

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR

FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

SANTA ROSA COUNTY, FLORIDA TAX COLLECTOR

FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

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INDEPENDENT AUDITOR'S REPORT

Honorable Robert McClure
Tax Collector
Santa Rosa County, Florida

We have audited the accompanying special-purpose financial statements (hereinafter referred to as "financial statements") of the general fund and the tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Tax Collector's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note A to the financial statements, the special-purpose financial statements consists of only the fund level financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Tax Collector, nor are they intended to be a complete presentation of the financial position and changes in financial position of Santa Rosa County, Florida, taken as a whole.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and tax fund of the Tax Collector as of September 30, 2006, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2006, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison information on page 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

O'Sullivan Creel, LLP

November 9, 2006

**Santa Rosa County, Florida Tax Collector
BALANCE SHEET - GENERAL FUND
September 30, 2006**

ASSETS

Cash	\$ 823,342
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LIABILITIES

Accrued wages payable	\$ 89,039
Due to other governmental units	734,303
Total liabilities	<u>823,342</u>

FUND BALANCE

Fund balance	<u>--</u>
Total liabilities and fund balance	<u>\$ 823,342</u>

**Santa Rosa County, Florida Tax Collector
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
GENERAL FUND
For the year ended September 30, 2006**

REVENUES

Charges for services	\$ 3,076,898
Miscellaneous	31,302
Total revenues	<u>3,108,200</u>

EXPENDITURES

Current:	
General government:	
Personal services	1,742,892
Operating	467,279
Capital outlay	169,931
Total expenditures	<u>2,380,102</u>

Excess of revenues over expenditures	728,098
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OTHER FINANCING SOURCES (USES)

Excess fees	<u>(728,098)</u>
Total other financing sources (uses)	<u>(728,098)</u>

Net change in fund balance	--
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FUND BALANCE, BEGINNING OF YEAR	<u>--</u>
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FUND BALANCE, END OF YEAR	<u><u>\$ --</u></u>
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Santa Rosa County, Florida Tax Collector
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS -
TAX FUND
September 30, 2006

ASSETS

Cash	\$ 1,475,857
Miscellaneous receivables	<u>87,786</u>
Total assets	1,563,643

LIABILITIES

Deposits	9,643
Due to other governmental units	1,547,120
Miscellaneous	<u>6,880</u>
Total liabilities	<u>1,563,643</u>

NET ASSETS

Net Assets	<u><u>\$ --</u></u>
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Santa Rosa County, Florida Tax Collector
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2006

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

1. Reporting Entity

The Office of the Tax Collector of Santa Rosa County, Florida (the Tax Collector), as established by Article VIII, Section 1(d), of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the County). Although the Tax Collector is operationally autonomous from the Santa Rosa County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is considered part of Santa Rosa County, Florida's primary government for external financial reporting purposes.

These *special-purpose financial statements* of the Tax Collector are not intended to be a complete presentation of the financial position and results of operations of Santa Rosa County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, and do not include presentations of government-wide financial statements of the Tax Collector.

2. Fund Accounting

The accounting system of the Tax Collector is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The funds utilized by the Tax Collector are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources rather than upon net income determination).

**Santa Rosa County, Florida Tax Collector
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2006**

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

2. Fund Accounting -- (Continued)

General Fund - the general fund of the Tax Collector is used to account for all financial resources which are generated from operations of the office and any other resources not required to be accounted for in another fund.

Fiduciary Funds

The Tax Collector's sole fiduciary fund is an agency fund (the Tax Fund). Agency funds are used to account for assets held in a custodial capacity for others. Assets equal liabilities in agency funds and results of operations are not measured. The Tax Fund is used to account for receipts of various types of taxes, licenses, and fees collected on behalf of state, county, and municipal governmental agencies.

3. Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become both measurable and available as net current assets. The Tax Collector considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

4. Cash and Cash Equivalents

Cash equivalents are highly liquid investments with maturities of three months or less when purchased.

5. Accounting for Capital Assets

Capital assets (vehicles, equipment, and other tangible property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and accounted for in the Board of County Commissioners' government-wide financial statements.

**Santa Rosa County, Florida Tax Collector
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2006**

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

6. Budgets and Budgetary Accounting

The Tax Collector establishes an annual budget pursuant to Section 195.087, Florida Statutes. The budget is submitted to the Florida Department of Revenue for approval. A copy is provided to the Board of County Commissioners and is incorporated into the overall county budget. The Tax Collector's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the fund level.

7. Compensated Absences

Employees accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Santa Rosa County government-wide financial statements. For the general fund, compensated absence expenditures are recognized when payments are made to employees.

8. Excess Revenue

In accordance with Section 218.36, Florida Statutes, excess revenue is remitted proportionately to the various taxing districts at fiscal year-end.

NOTE B - CASH AND INVESTMENTS

The Tax Collector's deposits at year-end are reported at cost and were held by financial institutions designated as "qualified public depositories" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institutions in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

Florida Statutes authorize the Tax Collector to invest in obligations of the U.S. Treasury and interest bearing time deposits or savings accounts in banks participating in the multiple financial institution collateral pool.

**Santa Rosa County, Florida Tax Collector
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2006**

NOTE C - LONG-TERM DEBT -- COMPENSATED ABSENCES

Disclosures required by Chapter 10.557(3)(g), Rules of the Auditor General State of Florida related to long-term debt are as follows:

Balance - October 1, 2005	\$ 168,852
Increases	122,955
Decreases	<u>(83,033)</u>
Balance - September 30, 2006	<u>\$ 208,774</u>

Compensated absences are paid by the General Fund.

NOTE D - PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Tax Collector are covered by the Florida Retirement System (FRS), a multiple employer cost sharing defined benefit pension plan. The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The FRS provides for vesting of benefits for all members actively employed on July 1, 2001 after 6 years of creditable service, regardless of membership class. Under the laws in effect before that date, members needed 7, 8, or 10 years of service to become vested, depending on their membership class. Normal retirement benefits are available to employees who retire at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Retirement age and years of service requirements will vary depending on membership class. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Santa Rosa County, Florida Tax Collector
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2006

NOTE D - PENSION AND RETIREMENT PLAN -- (Continued)

Deferred Retirement Option Program (DROP) is an elective program available for eligible members of the FRS Pension Plan, Teachers' Retirement System, and State and County Officers and Employees' Retirement System who are eligible for normal retirement. Under this program, a member effectively retires and continues covered employment for up to 5 years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving his/her predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

The FRS is noncontributory for employees and all contributions are made by participating FRS employers. Participating employer contributions are based upon state-wide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2006 were as follows: regular employees, 8.34%, special risk employees, 19.13%, elected officials, 15.56%, senior management employees, 11.12%, and DROP participants, 9.73%. The Tax Collector's contributions, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for each year and totaled \$119,477, \$111,458, and \$100,304 for the years ended September 30, 2006, 2005, and 2004, respectively.

NOTE E - OPERATING LEASES

The Tax Collector has an operating lease agreement for the rental of the Gulf Breeze branch office. The Gulf Breeze lease expires in February 2007, and future minimum lease payments under this non-cancelable operating lease are \$8,525. The Pace branch office is rented on a month-to-month basis.

Rental expense for the offices for the year-ended September 30, 2006 was \$27,353.

Santa Rosa County, Florida Tax Collector
NOTES TO THE FINANCIAL STATEMENTS
For the year ended September 30, 2006

NOTE F - RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board of County Commissioners has established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment

The County is covered by outside insurance for the following exposures:

- Portable Communication Equipment
- Boats
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings and their contents. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage. The Tax Collector participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

REQUIRED SUPPLEMENTARY INFORMATION

**Santa Rosa County, Florida Tax Collector
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND (Unaudited)
For the year ended September 30, 2006**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 2,760,050	\$ 2,760,050	\$ 3,076,898	\$ 316,848
Miscellaneous	12,000	12,000	31,302	19,302
Total revenues	<u>2,772,050</u>	<u>2,772,050</u>	<u>3,108,200</u>	<u>336,150</u>
EXPENDITURES				
Current:				
General government:				
Personal services	1,908,437	1,866,319	1,742,892	123,427
Operating	441,300	467,286	467,279	7
Capital outlay	53,800	169,932	169,931	1
Total expenditures	<u>2,403,537</u>	<u>2,503,537</u>	<u>2,380,102</u>	<u>123,435</u>
Excess of revenues over expenditures	368,513	268,513	728,098	459,585
OTHER FINANCING SOURCES (USES)				
Excess fees	(368,513)	(268,513)	(728,098)	(459,585)
Total other financing sources (uses)	<u>(368,513)</u>	<u>(268,513)</u>	<u>(728,098)</u>	<u>(459,585)</u>
Net change in fund balance	--	--	--	--
FUND BALANCE, BEGINNING OF YEAR	--	--	--	--
FUND BALANCE, END OF YEAR	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Honorable Robert McClure
Tax Collector
Santa Rosa County, Florida

We have audited the financial statements of the general fund and the tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2006, and have issued our report thereon dated November 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tax Collector's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

In November, 2005, the Tax Collector and State Attorney's office initiated an investigation regarding suspected theft of approximately \$30,000 from the Tax Collector's office by a supervisory level employee. The investigation has not been completed. Until the investigation is completed and more information is known, we are unable to conclude upon any findings or recommendations that might pertain to the year ended September 30, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted other matters involving the internal control over financial reporting and compliance that we have reported to management of the Tax Collector in a separate letter dated November 9, 2006, which should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the Tax Collector, management and appropriate governmental agencies and should not be used by anyone other than these specified parties.

O'Sullivan Creel, LLP

November 9, 2006

MANAGEMENT LETTER

Honorable Robert McClure
Tax Collector
Santa Rosa County, Florida

We have audited the financial statements of the general fund and the tax fund information of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2006, and have issued our report thereon dated November 9, 2006.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, dated November 9, 2006. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554 (1) (h) 1.) require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. The recommendations made in the preceding annual financial audit report have been implemented.

As required by the Rules of the Auditor General (Section 10.554 (1) (h) 2.) we determined that the Tax Collector is in compliance with Section 218.415, Florida Statutes, regarding the investment of public funds.

The Rules of the Auditor General (Section 10.554 (1) (h) 3.) require that we comment as to whether or not there were any recommendations made to improve the Tax Collector's financial management, accounting procedures, and internal controls. We are submitting for consideration the recommendations described in Attachment A, as required by the Rules of the Auditor General (Section 10.554(1) (h) 3.).

The Rules of the Auditor General (Sections 10.554 (1) (h) 4.) require disclosure in the management letter of matters that are not clearly inconsequential, considering both quantitative and qualitative factors, including the following: violations of laws, rules, regulations, and contractual provisions that have occurred or were likely to have occurred and were discovered within the scope of the audit; improper or illegal expenditures discovered within the scope of the audit which may or may not materially affect the financial statements; and deficiencies in internal control that are not reportable conditions, including but not limited to: improper or inadequate accounting procedures (e.g. the omission of required disclosures from the annual financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that came to the attention of, the auditor. We are submitting for consideration the recommendations described in Attachment A, as required by the Rules of the Auditor General (Section 10.554(1) (h) 4.).

This management letter is intended solely for the information and use of the Tax Collector, management and appropriate governmental agencies and should not be used by anyone other than these specified parties.

O'Sullivan Cheel, LLP

November 9, 2006

Santa Rosa County, Florida Tax Collector
CURRENT YEAR RECOMMENDATIONS (Attachment A)
For the year ended September 30, 2006

2006-1 TAX DISTRIBUTIONS DELAYED

Finding - The Tax Collector collects various taxes and fees and distributes amounts collected, less commissions earned, to various taxing authorities. We noted some distributions of delinquent tax collections were delayed due to software and personnel issues.

Recommendation - We recommend the Tax Collector institute procedures to insure timely distributions of all collected funds or if delays are unavoidable, appropriate notification to management and the various taxing units.

2006-2 MISAPPROPRIATION OF ASSETS / VOID TRANSACTIONS

Finding – As part of the Tax Collector’s internal investigation into the misappropriation of assets discussed in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, it was determined that a supervisory employee could void a taxpayer’s cash payment and subsequently credit the taxpayer’s account via an unauthorized adjustment. This supervisor’s ability to void transactions in combination with the responsibility for preparing deposits enabled the misappropriation of assets.

Recommendation – The Tax Collector should upgrade controls and segregation of duties in this area. In addition, the Tax Collector should work with the software provider to build appropriate safeguards into the software.

2006-3 INTERNAL CONTROL MONITORING

Finding – Although the Tax Collector’s Office requires daily deposit of cash receipts, the policy was not consistently followed by the employee suspected of misappropriation of assets.

Recommendation - As part of implementing and maintaining a system of internal control, identification and monitoring of significant controls should be performed on a regular basis by management to insure established controls are being followed. Identified noncompliance with established controls should be reported directly to the Tax Collector for investigation and follow-up in an expeditious manner.

Santa Rosa County, Florida Tax Collector
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
For the year ended September 30, 2006

2006-1 TAX DISTRIBUTIONS DELAYED

We have upgraded procedures to insure all tax distributions are timely made. Exceptions, if any, to normal distribution schedules are noted and reported to management who will expedite the tax distributions. The various taxing units will be notified of any significant delays in distributions.

2006-2 MISAPPROPRIATION OF ASSETS / VOID TRANSACTIONS

We have upgraded controls and segregation of duties related to the preparation of deposits. Cashiers prepare an adding machine tape of cash collected and a second employee prepares a tape to verify cash. Once the deposit is prepared a second employee verifies that the cash per the deposit is equal to the adding machine tapes and the Daily Balance Report produced by the computer system. The Daily Balance Report is matched to the validated deposit slip and filed. In addition, transactions in the predeposit accounts, used to post unauthorized adjustments to taxpayers' accounts in the past, are constantly monitored. Documentation of all transactions in these accounts and monthly reports are reviewed and verified by appropriate personnel. This precludes the misappropriation of cash and unauthorized adjustments to taxpayers' accounts. The Tax Collector's office continues to work with the software provider to build appropriate safeguards into the software.

2006-3 INTERNAL CONTROL MONITORING

In an effort to insure established controls are being followed, the Tax Collector's Office continues to identify and monitor significant controls. As part of this process, periodic reports will be prepared identifying controls tested and exceptions noted. Identified noncompliance with established controls will be reported directly to the Tax Collector for investigation and follow-up in an expeditious manner.