

JOINT COMMITTEE ON THE MANAGEMENT OF PUBLIC FUNDS  
SUMMARY REVIEW  
LOCAL GOVERNMENT AUDIT REPORTS

REPORTS DUE	FY 2003				FY 2004				FY 2005				FY 2006				FY 2007				FY 2008			
	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT
	24	153	17	194	24	156	18	198	24	161	19	204	24	156	18	198	24	148	18	190	24	153	17	194
<u>Areas of Noncompliance with Audit Guidelines</u>																								
1. Audit reports not filed @	-	3	1	4	-	12	1	13	-	9	1	10	-	3	1	4	-	1	2	3	-	7	1	8
2. Audit reports not filed on time @	4	22	1	27	6	31	2	39	3	32	3	38	1	33	5	39	4	26	3	33	4	42	1	47
3. Auditor issued a qualified opinion / disclaimer / adverse opinion or improperly issued an unqualified opinion	-	-	-	-	1	1	-	2	-	3	-	3	-	2	-	2	-	1	-	1	-	1	-	1
4. Auditor's report not presented in accordance with generally accepted auditing standards @																								
a. Auditor's report did not contain one or more of the basic elements required by auditing standards	4	4	-	8	-	6	1	7	-	4	1	5	1	11	1	13	2	3	-	5	-	-	-	-
b. Auditor's opinion did not cover all opinion units or financial statements	2	6	-	8	1	32	4	37	-	14	5	19	1	7	1	9	1	9	-	10	-	1	4	5
c. Auditor did not report on all required information.	4	4	-	8	1	6	-	7	1	10	2	13	-	6	2	8	-	1	-	1	-	2	3	5
5. Financial statements not presented in accordance with generally accepted accounting principles @																								
a. Required statements not presented or presentation inappropriate	11	22	-	33	8	92	4	104	3	52	5	60	2	48	3	53	4	18	5	27	1	23	4	28
b. Inadequate disclosure in the financial statements (e.g., basis of accounting, cash deposits with financial institutions and investments)	5	20	1	26	2	20	2	24	1	11	-	12	1	22	-	23	1	14	-	15	-	6	-	6
6. Auditor did not submit letter stating reasons for expressing other than an unqualified opinion	-	-	-	-	-	1	-	1	-	2	-	2	-	2	-	2	-	-	-	-	-	1	-	1
TOTAL *	30	81	3	114	19	201	14	234	8	137	17	162	6	134	13	153	12	73	10	95	5	83	13	101

CO - Counties

CT - Cities and Towns

TD - Taxing Districts

TOT - Total Units

@ - Local governments may appear more than once as certain local governments had more than one deficiency in these areas.

\* - Increase in Fiscal Year 2004 due to new accounting standards effective for fiscal year 2004.

## SUMMARY REVIEW

## LOCAL GOVERNMENT AUDIT REPORTS

REPORTS DUE	FY 2003				FY 2004				FY 2005				FY 2006				FY 2007				FY 2008			
	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT	CO	CT	TD	TOT
	24	153	17	<b>194</b>	24	156	18	<b>198</b>	24	161	19	<b>204</b>	24	156	18	<b>198</b>	24	148	18	<b>190</b>	24	153	17	<b>194</b>
<u>Areas of Noncompliance with State Law*</u>																								
1. Uninsured/uncollateralized cash deposits	12	14	1	<b>27</b>	8	10	-	<b>18</b>	6	14	1	<b>21</b>	4	11	-	<b>15</b>	7	18	1	<b>26</b>	5	17	-	<b>22</b>
2. Miscellaneous	-	2	-	<b>2</b>	-	-	-	<b>-</b>	-	1	-	<b>1</b>	-	1	-	<b>1</b>	-	-	-	<b>-</b>	-	-	-	<b>-</b>
TOTAL AREAS OF NONCOMPLIANCE	12	16	1	<b>29</b>	8	10	0	<b>18</b>	6	15	1	<b>22</b>	4	12	0	<b>16</b>	7	18	1	<b>26</b>	5	17	0	<b>22</b>
<u>Potential Financial Problems *</u>																								
1. General fund deficits	-	3	-	<b>3</b>	-	3	-	<b>3</b>	-	3	-	<b>3</b>	-	5	-	<b>5</b>	-	3	-	<b>3</b>	-	6	-	<b>6</b>
2. Unfavorable general fund trends and ratios	-	3	-	<b>3</b>	-	3	-	<b>3</b>	-	1	-	<b>1</b>	-	2	-	<b>2</b>	-	2	-	<b>2</b>	-	2	-	<b>2</b>
3. Pension costs	1	-	-	<b>1</b>	1	-	-	<b>1</b>	1	-	-	<b>1</b>	1	-	-	<b>1</b>	1	-	-	<b>1</b>	1	-	-	<b>1</b>
TOTAL POTENTIAL FINANCIAL PROBLEMS	1	6	0	<b>7</b>	1	6	0	<b>7</b>	1	4	0	<b>5</b>	1	7	0	<b>8</b>	1	5	0	<b>6</b>	1	8	0	<b>9</b>

CO - Counties

CT - Cities and Towns

TD - Taxing Districts

TOT - Total Units

\* Some local governments had more than one area of noncompliance with State law or potential financial problem (that is, certain local governments may be included in both categories).

Note - As of December 1, 2009, acceptable responses to all of our requests for corrective action plans had been submitted, except for four local governments. Specifically, the City of Cumberland and the Town of Fairmount Heights (unreserved General Fund deficits) and the City of District Heights and the Town of Riverdale Park (unfavorable trends or ratios) did not submit responses. Responses concerning corrective action with regard to "Pension costs" were not requested since the status of local government pension systems is annually reported by the Department of Legislative Services - Office of Policy Analysis in accordance with Article 24, Section 2-102 of the Annotated Code of Maryland.