

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

For the Fiscal Year Ended
June 30, 2008



This review was coordinated by David T. Ward, CPA. Please address inquiries regarding this report to Ted J. Sauerbeck, CPA, Audit Director, by e-mail at tedsauerbeck@aud.state.fl.us or by telephone at (850) 487-4468.

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) 487-9024; 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 AUDIT REPORTS
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SUMMARY

Pursuant to Section 218.39, Florida Statutes, certain district school boards and all charter schools and charter technical career centers (charter schools) are required to provide for annual financial audits conducted by independent certified public accountants. We are required to review all charter school and district school board financial audit reports submitted pursuant to Section 218.39(8), Florida Statutes. Audit reports for the fiscal year ended June 30, 2008, 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 12 months after the end of the fiscal year (June 30, 2009). We reviewed audit reports for 339 charter schools and 16 district school boards received through November 16, 2009, 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 eight charter schools were not submitted to us, including five that were closed during or subsequent to the 2007-08 fiscal year. Audit reports for 26 charter schools and 4 district school boards were not submitted to us within 45 days after delivery to the governing bodies. Additionally, audit reports for 31 charter schools and 8 district school boards were received after the June 30, 2009, deadline.

Finding No. 2: Correspondence accompanying 23 charter school audit reports did not indicate the date that the audit reports were delivered to the governing body. This information is necessary to demonstrate compliance with audit report submission requirements.

Finding No. 3: Our completeness reviews of audit reports received for 339 charter schools and 16 district school boards disclosed instances of noncompliance with certain requirements, primarily related to the auditor's reports or management letters and auditee responses thereto, financial statements, and notes to financial statements.

Finding No. 4: Our comprehensive reviews of samples of audit reports disclosed instances of apparent noncompliance with certain requirements, primarily related to the presentation of financial statements, notes to financial statements, and required supplementary information (management's discussion and analysis and budgetary comparison schedules).

BACKGROUND

Section 218.39, Florida Statutes, provides for annual financial audits of each charter school, charter technical career center (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 certified public accountants (CPAs) must follow when conducting financial audits of charter schools and district school boards. Independent CPAs performing these financial audits must:

- 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 Federal single audit requirements and other applicable Federal laws. 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(8), 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 12 months after the end of the fiscal year, which for the 2007-08 fiscal year was June 30, 2009. As of November 16, 2009, 339 charter schools and 16 district school boards submitted a 2007-08 fiscal year audit report to us. Table 1 below shows compliance with the timely submission requirements for the 2007-08 fiscal year and the previous two fiscal years.

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

Type of Exception	Fiscal Year Ended June 30					
	Charter Schools			District School Boards		
	2008	2007	2006	2008	2007	2006
Audit required, but report not submitted.	8	14	19			
Audit report submitted after 45-day deadline.	26	42	54	4	10	6
Audit report submitted after June 30 th deadline.	31	5	17	8		
Entity did not initially indicate when audit report was delivered to governing body.	23	21	11		1	

Source: Auditor General

Regarding the 2007-08 fiscal year information provided in Table 1:

- The 8 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 2007-08 fiscal year, but 5 were closed during or subsequent to the 2007-08 fiscal year.
- Audit reports for 26 charter schools and 4 district school boards were not submitted to us within 45 days of delivery to the governing body (up to 228 and 17 days late, respectively), but not later than June 30, 2009 (see Exhibit B).
- Audit reports for 31 charter schools and 8 district school boards were submitted after the June 30, 2009, deadline (see Exhibit C). These audit reports were also not submitted to us within 45 days of delivery to the governing body.

Charter schools and district school boards that fail to provide for audits may be subject to a penalty pursuant to Section 11.40(5), Florida Statutes. Also, 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: Documentation of Date of Delivery of Annual Financial Audit Report to Governing Body

Sections 10.807(3) and 10.857(4), Rules of the Auditor General, require charter schools and district school boards, when submitting audit reports to us, to indicate in correspondence accompanying the audit report the date the auditor delivered the audit report to the governing body.

As shown in Table 1 in Finding No. 1, and on Exhibit D, there were 23 charter schools that initially did not indicate, in correspondence accompanying the audit report, when the audit report was delivered to the governing body by the auditor (all but three charter schools subsequently provided this information upon our request). This represents a 109 percent increase from the 2005-06 fiscal year. When charter schools do not provide the required information, compliance with the audit report submission requirements is not demonstrated.

Recommendation: Charter schools should ensure that the correspondence accompanying the audit report submitted to us clearly indicates the date the audit report was submitted to the governing body.

Finding No. 3: Completeness Reviews

Audit reports for 339 charter schools and 16 district school boards for the fiscal year ended June 30, 2008, were submitted to us as of October 1, 2009 (three audit reports included combined financial information for 8 charter schools). These audit reports 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. To assist auditors in complying with the requirements of 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 Guidelines are updated annually, and are available on the Auditor General's Web site.

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 schools' respective charter sponsors.

For the 2007-08 fiscal year, 133 charter schools and 3 district school boards 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, the auditee's response to findings included in the auditor's report or management letter, the government-wide and fund financial statements, and required supplementary information. As of November 16, 2009, we had received responses from 94 of the 133 charter schools and 1 of the 3 district school boards from which we requested missing items. Most of the responses received included all of the requested missing items; however, 3 of the charter school responses did not provide all of the requested missing items. 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 November 16, 2009.

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 reports were generally presented in accordance with the requirements of GAGAS, GAAP, and Chapters 10.800 and 10.850, Rules of the Auditor General, as applicable. However, our completeness reviews disclosed instances of apparent noncompliance with certain GAGAS, GAAP, or Chapters 10.800 or 10.850, Rules of the Auditor General, requirements. Similar findings were noted in our report No. 2009-079.

A summary of the deficiencies noted in our completeness reviews by type of entity, with comparative prior year information, is included in Exhibit E. Most of the exceptions disclosed by our completeness reviews relate 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 presentation of financial note disclosures in accordance with GAAP. For purposes of this report, we sorted the deficiencies into the areas of the auditor's reports (report on the financial statements and report on internal control over financial reporting and compliance), management letter, management's discussion and analysis, financial statements, notes to financial statements, and other required supplementary information.

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 make a greater effort to ensure that their reports 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 continue efforts to ensure that financial statement and note disclosures are presented in accordance with GAAP.

Finding No. 4: Comprehensive Reviews

In addition to the completeness reviews, we made comprehensive reviews of audit reports submitted for the fiscal year ended June 30, 2008, as follows:

- We reviewed a sample of audit reports for 50 charter schools, and all 16 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. For 26 of the 50 sampled charter schools, and 16 district school boards, that reported pension plans, this review included a determination of the extent of compliance with GAAP with respect to pension plan disclosures.
- We reviewed the 2 charter school and 16 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 Office of Management and Budget *Circular A-133* relative to Federal awards.

A summary of the deficiencies noted in our comprehensive reviews by type of entity is included in Exhibit F (because of the limited number of items applicable to each type entity, we did not attempt to present comparative prior year information). Similar findings were noted in our report No. 2009-079.

The exceptions disclosed by our comprehensive reviews primarily relate to the presentation of financial statement note disclosures, required supplementary information (management's discussion and analysis and budgetary comparison schedules), and auditor's reports or schedules required for Federal Single Audits.

Recommendation: Charter schools and district school boards should continue efforts to ensure that the financial statement note disclosures (including pension plan disclosures) and required supplementary information (management's discussion and analysis and budgetary comparison schedules) are presented in accordance with generally accepted accounting principles. In addition, charter schools and district school boards, and their auditors, should ensure that reports and schedules are prepared in accordance with Federal Single Audit 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 generally accepted government auditing standards, generally accepted accounting principles, and Chapters 10.800 and 10.850, Rules of the Auditor General; and
- Were prepared by independent certified public accountants (CPAs) properly licensed by the Florida Board of Accountancy.

The scope of this project included a review of audit reports for 339 charter schools and 16 district school boards prepared by independent CPA's and submitted to us by October 1, 2009, for the fiscal year ended June 30, 2008.

Our review of audit reports was conducted in accordance with applicable generally accepted government auditing standards. 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, and Federal compliance review. We applied the basic completeness review checklist to the audit reports for 339 charter schools and to the 16 district school board audit reports. We applied the detailed comprehensive review checklist (other than pension disclosures) to a judgmentally selected sample of 50 charter school audit reports and to the 16 district school board audit reports. We applied the pension disclosure and Federal compliance review checklists, as applicable, to the 50 sampled charter school audit reports and the 16 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 certified public accountants 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 certified public accountants for the fiscal year ended June 30, 2008.



David W. Martin, CPA
Auditor General

EXHIBIT A
CHARTER SCHOOLS REQUIRED TO SUBMIT AN AUDIT REPORT,
BUT DID NOT FOR THE FISCAL YEAR ENDED JUNE 30, 2008

CHARTER SCHOOLS	DISTRICT
Eagles' Nest Elementary Charter School	Broward
Eagles' Nest Middle Charter School	Broward
Liberty City Charter School Project	Miami-Dade
Life Skills Center - Escambia County (1)	Escambia
Prince Community Academy (1)	Hillsborough
Summit Charter School (1)	Orange
Summit Charter School Central Campus (1)	Orange
Sunrise Community Charter School (1)	Broward

Note: (1) Closed during or subsequent to the 2007-08 fiscal year.

EXHIBIT B
CHARTER SCHOOLS, CHARTER TECHNICAL CAREER CENTERS,
AND DISTRICT SCHOOL BOARDS SUBMITTING AUDIT REPORT
AFTER 45-DAY DEADLINE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

DISTRICT SCHOOL BOARDS	Days Late
Alachua County District School Board	14
Palm Beach County District School Board	5
Pasco County District School Board	17
Volusia County District School Board	4

CHARTER SCHOOLS	DISTRICT	Days Late
Boca Raton Charter School	Palm Beach	4
Broward Community Charter Middle School	Broward	65
Broward Community Charter School	Broward	64
Broward Community Charter School West	Broward	65
Charter School of Boynton Beach	Palm Beach	3
DayStar Academy of Excellence Charter School	Palm Beach	12
Delray Youth Vocational Charter School	Palm Beach	21
Discovery Middle Charter School	Broward	7
Easter Seal Society of Volusia and Flagler Counties	Flagler	54
Ed Venture Charter School	Palm Beach	14
Everglades Preparatory Academy	Palm Beach	29
Florida International Academy	Miami-Dade	1
Glades Academy of Agricultural & Ecological Studies	Palm Beach	12
Inlet Grove Community High School	Palm Beach	10
Joseph Littles Nguzo Saba Charter School	Palm Beach	28
Northwest Florida State College Collegiate High School	Okaloosa	29
Paragon Elementary Charter School	Broward	65
Parkway Academy at Broward Community College	Broward	228
Pompano Charter Middle School	Broward	65
Riviera Beach Maritime Academy	Palm Beach	35
Stars Educational Services	Leon	1
Suncoast School for Innovative Studies	Sarasota	73
The Seaside School	Walton	25
Toussaint L'Ouverture High School for Arts and Social Justice	Palm Beach	60
Western Academy Charter School	Palm Beach	1

CHARTER TECHNICAL CAREER CENTER	DISTRICT	Days Late
Volusia Flagler Advanced Technology College	Volusia	49

EXHIBIT C
CHARTER SCHOOLS AND DISTRICT SCHOOL BOARDS SUBMITTING
AUDIT REPORT AFTER JUNE 30, 2009, DEADLINE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

DISTRICT SCHOOL BOARDS	Date Received
Brevard County District School Board	07/10/09
Broward County District School Board	07/15/09
Manatee County District School Board	08/06/09
Miami-Dade County District School Board	07/20/09
Okaloosa County District School Board	07/10/09
Osceola County District School Board	07/14/09
Polk County District School Board	07/14/09
St. Lucie County District School Board	07/14/09

CHARTER SCHOOLS	DISTRICT	Date Received
ASPIRA Eugenio Maria De Hostos Youth Leadership Charter School	Miami-Dade	07/21/09
ASPIRA North Youth Leadership Charter School	Miami-Dade	07/21/09
ASPIRA South Youth Leadership Charter School	Miami-Dade	07/21/09
Clark Advanced Learning Center	Martin	08/26/09
Cornerstone Elementary	Flagler	07/11/09
Florida Community College at Jacksonville Pathways Academy	Duval	07/14/09
Florida Intercultural Academy	Broward	07/15/09
Florida Intercultural Academy Middle School	Broward	07/20/09
Four Corners Charter School, Inc.	Osceola	07/17/09
Guided Path Academy	Palm Beach	08/27/09
Heritage High School	Flagler	07/17/09
Lee Charter Academy	Lee	07/09/09
Micanopy Area Cooperative School	Alachua	07/17/09
Micanopy Middle Charter School	Alachua	07/10/09
Palm Bay Community Charter School - Patriot Campus	Brevard	07/20/09
S.O.C.K. Outstanding Students (S.O.S.) Academy	Duval	07/10/09
Sandor Weiner School of Opportunity, North	Miami-Dade	07/10/09
Sandor Weiner School of Opportunity, South	Miami-Dade	07/10/09
Sarasota Military Academy	Sarasota	07/17/09
Somerset Academy and Somerset Neighborhood School	Broward	07/15/09
Somerset Academy Charter High School	Broward	07/10/09
Somerset Academy Davie Charter School	Broward	07/15/09
Somerset Academy Middle School	Broward	07/10/09
Somerset Academy Middle School Miramar	Broward	07/15/09
Somerset Academy Miramar	Broward	07/15/09
Somerset Arts Conservatory	Broward	07/15/09
Summit Academy	Flagler	07/17/09
The Charter School at the National Deaf Academy	Lake	07/30/09
Wakulla's Charter School of Arts, Science and Technology	Wakulla	07/17/09
Wayman Academy of the Arts	Duval	07/14/09
Westminster Academy Charter School	Orange	07/30/09

EXHIBIT D
CHARTER SCHOOLS THAT INITIALLY DID NOT INDICATE IN CORRESPONDENCE ACCOMPANYING
THE AUDIT REPORT WHEN THE AUDIT REPORT WAS DELIVERED TO THE GOVERNING BODY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

CHARTER SCHOOLS	DISTRICT
Academy of Arts and Minds Charter High School	Miami-Dade
Ben Gamla Charter School	Broward
Big Pine Elementary Academy	Monroe
Einstein Montessori School	Alachua
Hope Preparatory School	Hillsborough
JFK Medical Center Charter School	Palm Beach
Love to Learn Educational Center	Alachua
Metropolitan Ministries Academy	Hillsborough
Miami Community Charter School	Miami-Dade
Micanopy Middle Charter School	Alachua
Oxford Academy of Miami	Miami-Dade
Palm Bay Community Charter School - Patriot Campus	Brevard
Parkway Academy at Broward Community College	Broward
Pepin High School	Hillsborough
Potentials Charter School	Palm Beach
Potentials South Charter School	Palm Beach
Quest Middle School	Hillsborough
Sandor Wiener School of Opportunity, North	Miami-Dade
Sandor Wiener School of Opportunity, South	Miami-Dade
Students in the Arts TV/G-Star TV	Palm Beach
Tampa Transitional School	Hillsborough
The Charter School at the National Deaf Academy	Lake
The Seaside School	Walton

EXHIBIT E
COMPLETENESS REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE FISCAL YEAR ENDED JUNE 20, 2008

Description of Deficiencies - Reports Reviewed for Total of 355 Entities	Charter Schools				District School Boards			
	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Year Percent	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Year Percent
Auditor's Report on the Financial Statements								
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.	339	85	25.0	24.7	16	1	6.3	0.0
The opinion on the audited financial statements included some opinion units (i.e., business-type activities, aggregate remaining fund information, or aggregate discretely presented component units) not presented in the audited financial statements.	311	22	7.1	6.4	(3)	(3)	(3)	(3)
The report did not address the auditor's responsibility for required supplementary information presented.	328	4	1.2	(4)	16	2	12.5	0.0
The report did not address the auditor's responsibility for supplementary information presented.	126	37	29.4	(4)	16	1	6.3	0.0
The introductory paragraph of the report did not disclose the entity was a component unit of another entity.	311	18	5.8	4.2	(3)	(3)	(3)	(3)
The introductory paragraph of the report did not identify either all or some of the individual opinion units.	311	46	14.8	24.1	(3)	(3)	(3)	(3)
Auditor's Report on Internal Control Over Financial Reporting and Compliance								
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.	171	61	35.7	27.4	12	1	8.3	18.2
Management's written statement of explanation or rebuttal concerning findings and recommendations noted in the report was not provided.	111	15	13.5	5.6	(3)	(3)	(3)	(3)
Auditor's Management Letter								
The management letter did not include a statement indicating the auditor applied financial condition assessment procedures pursuant to Sections 10.805(6) and 10.855(10), Rules of the Auditor General.	339	76	22.4	(4)	16	2	12.5	(4)
Management's written statement of explanation or rebuttal concerning findings and recommendations noted in the management letter was not provided.	171	16	9.4	10.2	(3)	(3)	(3)	(3)

**EXHIBIT E (CONTINUED)
COMPLETENESS REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE FISCAL YEAR ENDED JUNE 20, 2008**

Description of Deficiencies - Reports Reviewed for Total of 355 Entities	Charter Schools				District School Boards			
	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Year Percent	Number of reports to which criteria applied	Number (1)	Percent (2)	Prior Year Percent
Required Supplementary Information - Management's Discussion and Analysis (MD&A)								
Certain financial data included in the MD&A did not agree with the same data in the financial statements or notes to financial statements.	311	138	44.4	29.2	16	4	25.0	43.8
The MD&A contained mathematical errors (non-rounding).	311	47	15.1	11.0	(3)	(3)	(3)	(3)
Financial Statements								
The financial statements contained mathematical errors (non-rounding).	339	33	9.7	7.8	(3)	(3)	(3)	(3)
Some account balances did not agree among the financial statements.	339	40	11.8	7.6	(3)	(3)	(3)	(3)
Notes to Financial Statements								
The notes did not disclose the revenue recognition policies used in the fund financial statements (i.e., the revenue accounting policies used to record revenues, including the length of time used to define "available" for the purposes of revenue recognition for governmental funds).	305	66	21.6	22.4	(3)	(3)	(3)	(3)
The notes did not disclose deficit fund balances in individual funds that were not apparent on the face of the financial statements.	53	26	49.0	50.8	4	1	25.0	0.0
The notes did not disclose the appropriate risk categories (interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk) by type of investment.	36	3	8.3	7.1	16	2	12.5	0.0
The notes did not disclose the types of investments authorized by legal or contractual provisions.	36	4	11.1	72.7	(3)	(3)	(3)	(3)
The notes did not disclose a description of the risks of loss to which the entity was exposed and the ways in which those risks of loss are handled.	311	22	7.0	8.7	(3)	(3)	(3)	(3)
The notes contained mathematical errors (non-rounding).	339	30	8.8	7.0	16	2	12.5	0.0
Some totals on supporting schedules or other information in the notes did not agree with the corresponding account totals on the financial statements.	339	98	28.9	14.5	16	2	12.5	6.3
Other Required Supplementary Information								
Some amounts shown on the budgetary comparison schedules did not agree with the corresponding amounts on the financial statements.	304	58	19.1	18.1	(3)	(3)	(3)	(3)
Certain required supplementary information contained mathematical errors (non-rounding).	304	24	7.9	6.7	(3)	(3)	(3)	(3)

Notes: (1) Number of reports for which the deficiency was noted.
 (2) Percentage 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 2007-08 fiscal year.
 (4) Criteria new for the 2007-08 fiscal year, not applied in prior fiscal years.

**EXHIBIT F
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Description of Deficiencies - Reports Reviewed for Total of 66 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)
Auditor's Report on Internal Control Over Financial Reporting and Compliance						
The report did not include a definition of a control deficiency and of a significant deficiency and, if applicable, a statement that deficiencies were identified that are considered to be significant deficiencies.	49	9	18.4	(3)	(3)	(3)
The report did not include a statement that the auditor's consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be significant deficiencies or material weaknesses.	49	3	6.1	(3)	(3)	(3)
The report did not include a restricted use statement.	49	7	14.3	(3)	(3)	(3)
Required Supplementary Information - Management's Discussion and Analysis (MD&A)						
The MD&A did not discuss the results of a comparison between current year results and prior year results.	37	11	29.7	(3)	(3)	(3)
The MD&A did not include a comparison of current year to prior year condensed government-wide financial statement information.	37	5	13.5	(3)	(3)	(3)
Condensed government-wide financial statement information did not include one or more of the following: (1) program revenues, by major source; (2) general revenues, by major source; or (3) total revenues.	31	8	25.8	(3)	(3)	(3)
The MD&A did not include an analysis of overall financial position and results of operations.	40	5	12.5	16	1	6.3
The analysis of overall financial position and results of operations did not address the reasons for significant changes from the prior year, but simply included the amounts or percentage changes.	33	5	15.1	15	2	13.3
The MD&A did not include an analysis of balances and transactions of individual funds, including addressing the reasons for significant changes in fund balances or fund net assets and whether restrictions, commitments, or other limitations significantly affected the availability of fund resources for future use.	40	19	47.5	16	2	12.5
The MD&A did not include an analysis of significant variations between the original and final budget amounts or final budget amounts and actual budget results for the General Fund.	33	18	54.5	(3)	(3)	(3)
The MD&A did not include a description of significant capital asset and long-term debt activity during the year.	29	5	17.2	(3)	(3)	(3)

**EXHIBIT F (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Description of Deficiencies - Reports Reviewed for Total of 66 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 Disclosures)						
The notes did not include a description of the government-wide financial statements, noting that fiduciary funds are not included.	7	3	42.9	(3)	(3)	(3)
The notes did not include information about how the separate financial statements for the individual component units may be obtained.	1	1	100.0	16	2	12.5
The notes did not disclose the measurement focus and basis of accounting used in the government-wide financial statements.	39	3	7.7	(3)	(3)	(3)
The notes did not include a description of the policy for capitalizing assets.	46	6	13.0	(3)	(3)	(3)
The notes did not disclose the policy for calculating depreciation expense, including the method used (e.g., straight line) and estimated useful life.	46	5	13.0	(3)	(3)	(3)
The notes did not include a description of the types of transactions included in program revenues.	35	10	28.5	(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 the purposes for which both restricted and unrestricted assets are available.	17	7	41.2	(3)	(3)	(3)
The notes did not disclose that the fiduciary funds are reported on the accrual basis of accounting.	6	4	66.7	16	2	12.5
The notes did not disclose whether deposits as of the combined balance sheet or statement of net assets date were 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 the total deposits and the total amount of bank balances classified by the category of custodial credit risk.	37	5	13.5	(3)	(3)	(3)
The notes did not disclose current-year depreciation expense, with disclosure of the amounts charged to each of the functions in the statements of activities.	46	6	13.0	(3)	(3)	(3)
The notes did not disclose which governmental funds typically have been used to liquidate other long-term liabilities.	3	3	100.0	16	13	81.3
The notes did not disclose whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years for each type of insurance coverage.	36	21	58.3	16	1	6.3
The notes did not disclose interfund balances by amounts due from other funds by individual major fund, by nonmajor governmental funds in the aggregate, by nonmajor enterprise funds in the aggregate, by internal service funds in the aggregate, and by fiduciary fund type.	5	5	100.0	14	1	7.1
The notes did not disclose the purposes for all interfund balances.	5	4	80.0	14	1	7.1
The notes did not disclose the amount of transfers from other funds by individual major fund, by nonmajor governmental funds in the aggregate, by nonmajor enterprise funds in the aggregate, by internal service funds in the aggregate, and by fiduciary fund type.	9	4	44.4	16	1	6.3
The notes did not disclose the purpose of all interfund transfers.	9	5	55.6	16	1	6.3
The notes did not disclose details of the property tax calendar.	(3)	(3)	(3)	16	11	68.8

**EXHIBIT F (CONTINUED)
COMPREHENSIVE REVIEWS
SUMMARY OF DEFICIENCIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Description of Deficiencies - Reports Reviewed for Total of 66 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 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.	16	11	68.7	2	1	50.0
For defined contribution plans, the notes did not include a brief description of the plan provisions and the authority under which they were established or amended.	16	4	25.0	(3)	(3)	(3)
For defined contribution plans, the notes did not include information related to the contribution requirements of the plan members or employer in dollars or a percentage of payroll.	16	4	25.0	(3)	(3)	(3)
For defined contribution plans, the notes did not include information related to actual contributions of plan members or the employer.	16	8	50.0	(3)	(3)	(3)
Other Required Supplementary Information						
The budgetary comparison schedules did not include the original budget for the general and each special revenue fund.	37	4	10.8	(3)	(3)	(3)
The basis of accounting applied to each budget was not included in either the notes to the financial statements or notes to required supplementary information.	37	7	18.9	(3)	(3)	(3)
The extent to which budgetary control is exercised was not included in either the notes to the financial statements or notes to required supplementary information.	37	18	48.6	(3)	(3)	(3)
Federal Awards						
The Schedule of Expenditures of Federal Awards (SEFA) did not provide total Federal awards expended for each individual Federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.	2	1	50.0	16	6	37.5
The report on the SEFA did not include a statement that the SEFA was presented for the purpose of additional analysis as required by OMB Circular A-133, and is not part of the basic financial statements.	(3)	(3)	(3)	16	2	12.5
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 a statement that the auditee's response to the findings in the audit is described in the accompanying schedule of findings and questioned costs, and that the auditor did not audit the response and accordingly, expresses no opinion on it.	2	1	50.0	5	2	40.0
The schedule of findings and questioned costs did not include a statement as to whether the audit disclosed any findings required to be reported pursuant to OMB Circular A-133.	(3)	(3)	(3)	16	5	31.2
The findings in the schedule of finding and questioned costs related to Federal awards did not identify how the questioned costs were calculated.	(3)	(3)	(3)	5	2	40.0
The corrective action plan did not provide the name(s) of the contact person(s) responsible for the corrective action, the corrective action planned, and the anticipated completion date for each finding.	2	1	50.0	5	4	80.0

Notes: (1) Number of reports for which the deficiency was noted.
 (2) Percentage 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 2007-08 fiscal year.

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