

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR

September 30, 2011

SPECIAL-PURPOSE FINANCIAL STATEMENTS,
TOGETHER WITH REPORTS OF INDEPENDENT
AUDITORS

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Report of Independent Auditors

Honorable Vickie Potts
Tax Collector
Charlotte County, Florida

We have audited the accompanying special-purpose financial statements of the Charlotte County, Florida, Tax Collector as of and for the fiscal year ended September 30, 2011 as listed in the Table of Contents. These special-purpose financial statements are the responsibility of the Charlotte County, Florida, Tax Collector. Our responsibility is to express an opinion on these special-purpose 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 special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Section 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*, and are not intended to be a complete presentation of the financial position and changes in financial position of the Charlotte County, Florida Tax Collector. Additionally, the special-purpose financial statements present only the Charlotte County, Florida Tax Collector and are not intended to present the financial position and changes in financial position of Charlotte County, Florida, taken as a whole.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Charlotte County, Florida, Tax Collector as of September 30, 2011 and the respective changes in financial position thereof for the fiscal 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 28, 2011, on our consideration of the Charlotte County, Florida, Tax Collector's internal control over financial reporting and 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 conjunction with this report in considering the results of our audit.

The budgetary comparison schedule is not a required part of the special-purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 we express no opinion on it.

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

Ashley Brown *s/* C,

December 28, 2011

CHARLOTTE COUNTY, FLORIDA
 TAX COLLECTOR
 BALANCE SHEET
 GOVERNMENTAL FUND
 SEPTEMBER 30, 2011

Assets	<u>General</u>
Cash and cash equivalents	\$ 3,676,920
Other assets	267
Total assets	<u>\$ 3,677,187</u>
Liabilities	
Liabilities	
Accounts and vouchers payable	\$ 15,084
Accrued liabilities	57,497
Due to other constitutional officers	
Board of County Commissioners	3,525,214
Due to other governmental agencies	79,392
Total liabilities	<u>\$ 3,677,187</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
 TAX COLLECTOR
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND
 For the Fiscal Year Ended September 30, 2011

	General
Revenues:	
Charges for services	\$ 7,488,503
Miscellaneous	135,587
Total revenues	7,624,090
Expenditures:	
Current	
General government	4,780,585
Total expenditures	4,780,585
Excess of revenues over expenditures	2,843,505
Other financing sources (uses):	
Transfers out	(2,843,505)
Total other financing sources (uses)	(2,843,505)
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2010	-
Fund balance, September 30, 2011	\$ -

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
 TAX COLLECTOR
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2011

Assets	Agency Funds
Cash and cash equivalents	\$ 5,281,861
Due from other governments	5,861
Due from individuals	19,031
Total assets	\$ 5,306,753
Liabilities	
Due to other constitutional officers:	
Board of County Commissioners	\$ 304,989
Clerk of the Circuit Court	1,262
Total due to other constitutional officers	306,251
Due to other governments	323,673
Due to individuals	96,143
Deposits	4,580,686
Total liabilities	\$ 5,306,753

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

The Tax Collector, as an elected constitutional officer, was established by the Constitution of the State of Florida, Article VIII, Section 1(d). As such, the Tax Collector's special purpose financial statements are included in the government wide financial statements of Charlotte County, the primary government. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established by Statement of Governmental Accounting Standards Board Number 14, "Financial Reporting Entity", there are no component units included in the Tax Collector's financial statements.

(b) Fund Accounting

The accounts of the Tax Collector are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following funds are used by the Tax Collector:

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

Agency Funds – Agency Funds are used to account for assets held by public officials in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

(c) Measurement Focus

General Fund – The General Fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balance (net current assets) is considered a measure of available, spendable or appropriable resources. General operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Agency Fund – Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Note 1. Summary of Significant Accounting Policies, Continued

(d) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the General and Agency Funds. The modification in such method from the accrual basis is that revenues are recorded when they become measurable and available to finance operations of the current year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

- (1) Principal and interest on general long-term debt, which is recognized when due; and
- (2) Expenditures are not divided between years by the recording of prepaid expenses.

(e) Budgetary Process

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Tax Collector's annual budget. A budget is only required to be prepared for the General Fund. The Tax Collector's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

(f) Fixed Assets

Acquisitions of tangible personal property are recorded as expenditures in the General Fund at the time of purchase. These assets are reported to the Charlotte County, Florida, Board of County Commissioners and are recorded in the government-wide financial statements.

(g) Compensated Absences

The Tax Collector's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated leave.

As of September 30, 2011 the Tax Collector had \$311,491 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Charlotte County, Florida.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Note 2. Deposits and Investments

Deposits

The Tax Collector's policy allows for deposits to be held in demand deposits, savings accounts, certificates of deposit, money market accounts and overnight repurchase agreements. At September 30, 2011, the Tax Collector maintained deposits in a cash pool and overnight repurchase agreements for all fund types.

At September 30, 2011, the bank balance of \$8,836,049 is the total balance for all Tax Collector funds as participants of the pool and cannot be segregated by fund. The book balance of deposits was \$8,933,331 at September 30, 2011.

The Tax Collector had \$25,450 of cash on hand at September 30, 2011.

The deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to the Public Depository Security Act of the State of Florida, Chapter 280 of the Florida Statutes.

Note 3. Retirement Plan

Plan Description and Provisions

The Tax Collector contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer Public Employees Retirement System (PERS) defined benefit and defined contribution pension plan controlled by the State Legislature and administered by the Florida Department of Administration, Division of Retirement. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, a health insurance subsidy, and survivor benefits to plan members and beneficiaries, respectively. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the law can be made only by an act of Florida Legislature. Rules governing the operations and administration of the System may be found in Chapter 60S of the Florida Administrative Code. The Florida Retirement System Annual Report is a document printed for members of the Legislature and the public, reflecting the financial operation and condition of the state-administered retirement systems. The publication contains financial statements, actuarial comments, investment information, and statistical data on the System. A copy can be obtained by writing to Division of Retirement, Research, Education & Policy Section, P.O. Box 9000, Tallahassee, Florida 32315-9000.

Funding Policy

Presently, the System requires contributions from covered members of 3% of gross wage. The current rates, based on employees' gross earnings, are regular employees 4.91%; senior management 6.27%; DROP participants 4.42%; and elected officials 11.14%. The contribution requirements of the Tax Collector are established and may be amended by the State Legislature. The Tax Collector contributions to the System for the fiscal year ended September 30, 2011 were approximately \$260,715, and equaled the required contributions for the year.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Note 4. General Long-Term Debt

The following changes in general long-term debt occurred during the year ended September 30, 2011:

Long-term debt payable at October 1, 2010	\$ 237,386
Increase in accrued compensated absences	341,949
Decrease in accrued compensated absences	<u>(267,844)</u>
Long-term debt payable at September 30, 2011	<u>\$ 311,491</u>

General long-term debt is comprised of the following:

Noncurrent portion of compensated absences	
Employees of the Tax Collector are entitled to paid sick and annual leave, based on length of service and job classifications	<u>\$ 311,491</u>

Note 5. Insurance

The Tax Collector participates in the County-wide self-insurance program. The Charlotte County, Florida, Board of County Commissioners maintains a self-insurance internal service fund to administer insurance activities relating to employee health insurance, life insurance, general liability, automobile liability and workers' compensation. Also, the Board carries excess insurance coverage for workers' compensation.

The Tax Collector offers its employees a choice between the county-wide self-insured insurance program, or coverage through premiums paid to a third party insurance carrier, paid through the Board of County Commissioners. Amounts paid by the Tax Collector to the Board of County Commissioners for premiums to third party health insurance carriers are included in the total listed below.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program and for premiums for third party carrier health insurance plans. For fiscal year ended September 30, 2011, the Tax Collector was charged \$818,375 for the insurance programs.

Note 6. Contingencies

The Tax Collector is involved from time to time in certain routine litigation, the substance of which as other liabilities or recoveries, would not materially affect the financial position of the Tax Collector.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Note 7. Other Post Employment Benefits

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the Tax Collector provides medical plans to employees of the Tax Collector and their eligible dependents, the Tax Collector is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired Tax Collector employees.

Retired employees (retired after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service or after the age of 55 with six years of credited service with the County and who were participants in the existing medical plan at the time of retirement are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Supervisor of Elections has contributed \$11,412 during the year, including implicit rate subsidy.

Membership

As of September 30, 2011, membership consisted of:

Active Employees	56
Inactive Participants	1

Funding Policy

Funding for this plan is on a pay-as-you-go basis. The Program is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the County's general assets when due. The Tax Collector has one (1) employee receiving these benefits at year-end September 30, 2011.

Annual OPEB Costs and Net OPEB Obligation

Charlotte County had an actuarial valuation performed for the plan as of October 1, 2010 to include the funded status of the plan as of September 30, 2011, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2011. The Tax Collector's annual OPEB cost for the fiscal year was \$29,411. The Tax Collector's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

Note 7. Other Post Employment Benefits, Continued

Annual OPEB Costs and Net OBEB Obligation, Continued

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	% of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2011	\$ 29,411	\$ 11,412	38.80%	\$ 111,586
September 30, 2010	39,304	8,503	21.63%	93,587
September 30, 2009	35,094	4,548	12.95%	62,787

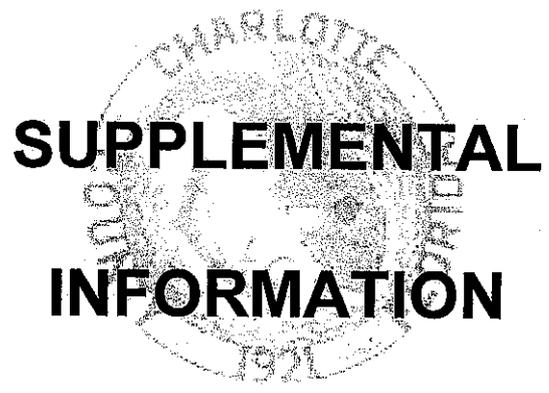
The funded status of the plan as of September 30, 2011 was as follows:

Actuarial Accrued Liability (AAL)	\$ 275,040
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>275,040</u>
Covered Payroll	<u>\$ 2,290,488</u>
Ratio of UAAL to Covered Payroll	12.01%

Valuation Methods and Assumptions

Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using and Individual Entry-Age Actuarial Cost method. The rate of return on investment under the pay-as-you-go approach is 4.5%, compounded annually. Salaries are assumed to increase between 4.0% and 9.47% depending on the member's age and service. Salary increase assumptions are the salary increase assumptions used in the most recent Actuarial Valuation of the Florida Retirement System (FRS).

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**SUPPLEMENTAL
INFORMATION**

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 4,998,189	\$ 5,059,034	\$ 7,488,503	\$ 2,429,469
Miscellaneous	-	-	135,587	135,587
Total revenues	<u>4,998,189</u>	<u>5,059,034</u>	<u>7,624,090</u>	<u>2,565,056</u>
Expenditures:				
Current				
General government				
Non-court related				
Personal services	3,940,915	3,940,915	3,813,119	127,796
Operating expenditures	1,007,984	1,044,043	901,697	142,346
Capital expenditures	49,290	74,076	65,769	8,307
Total general government	<u>4,998,189</u>	<u>5,059,034</u>	<u>4,780,585</u>	<u>278,449</u>
Total expenditures	<u>4,998,189</u>	<u>5,059,034</u>	<u>4,780,585</u>	<u>278,449</u>
Excess of revenues over/(under) expenditures	-	-	2,843,505	2,843,505
Other financing sources (uses):				
Transfers out	-	-	(2,843,505)	(2,843,505)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,843,505)</u>	<u>(2,843,505)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2010	-	-	-	-
Fund balance, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
SEPTEMBER 30, 2011

Assets	Tax Collector Fund	Tax Redemption Fund	License and Tag Fund
Cash and cash equivalents	\$ 4,857,595	\$ 82,245	\$ 256,001
Due from other governments	-	-	5,842
Due from individuals	5,654	-	13,377
Total assets	<u>\$ 4,863,249</u>	<u>\$ 82,245</u>	<u>\$ 275,220</u>
Liabilities			
Due to other constitutional officers:			
Board of County Commissioners	\$ 187,904	\$ -	\$ 35,455
Clerk of the Circuit Court	-	-	-
Total due to other constitutional officers	<u>187,904</u>	<u>-</u>	<u>35,455</u>
Due to other governments	85,212	-	238,461
Due to individuals	10,423	82,245	328
Deposits	4,579,710	-	976
Total liabilities	<u>\$ 4,863,249</u>	<u>\$ 82,245</u>	<u>\$ 275,220</u>

Tourist Development Tax Fund	Charity Fund	Total
\$ 82,885	\$ 3,135	\$ 5,281,861
19	-	5,861
-	-	19,031
<u>\$ 82,904</u>	<u>\$ 3,135</u>	<u>\$ 5,306,753</u>

\$ 81,630	\$ -	\$ 304,989
1,262	-	1,262
<u>82,892</u>	<u>-</u>	<u>306,251</u>
-	-	323,673
12	3,135	96,143
-	-	4,580,686
<u>\$ 82,904</u>	<u>\$ 3,135</u>	<u>\$ 5,306,753</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
TAX COLLECTOR FUND				
ASSETS				
Cash	\$ 5,010,445	\$ 321,424,176	\$ 321,577,026	\$ 4,857,595
Due from other govern- mental agencies	-	9,531,999	9,531,999	-
Due from individuals	434	591,419	586,199	5,654
	<u>\$ 5,010,879</u>	<u>\$ 331,547,594</u>	<u>\$ 331,695,224</u>	<u>\$ 4,863,249</u>
LIABILITIES				
Due to other funds	\$ -	\$ 8,612,428	\$ 8,612,428	\$ -
Due to other constitu- tional officers	121,340	193,136	126,572	187,904
Due to other govern- mental agencies	67,773	85,214	67,775	85,212
Due to individuals	2,143	4,638,234	4,629,954	10,423
Deposits	4,819,623	410,532,650	410,772,563	4,579,710
	<u>\$ 5,010,879</u>	<u>\$ 424,061,662</u>	<u>\$ 424,209,292</u>	<u>\$ 4,863,249</u>
TAX REDEMPTION FUND				
ASSETS				
Cash	\$ 1,092,453	\$ 23,296,120	\$ 24,306,328	\$ 82,245
Due from other govern- mental agencies	84	1,994	2,078	-
Due from individuals	777	205	982	-
	<u>\$ 1,093,314</u>	<u>\$ 23,298,319</u>	<u>\$ 24,309,388</u>	<u>\$ 82,245</u>
LIABILITIES				
Due to other funds	\$ -	\$ 1,980	\$ 1,980	\$ -
Due to individuals	1,093,314	23,235,799	24,246,868	82,245
Deposits	-	67	67	-
	<u>\$ 1,093,314</u>	<u>\$ 23,237,846</u>	<u>\$ 24,248,915</u>	<u>\$ 82,245</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
LICENSE AND TAG FUND				
ASSETS				
Cash	\$ 223,621	\$ 23,126,351	\$ 23,093,971	\$ 256,001
Due from other funds	-	1,252,439	1,252,439	-
Due from other govern- mental agencies	5,661	132,221	132,040	5,842
Due from individuals	11,154	1,296,769	1,294,546	13,377
	<u>\$ 240,436</u>	<u>\$ 25,807,780</u>	<u>\$ 25,772,996</u>	<u>\$ 275,220</u>
LIABILITIES				
Due to other funds	\$ -	\$ 1,285,220	\$ 1,285,220	\$ -
Due to other constitu- tional officers	31,696	481,605	477,846	35,455
Due to other govern- mental agencies	207,775	23,152,947	23,122,261	238,461
Due to individuals	46	143,726	143,444	328
Deposits	919	1,696,385	1,696,328	976
	<u>\$ 240,436</u>	<u>\$ 26,759,883</u>	<u>\$ 26,725,099</u>	<u>\$ 275,220</u>
TOURIST DEVELOPMENT TAX FUND				
ASSETS				
Cash	\$ 72,246	\$ 2,141,060	\$ 2,130,421	\$ 82,885
Due from other funds	-	32,090	32,090	-
Due from other govern- mental agencies	-	19	-	19
Due from individuals	-	153	153	-
	<u>\$ 72,246</u>	<u>\$ 2,173,322</u>	<u>\$ 2,162,664</u>	<u>\$ 82,904</u>
LIABILITIES				
Due to other constitu- tional officers	\$ 72,246	\$ 2,291,742	\$ 2,281,096	\$ 82,892
Due to other funds	-	32,128	32,128	-
Due to individuals	-	1,782	1,770	12
	<u>\$ 72,246</u>	<u>\$ 2,325,652</u>	<u>\$ 2,314,994</u>	<u>\$ 82,904</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deletions	Balance September 30, 2011
CHARITIES FUND				
ASSETS				
Cash	\$ 1,546	\$ 17,654	\$ 16,065	\$ 3,135
	<u>\$ 1,546</u>	<u>\$ 17,654</u>	<u>\$ 16,065</u>	<u>\$ 3,135</u>
LIABILITIES				
Due to individuals	\$ 1,546	\$ 17,905	\$ 16,316	\$ 3,135
	<u>\$ 1,546</u>	<u>\$ 17,905</u>	<u>\$ 16,316</u>	<u>\$ 3,135</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 6,400,311	\$ 370,005,361	\$ 371,123,811	\$ 5,281,861
Due from other funds	-	1,284,529	1,284,529	-
Due from other govern- mental agencies	5,745	9,666,233	9,666,117	5,861
Due from individuals	12,365	1,888,546	1,881,880	19,031
	<u>\$ 6,418,421</u>	<u>\$ 382,844,669</u>	<u>\$ 383,956,337</u>	<u>\$ 5,306,753</u>
LIABILITIES				
Due to other funds	\$ -	\$ 9,899,628	\$ 9,899,628	\$ -
Due to other consti- tutional officers	225,282	2,966,483	2,885,514	306,251
Due to other govern- mental agencies	275,548	23,238,161	23,190,036	323,673
Due to individuals	1,097,049	28,037,446	29,038,352	96,143
Deposits	4,820,542	412,229,102	412,468,958	4,580,686
	<u>\$ 6,418,421</u>	<u>\$ 476,370,820</u>	<u>\$ 477,482,488</u>	<u>\$ 5,306,753</u>

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**Independent Auditor's Report on Internal Control over Financial Reporting
And on Compliance and Other Matters Based on an
Audit of Special-Purpose Financial Statements Performed
In Accordance with *Government Auditing Standards***

Honorable Vickie Potts
Tax Collector
Charlotte County, Florida

We have audited the special-purpose financial statements of the Charlotte County, Florida, Tax Collector as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated December 28, 2011 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*. 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 Charlotte County, Florida, Tax Collector's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charlotte County, Florida, Tax Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charlotte County, Florida, Tax Collector's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's special-purpose financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charlotte County, Florida, Tax Collector's special-purpose 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 Charlotte County, Florida, Tax Collector, the Charlotte County, Florida, Board of County Commissioners, the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Audley Brown & Co.

December 28, 2011

Management Letter

Honorable Vickie Potts
Tax Collector
Charlotte County, Florida

We have audited the special-purpose financial statements of the Charlotte County, Florida, Tax Collector, as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated December 28, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated December 28, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Charlotte County, Florida, Tax Collector complied with Section 218.415, Florida Statutes.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, require that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a matter of public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information of the Charlotte County, Florida, Tax Collector, management, the Charlotte County, Florida, Board of County Commissioners, 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.

Ashley Brown E. G.

December 28, 2011

Charlotte County Tax Collector

Vickie L. Potts

www.cctaxcol.com



December 28, 2011

Ashley & Brown CPA's
Certified Public Accountants
366 East Olympia Avenue
Punta Gorda, Florida 33950

Dear Mr. Ashley and Mr. Brown:

Pursuant to Chapter 10.550 "Rules of the Auditor General – Local Government Entity Audits" and Section 11.45 (3) (a) 4, Florida Statutes, we are in receipt of and are responding to your management letter, for fiscal year ended September 30, 2011.

I am very pleased with the outcome of the audit. Please extend our thanks to your staff for their outstanding work.

Sincerely,

Vickie L. Potts,
Charlotte County Tax Collector

VLP/df

CHARLOTTE COUNTY TAX COLLECTOR

Executive Office

18500 Murdock Circle | Port Charlotte, FL 33948

Phone: 941.743.1350 | Fax: 941.623.1048