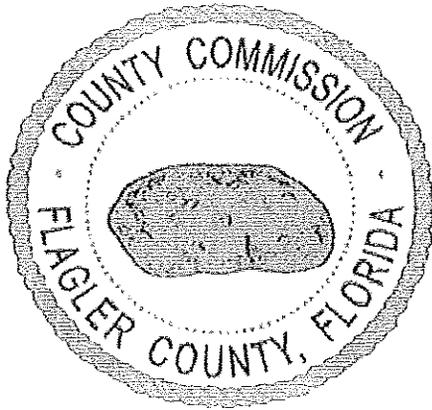


TAX COLLECTOR
FLAGLER COUNTY, FLORIDA
SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

TAX COLLECTOR
FLAGLER COUNTY, FLORIDA
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SEPTEMBER 30, 2007

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WRIGHT & LAHAM
CPAS AND ASSOCIATES, LLP

Partners:

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James A. Wright, Jr.
James S. LaHam
Ross A. Whitley
W. Ed Moss
Philip J. Hayes
Brian L. Nemeroff

INDEPENDENT AUDITORS' REPORT

The Honorable Suzanne Johnston
Flagler County Tax Collector
Flagler County, Florida

We have audited the accompanying special-purpose financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Flagler County, Florida (the "Tax Collector") as of and for the year ended September 30, 2007, as listed in the table of contents. These special-purpose financial statements are the responsibility of the management of the 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, as well as evaluating the overall financials statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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As discussed in Note 1, the special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the financial position of the Tax Collector at September 30, 2007, and the changes in financial position for the year then ended. They do not purport to, and do not, present fairly the financial position of Flagler County, Florida, as of September 30, 2007, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2007, and the respective changes in financial position and the respective budgetary comparison for the General Fund 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 a report dated February 4, 2008, on our consideration of the 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 assessing the results of our audit.

This report is intended solely for the information and use of the Tax Collector, management, 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.

February 4, 2008
Melbourne, Florida

Berman Hopkins Wright & Latham
CPAs and Associates, LLP

TAX COLLECTOR
 FLAGLER COUNTY, FLORIDA
 BALANCE SHEET - GOVERNMENTAL FUND
 SEPTEMBER 30, 2007

ASSETS	<u>General Fund</u>
Cash and cash equivalents	\$ 1,748,785
Due from Board of County Commissioners	4,058
Accounts Receivable	89
 TOTAL ASSETS	 <u>\$ 1,752,932</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accrued liabilities	17,371
Due to Board of County Commissioners	1,625,856
Due to other governments	109,705
 TOTAL LIABILITIES	 <u>1,752,932</u>
 FUND BALANCE:	
Unreserved - undesignated	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,752,932</u>

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

TAX COLLECTOR
 FLAGLER COUNTY, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE- GOVERNMENTAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	General Fund
REVENUES:	
Charges for services	\$ 3,618,473
Miscellaneous revenue	11,674
	3,630,147
TOTAL REVENUES	
EXPENDITURES:	
Current:	
General government	
Personal services	1,542,775
Operating expenses	389,794
Capital Outlay	71,275
	2,003,844
TOTAL EXPENDITURES	
EXCESS OF REVENUES OVER EXPENDITURES	1,626,303
OTHER FINANCING USES:	
Reversion to Board of County Commissioners	(1,626,303)
NET CHANGE IN FUND BALANCE	-
FUND BALANCE, BEGINNING OF YEAR	-
FUND BALANCE, END OF YEAR	\$ -

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

TAX COLLECTOR
 FLAGLER COUNTY, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE- BUDGET and ACTUAL- GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
REVENUES:				
Charges for services	\$ 3,304,333	\$ 3,304,333	\$ 3,618,473	\$ 314,140
Miscellaneous revenue	-	-	11,674	11,674
TOTAL REVENUES	<u>3,304,333</u>	<u>3,304,333</u>	<u>3,630,147</u>	<u>325,814</u>
EXPENDITURES:				
Current:				
General government				
Personal services	1,434,378	1,583,523	1,542,775	40,748
Operating expenses	321,999	361,999	389,794	(27,795)
Capital Outlay	71,421	71,421	71,275	146
TOTAL EXPENDITURES	<u>1,827,798</u>	<u>2,016,943</u>	<u>2,003,844</u>	<u>13,099</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,476,535</u>	<u>1,287,390</u>	<u>1,626,303</u>	<u>338,913</u>
OTHER FINANCING USES:				
Reversion to Board of County Commissioners	(1,476,535)	(1,287,390)	(1,626,303)	(338,913)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TAX COLLECTOR
FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
SEPTEMBER 30, 2007

ASSETS	Agency Funds
Cash and cash equivalents	\$ 1,980,897
Accounts receivable	30,789
Total Assets	<u>\$ 2,011,686</u>
LIABILITIES:	
Accrued liabilities	\$ 349,227
Due to Board of County Commissioners	210,421
Due to other governments	44,720
Installment taxes	1,407,318
Total Liabilities	<u>\$ 2,011,686</u>

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

TAX COLLECTOR
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

(1) Summary of Significant Accounting Policies:

The following is a summary of significant accounting policies of the Flagler County Tax Collector (the Tax Collector).

(a) **Reporting Entity** – The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units and Amendment to GASB Statement 14", which establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Tax Collector, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Tax Collector's office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as a part of the primary government of Flagler County, Florida. The Tax Collector's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Flagler County, Florida, taken as a whole.

These special-purpose financial statements of the Tax Collector are issued separately to comply with Section 10.557(5) *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 218.39(2), *Florida Statutes*.

The financial activities of the Tax Collector, as a constitutional officer, are included in the basic financial statements of Flagler County, Florida.

(b) **Measurement Focus, Basis of Accounting, and Basis of Presentation** – Fund financial statements report detailed information about the Tax Collector. The focus of fund financial statements is on major funds. For the year ended September 30, 2007, the Tax Collector reported the General Fund as a major fund.

Governmental funds are accounted for using the flow of current financial resources measurement focus. Only current assets and current liabilities, generally, are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The Tax Collector reports the following governmental fund type:

General Fund – The General Fund of the Tax Collector is used to account for all financial resources which are generated from operations of the Tax Collector's office, appropriations from the Board of County Commissioners, and any other resources not required to be accounted for in another fund.

TAX COLLECTOR
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

(1) **Summary of Significant Accounting Policies:** (continued)

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance liabilities of the current fiscal year). For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured.

Interest income and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period.

Capital outlays expended in governmental fund operations are capitalized in the basic financial statements of Flagler County, Florida rather than in the governmental funds of the Tax Collector.

Additionally, the Tax Collector reports the following fund:

Agency Funds – The Agency Funds of the Tax Collector are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of changes in financial position.

(c) **Cash and Cash Equivalents** – The Tax Collector's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from acquisition date.

(d) **Compensated Absences** – Earned leave time is determined by employees' length of service. Generally, the Tax Collector's policies allow limited vesting of unused employee leave time. Vacation and sick leave payments are included in operating costs when the payments are made to the employees. The Tax Collector does not, nor is she legally required to, accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds, but rather is reported in the basic financial statements of Flagler County, Florida. Prior to April 1, 2005, the Tax Collector's policies did not provide for vesting of unused leave time.

(e) **Use of Estimates** – The preparation of financial statements in accordance with GAAP, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reporting amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TAX COLLECTOR
 FLAGLER COUNTY, FLORIDA
 NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2007

(1) **Summary of Significant Accounting Policies:** (continued)

(f) **Property Tax Collections**

Chapter 197, Florida Statutes, governs property tax collections.

- **Current Taxes**

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3% and 1% are allowed for early payment in November through February, respectively.

- **Unpaid Taxes – Sale of Tax Certificates**

The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

- **Tax Deeds**

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

(2) **Budgets and Budgetary Accounting:**

The preparation, adoption, and amendment of the budget are governed by Chapter 129, *Florida Statutes*. An annual budget is legally adopted for the General Fund and approved by the Florida Department of Revenue. All budget amounts presented have been adjusted for legally authorized amendment of the annual budget. Budget appropriations lapse at year-end. The fund is the legal level of control.

(3) **Changes in Long-Term Liabilities:**

A summary of changes in long-term liabilities for the Tax Collector as reported as part of the basic financial statements of Flagler County, Florida follows:

	Balance			Balance	
	October 1,	Additions	Deductions	September 30,	Due within
	2006			2007	one year
Compensated Absences	<u>\$ 34,420</u>	<u>\$ 29,336</u>	<u>\$ 22,146</u>	<u>\$ 41,610</u>	<u>\$ 41,610</u>

Historically compensated absences have been liquidated by the general fund.

TAX COLLECTOR
 FLAGLER COUNTY, FLORIDA
 NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2007

(4) Changes in Capital Assets:

A summary of changes in capital assets for the Tax Collector as reported as part of the basic financial statements of Flagler County, Florida is as follows:

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
Governmental Activities				
Equipment	\$ 286,059	\$ 33,195	\$ (14,520)	\$ 304,734
Less accumulated depreciation	(161,807)	(62,668)	14,520	(209,955)
Total governmental activities capital assets, net	<u>\$ 124,252</u>	<u>\$ (29,473)</u>	<u>\$ -</u>	<u>\$ 94,779</u>

For the year ended September 30, 2007, depreciation expense of \$62,668 was charged to the general government function in the basic financial statements of Flagler County, Florida.

(5) Pension Plans:

Defined Benefit Pension Plan – The Tax Collector participates in the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing multiple-employer public employee retirement system administered by the State of Florida Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, ten-year historical trend information and other required supplementary information. That report may be obtained by writing to the:

State of Florida Division of Retirement
 Department of Management Services
 PO Box 9000
 Tallahassee, Florida 32315-9000

The Pension Plan provides for vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age sixty-two, or thirty years of service regardless of age. Early retirement may be taken any time after completing six years of service, however, there is a five percent benefit reduction for each year prior to normal retirement. Generally, membership is compulsory for all full-time and part-time employees, except for elected county officials who may elect to not participate in the Florida Retirement System. Retirement coverage is employee noncontributory. The employer pays all contributions.

TAX COLLECTOR
 FLAGLER COUNTY, FLORIDA
 NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2007

(5) **Pension Plans:** (continued)

The contribution rates are as follows:

	<u>October 1, 2006 – June 30, 2007</u>	<u>July 1, 2007 – September 30, 2007</u>
Regular employees	9.85%	9.85%
Elected county officials	16.53%	16.53%
Deferred retirement option program employees	10.91%	10.91%

The contribution rate of current year-covered payroll is 11.4 percent. For the years ended September 30, 2007, 2006, and 2005, total contributions were \$112,357, \$69,594, and \$49,395, respectively. The Tax Collector made actual contributions equal to the actuarially determined required contributions each year.

Defined Contribution Pension Plan – As of June 1, 2002, the Florida Retirement System offers members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the State of Florida Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

The Investment Plan provides for vesting of benefits after one year of creditable service. Employees may make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2002. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by “buying back” into the Pension Plan. Retirement coverage is employee noncontributory. The employer pays all contributions. The rates for the Investment Plan are the same as the Pension Plan.

For the year ended September 30, 2007, all employees of the Tax Collector were participating in the Pension Plan.

(6) **Deposits:**

At year-end, the carrying amount of the Tax Collector’s deposits was \$3,729,682 and the bank balances were \$4,568,473. Any balance in excess of FDIC insurance is covered by collateral held by the Tax Collector’s custodial banks which is pledged to a state trust fund that provides security in accordance with the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

TAX COLLECTOR
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

(6) **Deposits:** (continued):

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

(7) **Due To Entities of Flagler County:**

At September 30, 2007, the amounts due to entities of Flagler County consist of the following:

Board of County Commissioners \$ 1,832,219

The amount due to the Board of County Commissioners includes the reversion of \$1,626,303 of excess revenues over expenditures and other financing uses and is reported net of other amounts due from the board at September 30, 2007.

(8) **Operating Leases:**

The Tax Collector maintains one office lease with a maturity date of May 2009. Monthly rent expense ranges \$2,016 to \$2,423. Rent expense under this lease for the year ended September 30, 2007, was \$29,405. The future minimum lease payments for the remaining terms are as follows:

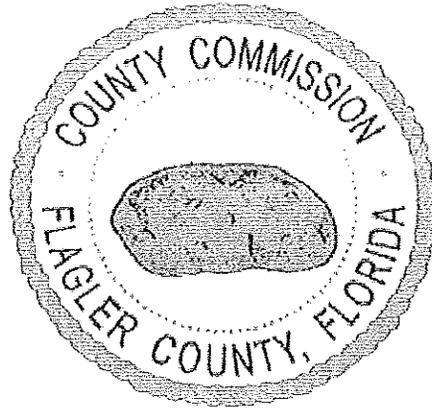
<u>Year ending September 30,</u>	<u>Amount</u>
2008	\$ 28,422
2009	<u>19,384</u>
	<u>\$ 47,806</u>

TAX COLLECTOR
FLAGLER COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

(9) 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; and natural disasters for which the Tax Collector carries commercial insurance. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

The Tax Collector participates in the Flagler County risk management program. The Board of County Commissioners maintains a Group Medical Benefit Internal Service Fund for life and health insurance. During the current year, the Tax Collector remitted \$327,557 to the Board for insurance coverage. Information regarding the program's coverage, self-insurance reserves and program administration can be found in the special-purpose financial statements of the Flagler County Board of County Commissioners for the year ended September 30, 2007.



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**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**

The Honorable Suzanne Johnston
Flagler County Tax Collector
Flagler County, Florida



We have audited the special-purpose financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Flagler County, Florida (the "Tax Collector") as of and for the year ended September 30, 2007, and have issued our report thereon dated February 4, 2008. 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

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In planning and performing our audit, we considered the Tax Collector's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control over financial reporting.

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A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Tax Collector's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Tax Collector's special-purpose financial statements that is more than inconsequential will not be prevented or detected by the Tax Collector's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the special-purpose financial statements will not be prevented or detected by the Tax Collector's internal control.

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

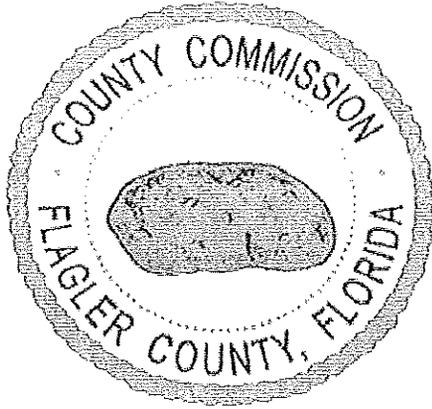
Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 special-purpose 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 management 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.

February 4, 2008
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



Partners:

John R. Hopkins
James A. Wright, Jr.
James S. LaHam
Ross A. Whitley
W. Ed Moss
Philip J. Hayes
Brian L. Nemeroff

MANAGEMENT LETTER

The Honorable Suzanne Johnston
Flagler County Tax Collector
Flagler County, Florida

We have audited the special-purpose financial statements of the Tax Collector of Flagler County, Florida (the "Tax Collector") as of and for the fiscal year ended September 30, 2007, and have issued our report thereon dated February 4, 2008.

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. We have issued our Report on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which is dated February 4, 2008, 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, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

- 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 significant findings and recommendations made in the preceding annual financial audit report. There were no significant findings or 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 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, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.



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- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the special-purpose 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, requires, based on professional judgment, the reporting of the following matters that are inconsequential to the special-purpose financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred and would have an immaterial effect on the special-purpose financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the special-purpose financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the special-purpose financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. 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 special-purpose financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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

February 4, 2008
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP