

**REVIEW OF  
LOCAL GOVERNMENTAL ENTITY  
2015-16 FISCAL YEAR AUDIT REPORTS**

Pursuant to Section 11.45(7)(b), Florida Statutes



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Auditor General

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# REVIEW OF LOCAL GOVERNMENTAL ENTITY 2015-16 FISCAL YEAR AUDIT REPORTS

## **SUMMARY**

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State law<sup>1</sup> requires local governmental entities, such as counties and certain municipalities and special districts, to provide for annual financial audits conducted by independent certified public accountants (CPAs). Audit reports are required to be submitted to us within 45 days after delivery of the audit report to the governing body of the entity, but no later than 9 months after the end of the entity's fiscal year.<sup>2</sup>

We reviewed the 2015-16 fiscal year audit reports submitted for local governmental entities, and determined that the information was usually presented in accordance with generally accepted accounting principles (GAAP) and the audit reports generally complied with generally accepted government auditing standards (GAGAS) and Rules of the Auditor General.<sup>3</sup> However, we also noted the following instances in which audit reports were not submitted, not submitted timely, or not prepared in accordance with all applicable requirements:

**Finding 1:** As of September 29, 2017, 95 local governmental entities had not submitted 2015-16 fiscal year audit reports to us for review. Of these 95 local governmental entities, 61 (3 counties, 23 municipalities and 35 special districts) were required to submit audit reports to us, and 34 (3 municipalities and 31 special districts) may have been required to provide for an audit. Additionally, 82 local governmental entities (4 counties, 22 municipalities, and 56 special districts) submitted the audit reports more than 9 months after the end of the entity's fiscal year and, although 101 entities (6 counties, 15 municipalities, and 80 special districts) submitted audit reports to us within the 9-month time frame, the reports were not submitted within 45 days after delivery of the audit report to the entity's governing body.

**Finding 2:** Our completeness reviews of the 1,311 local governmental entity audit reports submitted to us by July 31, 2017, disclosed instances of noncompliance with certain requirements, primarily related to financial statement note disclosures, required supplementary information, and the independent accountant's reports.

**Finding 3:** Our comprehensive reviews of 60 selected local governmental entity audit reports disclosed certain instances of noncompliance with GAAP, GAGAS, Rules of the Auditor General, Federal Uniform Guidance requirements,<sup>4</sup> and Florida Single Audit Act<sup>5</sup> requirements.

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<sup>1</sup> Section 218.39, Florida Statutes.

<sup>2</sup> Section 218.39(7), Florida Statutes.

<sup>3</sup> Chapter 10.550, Rules of the Auditor General.

<sup>4</sup> Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

<sup>5</sup> Section 215.97, Florida Statutes.

## **BACKGROUND**

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State law<sup>6</sup> requires annual financial audits of local governmental entities, such as each county and municipalities and special districts meeting certain revenue or expenditure and expense thresholds. State law<sup>7</sup> defines a financial audit as an examination of financial statements in order to express an opinion on the fairness with which the statements 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 General of the United States).<sup>8</sup>

State law establishes several requirements that independent certified public accountants (CPAs) must follow when conducting financial audits of local governmental entities. For example, the CPAs performing these financial audits must:

- Prepare a management letter that is included as a part of the financial audit report.<sup>9</sup>
- Discuss with the appropriate official(s) all findings that will be included in the financial audit report.<sup>10</sup>
- Conduct the audits in accordance with Rules of the Auditor General.<sup>11</sup>

In addition, State law<sup>12</sup> requires the entity's officer to provide a written statement of explanation or a rebuttal concerning the audit findings, including corrective action to be taken. The officer's written statement is to be filed with the entity's governing body within 30 days after delivery of the findings.

To assist auditors in complying with the requirements of generally accepted government auditing standards, and applicable laws, rules, and regulations, we developed rules<sup>13</sup> pursuant to State law.<sup>14</sup> These rules require the scope of a financial audit to 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 Uniform Guidance<sup>15</sup> and the Florida Single Audit Act.<sup>16</sup>

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<sup>6</sup> Section 218.39(1), Florida Statutes.

<sup>7</sup> Section 218.31(17), Florida Statutes.

<sup>8</sup> *Government Auditing Standards* incorporate by reference the auditing standards generally accepted in the United States (i.e., *American Institute of Certified Public Accountants Statements on Auditing Standards*).

<sup>9</sup> Section 218.39(4), Florida Statutes.

<sup>10</sup> Section 218.39(5), Florida Statutes.

<sup>11</sup> Section 218.39(7), Florida Statutes.

<sup>12</sup> Section 218.39(6), Florida Statutes.

<sup>13</sup> Chapter 10.550, Rules of the Auditor General.

<sup>14</sup> Section 11.45(8), Florida Statutes.

<sup>15</sup> Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

<sup>16</sup> Section 215.97, Florida Statutes.

We also developed guidelines to assist auditors, for example, in determining whether or not a local governmental entity met one or more of the financial emergency conditions described in State law<sup>17</sup> and identifying the specific condition(s) met. The rules were adopted in consultation with the Board of Accountancy and the rules and guidelines are made available on our Web site.

## ***FINDINGS AND RECOMMENDATIONS***

### **Finding 1: Noncompliance – Audit Report Submission Requirements**

State law<sup>18</sup> requires the applicable local governmental entity to 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 entity’s fiscal year. Table 1 quantifies, as of September 29, 2017, the number of local governmental entities that did not comply with the audit report submission requirements for the 2015-16 fiscal year.

**Table 1  
Noncompliance with Audit Report  
Submission Requirements**

<b>Noncompliance Type</b>	<b>Counties</b>	<b>Municipalities</b>	<b>Special Districts</b>	<b>Total</b>
Audit required, but report not submitted	3	23	35	61
Audit may have been required, but report not submitted	-	3	31	34
Audit report submitted more than 9 months after the end of the entity’s fiscal year	4	22	56	82
Audit report submitted more than 45 days after the report was delivered to the entity’s governing body	6	15	80	101

Regarding the noncompliance shown in Table 1:

- 61 local governmental entities (3 counties, 23 municipalities and 35 special districts) did not submit the required audit report to us. A listing of the 61 local governmental entities is included as **EXHIBIT A** to this report.
- 34 local governmental entities (3 municipalities and 31 special districts) may have been required to provide for an audit, but did not submit an audit report to us. It was not practicable for us to determine whether an audit was required because sufficient information related to each entity’s revenues or expenditures and expenses was not readily available either from the entity, Department of Financial Services (DFS) records, or other sources. If an entity is required to have an audit, the audit report must be filed both with the DFS and the Auditor General.<sup>19</sup> A listing of the 34 local governmental entities is included as **EXHIBIT B** to this report.
- 82 local governmental entities (4 counties, 22 municipalities, and 56 special districts) submitted audit reports to us more than 9 months after the end of the entity’s fiscal year. These entities’

<sup>17</sup> Section 218.503(1), Florida Statutes.

<sup>18</sup> Section 218.39(7), Florida Statutes.

<sup>19</sup> Sections 218.32(1)(d) and 218.39(7), Florida Statutes.

audit reports were submitted to us 10 to 88 days after the 9-month time frame elapsed. A listing of the 82 local governmental entities is included as **EXHIBIT C** to this report.

- Although audit reports for 101 local governmental entities (6 counties, 15 municipalities, and 80 special districts) were submitted to us within the 9-month time frame, the reports were submitted 51 to 223 days after delivery of the audit report to the entity's governing body. A listing of the 101 local governmental entities is included as **EXHIBIT D** to this report.

Local governmental entities that fail to provide for audits may be subject to consequences prescribed by State law.<sup>20</sup> Timely audits are necessary to ensure that management and those charged with governance are promptly informed of control deficiencies and financial-related noncompliance. Additionally, timely filed audit reports provide for timely review by appropriate Federal and State oversight agencies.

**Recommendation: Management of the local governmental entities should ensure that audits are timely conducted and audit reports are timely submitted in accordance with State law.**

## **Finding 2: Completeness Reviews**

We performed completeness reviews for all 1,311 local governmental entity audit reports submitted to us as of July 31, 2017, to determine whether the audit reports included the financial statements, note disclosures, reports, and other items required by generally accepted accounting principles (GAAP) and Rules of the Auditor General,<sup>21</sup> and the extent to which the audit reports complied, for selected significant matters, with GAAP, generally accepted government auditing standards (GAGAS), and Rules of the Auditor General, as applicable. State law<sup>22</sup> requires us to request from local governmental entities any significant items omitted from audit reports. The local governmental entities are to provide us with the requested items no later than 45 days after the date of our request.

Most of the audit reports subjected to our completeness reviews included audited financial statements and notes thereto, the required independent auditor's reports on the financial statements and on internal control over financial reporting and compliance (compliance report), and the independent accountant's report of local governmental entity compliance with State law requirements. Additionally, most of the reports we reviewed were usually presented in accordance with GAAP, GAGAS, and Rules of the Auditor General. However, we noted certain instances of noncompliance, many of which related to independent accountant's reports, financial statement note disclosures, and required supplementary information. For example, we noted:

- 65 (61 percent) of the 106 applicable audit reports presented significant overexpenditures at the legal level of control identified in the budgetary comparison schedules; however, the 65 audit reports either lacked a note disclosing that the overexpenditure represented a significant violation of the legally adopted budget or did not disclose actions taken to address the significant violation.
- 76 (33 percent) of 233 applicable financial statements presenting pension trust fund information did not include the required schedule of annual money-weighted rate of return on pension plan investments.

<sup>20</sup> Section 11.40(2), Florida Statutes.

<sup>21</sup> Chapter 10.550, Rules of the Auditor General.

<sup>22</sup> Section 11.45(7)(b), Florida Statutes.

**EXHIBIT E** of this report provides, by entity type, a summary of the deficiencies disclosed by our completeness reviews.

We also sent letters to 83 local governmental entities, including county agencies, requesting significant items that had been omitted from audit reports and concurrently provided a copy of the request letter to the respective entity auditors. Most of the items requested from the entities related to:

- Missing or inadequate accountant's report determinations of entity compliance. For example, auditors of entities that received or expended funds related to the Deepwater Horizon oil spill did not always determine entity compliance with Federal and State laws, rules, regulations, contracts, or grant agreements related to the receipt and expenditure of these funds.<sup>23</sup>
- Missing auditee responses to Federal or State program audit findings, compliance report findings, or management letter findings.<sup>24</sup>
- Missing disclosures clarifying whether audit findings from the preceding financial audit report were corrected and identification of any uncorrected audit findings from the two preceding financial audit reports.<sup>25</sup>

As of September 29, 2017, 9 of the 83 local governmental entities had not provided the requested items and, pursuant to State law,<sup>26</sup> we notified the Legislative Auditing Committee.

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

**Recommendation: Local governmental entities and their auditors should ensure that audit reports contain information presented in accordance with applicable requirements.**

### **Finding 3: Comprehensive Reviews**

In addition to completeness reviews, we performed comprehensive reviews of selected audit reports for the 2015-16 fiscal year and noted certain errors and deficiencies. Specifically, we reviewed:

- 60 (3 county, 17 municipality, and 40 special district) audit reports to determine the extent of compliance, on a more comprehensive basis (excluding pension plan and other postemployment benefit plan note disclosures), with GAAP, GAGAS, and Rules of the Auditor General,<sup>27</sup> and noted deficiencies pertaining to financial statements, note disclosures, and required supplementary information (RSI). For example, the financial statements for 4 (7 percent) of the 60 audit reports we reviewed contained nonrounding mathematical errors in the financial statements. Also, notes to financial statements for 3 (6 percent) of the 54 applicable audit reports we reviewed did not disclose the types of transactions included in program revenues.

<sup>23</sup> Section 10.556(10)(e), Rules of the Auditor General, and Section 288.8018(1), Florida Statutes.

<sup>24</sup> Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General.

<sup>25</sup> Section 10.554(1)(i)1., Rules of the Auditor General.

<sup>26</sup> Section 11.45(7)(b), Florida Statutes.

<sup>27</sup> Chapter 10.550, Rules of the Auditor General.

- 60 (6 county, 33 municipality, and 21 special district) audit reports with pension plan note disclosures to determine the extent of compliance with GAAP and noted some deficiencies. For example, the notes to financial statements for 4 (18 percent) of the 22 applicable reports presenting single-employer defined benefit pension plan information did not provide information regarding the plan's board of directors and its composition. Similarly, the notes to financial statements for 4 (12 percent) of the 33 applicable reports presenting a defined contribution pension plan did not specify the authority under which provisions of the plan are established.
- 60 (8 county, 35 municipality, and 17 special district) audit reports with other postemployment benefit (OPEB) plan note disclosures and RSI to determine the extent of compliance with GAAP and noted a significant number of deficiencies. For example, 16 (27 percent) of the 60 audit reports we reviewed did not disclose required plan member contributions either as a rate per member or as a percentage of covered payroll.
- 60 (16 county, 30 municipality, and 14 special district) audit reports to determine the extent of compliance with the Federal Uniform Guidance (Federal Single Audit) reporting requirements and 60 (20 county, 24 municipality, and 16 special district) audit reports to determine the extent of compliance with the Florida Single Audit Act reporting requirements. Additionally, we reviewed those reports for compliance with Rules of the Auditor General<sup>28</sup> that require the scope of the audit, when applicable, encompass the additional activities necessary to establish compliance with the Federal Single Audit and the Florida Single Audit requirements.

The deficiencies we noted included, for example, the notes to the schedule of expenditures of Federal awards for 9 (15 percent) of the 60 applicable reports did not describe whether the auditee elected to use the 10 percent de minimis indirect cost rate. Also, the Florida Single Audit dollar threshold identified in the schedule of findings and questioned costs to distinguish Type A and Type B State projects was calculated incorrectly for 8 (13 percent) of the 60 applicable reports reviewed.

**EXHIBIT F** to this report provides a summary, by entity type, of the deficiencies disclosed by our comprehensive reviews.

**Recommendation: Management of local governmental entities should ensure that financial statements are mathematically correct and that note disclosures and RSI, including pension plan and OPEB plan disclosures, are presented in accordance with GAAP. We also recommend that local governmental entities and their auditors ensure that all information required by Federal and State audit reporting requirements is properly presented.**

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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

- Complied with generally accepted governmental auditing standards (GAGAS), generally accepted accounting principles (GAAP), and Auditor General Rules;<sup>29</sup> and
- Were prepared by independent certified public accountants (CPAs) properly licensed by the Florida Board of Accountancy.

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<sup>28</sup> Section 10.556(6), Rules of the Auditor General.

<sup>29</sup> Chapter 10.550, Rules of the Auditor General.

The scope of this project included a review of the 2015-16 fiscal year financial audit reports prepared by independent CPAs and submitted to us by July 31, 2017, for 61 counties, 371 municipalities, and 879 special districts (a total of 1,311 entities).

Our review of the 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 review was necessarily limited to the contents of the audit reports submitted to us and did not extend to an examination of the CPAs' working papers or a determination of whether the auditors followed all GAGAS 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 an entity's compliance with applicable laws, rules, regulations, charters, contractual requirements, or bond covenants. Likewise, our 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.

To assist with the conduct of our review, we established a completeness review checklist and various comprehensive review checklists with evaluation criteria from our rules and report review guidelines (as discussed in the **BACKGROUND** section of this report). Due to the number of reports included in this review, we applied the comprehensive review checklists to selected local governmental entity audit reports. Specifically, we completed:

- Completeness review checklists for all 1,311 local governmental entity audit reports received by us through July 31, 2017.
- Comprehensive review checklists for:
  - Financial statements for 60 selected local governmental entity audit reports.
  - Financial statement note disclosures and required supplementary information (RSI) other than pension plan and other postemployment benefit (OPEB) plan disclosures for 60 selected local governmental entity audit reports.
  - Pension plan note disclosures and RSI for 60 selected local governmental entity audit reports.
  - OPEB plan note disclosures and RSI for 60 selected local governmental entity audit reports.
  - Federal Uniform Guidance reporting requirements for 60 selected local governmental entity audit reports.
  - Florida Single Audit Act reporting requirements for 60 selected local governmental entity audit reports.

## ***AUTHORITY***

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Section 11.45(7)(b), Florida Statutes, requires the Auditor General to review, in consultation with the Florida Board of Accountancy, all local governmental entity audit reports prepared by independent certified public accountants (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 2015-16 fiscal year.



Sherrill F. Norman, CPA  
Auditor General

# EXHIBIT A

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## LOCAL GOVERNMENTAL ENTITY 2015-16 FISCAL YEAR AUDIT REPORTS THAT WERE REQUIRED BUT NOT RECEIVED AS OF SEPTEMBER 29, 2017

### Counties

1	Baker County
2	Dixie County
3	Pasco County

### Municipalities

1	Altha, Town of
2	Belleair, Town of
3	Biscayne Park, Village of
4	Century, Town of
5	Chattahoochee, City of
6	DeFuniak Springs, City of
7	Esto, Town of
8	Everglades City, City of
9	Gretna, City of
10	Hallandale Beach, City of
11	Hampton, City of
12	Indian Shores, Town of
13	Islamorada, Village of
14	Lake Clarke Shores, Town of
15	Loxahatchee Groves, Town of
16	New Port Richey, City of
17	Noma, Town of
18	Opa-Locka, City of
19	Pahokee, City of
20	Springfield, City of
21	Sweetwater, City of
22	Vernon, City of
23	Zephyrhills, City of

### Special Districts

1	Baker Fire District
2	Beach Community Development District
3	Bullfrog Creek Community Development District
4	Campbellton-Graceville Hospital
5	Corkscrew Farms Community Development District (Established 12/16/15)
6	CrossCreek Community Development District
7	Cypress Cove Community Development District
8	Cypress Shadows Community Development District
9	Dorcas Fire District
10	Eastpoint Water and Sewer District
11	Forest Creek Community Development District

**Special Districts (Continued)**

12	Hamilton County Development Authority
13	IRL Council
14	Isle of Palms Special District
15	Leon County Educational Facilities Authority
16	Longleaf Community Development District
17	Martin County Industrial Development Authority
18	Midtown Orlando Community Development District (Dissolved 2/21/17)
19	Mirabella Community Development District
20	Oaks at Shady Creek Community Development District
21	Palm River Community Development District
22	Parkway Center Community Development District
23	Pembroke Harbor Community Development District
24	Pioneer Community Development District
25	Portofino Landings Community Development District
26	River Bend Community Development District
27	Rivercrest Community Development District
28	South Dade Soil and Water Conservation District
29	South Fork East Community Development District
30	Southern Hills Plantation II Community Development District
31	Spring Lake Community Development District
32	Volusia Soil and Water Conservation District
33	Waters Edge Community Development District (Manatee County)
34	WaterGrass Community Development District I
35	West Lake Community Development District (Dissolved 6/1/16)
<b><u>61</u></b>	<b>Total Audit Reports Required but Not Received as of September 29, 2017</b>

## EXHIBIT B

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### LOCAL GOVERNMENTAL ENTITY 2015-16 FISCAL YEAR AUDIT REPORTS THAT MAY HAVE BEEN REQUIRED BUT WERE NOT RECEIVED AS OF SEPTEMBER 29, 2017

#### Municipalities

1	Belleair Shore, Town of
2	Caryville, Town of
3	Lazy Lake, Village of

#### Special Districts

1	Ali-Baba Neighborhood Improvement District
2	Armstrong Community Development District (Established 7/15/16)
3	Baker Soil and Water Conservation District
4	Columbia County Law Library (Dissolved 3/25/16)
5	Coquina Road and Bridge District
6	East-West Neighborhood Improvement District
7	Entrada Community Development District (Pinellas County)
8	Green Corridor Property Assessment Clean Energy (PACE) District
9	Harmony Central Community Development District (Dissolved 2/1/16)
10	Harmony West Community Development District (Dissolved 2/1/16)
11	Heritage Plantation Community Development District
12	Lafayette Soil and Water Conservation District
13	Laguna Estates Community Development District
14	Laurel Highlands Community Development District
15	Merrick Park Community Development District (Dissolved 8/9/16)
16	New Port Richey Community Redevelopment Agency
17	Niles Garden Neighborhood Improvement District
18	Opa-Locka Community Redevelopment Agency
19	Orange Soil and Water Conservation District
20	Osceola Marketplace Community Development District
21	Ravaudage Community Development District
22	Santa Rosa Bay Bridge Authority
23	Springfield Community Redevelopment Agency
24	Stoneybrook South at ChampionsGate Community Development District (Established 8/15/16)
25	Summit at Fern Hill Community Development District
26	Sunbridge Community Development District 1 (Established 6/14/16)
27	Suncoast Community Development District
28	Treaty Oaks Community Development District
29	Valrico Manor Special Dependent Tax District
30	West Orange Airport Authority
31	Westwood Dependent Tax District (Dissolved 7/21/16)

**34 Total Audit Reports That May Have Been Required but Were Not Received as of September 29, 2017**

## EXHIBIT C

### LOCAL GOVERNMENTAL ENTITY 2015-16 FISCAL YEAR AUDIT REPORTS SUBMITTED MORE THAN 9 MONTHS AFTER FISCAL YEAR END

	Counties	Date Received	Days Late
1	Flagler County	07/19/17	19
2	Osceola County	07/28/17	28
3	St. Johns County	09/22/17	84
4	Union County	09/01/17	63
	<b>Municipalities</b>		
1	Astatula, Town of	09/18/17	80
2	Atlantic Beach, City of	09/14/17	76
3	Bal Harbour Village, Town of	07/25/17	25
4	Boynton Beach, City of	07/28/17	28
5	Campbellton, Town of	07/17/17	17
6	Crestview, City of	07/11/17	11
7	Flagler Beach, City of	07/26/17	26
8	Fort Meade, City of	07/20/17	20
9	Fruitland Park, City of	09/01/17	63
10	Hastings, Town of	07/13/17	13
11	Havana, Town of	07/28/17	28
12	Howey-in-the-Hills, Town of	07/10/17	10
13	Key Biscayne, Village of	07/19/17	19
14	Lake Park, Town of	07/24/17	24
15	Manalapan, Town of	08/22/17	53
16	Mangonia Park, Town of	07/27/17	27
17	Panama City Beach, City of	09/19/17	81
18	Redington Beach, Town of	07/31/17	31
19	Redington Shores, Town of	09/08/17	70
20	St. Pete Beach, City of	07/24/17	24
21	Webster, City of	07/31/17	31
22	West Palm Beach, City of	07/28/17	28
	<b>Special Districts</b>		
1	Almarante Fire District	08/28/17	59
2	Amelia Island Mosquito Control District	08/02/17	33
3	Argyle Fire District	09/22/17	84
4	Avelar Creek Community Development District	07/10/17	10
5	Belmont Lakes Community Development District	08/25/17	56
6	Blackburn Creek Community Development District	09/19/17	81
7	Carlton Lakes Community Development District	07/10/17	10
8	Champion's Reserve Community Development District	07/10/17	10
9	Children's Services Council of Martin County	07/25/17	25
10	Colonial Country Club Community Development District	07/14/17	14
11	Coquina Water Control District	07/14/17	14
12	Doctors Memorial Hospital	09/07/17	69
13	Greater Osceola Partnership for Economic Prosperity	08/11/17	42

<b>Special Districts (Continued)</b>		<b>Date Received</b>	<b>Days Late</b>
14	Habitat Community Development District	07/14/17	14
15	Hacienda Lakes Community Development District	08/24/17	55
16	Heritage Greens Community Development District	07/14/17	14
17	Heritage Palms Community Development District	07/14/17	14
18	Hillsborough County Public Transportation Commission	09/26/17	88
19	Hillsborough Soil and Water Conservation District	08/11/17	42
20	Housing Finance Authority of St. Johns County	07/17/17	17
21	La Collina Community Development District	07/10/17	10
22	Laguna Lakes Community Development District	07/14/17	14
23	Lake Asbury Municipal Service Benefit District	08/07/17	38
24	Lee County Industrial Development Authority	08/07/17	38
25	Madison County Health and Hospital District	07/24/17	24
26	New River Community Development District	08/22/17	53
27	One Daytona Community Development District	08/14/17	45
28	Panama City-Bay County Airport and Industrial District	07/26/17	26
29	Park Place Community Development District	07/10/17	10
30	Pensacola-Escambia County Promotion and Development Commission	08/01/17	32
31	Pinellas County License Board	08/10/17	41
32	Pinellas Park Water Management District	07/25/17	25
33	Port of the Islands Community Improvement District	07/14/17	14
34	Six Mile Creek Community Development District	08/02/17	33
35	South Fork III Community Development District	07/10/17	10
36	Southern Grove Community Development District No. 1	07/12/17	12
37	Southern Grove Community Development District No. 2	07/12/17	12
38	Southern Grove Community Development District No. 3	07/12/17	12
39	Southern Grove Community Development District No. 4	07/12/17	12
40	Southern Grove Community Development District No. 5	07/14/17	14
41	Southern Grove Community Development District No. 6	07/12/17	12
42	St. Johns County Industrial Development Authority	07/17/17	17
43	St. Johns County Educational Facilities Authority	07/17/17	17
44	Taylor County Development Authority	07/24/17	24
45	Terra Bella Community Development	07/10/17	10
46	Tradition Community Development District No. 1	07/14/17	14
47	Tradition Community Development District No. 2	07/12/17	12
48	Tradition Community Development District No. 3	07/12/17	12
49	Tradition Community Development District No. 4	07/12/17	12
50	Tradition Community Development District No. 5	07/12/17	12
51	Tradition Community Development District No. 6	07/12/17	12
52	Tradition Community Development District No. 7	07/12/17	12
53	Tradition Community Development District No. 8	07/12/17	12
54	Tradition Community Development District No. 9	07/12/17	12
55	Tradition Community Development District No. 10	07/12/17	12
56	Tri-County Airport Authority	09/13/17	75

**82 Total Audit Reports Submitted More Than 9 Months After Fiscal Year End**

## EXHIBIT D

### LOCAL GOVERNMENTAL ENTITY 2015-16 FISCAL YEAR AUDIT REPORTS SUBMITTED MORE THAN 45 DAYS AFTER REPORT WAS DELIVERED TO THE ENTITY'S GOVERNING BODY

	Counties	Number of Days Audit Report Submitted After Delivery to Entity's Governing Body	
		Submitted Late	Submitted Late
1	Broward County	61	16
2	Citrus County	51	6
3	Gadsden County	58	13
4	Nassau County	83	38
5	Pinellas County	56	11
6	St. Lucie County	70	25
<b>Municipalities</b>			
1	Belle Isle, City of	52	7
2	Beverly Beach, Town of	51	6
3	Cinco Bayou, Town of	63	18
4	Gulf Breeze, City of	79	34
5	Jay, Town of	52	7
6	Lake Helen, City of	102	57
7	Layton, City of	76	31
8	Lighthouse Point, City of	54	9
9	Orange City, City of	91	46
10	Port Orange, City of	84	39
11	Sea Ranch Lakes, Village of	100	55
12	Sebastian, City of	128	83
13	Shalimar, Town of	91	46
14	South Daytona, City of	70	25
15	Wausau, Town of	124	79
<b>Special Districts</b>			
1	Alachua County Library District	75	30
2	Arts Council of Hillsborough County	223	178
3	Asturia Community Development District	85	40
4	Bainebridge Community Development District	82	37
5	Barron Water Control District	125	80
6	Beacon Lakes Community Development District	62	17
7	Bella Vida Community Development District	110	65
8	Bridgewater Community Development District	91	46
9	Briger Community Development District	78	33
10	Brighton Lakes Community Development District	57	12
11	CFM Community Development District	102	57
12	Cedar Hammock Community Development District	141	96

		<b>Number of Days Audit Report</b>	
		<b>Submitted After Delivery to Entity's Governing Body</b>	<b>Submitted Late</b>
<b>Special Districts (Continued)</b>			
13	Celebration Community Development District	70	25
14	Central Florida Regional Transportation Authority d/b/a LYNX	78	33
15	Children's Services Council of Palm Beach County	83	38
16	Copperstone Community Development District	53	8
17	Country Greens Community Development District	60	15
18	Covington Park Community Development District	102	57
19	East Charlotte Drainage District	101	56
20	Eastlake Oaks Community Development District	76	31
21	Enterprise Community Development District	78	33
22	First Coast Workforce Development Consortium	98	53
23	Fishhawk Community Development District	89	44
24	Fishhawk Community Development District II	81	36
25	Fishhawk Community Development District III	81	36
26	Glen St. Johns Community Development District	96	51
27	Golden Lakes Community Development District	152	107
28	Groves Community Development District, The	91	46
29	Harbour Isles Community Development District	91	46
30	Harbour Waterway Special District	102	57
31	Hardee County Industrial Development Authority	105	60
32	Heritage Harbour South Community Development District	102	57
33	Heritage Lake Park Community Development District	51	6
34	Heritage Landing Community Development District	85	40
35	Heron Isles Community Development District	73	28
36	Jacksonville Transportation Authority	87	42
37	K-Bar Ranch Community Development District	82	37
38	Lee County Trauma Services District	138	93
39	Lee Memorial Health System	138	93
40	Madeira Community Development District	82	37
41	Magnolia West Community Development District	82	37
42	Marion County Hospital District	61	16
43	Marion County Law Library	72	27
44	Marshall Creek Community Development District	92	47
45	Meadow Pointe Community Development District	84	39
46	Meadow Pointe III Community Development District	77	32
47	Meadow Pointe IV Community Development District	85	40
48	Country Walk Community Development District	89	44
49	Mira Lago West Community Development District	104	59
50	Palm Beach Soil and Water Conservation District	72	27
51	Pier Park Community Development District	102	57
52	Preserve at Wilderness Lake Community Development District, The	81	36
53	Quincy-Gadsden Airport Authority	51	6
54	Riverwood Estates Community Development District	85	40
55	Solid Waste Authority of Palm Beach County	52	7

Special Districts (Continued)		Number of Days Audit Report	
		Submitted After Delivery to Entity's Governing Body	Submitted Late
56	South Central Regional Wastewater Treatment and Disposal Board	52	7
57	South Florida Regional Transportation Authority	169	124
58	St. Johns Improvement District	94	49
59	Sterling Hill Community Development District	83	38
60	Stevens Plantation Community Development District	109	64
61	Stoneybrook South Community Development District	124	79
62	Stoneybrook West Community Development District	140	95
63	Tampa Palms Open Space and Transportation CDD	52	7
64	Tampa Sports Authority	81	36
65	Tara Community Development District	124	79
66	Trails Community Development District	81	36
67	Triple Creek Community Development District	85	40
68	University Place Community Development District	55	10
69	Urban Orlando Community Development District	80	35
70	Valencia Water Control District	58	13
71	Vasari Community Development District	71	26
72	Venetian Community Development District	64	19
73	Vista Lakes Community Development District	63	18
74	Waterchase Community Development District	59	14
75	WaterGrass Community Development District II	80	35
76	Waterlefe Community Development District (Manatee County)	81	36
77	Waterset North Community Development District	82	37
78	Westchase Community Development District	112	67
79	Woodlands Community Development District, The	63	18
80	World Commerce Community Development District	85	40

**101 Total Number of Audit Reports Not Submitted Within 45 Days After the Report was Delivered to the Entity's Governing Body (Reports were Submitted Within 9 Months After Fiscal Year End)**

# EXHIBIT E

## SUMMARY OF DEFICIENCIES NOTED DURING COMPLETENESS REVIEWS OF 2015-16 FISCAL YEAR AUDIT REPORTS

Description of Deficiencies	Number of Reports to Which Criterion Applied <sup>a</sup>	County Reports with Deficiencies		Municipality Reports with Deficiencies		Special District Reports with Deficiencies		Total Reports with Deficiencies	
		Number	Percent <sup>b</sup>	Number	Percent <sup>b</sup>	Number	Percent <sup>b</sup>	Number	Percent <sup>c</sup>
<b>Auditor's Report on Internal Control Over Financial Reporting and Compliance:</b>									
The report did not include a description of a modified or disclaimed opinion identified in the auditor's opinion on the financial statements.	36	-	-	3	60	13	43	16	44
<b>Auditor's Management Letter:</b>									
Neither the management letter nor the notes to financial statements included the legal authority of the primary government and each component unit included in the reporting entity.	1,311	13	21	95	26	26	3	134	10
<b>Independent Accountant's Report:</b>									
The report excluded an opinion of whether the clerk of the court complied with requirements for the operation of its depository for alimony, support, and maintenance transactions.	60	7	12	-	-	-	-	7	12
The report excluded an opinion of whether the local governmental entity received and expended Deepwater Horizon oil spill funds in compliance with State and Federal laws, rules, regulations, and contracts.	28	1	11	5	38	-	-	6	21
<b>Notes to Financial Statements:</b>									
The notes did not disclose criteria for including component units within the reporting entity.	288	3	6	14	7	4	9	21	7
The notes did not disclose that significant violations of the legally adopted budget occurred or the actions taken to address these significant violations of law for significant budgetary overexpenditures at the legal level of budgetary control.	106	5	63	31	62	29	62	65	61
The notes did not disclose risks of loss to which the entity is exposed and the way those risks are mitigated.	1,311	1	2	10	3	63	7	74	6
<b>Required Supplementary Information:</b>									
For single-employer defined benefit pension plans, the audit report did not include a schedule of the annual money-weighted rate of return on pension plan investments.	233	1	25	53	28	22	58	76	33
The audit report did not include a schedule of funding progress and schedule of employer contributions for an other postemployment benefit (OPEB) plan.	39	-	-	5	21	-	-	5	13
The audit report did not include a schedule of funding progress for an OPEB plan.	357	5	10	16	8	13	14	34	10
<b>Florida Single Audit:</b>									
Contrary to Department of Financial Services rules, the schedule of expenditures of State financial assistance was not combined with the schedule of expenditures of Federal awards.	128	4	8	2	4	2	7	8	6

<sup>a</sup> A total of 1,311 local governmental entity audit reports were subjected to our completeness reviews.

<sup>b</sup> The percent is based on the number of reports for the respective type of local governmental entity to which each criterion was applied.

<sup>c</sup> The percent is based on the total number of reports for all three types of governmental entities to which each criterion was applied.

# EXHIBIT F

## SUMMARY OF DEFICIENCIES NOTED DURING COMPREHENSIVE REVIEWS OF SELECTED 2015-16 FISCAL YEAR AUDIT REPORTS

Description of Deficiencies	Number of Reports to Which Criterion Applied <sup>a</sup>	County Reports with Deficiencies		Municipality Reports with Deficiencies		Special District Reports with Deficiencies		Total Reports with Deficiencies	
		Number	Percent <sup>b</sup>	Number	Percent <sup>b</sup>	Number	Percent <sup>b</sup>	Number	Percent <sup>c</sup>
<b>Financial Statements:</b>									
Financial statements contained significant mathematical errors (not related to rounding).	60	1	33	2	12	1	3	4	7
<b>Notes to Financial Statements (Other than Pension Plan and Other Postemployment Benefit (OPEB) Plan Disclosures):</b>									
The notes did not identify types of revenues classified as program revenues.	54	-	-	-	-	3	9	3	6
Totals on supporting schedules in notes to financial statements did not always agree with corresponding financial statement account totals.	58	2	67	2	12	1	3	5	9
The notes did not disclose the measurement focus and basis of accounting used in the government-wide statements.	59	-	-	-	-	3	8	3	5
The notes did not disclose the policy for eliminating internal activity in the statement of activities.	40	-	-	3	21	1	4	4	10
<b>Pension Plan Note Disclosures:</b>									
For single-employer defined benefit plans, the notes did not disclose the authority under which contribution requirements are established and can be amended, the contribution rates, and the basis for determining the contribution.	22	-	-	2	11	1	33	3	14
For single-employer defined benefit plans, the notes did not include information regarding the plan's board of directors and its composition.	22	-	-	4	22	-	-	4	18
For single-employer defined benefit plans, the notes either excluded the annual money-weighted rate of return on investments or excluded an explanation that the rate is net of investment expense.	22	-	-	4	22	2	67	6	27
For defined contribution plans, the notes did not specify the authority under which provisions of the plan are established and can be amended.	33	-	-	3	17	1	9	4	12
For defined contribution plans, the note did not disclose the contribution requirements and the authority under which contribution rates are established and can be amended.	33	-	-	4	22	-	-	4	12
<b>OPEB Plan Note Disclosures:</b>									
The notes did not disclose whether the OPEB plan issues a stand-alone financial report or is included in the report of another entity, and if so, how to obtain the report.	60	-	-	5	14	5	29	10	17
The notes did not include the name of the plan, identification of the public employee retirement system (PERS) or other entity that administers the plan, and identification of the plan as a single-employer, agent multiple-employer, or cost-sharing multiple-employer defined benefit OPEB plan.	60	-	-	5	14	3	18	8	13
The notes did not include a brief description of the types of benefits and the authority under which benefit provisions are established or amended.	60	-	-	11	31	1	6	12	20

Description of Deficiencies	Number of Reports to Which Criterion Applied <sup>a</sup>	County Reports with Deficiencies		Municipality Reports with Deficiencies		Special District Reports with Deficiencies		Total Reports with Deficiencies	
		Number	Percent <sup>b</sup>	Number	Percent <sup>b</sup>	Number	Percent <sup>b</sup>	Number	Percent <sup>c</sup>
<b>OPEB Plan Note Disclosures (Continued):</b>									
The notes did not include required contributions of plan members, either as a rate per member or a percentage of covered payroll.	60	-	-	7	20	9	53	16	27
The notes of sole and agent employer plans did not disclose the amortization period.	60	-	-	1	3	2	12	3	5
<b>Federal Uniform Guidance:</b>									
The notes to the schedule of expenditures of Federal awards did not describe whether the auditee elected to use the 10 percent de minimis indirect cost rate.	60	1	6	5	17	3	21	9	15
<b>Florida Single Audit:</b>									
The auditor's report on compliance and internal control over compliance did not cite the Department of Financial Services (DFS) as the authority of the State Projects Compliance Supplement.	60	-	-	4	17	-	-	4	7
The reported dollar thresholds used to distinguish between Type A and Type B State projects on the schedule of findings and questioned costs were not correctly calculated using the criteria in DFS rules.	60	1	5	5	21	2	13	8	13

<sup>a</sup> The **OBJECTIVES, SCOPE, AND METHODOLOGY SECTION** of this report identifies the number of entities we selected for review.

<sup>b</sup> The percent is based on the number of reports for the respective type of local governmental entity to which each criterion was applied.

<sup>c</sup> The percent is based on the total number of selected reports for all three types of governmental entities to which each criterion was applied.