

**REVIEW OF  
LOCAL GOVERNMENTAL ENTITY  
2016-17 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 2016-17 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 filed with 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>

Pursuant to State law,<sup>3</sup> we reviewed the 1,335 local government entity audit reports for the 2016-17 fiscal year that were filed with us through July 31, 2018, 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>4</sup> However, we also noted instances in which audit reports were not filed, not timely filed, or not prepared in accordance with all applicable requirements.

**Finding 1:** As of October 25, 2018, 78 local governmental entities had not filed 2016-17 fiscal year audit reports with us. Of these 78 local governmental entities, 57 (5 counties, 23 municipalities and 29 special districts) were required to file audit reports with us and 21 (3 municipalities and 18 special districts) may have been required to provide for an audit. Additionally, 67 local governmental entities (3 counties, 27 municipalities, and 37 special districts) filed audit reports with us more than 9 months after the end of the entity's fiscal year. Although the audit reports for another 66 entities (2 counties, 13 municipalities, and 51 special districts) were filed with us within the 9-month time frame, the reports were not filed within 45 days of the audit report delivery to the entity's governing body.

**Finding 2:** Our completeness reviews of the 1,335 local governmental entity audit reports filed with us by July 31, 2018, 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 instances of noncompliance with GAAP, GAGAS, Rules of the Auditor General, Uniform Guidance<sup>5</sup> requirements, and Florida Single Audit Act<sup>6</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> Section 11.45(7)(b), Florida Statutes.

<sup>4</sup> Chapter 10.550, Rules of the Auditor General.

<sup>5</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>6</sup> Section 215.97, Florida Statutes.

## **BACKGROUND**

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State law<sup>7</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>8</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>9</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>10</sup>
- Discuss with the appropriate official(s) all findings that will be included in the financial audit report.<sup>11</sup>
- Conduct the audits in accordance with the Rules of the Auditor General.<sup>12</sup>

Additionally, State law<sup>13</sup> requires the appropriate entity officer to provide a written statement of explanation or 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.

Pursuant to State law,<sup>14</sup> we developed rules<sup>15</sup> to assist auditors in complying with the requirements of generally accepted government auditing standards, and applicable laws, rules, and regulations. 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 Uniform Guidance<sup>16</sup> and the Florida Single Audit Act.<sup>17</sup>

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<sup>7</sup> Section 218.39(1), Florida Statutes.

<sup>8</sup> Section 218.31(17), Florida Statutes.

<sup>9</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>10</sup> Section 218.39(4), Florida Statutes.

<sup>11</sup> Section 218.39(5), Florida Statutes.

<sup>12</sup> Section 218.39(7), Florida Statutes.

<sup>13</sup> Section 218.39(6), Florida Statutes.

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

<sup>15</sup> Chapter 10.550, Rules of the Auditor General.

<sup>16</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>17</sup> Section 215.97, Florida Statutes.

We also developed audit report review guidelines that provide, among other things, procedural guidance for CPAs to follow to ensure compliance with financial audit requirements. In addition, we 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>18</sup> and identifying any specific conditions 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 Filing Requirements**

State law<sup>19</sup> requires the local governmental entity to file with us the audit report and a written response to any report or management letter findings 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 October 25, 2018, the number of local governmental entities that did not comply with the audit report filing requirements for the 2016-17 fiscal year.

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

<b>Noncompliance Type</b>	<b>Counties</b>	<b>Municipalities</b>	<b>Special Districts</b>	<b>Total</b>
Audit required but report not filed	5	23	29	<b>57</b>
Audit may have been required but report not filed	-	3	18	<b>21</b>
Audit report filed more than 9 months after the end of the entity’s fiscal year	3	27	37	<b>67</b>
Audit report filed more than 45-days after the report was delivered to the entity’s governing body	2	13	51	<b>66</b>

Regarding the noncompliance shown in Table 1:

- 57 local governmental entities (5 counties, 23 municipalities and 29 special districts) did not file the required audit report with us. A listing of the 57 local governmental entities is included as ***EXHIBIT A*** to this report.
- 21 local governmental entities (3 municipalities and 18 special districts) may have been required to provide for an audit but did not file an audit report with 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>20</sup> A listing of the 21 local governmental entities is included as ***EXHIBIT B*** to this report.

<sup>18</sup> Section 218.503(1), Florida Statutes.

<sup>19</sup> Section 218.39(7), Florida Statutes.

<sup>20</sup> Sections 218.32(1)(d) and 218.39(7), Florida Statutes.

- 67 local governmental entities (3 counties, 27 municipalities, and 37 special districts) filed audit reports with us more than 9 months after the end of the entity’s fiscal year. These entities’ audit reports were filed with us 10 to 122 days after the 9-month time frame elapsed. A listing of the 67 local governmental entities is included as **EXHIBIT C** to this report.
- Although audit reports for 66 local governmental entities (2 counties, 13 municipalities, and 51 special districts) were filed with us within the 9-month time frame, the reports were filed with us 51 to 149 days after delivery of the audit report to the entity’s governing body. A listing of the 66 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>21</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 completed, and audit reports are filed in accordance with State law.**

## **Finding 2: Completeness Reviews**

We performed completeness reviews for all 1,335 local governmental entity audit reports filed with us as of July 31, 2018, 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>22</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. State law<sup>23</sup> requires us to request from the 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 the required 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 requirements in State law, as applicable. Additionally, most of the reports we reviewed were generally presented in accordance with GAAP, GAGAS, and Rules of the Auditor General. However, we noted certain instances of noncompliance, many of which related to the independent auditor’s reports, financial statement note disclosures, and required supplementary information. For example:

- 160 (99 percent) of 162 applicable audit reports presented significant overexpenditures at the legal level of control identified in the budgetary comparison schedules; however, the 160 reports lacked a note disclosing that the overexpenditure represented a significant violation of the legally adopted budget and did not disclose actions taken to address the significant violation.
- 47 (14 percent) of 330 applicable audit reports disclosing other postemployment benefit (OPEB) plan information did not include a schedule of funding progress for an OPEB plan as required supplementary information.

<sup>21</sup> Section 11.40(2), Florida Statutes.

<sup>22</sup> Chapter 10.550, Rules of the Auditor General.

<sup>23</sup> Section 11.45(7)(b), Florida Statutes.

- 18 (53 percent) of 34 applicable reports with a departure from the standard auditor's report on the financial statements (qualified, adverse, or disclaimed opinion) did not provide a description of that departure in the auditor's report on compliance and internal control.

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

We also sent letters to 151 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 the funds.<sup>24</sup>
- Missing or inadequate schedules of required supplementary information for the entity's participation in a defined benefit pension plan.<sup>25</sup>
- Missing auditee responses to Federal or State program audit findings, compliance report findings, or management letter findings.<sup>26</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>27</sup>

As of October 25, 2018, 16 of the 151 local governmental entities had not provided the requested items and, pursuant to State law,<sup>28</sup> we notified the Legislative Auditing Committee. **EXHIBIT F** of this report provides a listing of the 16 local governmental entities.

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 reports and management letter, financial statements, and notes to the financial statements, be presented in accordance with GAAP, GAGAS, and the 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 all the required information presented in accordance with applicable requirements.**

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<sup>24</sup> Section 10.556(10)(e), Rules of the Auditor General, and Section 288.8018(1), Florida Statutes.

<sup>25</sup> Sections 10.553(1) and 10.557(2), Rules of the Auditor General.

<sup>26</sup> Sections 10.557(3)(l) and 10.558(1), Rules of the Auditor General.

<sup>27</sup> Section 10.554(1)(i)1., Rules of the Auditor General.

<sup>28</sup> Section 11.45(7)(b), Florida Statutes.

### Finding 3: Comprehensive Reviews

In addition to completeness reviews, we performed comprehensive reviews of selected audit reports for the 2016-17 fiscal year and noted certain errors and deficiencies. Specifically, we reviewed:

- 60 (3 county, 16 municipality, and 41 special district) audit reports to determine the extent of compliance, on a comprehensive basis, with GAAP, GAGAS, and Rules of the Auditor General,<sup>29</sup> and noted deficiencies pertaining to financial statements, note disclosures (other than pension plan and other postemployment benefit plan note disclosures), and required supplementary information (RSI). For example, the notes to the financial statements for 6 (11 percent) of the 53 applicable audit reports did not disclose the types of revenues included in program revenues.
- 60 (6 county, 32 municipality, and 22 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 the financial statements for 13 (46 percent) of the 28 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 the financial statements for 6 (16 percent) of the 38 applicable reports presenting a defined contribution pension plan did not specify the authority under which provisions of the plan are established and can be amended.
- 60 (9 county, 35 municipality, and 16 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, 44 (73 percent) of the 60 audit reports did not disclose required plan member contributions either as a rate per member or as a percentage of covered payroll.
- 60 (17 county, 31 municipality, and 12 special district) audit reports to determine the extent of compliance with the Uniform Guidance reporting requirements and 60 (21 county, 26 municipality, and 13 special district) audit reports to determine the extent of compliance with the Florida Single Audit Act reporting requirements. We reviewed those reports for compliance with Rules of the Auditor General<sup>30</sup> that requires the scope of the audit, when applicable, to encompass the additional activities necessary to establish compliance with the Uniform Guidance and the Florida Single Audit requirements.

The deficiencies we noted included, for example, the schedule of findings and questioned costs for 3 (5 percent) of the 60 applicable reports did not state whether the local government qualified as a low-risk auditee under Uniform Guidance. In addition, for 3 (5 percent) of the 60 applicable reports the schedule of findings and questioned costs did not list enough State projects audited as major State projects to achieve the required audit coverage of at least 50 percent of total State financial assistance provided to the entity.<sup>31</sup> 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 7 (12 percent) of the 60 applicable reports reviewed.

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

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

<sup>30</sup> Section 10.556(6), Rules of the Auditor General.

<sup>31</sup> Section 215.97(10)(d), Florida Statutes.



**Recommendation:** Management of local governmental entities should ensure that financial statement note disclosures and RSI, including pension plan and OPEB plan disclosures, are presented in accordance with GAAP. In addition, local governmental entities and their auditors should ensure that all information required by Federal and State audit reporting requirements is properly presented and that the major State projects selected for audit provide the audit coverage required by State law.

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

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

- Complied with generally accepted governmental auditing standards (GAGAS), generally accepted accounting principles (GAAP), and Rules of the Auditor General.<sup>32</sup>
- 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 financial audit reports prepared by independent CPAs and filed with us by July 31, 2018, for 60 counties, 363 municipalities, and 912 special districts (a total of 1,335 entities) for the 2016-17 fiscal year.

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 filed with 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, for the local governmental entity audit reports filed with us through July 31, 2018, we completed:

- Completeness review checklists for all 1,335 local governmental entity audit reports.

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<sup>32</sup> Chapter 10.550, Rules of the Auditor General.

- 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 benefits (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.
  - 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 filed 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 2016-17 fiscal year.



Sherrill F. Norman, CPA  
Auditor General

# EXHIBIT A

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## LOCAL GOVERNMENTAL ENTITY 2016-17 FISCAL YEAR AUDIT REPORTS THAT WERE REQUIRED BUT NOT FILED AS OF OCTOBER 25, 2018

### Counties

1	Baker County
2	Dixie County
3	Flagler County
4	Gilchrist County
5	Jefferson County

### Municipalities

1	Altha, Town of
2	Apalachicola, City of
3	Callahan, Town of
4	Cross City, Town of
5	DeFuniak Springs, City of
6	Glen Ridge, Town of
7	Gretna, City of
8	Hampton, City of
10	Lake Park, Town of
11	Loxahatchee Groves, Town of
12	Manalapan, Town of
13	Mangonia Park, Town of
14	New Port Richey, City of
15	Noma, Town of
16	Opa-locka, City of
17	Pahokee, City of
18	Pembroke Park, Town of
19	Springfield, City of
20	Starke, City of
21	Vernon, City of
22	Yankeetown, Town of
23	Zephyrhills, City of

### Special Districts

1	Amelia Island Mosquito Control District
2	Apalachicola Community Redevelopment Agency
3	Beach Community Development District
4	Belmont Lakes Community Development District
5	Big Bend Water Authority
6	Campbellton-Graceville Hospital
7	Clearwater Cay Community Development District
8	Collier Soil and Water Conservation District
9	Community Redevelopment Agency of the Town of Lake Park
10	CrossCreek Community Development District

**Special Districts (Continued)**

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11	Eastpoint Water and Sewer District
12	Golden Lakes Community Development District
13	Green Corridor Property Assessment Clean Energy (PACE) District
14	Hamilton County Development Authority
15	Heritage Plantation Community Development District
16	Hillsborough County Public Transportation Commission
17	Leon County Educational Facilities Authority
18	Majorca Isles Community Development District
19	Millers Creek Special District
20	New Port Richey Community Redevelopment Agency
21	Northeast Florida Regional Transportation Commission
22	Opa-locka Community Redevelopment Agency
23	Pembroke Harbor Community Development District
24	South Dade Soil and Water Conservation District
25	Springfield Community Redevelopment Agency
26	Starke Community Redevelopment Agency
27	Three Rivers Regional Library System
28	Wildwood Community Redevelopment Agency
29	Zephyrhills Community Redevelopment Agency
<b>57</b>	<b>Total Audit Reports Required but Not Filed as of October 25, 2018</b>

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## EXHIBIT B

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### LOCAL GOVERNMENTAL ENTITY 2016-17 FISCAL YEAR AUDIT REPORTS THAT MAY HAVE BEEN REQUIRED BUT WERE NOT FILED AS OF OCTOBER 25, 2018

#### Municipalities

1	Belleair Shore, Town of
2	Caryville, Town of
3	Esto, Town of

#### Special Districts

1	Ali-Baba Neighborhood Improvement District
2	Atlantis Safe Neighborhood Improvement District
3	Baker Fire District
4	Century Community Redevelopment Agency (Established 9/11/17)
5	East-West Neighborhood Improvement District
6	Entrada Community Development District (Pinellas County)
7	Estuary Community Development District, The
8	Hastings Drainage District
9	Martin Soil and Water Conservation District
10	Niles Garden Neighborhood Improvement District
11	Pasco County Health Facilities Authority
12	Pine Tree Water Control District (Palm Beach County)
13	Santa Rosa Bay Bridge Authority
14	Sunbridge Community Development District 1 (Dissolved 11/2/17)
15	Tarawood Special Dependent Tax District
16	Volusia Soil and Water Conservation District
17	West Atlantic Avenue Neighborhood Improvement District
18	Yellow River Soil and Water Conservation District

**21 Total Audit Reports That May Have Been Required But Were Not Filed as of  
October 25, 2018**

## EXHIBIT C

### LOCAL GOVERNMENTAL ENTITY 2016-17 FISCAL YEAR AUDIT REPORTS FILED MORE THAN 9 MONTHS AFTER FISCAL YEAR END

	Counties	Date Received	Days Late
1	Clay County	07/23/18	23
2	Pasco County	07/31/18	31
3	St. Johns County	07/10/18	10

	Municipalities	Date Received	Days Late
1	Alford, Town of	7/30/18	30
2	Atlantic Beach, City of	7/25/18	25
3	Bal Harbour Village, Town of	7/23/18	23
4	Bay Harbor Islands, Town of	7/23/18	23
5	Bunnell, City of	7/26/18	26
6	Campbellton, Town of	7/23/18	23
7	El Portal, Village of	7/27/18	27
8	Golf, Village of	7/25/18	25
9	Groveland, City of	7/30/18	30
10	Havana, Town of	7/17/18	17
11	Haverhill, Town of	7/11/18	11
12	Hialeah Gardens, City of	7/16/18	16
13	Highland Beach, Town of	7/25/16	25
14	Hypoluxo, Town of	7/23/18	23
15	Jay, Town of	7/10/18	10
16	Key Biscayne, Village of	7/24/18	24
17	Key Colony Beach, City of	7/24/18	24
18	Lake Clarke Shores, Town of	7/18/18	18
19	Lake Helen, City of	7/23/18	23
20	Longwood, City of	7/24/18	24
21	Malabar, Town of	7/24/18	24
22	Mexico Beach, City of	7/11/18	11
23	Montverde, Town of	7/23/18	23
24	Mount Dora, City of	7/31/18	31
25	Naples, City of	7/23/18	23
26	Redington Shores, Town of	7/13/18	13
27	San Antonio, City of	7/23/18	23

	Special Districts	Date Received	Days Late
1	Arts Council of Hillsborough County	7/31/18	31
2	Avalon Beach / Mullet Fire Protection District	7/25/18	25
3	Barefoot Bay Recreation District	7/23/18	23
4	Carlton Lakes Community Development District	7/27/18	27
5	Cedar Key Water and Sewer District	7/23/18	23
6	Clay County Utility Authority	7/31/18	31
7	Colonial Country Club Community Development District	7/16/18	16
8	Florida Atlantic Research and Development Authority	7/23/18	23

<b>Special Districts (Continued)</b>		<b>Date Received</b>	<b>Days Late</b>
9	Florida Crown Workforce Board (June 30, 2017, fiscal year end)	7/31/18	122
10	GreenWay Improvement District	7/13/18	13
11	Gulf Consortium	7/24/18	24
12	Habitat Community Development District	7/16/18	16
13	Harmony Community Development District	7/13/18	13
14	Heritage Greens Community Development District	7/16/18	16
15	Heritage Palms Community Development District	7/16/18	16
16	Hillsborough County Aviation Authority	7/24/18	24
17	IRL Council	7/25/18	25
18	Indian River Soil and Water Conservation District	7/20/18	20
19	Indian Trail Improvement District	7/26/18	26
20	Jacksonville Aviation Authority	7/23/18	23
21	Jacksonville Transportation Authority	7/31/18	31
22	Key Marco Community Development District	7/24/18	24
23	Lee County Industrial Development Authority	7/23/18	23
24	Live Oak No. 1 Community Development District	7/17/18	17
25	Madeira Community Development District	7/23/18	23
26	Meadow Pointe III Community Development District	7/11/18	11
27	Meadow Pointe IV Community Development District	7/10/18	10
28	Middle Village Community Development District	7/25/18	25
29	New River Community Development District	7/10/18	10
30	Oakstead Community Development District	7/13/18	13
31	Pinellas County License Board	7/25/18	25
32	Port of the Islands Community Improvement District	7/16/18	16
33	Port St. Joe Port Authority	7/25/18	25
34	Quincey-Gadsden Airport Authority	7/25/18	25
35	Sanibel Fire and Rescue District	7/24/18	24
36	Sarasota County Public Hospital District	7/24/18	24
37	Troup-Indiantown Water Control District	7/30/18	30
<b>67</b>	<b>Total Audit Reports Filed More Than 9 Months After Fiscal Year End</b>		

## EXHIBIT D

### LOCAL GOVERNMENTAL ENTITY 2016-17 FISCAL YEAR AUDIT REPORTS FILED MORE THAN 45 DAYS AFTER REPORT WAS DELIVERED TO THE ENTITY'S GOVERNING BODY

Counties		Number of Days Audit Report	
		Filed After Delivery to Entity's Governing Body	Filed Late
1	Broward County	83	38
2	Columbia County	135	90
<b>Municipalities</b>			
1	Branford, Town of	59	14
2	Bristol, Town of	81	36
3	Brooker, Town of	52	7
4	Brooksville, City of	53	8
5	Cinco Bayou, Town of	68	23
6	Deerfield Beach, City of	54	9
7	Layton, City of	62	17
8	Miami, City of	61	16
9	Oviedo, City of	60	15
10	Palmetto Bay, Village of	52	7
11	Reddick, Town of	69	24
12	West Palm Beach, City of	88	43
13	Weston, City of	77	32
<b>Special Districts</b>			
1	Arbor Greene Community Development District	89	44
2	Ballantrae Community Development District	55	10
3	Bay Medical Center	63	18
4	Bayshore Fire Protection and Rescue Service District	98	53
5	Briger Community Development District	106	61
6	Central Broward Water Control District	83	38
7	City of Naples Airport Authority	85	40
8	Dovera Community Development District	96	51
9	First Coast Workforce Development Consortium	67	22
10	Halifax Hospital Medical Center	68	23
11	Harbour Isles Community Development District	58	13
12	Harbour Waterway Special District	93	48
13	Heritage Springs Community Development District	54	9
14	Lake Asbury Municipal Service Benefit District	59	14
15	Lake Bernadette Community Development District	138	93
16	Lakeland Community Redevelopment Agency	88	43
17	Lee County Trauma Services District	149	104



**Number of Days Audit Report**

<b>Special Districts (Continued)</b>		<b>Filed After Delivery to Entity's Governing Body</b>	<b>Filed Late</b>
18	Lee Memorial Health System	147	102
19	Lexington Community Development District	120	75
20	Loxahatchee Groves Water Control District	59	14
21	Maple Ridge Community Development District	92	47
22	Mayfair Community Development District (Brevard County)	60	15
23	Meadow Pointe Community Development District	138	93
24	Mirada Community Development District (Pasco County)	66	21
25	Naples Heritage Community Development District	64	19
26	North Boulevard Community Development District	56	11
27	Riverwood Community Development District	148	103
28	South Florida Regional Transportation Authority	51	6
29	South Fork Community Development District	121	76
30	Southern Grove Community Development District No. 1	62	17
31	Southern Grove Community Development District No. 2	62	17
32	Southern Grove Community Development District No. 3	62	17
33	Southern Grove Community Development District No. 4	62	17
34	Southern Grove Community Development District No. 5	62	17
35	Southern Grove Community Development District No. 6	62	17
36	Spicewood Community Development District	92	47
37	St. Johns Improvement District	66	21
38	Tradition Community Development District No. 1	62	17
39	Tradition Community Development District No. 2	63	18
40	Tradition Community Development District No. 3	62	17
41	Tradition Community Development District No. 4	62	17
42	Tradition Community Development District No. 5	62	17
43	Tradition Community Development District No. 6	62	17
44	Tradition Community Development District No. 7	62	17
45	Tradition Community Development District No. 8	62	17
46	Tradition Community Development District No. 9	62	17
47	Tradition Community Development District No. 10	62	17
48	University Place Community Development District	89	44
49	Upper Captiva Fire Protection and Rescue Service District	99	54
50	WaterGrass Community Development District II	103	58
51	Westchase Community Development District	132	87

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

## EXHIBIT E

### SUMMARY OF DEFICIENCIES NOTED DURING COMPLETENESS REVIEWS OF 2016-17 FISCAL YEAR AUDIT REPORTS

Description of Deficiencies	Number of Reports to Which Criteria 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.	34	1	50	4	80	13	48	18	53
<b>Auditor's Management Letter:</b>									
Neither the management letter nor the notes to the financial statements included the legal authority of the primary government and each component unit included in the reporting entity.	1,335	12	20	107	29	49	5	168	13
The report did not include a written explanation or rebuttal from management regarding the auditor's comments and recommendations included in the management letter.	269	3	11	9	8	4	3	16	6
<b>Independent Accountant's Report:</b>									
The report excluded an opinion of whether the county met compliance with E911 funding requirements and expended those funds for authorized purposes.	61	6	10	-	-	-	-	6	10
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.	22	3	33	5	42	-	-	8	36
<b>Notes to the Financial Statements:</b>									
The notes did not disclose criteria for including component units within the reporting entity.	266	11	22	19	10	2	6	32	12
The notes did not disclose for each significant budgetary overexpenditure at the legal level of budgetary control that the overexpenditure represented a significant violation of the legally adopted budget and did not disclose the actions taken to address the significant violation.	162	12	100	59	97	89	100	160	99
The notes did not disclose the types of instruments authorized under legal or contractual provisions in which the entity can invest.	892	5	9	32	13	17	3	54	6
The notes did not disclose risks of loss to which the entity is exposed and the way those risks are mitigated.	1,335	2	3	8	2	57	6	67	5
<b>Required Supplementary Information:</b>									
The report did not provide a reconciliation of the budgetary basis information shown on the budgetary comparison schedule(s) to the generally accepted accounting principles (GAAP) when the budget was prepared using a non-GAAP basis of accounting.	66	1	17	2	5	2	12	5	8
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.	178	-	-	13	9	4	17	17	10

Description of Deficiencies	Number of Reports to Which Criteria 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>Required Supplementary Information (continued):</b>									
The audit report did not include a schedule of funding progress and a schedule of employer contributions for an other postemployment benefit (OPEB) plan.	19	-	-	3	25	2	33	5	26
The audit report did not include a schedule of funding progress for an OPEB plan.	330	4	9	21	11	22	25	47	14

<sup>a</sup> A total of 1,335 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

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## LOCAL GOVERNMENTAL ENTITIES THAT HAD NOT PROVIDED AS OF OCTOBER 25, 2018 THE SIGNIFICANT ITEMS OMITTED FROM THEIR 2016-17 FISCAL YEAR AUDIT REPORTS

### County

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1	Broward County Clerk of the Courts
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### Municipalities

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1	Avon Park, City of
2	Bal Harbour Village, Town of
3	Bonifay, City of
4	Crescent City, City of
5	Howey-in-the-Hills, Town of
6	McIntosh, Town of
7	St. Lucie Village, Town of

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### Special Districts

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1	Anthem Park Community Development District
2	Boyette Park Community Development District
3	Captiva Erosion Prevention District
4	City-County Public Works Authority
5	DG Farms Community Development District (Pasco County)
6	Mirada Community Development District (Pasco County)
7	New River Public Library Cooperative
8	Troup-Indiantown Water Control District

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**16 Total Number of Local Governmental Entities that had not Provided, as of October 25, 2018, Significant Items Omitted from Their 2016-17 Fiscal Year Audit Reports**

# EXHIBIT G

## SUMMARY OF DEFICIENCIES NOTED DURING COMPREHENSIVE REVIEWS OF 2016-17 FISCAL YEAR AUDIT REPORTS

Description of Deficiencies	Number of Reports to Which Criteria 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>Independent Auditor's Report:</b>									
The auditor's report did not mention that the audit was conducted in accordance with Governmental Auditing Standards issued by the Controller General of the United States.	60	1	33	-	-	3	7	4	7
<b>Notes to the 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.	53	-	-	-	-	6	18	6	11
Totals on supporting schedules in notes to the financial statements did not always agree with corresponding financial statement account totals.	55	-	-	3	19	-	-	3	5
The notes did not disclose the measurement focus and basis of accounting used in the government-wide statements.	60	-	-	-	-	5	12	5	8
The notes did not disclose the policy for eliminating internal activity in the statement of activities.	47	-	-	2	13	4	14	6	13
<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.	28	-	-	6	26	1	20	7	25
For single-employer defined benefit plans, the notes did not include information regarding the plan's board of directors and its composition.	28	-	-	11	48	2	40	13	46
For single-employer defined benefit plans, the notes did not disclose the plan benefits and terms.	28	-	-	3	13	-	-	3	11
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.	26	-	-	5	23	1	25	6	23
For single-employer defined benefit plans, the notes did not disclose the assumed asset allocation of the plan's portfolio, along with the expected rate of return for each asset class or did not clarify whether those returns were presented as arithmetic or geometric means.	28	-	-	6	26	-	-	6	21
For defined-benefit cost-sharing plans, the notes did not provide full descriptive information to include: classes of employees covered, types of benefits, elements of the pension formula, cost-of-living adjustments, and authority under which these provisions are established and may be amended.	38	1	17	-	-	5	36	6	16
For defined-benefit, cost-sharing plans, the notes did not disclose the expected long-term rate of return and how it was determined.	38	1	17	-	-	2	14	3	8

Description of Deficiencies	Number of Reports to Which Criteria 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>Pension Plan Note Disclosures (Continued):</b>									
For defined-benefit, cost-sharing plans, the notes did not disclose the assumed asset allocation of the plan's portfolio, along with the expected rate of return for each asset class or did not clarify whether those returns were presented as arithmetic or geometric means.	38	1	17	1	6	2	14	4	11
For defined-benefit, cost-sharing plans, the notes did not disclose the amount of pension expense recognized during the period.	38	1	17	1	6	1	7	3	8
For defined-benefit, cost-sharing plans, the notes did not disclose the net amount of deferred inflows and outflows that will be recognized as pension expense for each of the next five years.	38	1	17	-	-	2	14	3	8
For defined contribution plans, the notes did not disclose the administrator of the plan.	38	1	25	-	-	2	14	3	8
For defined contribution plans, the notes did not specify the authority under which provisions of the plan are established and can be amended.	38	2	50	-	-	4	29	6	16
For defined contribution plans, the notes did not disclose the contribution requirements and the authority under which contribution rates are established and can be amended.	38	2	50	-	-	1	7	3	8
For defined contribution plans, the notes did not disclose the amount of pension expense recognized during the period.	38	2	50	2	10	4	29	8	21
<b>OPEB Plan Note Disclosures:</b>									
The notes accompanying an OPEB trust fund did not disclose the required contribution, in dollars or a percentage of payroll, for either the employer, the plan members, or both.	6	-	-	3	60	-	-	3	50
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	1	11	8	23	3	19	12	20
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	1	11	4	11	4	25	9	15
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	1	11	5	14	6	38	12	20
The notes did not include required contributions of plan members, either as a rate per member or a percentage of covered payroll.	60	5	56	27	77	12	75	44	73
The notes of sole and agent employer plans did not disclose the required contribution rate of the employer and/or how the rate was determined in cases where the contribution was significantly different from the actuarially required contribution.	60	2	22	8	23	2	13	12	20
The notes of sole and agent employer plans with an OPEB obligation did not disclose current year and prior two years' annual OPEB cost, percentage of that cost contributed, and end-of-year net OPEB obligation.	59	2	22	1	3	1	7	4	7

Description of Deficiencies	Number of Reports to Which Criteria 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 of sole and agent employer plans did not disclose the plan's funded status information as of the latest actuarial valuation date.	59	1	11	5	14	4	27	10	17
The notes of sole and agent employer plans did not disclose the amortization method.	60	3	33	2	6	2	13	7	12
The notes of sole and agent employer plans did not disclose the amortization period.	60	-	-	2	6	2	13	4	7
The notes of sole and agent employer plans did not disclose the assumed inflation rate and/or investment return related to the discount rate used to determine the OPEB liability.	60	-	-	2	6	1	6	3	5
The notes of sole and agent employer plans did not provide notification that actuarial calculations reflect a long-term perspective, and that methods and assumptions used are designed to reduce short-term volatility.	60	-	-	5	14	2	13	7	12
<b>OPEB Plan Required Supplementary Information:</b>									
The report did not include a schedule of funding progress for the OPEB plan covering the most recent and two preceding actuarial valuations.	59	3	33	6	17	4	27	13	22
<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	2	12	2	6	2	17	6	10
The auditor's report on the schedule of expenditures did not state that the schedule is presented for additional analysis required by Uniform Guidance and it is not a required part of the financial statements.	60	1	6	-	-	2	17	3	5
The schedule of findings and questioned costs did not state whether the local government qualified as a low-risk auditee.	60	-	-	2	6	1	8	3	5
<b>Florida Single Audit:</b>									
The notes to the schedule of expenditures of State financial assistance did not disclose the basis of accounting on which the schedule was presented.	60	1	5	2	8	1	8	4	7
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	-	-	1	4	2	15	3	5
The schedule of findings and questioned costs did not list enough State projects audited as major programs to achieve audit coverage of at least 50 percent of total State expenditures.	60	3	14	-	-	-	-	3	5
The schedule of findings and questioned costs did not state whether the audit disclosed any findings required to be reported under Auditor General rules.	60	3	14	2	8	-	-	5	8
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	3	14	3	12	1	8	7	12

<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.