

**SEMINOLE COUNTY, FLORIDA  
TAX COLLECTOR**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**Year Ended September 30, 2006**

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MOORE STEPHENS  
LOVELACE, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Ray Valdes,  
Tax Collector of Seminole County, Florida

We have audited the accompanying special purpose financial statements of the Seminole County, Florida Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2006, listed in the foregoing table of contents. These financial statements are the responsibility of the Tax Collector's management. Our responsibility is to express an opinion 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 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. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 of the financial statements, the financial statements referred to above present only the financial position and results of operations of the Tax Collector and are not intended to present the financial position and results of operations of Seminole County, Florida, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, such special purpose financial statements present fairly, in all material respects, the financial position of the Tax Collector as of September 30, 2006 and the results of its operations 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 December 31, 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.

This report is intended for the information and use of the Tax Collector's management and the State of Florida Office of the Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

*Moore Stephens Lovelace, P.A.*

Certified Public Accountants

Orlando, Florida  
December 31, 2006

**Seminole County, Florida  
Tax Collector**

**BALANCE SHEET - GENERAL FUND**

**September 30, 2006**

**ASSETS**

Cash and Cash Equivalents	\$ 5,798,222
Due from Board of County Commissioners	186,415
Due from other funds	<u>60,675</u>
TOTAL ASSETS	<u>\$ 6,045,312</u>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES**

Accounts payable	\$ 58,759
Due to Board of County Commissioners	5,747,033
Due to other governments	159,628
Due to other funds	<u>79,892</u>
TOTAL LIABILITIES	<u>6,045,312</u>

**FUND EQUITY**

Fund balance: Unreserved	<u>-</u>
TOTAL FUND EQUITY	<u>-</u>

TOTAL LIABILITIES AND FUND EQUITY \$ 6,045,312

The accompanying notes are an integral part of the financial statements.

**Seminole County, Florida  
Tax Collector**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL**

**Year Ended September 30, 2006**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Charges for services	\$2,929,500	\$ 2,929,500	\$ 2,926,073	\$ (3,427)
Interest income	85,000	85,000	210,146	125,146
Miscellaneous revenue	40,000	40,000	358	(39,642)
TOTAL REVENUES	3,054,500	3,054,500	3,136,577	82,077
<b>EXPENDITURES</b>				
Current:				
General government:				
Salaries and benefits	3,465,257	3,465,257	3,230,812	234,445
Other operating expenditures	690,015	690,015	574,425	115,590
TOTAL EXPENDITURES	4,155,272	4,155,272	3,805,237	350,035
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,100,772)	(1,100,772)	(668,660)	432,112
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from Board of County Commissioners	5,776,300	5,776,300	6,224,052	447,752
Transfers out to Board of County Commissioners	(4,675,528)	(4,675,528)	(5,555,392)	(879,864)
TOTAL OTHER FINANCING SOURCES (USES)	1,100,772	1,100,772	668,660	(432,112)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

**Seminole County, Florida  
Tax Collector**

**STATEMENT OF FIDUCIARY NET ASSETS AND  
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**

**Year Ended September 30, 2006**

	Balance October 1, 2005	Additions	Deletions	Balance September 30, 2006
<b>ASSETS</b>				
Cash	\$ 3,712,413	\$ 474,973,821	\$ 474,750,721	\$ 3,935,513
Due from other funds	12,948	-	12,948	-
Due from individuals	208,030	256,633	265,798	198,865
	3,933,391	<u>\$ 475,230,454</u>	<u>\$ 475,029,467</u>	4,134,378
<b>LIABILITIES</b>				
Escrow deposits	2,373,954	\$ 6,981,818	\$ 6,631,819	2,723,953
Due to individuals	346,857	10,692,117	10,845,862	193,112
Due to other funds	45,821	60,675	45,821	60,675
Due to Board of County Commissioners	473,432	173,134,011	173,166,257	441,186
Due to other governments	693,327	284,361,833	284,339,708	715,452
	3,933,391	<u>\$ 475,230,454</u>	<u>\$ 475,029,467</u>	4,134,378
<b>NET ASSETS</b>	<u>\$ -</u>			<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

**SEMINOLE COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

**Year Ended September 30, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant accounting policies used in the presentation of these financial statements.

**Reporting Requirement**

The Seminole County, Florida Tax Collector (the "Tax Collector") is a separately-elected county official established pursuant to the Constitution of the state of Florida. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Seminole County, Florida (the "County") taken as a whole. These special purpose financial statements are presented to comply with the requirements of Florida Statutes and the Rules of the Auditor General of the State of Florida. The Tax Collector's General Fund is combined with the Board of County Commissioners (the "Board") and other constitutional officers' general funds in the County's Comprehensive Annual Financial Report ("CAFR") to properly reflect the county-wide General Fund. The fiduciary funds are shown separately in the appropriate sections of the CAFR.

**Description of Funds**

The accounting records are organized on the basis of funds classified for reporting purposes into two basic fund types:

General Fund – The General Fund is a governmental fund used to account for all revenues and expenditures applicable to the general operations of the Tax Collector. The General Fund 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).

Fiduciary Funds – The Tax Collector maintains Agency Funds, which are used to account for assets held by the Tax Collector as agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. A statement of net assets is presented for the Agency Funds. However, a statement of changes in net assets is not presented since there are no operations in the Agency Funds, only assets and liabilities.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting and Presentation**

The accounts of the General Fund are maintained on the modified accrual basis. Under the modified accrual basis of accounting, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available and, as such, susceptible to accrual. The extent to which General Fund revenues exceed General Fund expenditures is reflected as a liability in compliance with Florida Statutes.

**Budgetary Requirements and Basis**

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in these financial statements reflect all amendments approved by the Florida Department of Revenue. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**Transfers**

In accordance with Florida Statutes, all unexpended balances at year end are owed to each governmental unit in the same proportion as the percentage of total fees paid by each governmental unit. These "excess fees" are reported as operating transfers out for the Board and a reduction to charges for services for services for other governmental units. Appropriations from the Board are presented as transfers in.

**NOTE 2 - CASH AND INVESTMENTS**

**Cash**

Cash consists of various demand deposit accounts, which are insured by the Federal Deposit Insurance Corporation or are covered by the state of Florida collateral pool, a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

**Investments**

Florida Statutes 28.33, 218.415, 219.075 and the Tax Collector's investment policy authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government, indebtedness (bonds, debentures, notes) guaranteed by U.S. Government agencies and money market mutual funds registered with the Securities and Exchange Commission ("SEC").

The Tax Collector's investments at September 30, 2006 consist of \$8.9 million in overnight repurchase agreements held with a banking institution. These investments are carried at fair value by the Tax Collector and considered cash equivalents.

**NOTE 3 - PENSION PLAN**

**Plan Description**

The Tax Collector's employees participate in the Florida Retirement System ("FRS"), a multiple-employer, cost-sharing, defined benefit retirement system, administered by the Florida Department of Administration ("FDA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the state of Florida. For a detailed plan description, see the County's CAFR for the fiscal year ended September 30, 2006.

**Funding Policy**

The Tax Collector's contributions to the FRS for the fiscal years ended September 30, 2004 through 2006 were \$169,702, \$182,972 and \$206,492, respectively, which were equal to the required contribution for each fiscal year.

**NOTE 4 - INSURANCE COVERAGE**

The County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophic insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. Any public liability loss which exceeds the self-insurance coverage limit would remain the responsibility of the County. The Tax Collector participated in the County's self-insurance program during fiscal year 2006. For additional information related to these programs, see the County's CAFR for the fiscal year ended September 30, 2006.

**NOTE 5 - LONG-TERM LIABILITIES**

The Tax Collector incurs a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Tax Collector is not legally required and does not accumulate expendable available financial resources to liquidate this obligation. A summary of changes in long-term liabilities for the fiscal year ended September 30, 2006 is as follows:

	<u>Balance 10-1-05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9-30-06</u>
Compensated absences	<u>\$262,450</u>	<u>\$ 214,324</u>	<u>\$ 204,332</u>	<u>\$272,442</u>

## **COMPLIANCE SECTION**



MOORE STEPHENS  
LOVELACE, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Ray Valdes,  
Tax Collector of Seminole County, Florida

We have audited the special purpose financial statements of the Seminole County, Florida Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2006, and have issued our report thereon dated December 31, 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 opinion 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 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.

***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*.

This report is intended solely for the information and use of the Tax Collector's management and the State of Florida Office of the Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

*Moore Stephens Lovelace, P.A.*

Certified Public Accountants

Orlando, Florida  
December 31, 2006



MOORE STEPHENS  
LOVELACE, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

To the Honorable Ray Valdes,  
Tax Collector of Seminole County, Florida

We have audited the special purpose financial statements of the Tax Collector of Seminole County, Florida (the "Tax Collector") as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated December 31, 2006.

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. We have issued our Report of Independent Certified Public Accountants on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which is dated December 31, 2006, should be considered in conjunction with this management letter.

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 address in the management letter, if not already addressed in the auditors' reports on compliance and internal controls, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.), the scope of our audit included a review of provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Tax Collector complied with Section 218.415, Florida Statutes.

Rules of the Auditor General (Section 10.554(1)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters, if not already addressed in the auditor's reports on compliance and internal controls and are not clearly inconsequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters required to be disclosed by Rules of the Auditor General (Section 10.554(1)(h)4.).

To the Honorable Ray Valdes,  
Tax Collector of Seminole County, Florida

This management letter is intended solely for the information and use of the Tax Collector and management, and the State of Florida Office of the Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

*Moe Steven Larkin, P.A.*

Certified Public Accountants

Orlando, Florida  
December 31, 2006