applicable, by investment type.

Summaries of the deficiencies disclosed by our completeness reviews, with comparative prior year information, and an analysis of the deficiencies disclosed by our completeness reviews by type of local governmental entity, is included as Exhibit E.

External parties rely on audits to provide independent assessments of the accuracy and completeness of the financial statements, and to provide, for financial reporting, a means for evaluating the effectiveness of an entity's internal controls and determining the extent to which an entity has complied with applicable laws, rules, regulations, contractual requirements, and bond covenants. Accordingly, it is important that the various components of the audit report (auditor's reports and management letter, financial statements, notes to financial statements, etc.) be presented in accordance with GAGAS, GAAP, and Chapter 10.550, Rules of the Auditor General, so that the reader can form appropriate conclusions relating to the audited entity.

Recommendation: Independent auditors of local governmental entities should make a greater effort to ensure that their reports are presented in accordance with GAGAS. Local governmental entities should ensure that the financial statements and related notes are presented in accordance with GAAP.

Finding No. 4: Comprehensive Reviews

In addition to the completeness reviews, we made more comprehensive reviews of selected audit reports for the 2009-10 fiscal year, as follows:

- We reviewed a sample of 60 audit reports (5 counties, 24 municipalities, and 31 special districts) to determine the extent of compliance, on a more comprehensive basis, with GAGAS, GAAP, and Chapter 10.550, Rules of the Auditor General, as they apply to financial statements and notes thereto. The majority of deficiencies disclosed by our comprehensive reviews pertained to financial statements and note disclosures, but we also noted deficiencies with required supplementary information and other required reports. For example, a reconciliation of budget information to GAAP was not presented for 78 percent of applicable reports reviewed. Additionally, contrary to Section 2300.106h., Codification of Governmental Accounting and Financial Reporting Standards (as of September 30, 2010), the notes to the financial statements did not disclose significant violations of law for material overexpenditures at the legal level of control identified in the budgetary comparison schedules or the actions taken to address these significant violations of law for all 12 applicable reports reviewed. Also, nonrounding mathematical errors in the financial statements were found in 15 percent of the reports reviewed and 11 percent of applicable reports reviewed did not disclose the policy for eliminating internal activity in the statement of activities.

- We reviewed a sample of 60 audit reports with pension plan note disclosures to determine the extent of compliance with GAAP. Our review disclosed, for 9 percent of reports with defined benefit pension plans, that the notes did not disclose whether the plan issues a stand-alone financial report, or was included in a report of another entity, and how such report could be obtained. Additionally, 12 percent of the reports reviewed with cost-sharing plans did not disclose the required contribution amount and the percentage of that amount contributed for the current year and each of the two preceding years. Also, 14 percent of reports reviewed with single-employer or agent multiple-employer plans did not disclose the inflation rate assumed in the actuarial valuations.
- We reviewed of a sample of 60 audit reports with other postemployment benefit (OPEB) plan note disclosures to determine the extent of compliance with GAAP. Our review disclosed a significant number of OPEB note disclosure deficiencies. For example, 25 percent of applicable reports reviewed did not disclose whether the amortization period used to determine the actuarially required contribution is open or closed. Also, a statement describing the information presented in the schedule of funding progress was missing for 24 percent of applicable reports reviewed. In addition, for 18 percent of applicable reports reviewed, the notes did not disclose whether the plan issues a stand-alone financial report, or is included in the report of another entity, and how such report could be obtained.
- Section 10.556(6), Rules of the Auditor General, requires that the scope of the audit, when applicable, encompass the additional activities necessary to establish compliance with the Federal *Single Audit Act Amendments of 1996*, Public Law 104-156 (31 U.S.C.A. ss. 7501 to 7507); United States Office of Management and Budget (OMB) *Circular No. A-133*; other applicable Federal law; and the *Florida Single Audit Act* (i.e., Section 215.97, Florida Statutes). We reviewed a sample of 60 audit reports to determine the extent of compliance with the reporting requirements contained in OMB *Circular No. A-133*. We also reviewed a sample of 60 audit reports to determine the extent of compliance with the reporting requirements contained in the *Florida Single Audit Act*. Our comprehensive review disclosed various deficiencies related to Federal or State single audit requirements. For example:
 - Total amounts expended for each Federal program and State project for which multiple awards with the same Catalog² number were reported, were not provided on 62 percent of the schedules of expenditures of Federal awards and on 48 percent of the schedules of expenditures of State financial assistance.
 - Corrective action plans for Federal awards findings did not include the name and contact information of the person responsible for the corrective action plan, for 50 percent of applicable reports reviewed.
 - The dollar threshold identified in the schedules of findings and questioned costs to distinguish Type A and Type B State projects was calculated incorrectly for 13 percent of the reports reviewed.

Summaries of the deficiencies disclosed by our comprehensive reviews, and an analysis of the deficiencies disclosed by our comprehensive reviews by type of local governmental entity, are included as Exhibit F. Because of the limited number of sample items applicable to each type of local governmental entity, we did not attempt to present comparative prior year information.

Recommendation: Local governmental entities should ensure that financial statements and note disclosures (including pension plan and OPEB disclosures) are presented in accordance with GAAP. In addition, local governmental entities and their auditors should ensure that reports and schedules are prepared in accordance with the requirements of the Federal *Single Audit Act Amendments of 1996* and the *Florida Single Audit Act*.

² For Federal programs, the Catalog of Federal Domestic Assistance, and for State projects, the Catalog of State Financial Assistance.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this project were to determine whether the audit reports for the local governmental entities submitted to us:

- Appeared to comply with GAGAS, GAAP, and Chapter 10.550 Rules of the Auditor General; and
- Were prepared by independent CPAs properly licensed by the Florida Board of Accountancy.

The scope of this project included a review of audit reports for 66 counties, 379 municipalities, and 730 special districts (a total of 1,175 entities) prepared by independent CPAs and submitted to us by October 7, 2011, for the 2009-10 fiscal year.

Our review of audit reports was conducted in accordance with applicable GAGAS. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

Our desk review (i.e., a review that does not include an examination of the CPA's working papers) was necessarily limited to the contents of the audit reports submitted to us and did not extend to a determination of whether the auditors followed all generally accepted government auditing standards in the actual conduct of the audits. Because our review was limited to the contents of the audit reports provided to us, the review cannot be used as the basis for determining the extent of the entity's compliance with applicable laws, rules, regulations, charters, contractual requirements, or bond covenants. Likewise, our desk review would not disclose whether the auditor reported all instances of noncompliance or reportable internal control deficiencies noted during the audit, or whether certain required financial disclosures were completely omitted from the audit report.

Due to the volume of reports included in this review, evaluation criteria from our rules and report review guidelines (as discussed in the Background section) were established in the following checklists: basic completeness review, and detailed comprehensive reviews for: financial statements and notes thereto; pension plan disclosures; other postemployment benefit disclosures; and compliance with the reporting requirements contained in the Federal *Single Audit Act Amendments of 1996* and the *Florida Single Audit Act*. We applied the basic completeness review checklist to the 1,175 audit reports received by us through October 7, 2011, and applied the detailed comprehensive review checklists to a judgmentally selected sample of 60 audit reports for each comprehensive review topic.

AUTHORITY

Section 11.45(7)(b), Florida Statutes, requires us to review, in consultation with the Florida Board of Accountancy, all local governmental entity audit reports prepared by independent CPAs and submitted pursuant to Section 218.39, Florida Statutes. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our review of local governmental entity audit reports prepared by independent CPAs for the 2009-10 fiscal year.



David W. Martin, CPA
Auditor General

**EXHIBIT A
 LOCAL GOVERNMENTAL ENTITIES REQUIRED TO SUBMIT
 AN AUDIT REPORT FOR THE 2009-10 FISCAL YEAR, BUT DID NOT
 AS OF DECEMBER 31, 2011**

MUNICIPALITIES
Alford, Town of
Campbellton, Town of
Carryville, Town of
Ebro, Town of
Noma, Town of
Pahokee, City of
Springfield, City of
St. Lucie Village, Town of
Vernon, City of
SPECIAL DISTRICTS
Bella Verde Golf Community Development District
Buckeye Park Community Development District
Chapel Creek Community Development District
City Center Community Development District
Cordoba Ranch Community Development District
CrossCreek Community Development District
Cypress Creek of Hillsborough County Community Development District
Dorcas Fire District
Eastpoint Water And Sewer District
Fallschase Community Development District
Freedom Walk Community Development District
Grand Bay at Doral Community Development District
Highland Meadows Community Development District
Lafayette Soil & Water Conservation District
Leon Soil & Water Conservation District
Lexington Community Development District
Longleaf Community Development District
Magnolia Creek Community Development District
Morningside Community Development District
New River Community Development District
Osprey Oaks Community Development District
Palm River Community Development District
Panther Trace Community Development District

EXHIBIT A (CONTINUED)
LOCAL GOVERNMENTAL ENTITIES REQUIRED TO SUBMIT
AN AUDIT REPORT FOR THE 2009-10 FISCAL YEAR, BUT DID NOT
AS OF DECEMBER 31, 2011

SPECIAL DISTRICTS (Continued)
Panther Trace II Community Development District
Preserve at Wilderness Lake Community Development District
River Bend Community Development District
River Glen Community Development District
Rivercrest Community Development District
Santa Rosa Bay Bridge Authority
Six Mile Creek Community Development District
South Bay Community Development District (Hillsborough County)
South Fork East Community Development District
Spring Ridge Community Development District
Springfield Community Redevelopment Agency
Sterling Hill Community Development District
Tidewater Preserve Community Development District
Town of Eatonville Community Redevelopment Agency
Vizcaya in Kendall Community Development District
Zephyr Ridge Community Development District

**EXHIBIT B
 LOCAL GOVERNMENTAL ENTITIES THAT MAY HAVE BEEN REQUIRED TO
 PROVIDE FOR AN AUDIT FOR THE 2009-10 FISCAL YEAR, BUT AUDIT REPORT NOT SUBMITTED
 AS OF DECEMBER 31, 2011**

MUNICIPALITIES
Islandia, City of
Jacob City, City of
SPECIAL DISTRICTS
Baker Fire District
Clay Soil & Water Conservation District
Flagler Soil & Water Conservation District
Hamilton County Development Authority
Harbour Lake Estates Community Development District
Huntington Community Development District
Lee Soil & Water Conservation District
Moultrie Creek Community Development District
Seminole Soil & Water Conservation District
Vizcaya Community Development District
Yellow River Soil & Water Conservation District

EXHIBIT C
LOCAL GOVERNMENTAL ENTITIES SUBMITTING AUDIT REPORT FOR THE 2009-10 FISCAL YEAR
AFTER 45-DAY DEADLINE

COUNTIES	Days Late
Jefferson County	13
Lafayette County	37
Manatee County	31
Okaloosa County	3
Osceola County	103
Pinellas County	4
MUNICIPALITIES	Days Late
Belleair Beach, City of	9
Cape Coral, City of	7
Cooper City, City of	4
Coral Gables, City of	58
Groveland, City of	6
Indian River Shores, Town of	34
Indian Shores, Town of	4
Jupiter Inlet Colony, Town of	34
Layton, City of	241
Loxahatchee Groves, Town of	25
Mascotte, City of	69
New Port Richey, City of	44
Orange Park, Town of	123
Palm Bay, City of	138
Pinellas Park, City of	7
Quincy, City of	103
Rockledge, City of	60
Shalimar, Town of	19
Tavares, City of	79
SPECIAL DISTRICTS	Days Late
Anastasia Mosquito Control District of St. Johns County	8
Arborwood Community Development District	3
Bahia Lakes Community Development District	13
Bella Vida Community Development District	5
Bridgewater Community Development District	74
Brighton Lakes Community Development District	75
Cape Canaveral Hospital District	74
Captiva Erosion Prevention District	27
Cedar Hammock Community Development District	15
Celebration Community Development District	72
Citrus Information Cooperative	171

EXHIBIT C (CONTINUED)
LOCAL GOVERNMENTAL ENTITIES SUBMITTING AUDIT REPORT FOR THE 2009-10 FISCAL YEAR
AFTER 45-DAY DEADLINE

SPECIAL DISTRICTS (Continued)	Days Late
Clay County Development	41
Cory Lakes Community Development District	119
Country Greens Community Development District	70
Country Walk Community Development District	75
Covington Park Community Development District	78
Dovera Community Development District	202
Downtown Development Authority City of Miami	138
East County Water Control District	7
Eastlake Oaks Community Development District	61
Fishhawk Community Development District	78
Fishhawk Community Development District II	61
Forest Brooke Community Development District	114
Golden Lakes Community Development District	27
Greater Orlando Aviation Authority	17
Griffin Lakes Community Development District	32
Groves Community Development District	86
Hammocks Community Development District	60
Harbour Isles Community Development District	20
Harbourage at Braden River Community Development District	28
Hawk's Point Community Development District	135
Heritage Harbor Community Development District	146
Heritage Lake Park Community Development District	158
Heritage Landing Community Development District	81
Heritage Oak Park Community Development District	6
Heritage Palms Community Development District	52
International Drive Master Transit And Improvement District	64
Lake Bernadette Community Development District	11
Lakeshore Ranch Community Development District	6
Lakewood Ranch Community Development District 6	27
Lee County Trauma Services	37
Lee Memorial Health System	37
Legends Bay Community Development District	127
Live Oak No. 1 Community Development District	10
Live Oak No. 2 Community Development District	35
Magnolia Park Community Development District	141
Meadow Pointe II Community Development District	39

EXHIBIT C (CONTINUED)
LOCAL GOVERNMENTAL ENTITIES SUBMITTING AUDIT REPORT FOR THE 2009-10 FISCAL YEAR
AFTER 45-DAY DEADLINE

SPECIAL DISTRICTS (Continued)	Days Late
Meadow Pointe III Community Development District	96
Mediterra North Community Development District	8
Midtown Miami Community Development District	31
Oak Creek Community Development District	85
Palm Coast Park Community Development District	25
Parklands West Community Development District	8
Pine Tree Water Control District (Broward County)	11
Poinciana Community Development District	90
Poinciana West Community Development District	69
Port of the Islands Community Improvement District	38
Renaissance Community Development District	137
River Ridge Community Development District	9
Seven Oaks Community Development District	68
Solid Waste Authority of Palm Beach County	4
South Fork Community Development District	6
South Lake County Hospital	67
Space Florida	148
Stonebrier Community Development District	141
Stoneybrook West Community Development District	139
Sunrise Lakes Phase IV Recreation District	20
Tampa Palms Community Development District	128
Tara Community Development District	81
Taylor County Development Authority	224
Three Rivers Regional Library	23
Verandah East Community Development District	8
Verandah West Community Development District	2
Verandahs Community Development District	106
Viera East Community Development District	22
VillaSol Community Development District	27
Waters Edge Community Development District	28
Waterlefe Community Development District (Manatee County)	46
Waterset North Community Development District	75
West Lake Community Development District	26
Westchase East Community Development District	13
World Commerce Community Development District	75

EXHIBIT D
LOCAL GOVERNMENTAL ENTITIES SUBMITTING AUDIT REPORT FOR THE 2009-10 FISCAL YEAR
AFTER 12-MONTH DEADLINE

MUNICIPALITIES	Date Received
Belle Glade, City of	12/05/2011
Boynton Beach, City of	12/08/2011
Cottdale, City of	10/25/2011
Fruitland Park, City of	10/13/2011
Golden Beach, Town of	10/27/2011
Hillsboro Beach, Town of	10/13/2011
Indian Creek, Village of	10/25/2011
Melbourne Beach, Town of	10/20/2011
North Bay Village, City of	10/20/2011
Sweetwater, City of	10/25/2011
Umatilla, City of	10/26/2011
Williston, City of	10/19/2011
SPECIAL DISTRICTS	Date Received
Aberdeen Community Development District	11/02/2011
Amelia Concourse Community Development District	11/07/2011
Amelia Island Mosquito Control District	11/22/2011
Amelia Walk Community Development District	10/11/2011
Aqua Isles Community Development District	12/20/2011
Arts Council of Hillsborough County	10/31/2011
Avelar Creek Community Development District	12/02/2011
Boggy Creek Improvement District	10/06/2011
Bridge Harbor Community Development District	10/25/2011
Central County Water Control District	10/25/2011
Children's Board of Hillsborough County	10/06/2011
CFM Community Development District	11/03/2011
Flagler Estates Road and Water Control District	10/19/2011
Florida Atlantic Research and Development Authority	11/08/2011
Gateway Services Community Development District	12/28/2011
Glen St. Johns Community Development District	12/06/2011
Gramercy Farms Community Development District	11/03/2011
Greater Boca Raton Beach & Park District	11/01/2011
Greater Lakes/Sawgrass Bay Community Development District	12/14/2011
Hammock Bay Community Development District	11/28/2011
Hardee County Industrial Development Authority	12/29/2011
Heritage Plantation Community Development District	12/06/2011
Highlands Community Development District	12/06/2011
Highlands County Hospital District	10/13/2011
Housing Finance Authority of Volusia County	12/01/2011

EXHIBIT D (CONTINUED)
LOCAL GOVERNMENTAL ENTITIES SUBMITTING AUDIT REPORT FOR THE 2009-10 FISCAL YEAR
AFTER 12-MONTH DEADLINE

SPECIAL DISTRICTS (Continued)	Date Received
Jacksonville Transportation Authority	10/13/2011
K-Bar Ranch Community Development District	11/11/2011
Laguna Estates Community Development District	12/13/2011
Lake Frances Community Development District	10/14/2011
Miami-Dade County Housing Finance Authority	11/02/2011
Montecito Community Development District	10/17/2011
North Okaloosa County Fire District	10/31/2011
Northwest Florida Transportation Corridor Authority	11/09/2011
Northwood Community Development District	12/09/2011
Orange Hill Soil and Water Conservation District	12/08/2011
Pace Property Finance Authority	10/18/2011
Paseo Community Development District	12/13/2011
PBR Community Development District	10/19/2011
Pembroke Harbor Community Development District	12/20/2011
Pinellas Suncoast Transit Authority	10/17/2011
Polk Transit Authority	11/17/2011
Port Malabar Holiday Park, Mobile Home Park Recreation District	10/13/2011
Port St. Joe Port Authority	10/28/2011
Ranger Drainage District	10/14/2011
Riverwood Estates Community Development District	11/03/2011
Seminole County Industrial Development Authority	11/03/2011
Southern Hills Plantation I Community Development District	10/17/2011
Suwannee Water and Sewer District	10/24/2011
Sweetwater Creek Community Development District	11/04/2011
Tallahassee-Leon County Civic Center Authority	10/13/2011
Tampa Bay Area Regional Transportation Authority	12/21/2011
Tradition Community Development District No. 1	10/13/2011
Tradition Community Development District No. 10	12/14/2011
Trails Community Development District	12/06/2011
Villages of Avignon Community Development District	10/11/2011
Withlacoochee Regional Water Supply Authority	10/18/2011

**EXHIBIT E
COMPLETENESS REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2009-10 FISCAL YEAR**

Description of Deficiencies – Reports Reviewed for Total of 1,175 Entities	Number of Reports to Which Criteria Applied	<u>Counties</u>		<u>Municipalities</u>		<u>Special District</u>		<u>Total Current Year</u>		<u>Prior Fiscal Year</u>
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Percent
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(3)	(3)
Auditor's Report on Internal Control Over Financial Reporting and Compliance										
Description of a departure from standard auditor's report on the financial statements not included.	29	2	29	5	33	3	43	10	34	31
Statement that noncompliance (not considered material to the financial statements) or items involving internal control over financial reporting (not considered to be significant deficiencies) were communicated to management in a separate management letter not included.	437	8	16	24	11	31	17	63	14	15
Auditor's Management Letter										
Legal authority of the primary government and each component unit not included.	1,175	6	9	59	16	11	2	76	6	(4)
Notes to Financial Statements										
Criteria for which a component unit is being included in the financial reporting entity not disclosed.	244	4	8	11	6	0	0	15	6	(4)
Policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for which both restricted and unrestricted assets are available not disclosed.	990	1	2	42	12	52	9	95	10	10
Types of investments authorized by legal or contractual provisions not disclosed.	831	2	4	67	24	27	5	96	12	10
Investment policies related to the various types of risk (e.g., credit, custodial credit, interest rate, foreign currency) to which the entity was exposed, by investment type, not disclosed.	785	2	4	30	11	14	3	46	6	6
U.S. dollar balances for investments exposed to foreign currency risk organized by currency denomination or investment type not disclosed.	95	0	0	50	65	9	60	59	62	60
Methods for handling risk of loss not disclosed.	1,175	1	2	15	4	72	10	88	7	9

**EXHIBIT E (CONTINUED)
COMPLETENESS REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2009-10 FISCAL YEAR**

Description of Deficiencies – Reports Reviewed for Total of 1,175 Entities	Number of Reports to Which Criteria Applied	<u>Counties</u>		<u>Municipalities</u>		<u>Special District</u>		<u>Total Current Year</u>		<u>Prior Fiscal Year</u>
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Percent
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(3)	(3)
Statutory Required Supplementary Information										
Impact fee affidavit not notarized or otherwise sworn to before an appropriate official authorized to administer an oath.	24	0	0	3	19	0	0	3	13	32
State Financial Assistance										
Schedule of expenditures of State financial assistance not included on schedule of expenditures of Federal awards.	158	4	6	5	7	4	15	13	8	6

- Notes: (1) Number of reports for which the deficiency was noted.
 (2) Percentage of reports for which the deficiency was noted. The percentage is based on the number of reports for the respective type of local government entity to which the criterion was applied.
 (3) Percentage of reports for which the deficiency was noted. The percentage is based on the total number of reports for all types of government entities to which the criterion was applied.
 (4) Percentage not reported in prior fiscal year.

**EXHIBIT F
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2009-10 FISCAL YEAR**

Description of Deficiencies – Reports Reviewed for Total of 60 Entities	Number of Reports to Which Criteria Applied	<u>Counties</u>		<u>Municipalities</u>		<u>Special Districts</u>		<u>Total Current Year</u>	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(3)
Auditor’s Report on Internal Control Over Financial Reporting and Compliance									
Definition of a deficiency in internal control and material weakness not included.	60	0	0	1	4	3	10	4	7
Statement that the auditor’s consideration of internal control is not designed to identify all deficiencies, and therefore there can be no assurance that all significant deficiencies and material weaknesses have been identified not included.	60	1	20	2	8	3	10	6	10
Financial Statements									
Financial statements contained mathematical errors (nonrounding).	60	1	20	7	29	1	3	9	15
Beginning fund balances or net assets not in agreement with the prior year’s ending fund balances or net assets with no explanation provided in the notes.	57	0	0	2	8	1	4	3	5
OPEB expenses not specifically identified in the government-wide financial statements.	53	1	11	2	6	0	0	3	6
OPEB expenditures not specifically identified in the governmental fund financial statements.	11	2	25	1	33	0	0	3	27
OPEB expenses not specifically identified in the proprietary or fiduciary fund financial statements.	38	1	17	2	8	0	0	3	8
Management’s Discussion and Analysis									
Condensed financial data comparing financial position and results of operations to that of the prior year not included.	60	0	0	1	4	3	10	4	7
Other Required Supplementary Information									
Reconciliation of budget information to GAAP not presented.	9	0	0	2	67	5	83	7	78
Original or final budget for the general fund and each major special revenue fund not included in budgetary comparison schedule.	50	0	0	0	0	4	19	4	8
Basis of accounting applied to each budget not included in either notes to the financial statements or notes to required supplemental information.	51	0	0	1	4	5	23	6	12

**EXHIBIT F (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2009-10 FISCAL YEAR**

Description of Deficiencies – Reports Reviewed for Total of 60 Entities	Number of Reports to Which Criteria Applied	<u>Counties</u>		<u>Municipalities</u>		<u>Special Districts</u>		<u>Total Current Year</u>	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(3)
Notes to the Financial Statements – Other Than Pension Plan and Other Postemployment Benefit Disclosures									
Totals on supporting schedules or other information in the notes to financial statements did not agree with corresponding account totals on the financial statements (nonrounding).	57	0	0	3	13	0	0	3	5
Policy for eliminating internal activity in the statement of activities not disclosed.	36	0	0	4	17	0	0	4	11
Significant violations of law for material overexpenditures at the legal level of control identified in the budgetary comparison schedules, or the actions taken to address these significant violations of law not disclosed in notes to the financial statements.	12	0	0	4	100	8	100	12	100
Pension Plan Financial Statement Note Disclosures									
For defined benefit plans, whether the plan issues a stand-alone financial report, or is included in a report of another entity, and how report could be obtained not disclosed.	54	0	0	1	3	4	22	5	9
Required contribution in dollars, and percentage of that amount contributed, not disclosed for the current year and each of the two preceding years for a cost-sharing defined benefit plan.	42	0	0	1	5	4	25	5	12
Inflation rate assumed in the actuarial valuations of a defined benefit plan not disclosed.	21	0	0	2	11	1	33	3	14
Other Postemployment Benefit (OPEB) Plan Financial Statement Note Disclosures									
OPEB plan not identified, as to single-employer, agent multiple-employer, or cost sharing multiple-employer plan, or name of the public employee retirement system or administrator of the plan, not disclosed.	60	0	0	8	22	3	20	11	18
Whether the OPEB plan issues a stand-alone financial report, or is included in a report of another entity, and how report could be obtained not disclosed.	56	0	0	6	18	4	31	10	18

**EXHIBIT F (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2009-10 FISCAL YEAR**

Description of Deficiencies – Reports Reviewed for	Number of Reports to Which Criteria Applied	<u>Counties</u>		<u>Municipalities</u>		<u>Special Districts</u>		<u>Total Current Year</u>	
		Number (1)	Percent (2)	Number (1)	Percent (2)	Number (1)	Percent (2)	Number (1)	Percent (3)
Total of 60 Entities									
Other Postemployment Benefit (OPEB) Plan Financial Statement Note Disclosures (Continued)									
Statement that actuarial valuations involve estimates of values and probability of events far into the future, and are subject to continual revision not made.	55	0	0	6	18	1	8	7	13
Statement that the schedule of funding progress presents multi-year trend information about the actuarial value of plan assets relative to the actuarial accrued liability not made.	54	1	11	11	33	1	8	13	24
Statement that calculations are based on the benefits provided under the terms of the plan at the time of each valuation, and the pattern of sharing costs between employer and members not made.	55	0	0	5	15	1	8	6	11
Statement that actuarial calculations reflect long-term prospective and the methods and assumptions used are designed to reduce short-term volatility in actuarial value of assets and actuarial accrued liabilities not made.	56	0	0	5	15	1	8	6	11
Whether the amortization period used to determine the current actuarially required contribution for the OPEB plan is opened or closed not disclosed.	55	2	22	8	24	4	31	14	25
Schedule of funding progress for the most recent and two preceding actuarial valuations not included.	55	0	0	2	6	1	8	3	5
Schedule of funding progress did not include the annual covered payroll.	52	0	0	3	9	0	0	3	6
Schedule of funding progress did not include the ratio of the unfunded actuarial liability/funding excess to the annual covered payroll.	52	0	0	3	9	0	0	3	6
Schedule of employer contribution not provided.	54	1	11	2	6	0	0	3	6

**EXHIBIT F (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2009-10 FISCAL YEAR**

Description of Deficiencies – Reports Reviewed for Total of 60 Entities	Number of Reports to Which Criteria Applied	<u>Counties</u>		<u>Municipalities</u>		<u>Special Districts</u>		<u>Total Current Year</u>	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(3)
Federal Awards									
Total amounts expended for each Federal program, for which multiple awards with the same catalog of Federal Domestic Assistance number were reported on the schedule of expenditures of Federal awards, not provided.	52	5	38	23	77	4	44	32	62
Notes describing the significant accounting policies used in preparing schedule of expenditures of Federal awards not included.	60	0	0	3	8	0	0	3	5
Report on compliance with requirements applicable to each major program and on internal control over compliance did not provide the definition of a significant deficiency when significant deficiencies were identified in the report.	12	1	33	1	17	1	33	3	25
Name and contact information of the person responsible for the plan not included in corrective action plan for Federal program findings.	18	1	20	7	70	1	33	9	50
State Financial Assistance									
Total amounts expended for each State project, for which multiple awards with the same catalog of State Financial Assistance number were reported on the schedule of expenditures of State financial assistance, not provided.	46	13	59	5	31	4	50	22	48
Notes describing the significant accounting policies used in preparing the schedule of expenditures of State financial assistance not included.	60	1	5	3	13	0	0	4	7
Auditor's opinion of the schedule of expenditures of State financial assistance not provided.	60	0	0	2	9	1	7	3	5
Report on compliance with requirements applicable to each major project and internal control over compliance cites the Executive Office of the Governor, rather than the Florida Department of Financial Services as the authority for the State projects compliance supplement.	60	6	27	4	17	4	27	14	23

**EXHIBIT F (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2009-10 FISCAL YEAR**

Description of Deficiencies – Reports Reviewed for Total of 60 Entities	Number of Reports to Which Criteria Applied	<u>Counties</u>		<u>Municipalities</u>		<u>Special Districts</u>		<u>Total Current Year</u>	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
		(1)	(2)	(1)	(2)	(1)	(2)	(1)	(3)
State Financial Assistance (Continued)									
Schedule of findings and questioned costs did not disclose the type of opinion the auditor issued on compliance for major State projects.	60	2	9	1	4	1	7	4	7
Statement as to whether the audit disclosed any findings required to be reported pursuant to Section 10.557, Rules of the Auditor General, not included on the schedule of finding and questioned costs.	60	3	14	6	26	1	7	10	17
Schedule of findings and questioned costs did not show the correct dollar threshold used to distinguish Type A and Type B State projects.	60	0	0	5	22	3	20	8	13

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