

**REVIEW OF CHARTER SCHOOL,
CHARTER TECHNICAL CAREER CENTER,
AND DISTRICT SCHOOL BOARD
2011-12 FISCAL YEAR AUDIT REPORTS
PREPARED BY
INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS**



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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 CHARTER SCHOOL, CHARTER TECHNICAL CAREER CENTER,
AND DISTRICT SCHOOL BOARD 2011-12 FISCAL YEAR AUDIT REPORTS
PREPARED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

SUMMARY

Pursuant to Section 218.39, Florida Statutes¹, all charter schools and charter technical career centers (hereafter referred to as charter schools) and certain district school boards are required to provide for annual financial audits conducted by independent certified public accountants (CPAs). We are required to review all charter school and district school board financial audit reports submitted pursuant to Section 218.39(7), Florida Statutes. Audit reports for the 2011-12 fiscal year were required to be submitted to us within 45 days after delivery of the audit report to the charter school or district school board's governing body, but no later than 9 months after the end of the fiscal year (March 31, 2013). We reviewed audit reports for 499 charter schools and 20 district school boards received through April 30, 2013, 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: Audit reports for 15 charter schools were not submitted to us, including 13 that were closed during or subsequent to the 2011-12 fiscal year. Audit reports for 27 charter schools and 1 district school board were not submitted to us within 45 days after delivery to the governing bodies. Additionally, audit reports for 4 charter schools and 8 district school boards were received after the March 31, 2013, deadline.

Finding No. 2: Our completeness reviews of all audit reports received for charter schools and district school boards disclosed instances of noncompliance with certain requirements, primarily related to the auditors' reports or management letters, and presentation of financial statement note disclosures.

Finding No. 3: Our comprehensive reviews of a sample of charter school audit reports, and 20 district school board audit reports, disclosed instances of apparent noncompliance with certain requirements, primarily related to the presentation of financial statements and note disclosures, required supplementary information (budgetary comparison schedules), and schedules of expenditures required for Federal Single Audits.

BACKGROUND

Section 218.39, Florida Statutes, provides for annual financial audits of each charter school and district school board. 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 generally accepted auditing standards and generally accepted government auditing standards (*Government Auditing Standards* issued by the Comptroller General of the United States).

Section 218.39, Florida Statutes, establishes several requirements that independent CPAs must follow when conducting financial audits of charter schools and district school boards. Independent CPAs performing these financial audits must:

¹ All references to the Florida Statutes are to the 2012 statutes.

- Prepare a management letter that is included as a part of the financial audit report;
- Discuss all the 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 the entity's officer(s) 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 CPA's 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 10.800 – Audits of District School Boards and Chapter 10.850 – Audits of Charter Schools and Similar Entities). 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*. 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 District School Board, Charter School, and Charter Technical Career Center 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(7), Florida Statutes, requires that the charter school or district school board 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 9 months after the end of the fiscal year. Table 1 below shows compliance with the timely submission requirements for the 2011-12 fiscal year as of May 31, 2013, and the previous two fiscal years².

² Prior to the 2010-11 fiscal year, audit reports were due no later than 12 months after the end of the fiscal year.

**Table 1:
Compliance with Audit Report Submission Requirements**

Type of Exception	Fiscal Year Ended June 30					
	Charter Schools			District School Boards		
	2012	2011	2010	2012	2011	2010
Audit required, but report not submitted.	15	7	9			
Audit report submitted after 45-day deadline.	27	53	30	1	2	
Audit report submitted after March 31 st deadline.	4	13		8	4	
Audit report submitted after June 30 th deadline.			10			5

Source: Auditor General

Further, for the 2011-12 fiscal year information provided in Table 1:

- The 15 entities required to submit an audit report to us, but did not, were charter schools (see Exhibit A). These charter schools were in operation during the 2011-12 fiscal year, but 13 were closed during or subsequent to the 2011-12 fiscal year.
- Audit reports for 27 charter schools and 1 district school board were not submitted to us within 45 days of delivery to the governing body, but not later than March 31, 2013 (see Exhibit B). For an additional 7 charter school audit reports submitted, the audit reports were submitted to us from 79 to 194 days after the date of the audit report although a delivery date to the governing body was not provided.
- Audit reports for 4 charter schools and 8 district school boards were submitted after the March 31, 2013, deadline (see Exhibit C).

Charter schools and district school boards that fail to provide for audits may be subject to consequences prescribed in Section 11.40(2), 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 State oversight agencies.

Recommendation: Charter schools and district school boards should ensure that audit reports are completed and submitted within the required time frame.

Finding No. 2: Completeness Reviews

All charter school and district school board audit reports submitted to us as of April 30, 2013, 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 Chapters 10.800 and 10.850, Rules of the Auditor General, as applicable; and (2) the extent to which they complied, for selected significant matters, with GAGAS, GAAP, and Chapters 10.800 and 10.850, Rules of the Auditor General.

Section 11.45(7)(b), Florida Statutes, requires us to request from charter schools and district school boards 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 charter school or district school board was requested by letter to provide the missing items. We concurrently provided a copy of the letter to the entity’s auditor and the charter school’s respective charter sponsors.

Charter schools and district school boards are required to provide us with the requested items no later than 45 days after the date of our request.

For the 2011-12 fiscal year, 22 charter schools were sent letters requesting items omitted from the audit report. Most of the items requested related to information required to be included in the management letter, and the auditee's response to findings included in the auditor's report or management letter. Of the 22 charter schools that were sent letters requesting items omitted from the audit report, 4 charter schools had not provided the requested items as of June 21, 2013. Pursuant to Section 11.45(7)(b), Florida Statutes, on June 21, 2013, we notified the Legislative Auditing Committee of those entities that had not provided the requested items.

Most of the audit reports included audited financial statements, and notes thereto, and the required auditor's reports on the financial statements and on compliance and internal control. Additionally, most audit reports were generally presented in accordance with GAGAS, GAAP, and Chapters 10.800 and 10.850, Rules of the Auditor General, as applicable. The majority of the instances of noncompliance disclosed by our completeness reviews related to: (1) the presentation of auditor's reports or management letters in accordance with GAGAS and Chapters 10.800 and 10.850, Rules of the Auditor General; and (2) the adequacy of financial statement note disclosures in accordance with GAAP. For example:

- The auditor's report on the financial statements did not address the auditor's responsibility for supplementary information presented for 29 (44 percent) of the 66 applicable charter school audit reports.
- The auditor's report on internal control over financial reporting and compliance did not mention that there were additional matters, not considered significant deficiencies, or immaterial instances of noncompliance communicated in the management letter for 48 (48 percent) of the 99 applicable charter school audit reports and for 3 (23 percent) of the 13 applicable district school board audit reports.
- The notes to the financial statements did not disclose the principle purposes of the interfund transfers for 65 (42 percent) of 154 applicable charter school audit reports.
- The notes to the financial statements did not disclose the required contribution rate(s) of plan members, expressed as a rate (amount) per member or as a percentage of covered payroll for defined benefit OPEB Plans for the 2 applicable charter school audit reports and for 8 (40 percent) of the 20 applicable district school board audit reports.

A summary of the deficiencies disclosed by our completeness reviews by type of entity, with comparative prior year information, is included in Exhibit D.

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, charters, 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 Chapters 10.800 or 10.850, Rules of the Auditor General, so that the reader can form appropriate conclusions relating to the audited entity.

Recommendation: Independent auditors of charter schools and district school boards should ensure that their reports and management letters are presented in accordance with GAGAS and Chapters 10.800 and 10.850, Rules of the Auditor General. In addition, charter schools and district school boards should ensure that financial statement note disclosures are presented in accordance with GAAP.

Finding No. 3: Comprehensive Reviews

In addition to the completeness reviews, we made more comprehensive reviews of selected audit reports submitted for the 2011-12 fiscal year, as follows:

- We reviewed a sample of 50 charter school audit reports and all 20 district school board audit reports to determine the extent of compliance, on a more comprehensive basis, with GAGAS, GAAP, and Chapters 10.800 and 10.850, Rules of the Auditor General, as they apply to financial statements and notes thereto. The exceptions disclosed by our comprehensive reviews primarily relate to the presentation of financial statements and note disclosures, and required supplementary information (budgetary comparison schedules). For example:
 - The ending fund balance or net assets shown in the preceding year's financial statements differed by a material amount from the beginning fund balances or net assets shown in the current year's financial statements and the material difference was not disclosed for 4 (9 percent) of 46 applicable charter school audit reports and for 3 (15 percent) of 20 applicable district school board audit reports.
 - Nonrounding mathematical errors in the financial statements were found in 4 (8 percent) of 50 applicable charter school audit reports and 6 (30 percent) of 20 applicable district school board audit reports.
 - 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 15 applicable charter school audit reports.
 - The notes to the financial statements did not disclose the policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for which both restricted or unrestricted net assets are available for 6 (33 percent) of 18 applicable charter school audit reports.
- We reviewed a sample of 30 charter schools and 20 district school boards that reported pension plans to determine the extent of compliance with GAAP with respect to pension plan note disclosures. Our comprehensive review disclosed some pension plan note disclosure deficiencies. For example, the notes to the financial statements for defined contribution plans did not disclose the name of the plan, identification of the entity that administers the plan, and identification of the plan as a defined contribution plan for 11 (48 percent) of 23 applicable charter school audit reports and for 1 (5 percent) of 20 applicable district school board audit reports.
- We reviewed 3 charter school audit reports and 20 district school board audit reports that contained other postemployment benefit (OPEB) plan disclosures to determine the extent of compliance with GAAP with respect to those plans. Our comprehensive review disclosed deficiencies related to OPEB note disclosures. For example:
 - The authority under which the obligation of plan members, employers, and any other parties to contribute is established and may be amended were not disclosed for 6 (30 percent) of the 20 applicable district school board audit reports.
 - Factors that significantly affect the identification of trends in the amounts reported (e.g. changes in benefit provisions, the size or composition of the population covered by the plan, the actuarial methods and assumptions used, etc.) were not disclosed for 6 (30 percent) of the 20 applicable district school board audit reports.
- Sections 10.805(5) and 10.855(10), Rules of the Auditor General, require 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; and other applicable Federal laws. We reviewed 14 charter school audit reports and 20 district school board audit reports that indicated that the audit was done in accordance with the Federal *Single Audit Act Amendments of 1996* to determine the extent of compliance with

the reporting requirements contained in United States OMB Circular A-133 relative to Federal awards. Our comprehensive review disclosed some minor deficiencies related to Federal single audit requirements. For example, the schedule of expenditures of Federal awards did not include total amounts expended for each Federal program for which multiple awards with the same Catalog of Federal Domestic Assistance number were reported for 1 (50 percent) of 2 applicable charter school audit reports and for 3 (75 percent) of 4 applicable district school board audit reports.

A summary of the deficiencies noted in our comprehensive reviews by type of entity is included in Exhibit E. Because of the limited number of items applicable to each type entity, we did not attempt to present comparative prior year information.

Recommendation: Charter schools and district school boards should ensure that the financial statements and note disclosures (including pension plan and OPEB plan disclosures), and required supplementary information, are presented in accordance with GAAP. In addition, charter schools and district school boards should ensure that the schedule of expenditures of Federal awards is prepared in accordance with Federal requirements.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this project were to determine whether the audit reports for charter schools and district school boards submitted to us:

- Appeared to comply with GAGAS, GAAP, and Chapters 10.800 and 10.850, 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 499 charter schools and 20 district school boards prepared by independent CPAs and submitted to us by April 30, 2013, for the 2011-12 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, detailed comprehensive review (other than pension disclosures), pension disclosure review, other postemployment benefit review, and Federal compliance review. We applied the basic completeness review checklist to the audit reports for 499 charter schools and to the 20 district school board audit reports. We applied the detailed comprehensive review checklist (other than pension disclosures) to a sample of 50 charter school audit reports and

the 20 district school board audit reports. We applied the pension disclosure review to a sample of 30 charter school audit reports and the 20 district school board audit reports. We applied the other postemployment benefit disclosure, and Federal compliance review checklists, as applicable, to all applicable charter school audit reports and the 20 district school board audit reports.

AUTHORITY

Section 11.45(7)(b), Florida Statutes, requires us to review, in consultation with the Florida Board of Accountancy, all charter school and district school board financial audit reports prepared by independent CPAs and submitted pursuant to Section 218.39, Florida Statutes. Pursuant to the provisions of Section 11.45(7)(b), Florida Statutes, I have directed that this report be prepared to present the results of our review of charter school and district school board audit reports prepared by independent CPAs for the 2011-12 fiscal year.



David W. Martin, CPA
Auditor General

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**EXHIBIT A
CHARTER SCHOOLS REQUIRED TO SUBMIT AN AUDIT REPORT,
BUT DID NOT FOR THE 2011-12 FISCAL YEAR
AS OF MAY 31, 2013**

CHARTER SCHOOLS	DISTRICT
A.T. Jones Math Science and Technology Academy (1)	Hillsborough
Balere Language Academy (1)	Miami-Dade
Central Florida Speech and Hearing Center, Inc.'s A.C.E. Charter School (1)	Polk
Eagle Academy (1)	Broward
Florida Atlantic University/St. Lucie County School District Palm Pointe Research School	St. Lucie
Gulf Coast Academy (Formerly Mavericks High School of Pinellas County)	Pinellas
Lamensa Academy – New Generation Charter School (1)	Palm Beach
Lehigh Charter School of Excellence (1)	Lee
Life Force Arts and Technology Academy Charter School (1)	Pinellas
Mavericks in Education South (1)	Pinellas
Parkway Academy Charter High School (1)	Broward
Reading Star Academy in Orange City (1)	Volusia
Smart School Charter Middle School (1)	Broward
The Community Green Charter School (1)	Desoto
Touchdowns4Life (1)	Broward

Note (1): Closed during or subsequent to the 2011-12 fiscal year.

**EXHIBIT B
DISTRICT SCHOOL BOARDS AND CHARTER SCHOOLS
SUBMITTING AUDIT REPORT
AFTER 45-DAY DEADLINE
FOR THE 2011-12 FISCAL YEAR**

DISTRICT SCHOOL BOARDS	Days Late
Brevard County District School Board	37

CHARTER SCHOOLS	DISTRICT	Days Late
Aloma High School	Orange	35
Chancery High School	Orange	35
Chautauqua Learn and Serve at The ARC of Walton County	Walton	36
Dolphin Park High	Broward	41
Florida International Academy	Miami-Dade	40
Green Springs High School	Miami-Dade	8
Lauderhill High School	Broward	41
Lone Star High School	Duval	35
Marco Island Academy	Collier	8
Miami Children’s Museum Charter School	Miami-Dade	3
Murray Hill High School	Duval	35
New Dimensions High School	Osceola	66
Newpoint Pensacola Academy Middle School	Escambia	3
Newpoint Pensacola High School	Escambia	3
North Gardens High School	Miami-Dade	11
North Park High School	Miami-Dade	8
North University High School	Broward	41
Palmetto Charter School	Manatee	15
Pepin Elementary School	Hillsborough	4
Pepin High School	Hillsborough	4
Pepin Middle School	Hillsborough	4
Pepin Transition School	Hillsborough	4
Sarasota Military Academy	Sarasota	74
Sheeler High School	Orange	35
Somerset Academy Charter High School (South Homestead)	Miami-Dade	3
Stars Middle School	Leon	11
The Chiles Academy	Volusia	131

**EXHIBIT C
DISTRICT SCHOOL BOARDS AND CHARTER SCHOOLS
SUBMITTING AUDIT REPORT
AFTER MARCH 31, 2013, DEADLINE
FOR THE 2011-12 FISCAL YEAR**

DISTRICT SCHOOL BOARDS	Date Received
Charlotte County District School Board	04/05/13
Escambia County District School Board	04/04/13
Hillsborough County School Board	04/05/13
Lake County District School Board	04/12/13
Lee County District School Board	04/05/13
Leon County District School Board	04/04/13
Orange County District School Board	04/04/13
Santa Rosa County District School Board	04/05/13

CHARTER SCHOOLS	DISTRICT	Date Received
Big Pine Academy	Monroe	04/04/13
Burns Science and Technology Charter School	Volusia	04/04/13
Inlet Grove Community High School	Palm Beach	04/04/13
Potentials Charter School	Palm Beach	04/04/13

**EXHIBIT D
COMPLETENESS REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2011-12 FISCAL YEAR**

Description of Deficiencies - Reports Reviewed for Total of 519 Entities	Charter Schools				District School Boards			
	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Fiscal Year Percent	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Fiscal Year Percent
Auditor's Report on the Financial Statements								
The introductory paragraph of the report did not identify one or more of the individual opinion units.	474	50	11	6	(3)	(3)	(3)	(3)
The opinion on the audited financial statements did not identify either all or some of the individual opinion units upon which the auditor was opining.	499	133	27	25	(3)	(3)	(3)	(3)
The report did not address the auditor's responsibility for supplementary information presented.	66	29	44	18	(3)	(3)	(3)	(3)
Auditor's Report on Internal Control Over Financial Reporting and Compliance								
The report did not accurately define a deficiency in internal control, significant deficiency (if applicable), and material weakness.	499	30	6	9	20	1	5	(4)
The report 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.	99	48	48	40	13	3	23	15
Auditor's Management Letter								
The management letter did not include the name or official title of the charter school.	499	24	5	9	(3)	(3)	(3)	(3)
Management's written statement of explanation or rebuttal concerning findings and recommendations noted in the management letter was not provided.	94	7	7	(4)	(3)	(3)	(3)	(3)
The management letter did not identify those uncorrected findings in the preceding financial audit report that were also included in the second preceding fiscal year financial audit report.	33	8	24	63	(3)	(3)	(3)	(3)
Federal Awards								
The Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 did not include an adequate restricted use statement.	14	3	21	47	(3)	(3)	(3)	(3)

**EXHIBIT D (CONTINUED)
COMPLETENESS REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2011-12 FISCAL YEAR**

Description of Deficiencies - Reports Reviewed for Total of 519 Entities	Charter Schools				District School Boards			
	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Fiscal Year Percent	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Fiscal Year Percent
Required Supplementary Information								
The financial data included in the management discussion and analysis did not agree with the same data in the financial statements or the notes to the financial statements.	474	37	8	8	20	2	10	(4)
Notes to Financial Statements								
The notes did not disclose the fund balance classification policies and procedures.	465	21	5	(5)	(3)	(3)	(3)	(3)
The notes did not disclose the purposes for interfund balances.	124	16	13	(5)	20	1	5	6
The notes did not disclose a general description of the principle purposes of interfund transfers.	154	65	42	(5)	(3)	(3)	(3)	(3)
The notes did not disclose whether the amounts of settlements exceeded insurance coverage for each of the past three fiscal years.	461	74	16	(5)	(3)	(3)	(3)	(3)
The notes did not disclose the required contribution rate(s) of plan members, expressed as a rate (amount) per member or as a percentage of covered payroll for defined benefit OPEB plan.	2	2	100	(4)	20	8	40	55

- Notes: (1) Number of reports for which the deficiency was noted.
 (2) Percent of applicable reports for which the deficiency was noted.
 (3) Criteria not applicable to entity type or there were no reports for which the deficiency was noted for the 2011-12 fiscal year.
 (4) Percent not reported in prior year.
 (5) Not comparable to prior year. Item was reported on Exhibit E and percent was calculated on a sample basis in the prior year.

**EXHIBIT E
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2011-12 FISCAL YEAR**

Description of Deficiencies - Reports Reviewed for Sampled Entities	Charter Schools			District School Boards		
	Number of reports to which criteria applied	Number (1)	Percent (2)	Number of reports to which criteria applied	Number (1)	Percent (2)
Financial Statements						
The ending fund balances or net assets shown in the preceding year's financial statements differed by a material amount from the beginning fund balances or net assets shown in the current year's financial statements, and the material difference was not disclosed in the notes to the financial statements.	46	4	9	20	3	15
The statement of revenue, expenditures, and changes in fund balances was not presented in the manner specified in GASB Statement No. 34, paragraph 86.	41	3	7	(3)	(3)	(3)
The financial statements contained mathematical errors (nonrounding).	50	4	8	20	6	30
Auditor's Report on Internal Control Over Financial Reporting and Compliance						
The report did not include a 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 weakness have been identified.	46	3	7	(3)	(3)	(3)
Required Supplementary Information						
The management discussion and analysis was not limited to the topics listed in GASB Statement No. 34, paragraph 11, as amended by GASB Statement Nos. 37 and 63.	44	4	9	(3)	(3)	(3)
The budgetary comparison schedules for the general fund and each major special revenue fund did not include both the original budget and the final budget.	41	6	15	(3)	(3)	(3)
The basis on which the budget was prepared was not consistent with the basis of accounting used.	41	4	10	(3)	(3)	(3)
Excess of expenditures over appropriations in individual funds were not presented in the notes to the budgetary comparison schedule.	36	5	14	(3)	(3)	(3)

**EXHIBIT E (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2011-12 FISCAL YEAR**

Description of Deficiencies - Reports Reviewed for Sampled Entities	Charter Schools			District School Boards		
	Number of reports to which criteria applied	Number (1)	Percent (2)	Number of reports to which criteria applied	Number (1)	Percent (2)
Notes to Financial Statements - Other Than Pension Plan and Other Postemployment Benefit Disclosures						
The notes did not include a description of the government-wide statements, noting that fiduciary funds are not included.	41	3	7	(3)	(3)	(3)
The notes did not include a description of the activities accounted for in each of the following columns presented in the basic financial statements: (a) major funds; (b) internal service funds; and (c) fiduciary funds.	41	6	15	(3)	(3)	(3)
The notes did not include a description of the types of transactions included in program revenues.	41	9	22	(3)	(3)	(3)
The notes did not disclose the policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.	18	6	33	(3)	(3)	(3)
The notes did not disclose that the fiduciary funds are reported on the accrual basis of accounting.	7	5	71	20	2	10
For deposits shown on the Balance Sheet or Statement of Net Assets, the notes did not disclose whether deposits as of the combined Balance Sheet or Statement of Net Assets date are entirely insured or collateralized with securities held by the entity or by the entity's agent in the entity's name or, if not, the reported amount of total deposits and the total amount of bank balances classified by the three categories of custodial credit risk.	43	3	7	(3)	(3)	(3)
The notes did not disclose the portion of each long-term liability that is due within one year of the statement date.	21	5	24	(3)	(3)	(3)
The notes did not disclose which governmental funds typically have been used to liquidate other long-term liabilities.	6	6	100	20	2	10
The notes did not disclose significant violations of law for material overexpenditures at the legal level of control identified in the budgetary comparison schedule or the actions taken to address these significant violations of law.	15	15	100	(3)	(3)	(3)

**EXHIBIT E (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE 2011-12 FISCAL YEAR**

Description of Deficiencies - Reports Reviewed for Sampled Entities	Charter Schools			District School Boards		
	Number of reports to which criteria applied	Number (1)	Percent (2)	Number of reports to which criteria applied	Number (1)	Percent (2)
Pension Plan Financial Statement Note Disclosures						
For cost-sharing defined benefit plans, the notes did not include the required contributions in dollars and the percentage of that amount contributed for the current and each of the two preceding years.	14	5	36	(3)	(3)	(3)
For defined contribution plans, the notes did not indicate the name of the plan, identify the entity that administers the plan, or identify the plan as a defined contribution plan.	23	11	48	20	1	5
For defined contribution plans, the notes did not include information related to actual contributions of plan members or the employer.	23	5	22	20	2	10
Other Postemployment Benefit Plan Financial Statement Note Disclosure						
The notes did not disclose whether the OPEB plan issues a stand-alone financial report, or is included in the report of a PERS or another entity, and if so, how to obtain the report.	2	1	50	20	3	15
The authority under which the obligation of plan members, employers, and any other parties to contribute is established and may be amended were not disclosed.	(3)	(3)	(3)	20	6	30
The notes did not include a statement that the schedule of funding progress in RSI presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.	(3)	(3)	(3)	20	3	15
Factors that significantly affect the identification of trends in the amounts reported (e.g. changes in benefit provisions, the size or composition of the population covered by the plan, the actuarial methods and assumptions used, etc.) were not disclosed.	(3)	(3)	(3)	20	6	30
Federal Awards						
The schedule of expenditures of Federal awards did not include total amounts expended for each Federal program for which multiple awards with the same Catalog of Federal Domestic Assistance number were reported.	2	1	50	4	3	75

Notes: (1) Number of reports for which the deficiency was noted.
 (2) Percent of reports for which the deficiency was noted.
 (3) Criteria not applicable to entity type or there were no reports for which the deficiency was noted for the 2011-12 fiscal year.