

Example E – Auditors’ Report on general purpose financial statements of a School Board where school-generated funds have not been included and school funds balances and activities have not been determined by management. This example reflects both a departure from generally accepted accounting principles (GAAP) and a scope limitation – there is a failure to include school-generated funds and the necessary information is not provided by management.

Auditors’ Report

To the Board of Trustees of
Anytown District School Board

We have audited the (consolidated) statement of financial position of Anytown District School Board as at August 31, 2005 and the (consolidated) statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Canadian generally accepted accounting principles require that school generated funds be included in the financial statements. Management has advised us that they have not quantified the balances and activities of the school generated funds and therefore these amounts are not included in the financial statements. As a result, we have been unable to obtain sufficient audit evidence to form an opinion with respect to the possible amount of the balances and activities of school generated funds.

In our opinion, except that school generated funds balances and activities have not been included in the financial statements as referred to in the preceding paragraph, and except for the effect of adjustments, which we may have determined to be necessary had we been able to obtain sufficient information regarding this matter, these (consolidated) financial statements present fairly, in all material respects, the financial position of Anytown District School Board as at August 31, 2005 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

_____, Ontario

Date