

SPECIAL-PURPOSE FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

Hillsborough County, Florida,
Tax Collector

Year Ended September 30, 2004

Hillsborough County, Florida
Tax Collector

Special-Purpose Financial Statements and
Required Supplementary Information

Year Ended September 30, 2004

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Report of Independent Certified Public Accountants

The Honorable Doug Belden
Tax Collector
Hillsborough County, Florida

We have audited the special-purpose financial statements of the general fund and the aggregate remaining fund information of Hillsborough County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2004. These special-purpose financial statements are the responsibility of the management of the Tax Collector. Our responsibility is to express opinions 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 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 special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Additionally, the special-purpose statements present only the Tax Collector and are not intended to present fairly the financial position and changes in financial position of Hillsborough County, Florida, in conformity with accounting principles generally accepted in the United States.

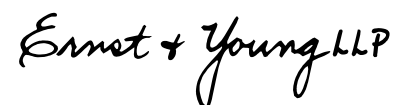
In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Hillsborough County, Florida, Tax Collector as of September 30, 2004, and the respective changes in financial position, where appropriate, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2004, 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 read in conjunction with this report in considering the results of our audit.

The budgetary comparison schedule on page 15 is not a required part of the special-purpose financial statements but is supplementary information required by the GASB. 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.

Our audit was made for the purpose of forming opinions on the special-purpose financial statements taken as a whole. The accompanying other financial information, which is also the responsibility of the management of the Tax Collector, is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements of the Tax Collector. Such information has been subjected to the auditing procedures applied in our audit of the special-purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the special-purpose financial statements taken as a whole.

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



November 23, 2004

Special-Purpose Financial Statements

Hillsborough County, Florida,
Tax Collector

Special-Purpose Balance Sheet –
General Fund

September 30, 2004

Assets

Cash and cash equivalents	\$ 12,586,692
Accounts receivable	8,903
Prepaid expenditures	23,927
Due from agency funds	96,687
Due from Board of County Commissioners	39,135
Due from other governmental agencies	21,319
Total assets	<u>\$ 12,776,663</u>

Liabilities and fund balance

Liabilities:

Accounts payable	\$ 338,006
Wages and benefits payable	705,884
Deferred revenue	466,604
Due to Board of County Commissioners	10,234,264
Due to agency funds	38,175
Due to other governmental agencies	993,730
Total liabilities	<u>12,776,663</u>

Fund balance

Total liabilities and fund balance	<u>\$ 12,776,663</u>
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See accompanying notes.

Hillsborough County, Florida,
Tax Collector

Special-Purpose Statement of Revenues,
Expenditures and Changes in Fund Balance –
General Fund

Year Ended September 30, 2004

Revenues:	
Charges for services:	
Board of County Commissioners	\$ 19,421,830
Other governmental agencies and individuals	11,075,612
Interest income	111,993
Miscellaneous	192,178
Total revenues	<u>30,801,613</u>
Expenditures:	
General government:	
Personal services	14,913,340
Operating expenditures	3,992,733
Capital outlay	673,395
Total expenditures	<u>19,579,468</u>
Excess of revenues over expenditures	11,222,145
Other financing uses:	
Distribution of excess revenues:	
Board of County Commissioners	(10,231,490)
Other governmental agencies	(990,655)
Total other financing uses	<u>(11,222,145)</u>
Net change in fund balance	–
Fund balance, beginning of year	–
Fund balance, end of year	<u>\$ –</u>

See accompanying notes.

Hillsborough County, Florida,
Tax Collector

Special-Purpose Statement of Fiduciary Net Assets –
Agency Funds

September 30, 2004

Assets

Cash and cash equivalents	\$ 14,793,785
Accounts receivable	44,522
Due from general fund	38,175
Due from Board of County Commissioners	36,382
Total assets	<u>\$ 14,912,864</u>

Liabilities

Accounts payable	\$ 1,006,270
Due to general fund	96,687
Deposits	186,947
Due to Board of County Commissioners	6,586,490
Due to other governmental agencies	7,036,470
Total liabilities	<u>\$ 14,912,864</u>

See accompanying notes.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements

September 30, 2004

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying special-purpose financial statements.

Reporting Entity—The Hillsborough County, Florida, Tax Collector (the Tax Collector) is a separate constitutional officer as provided by Article VIII, section 1, of the Constitution of the State of Florida and the Home Rule Chapter adopted by the people of Hillsborough County, Florida (the County). For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County and, therefore, is included as such in the Hillsborough County, Florida, Comprehensive Annual Financial Report.

Basis of Presentation—These special-purpose financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which include the funds of the Tax Collector, were prepared in conformity with accounting principles generally accepted in the United States (GAAP). The Tax Collector utilizes the following fund types:

- *The General Fund*, a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector that are not required either legally or by accounting principles generally accepted in the United States to be accounted for in another fund.
- *The Agency Funds*, fiduciary funds, are custodial in nature and do not involve measurement of results of operations (assets equal liabilities). The Agency Funds are used (1) to account for collection of motor vehicle registration receipts, and the subsequent remittance of those receipts to the state of Florida and (2) to account for the collection and distribution of local property tax monies and funds generated from the sale of miscellaneous licenses from the state of Florida.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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

The modified accrual basis of accounting is followed by the General Fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

Charges for services on the collection of property taxes are recognized as revenue in the fiscal year for which taxes are levied, provided they are collected within 30 days after the end of the fiscal year. Certain other miscellaneous revenues are recorded as revenues when received because they are generally not measurable until actually received. Investment revenues are recorded as earned.

Budgetary Requirement—Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. The budgeted revenues and expenditures reported in the required supplementary information reflect all approved amendments.

On or before August 1 of each year, the Tax Collector submits an operating budget for the General Fund to the Florida Department of Revenue (the Department) and the Hillsborough County, Florida, Board of County Commissioners (the Board). The Department examines the budget and returns it to the Tax Collector with rulings thereon. The Tax Collector revises the budget as required and resubmits it to the Department for final approval. After final approval, no reductions or increases are permitted without the approval of the Department.

Budgetary control is maintained at the major object code level of the Tax Collector's departments. Budgetary changes within the major object expenditure categories are made at the discretion of the Tax Collector. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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%, 2% 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 redeem 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, is required to exercise similar procedures two years after taxes have been due (November 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court of the County administers these sales.

Cash, Cash Equivalents and Investments—Cash consists of checking and savings accounts, collectively designated as cash deposits. Cash deposits are carried at cost. For purposes of financial statement presentation, cash equivalents are highly liquid investments with maturities of three months or less.

The Tax Collector deposits cash in qualified public depositories. The deposits are fully insured by the Federal Deposit Insurance Corporation and/or secured by the multiple financial institution collateral pool established under Chapter 280, Florida Statutes. In accordance with these statutes, qualified public depositories are required to pledge eligible collateral in varying percentages. Any losses to public depositors are covered by applicable deposit insurance, by the sale of pledged securities, and if necessary, by assessments against other qualified public depositories.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Florida Statutes, section 218.415, authorizes the Tax Collector to invest in obligations of the U.S. government, its agencies and instrumentalities, and certain other investments. Investments are stated at fair value.

Compensated Absences—In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Tax Collector determines the liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences that are recorded and reported by the County in the basic financial statements. Vacation leave is accrued as a liability as the benefits are earned by the employees. Sick leave is accrued as a liability as the benefits are earned by the employees, but only to the extent that it is probable that the Tax Collector will compensate the employees for the benefits through cash payments at termination or retirement.

The Tax Collector's compensated absences liability at September 30, 2004, comprises three components. First, a liability has been recorded for all earned and unpaid vacation leave. Second, a liability has been recorded for all sick leave earned by employees whose length of employment is eight years or greater. Third, a liability has been recorded for sick leave earned by employees whose length of employment is between four and seven years. After conducting an analysis of historical data, it has been determined that employees with at least four years of service are generally expected to vest. In addition to the preceding benefits, other salary-related costs incrementally associated with the payment of compensated absences have been calculated. These include the Tax Collector's share of Social Security and Medicare taxes as well as the Tax Collector's required pension contribution to the Florida Retirement System.

Refund of "Excess Fees"—Florida Statutes provide that the excess of the Tax Collector's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income received by the Tax Collector. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and other taxing districts and the transfer and distribution of total excess fees are reported as an other financing use.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Use of Estimates—The preparation of the special-purpose fund financial statements is in conformity with accounting practices prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

2. Cash, Cash Equivalents and Investments

At September 30, 2004, cash totaling \$9,713,738 included cash on hand and cash deposited in banks. Bank balances at September 30, 2004, were \$8,779,043. Bank balances are fully insured in accordance with Florida Statute 280, which establishes the multiple financial institution collateral pool.

Investments of \$17,666,739 represent an investment in the State Board of Administration Local Government Surplus Funds Investment Pool Trust Fund which is carried at amortized cost. The Surplus Funds Investment Pool met the criteria to be a “2a7-like” pool, as defined in GASB 31, and is permitted to report investments at amortized cost. A 2a7-like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the regulations set forth in the SEC’s Rule 2a7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, this pool operates essentially as a money market fund and is not categorized as to custodial risk according to the criteria set forth in GASB Statement No. 31 and Statement No. 40.

3. Interfund Receivables and Payables

The balance of \$96,687 due to the General Fund from the agency funds represent motor vehicle fees and occupational license fees to be transferred to the General Fund in 2005. The balance of \$38,175 due to the agency funds from the General Fund represents bank service charges.

4. Capital Assets

The tangible personal property used by the Tax Collector is reported as capital assets in the statement of net assets as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the General Fund of the Tax Collector and capitalized at cost in the capital asset accounts of the County. The Tax Collector maintains custodial responsibility for the fixed assets used by its office.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

5. Accounts Payable

Accounts payable in the general fund are due to various vendors. Accounts payable in the agency funds are primarily tax certificates.

6. Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable based upon the Tax Collector's annual leave and sick leave policy is reported as a liability in the statement of net assets in the County's basic financial statements. The change in accumulated compensated absences during the year ended September 30, 2004, is as follows:

Beginning balance	\$ 1,747,721
Additions	1,261,137
Deletions	<u>(1,014,501)</u>
Ending balance	<u>\$ 1,994,357</u>

7. Retirement Plan

Substantially all full-time Tax Collector employees are participants in the Florida Retirement System (the System), a multiple employer cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers approximately 600,000 full-time employees of various governmental units within the state of Florida.

The System provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at 30 years of service or after age 62 with six or more years of service. Early retirement is available after six 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. Employees are not required to contribute to this retirement system.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

7. Retirement Plan (continued)

The Tax Collector has no responsibility to the System other than to make the periodic contributions required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Participating employer contributions are based upon statewide rates established by the state of Florida. These rates are applied to employee salaries as follows: regular employees, 7.39%; special risk employees, 18.53%; and elected officials, 15.23% from October 1, 2003 through September 30, 2004, respectively. During the fiscal year ended September 30, 2004, the Tax Collector contributed to the System an amount equal to 7.59% of total covered payroll. The Tax Collector's contributions made during the years ended September 30, 2004, 2003 and 2002, were \$821,990, \$655,923 and \$726,040, respectively, and are equal to the actuarially determined contribution requirements for each year.

8. Lease Commitments

The Tax Collector pays rent under operating leases for its various collection offices. These leases are cancelable if funds are not appropriated for their purpose and are not enforceable against a new administration with the exception of operating lease agreements at three collection offices. For these three leases, if at the end of the five-year term of these leases, the Tax Collector does not exercise its first option to renew, approximately \$463,000 will be due to the Lessor. If after the end of the term of the first renewal option, the Tax Collector does not exercise its second option to renew, approximately \$121,000 will be due to the Lessor. At September 30, 2004, none of these three operating leases has reached the end of the initial five-year term, and the Tax Collector intends to exercise the first option.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

8. Lease Commitments (continued)

Rental expenditures under operating leases for the year ended September 30, 2004, amounted to \$597,736. The future minimum lease payments for the Tax Collector under operating leases as of September 30, 2004, are as follows:

Years Ending September 30

2005	\$ 500,458
2006	463,833
2007	383,925
2008	268,513
2009	138,453
	<u>\$1,755,182</u>

9. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants or estate until termination, retirement, death or unforeseeable emergency.

Effective January 1, 1997, federal legislation converted the deferred compensation assets from County assets to employee assets. As a result of these changes, plan assets are no longer subject to the claims of the County's general creditors. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the property of the participants.

Hillsborough County, Florida,
Tax Collector

Notes to Special-Purpose Financial Statements (continued)

10. Risk Management

The County has established various self-insurance funds, in which the Tax Collector participates. These funds are accounted for as internal service funds on the basic financial statements of the County. Workers' compensation claims exceeding \$500,000 per claim are covered with specific excess insurance. The County is also self-insured under sovereign immunity up to a maximum of \$100,000 per person/\$200,000 per occurrence for claims against the County involving negligence, including automobile and general liability. Negligence claims in excess of the statutory limits set forth in Section 768.28, Florida Statutes, can only be recovered through an act of the State of Florida Legislature. Reserves have been established for both claims that have been reported but not paid and claims incurred but not reported. Employee medical benefits claims exceeding \$100,000 per claim are covered with specific excess insurance up to \$1,000,000 (the medical benefits fund is covered by aggregate excess insurance through reinsurance purchased from private insurance carriers). During the year ended September 30, 2004, the Tax Collector paid \$204,293 to the Board for insurance coverage.

Required Supplementary Information

Hillsborough County, Florida,
Tax Collector

Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
General Fund

Year Ended September 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services:				
Board of County Commissioners	\$21,489,000	\$21,489,000	\$19,421,830	(\$2,067,170)
Other governmental agencies	8,310,360	8,310,360	11,075,612	2,765,252
Interest income	120,000	120,000	111,993	(8,007)
Miscellaneous	143,000	143,000	192,178	49,178
Total revenues	<u>30,062,360</u>	<u>30,062,360</u>	<u>30,801,613</u>	<u>739,253</u>
Expenditures:				
General government:				
Personal services	15,017,174	15,114,807	14,913,340	201,467
Operating expenditures	3,856,574	4,348,769	3,992,733	356,036
Capital outlay	482,477	684,975	673,395	11,580
Total expenditures	<u>19,356,225</u>	<u>20,148,551</u>	<u>19,579,468</u>	<u>569,083</u>
Excess of revenues over expenditures	10,706,135	9,913,809	11,222,145	1,308,336
Other financing (uses):				
Distribution of excess revenues:				
Board of County Commissioners	(9,784,656)	(9,058,911)	(10,231,490)	–
Other governmental agencies	(921,479)	(854,898)	(990,655)	–
Total other financing uses	<u>(10,706,135)</u>	<u>(9,913,809)</u>	<u>(11,222,145)</u>	<u>(1,308,336)</u>
Net change in fund balances	–	–	–	–
Fund balance, beginning of year	–	–	–	–
Fund balance, end of year	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

Other Financial Information

Hillsborough County, Florida,
Tax Collector

Combining Special-Purpose Statement of Fiduciary Net Assets –
All Agency Funds

September 30, 2004

	Tax and License Fund	Motor Vehicle Fund	Total All Agency Funds
Assets			
Cash and cash equivalents	\$12,639,816	\$2,153,969	\$14,793,785
Accounts receivable	11,680	32,842	44,522
Due from other funds	1,793	36,382	38,175
Due from Board of County Commissioners	36,382	–	36,382
Total assets	<u>\$12,689,671</u>	<u>\$2,223,193</u>	<u>\$14,912,864</u>
Liabilities			
Accounts payable	\$ 950,457	\$ 55,813	\$ 1,006,270
Deposits	–	186,947	186,947
Due to other funds	19,397	77,290	96,687
Due to Board of County Commissioners	6,580,122	6,368	6,586,490
Due to other governmental agencies	5,139,695	1,896,775	7,036,470
Total liabilities	<u>\$12,689,671</u>	<u>\$2,223,193</u>	<u>\$14,912,864</u>

Hillsborough County, Florida,
Tax Collector

Combining Statement of Changes in
Assets and Liabilities – All Agency Funds

September 30, 2004

	Balance September 30 2003	Additions	Deductions	Balance September 30 2004
Tax and License Fund				
Assets:				
Cash and cash equivalents	\$ 10,076,234	\$2,500,630,952	\$2,498,067,370	\$ 12,639,816
Accounts receivable	4,151	933,909	926,380	11,680
Due from other funds	5,958	641,681	645,846	1,793
Due from Board of County Commissioners	407,467	36,382	407,467	36,382
Due from other governmental agencies	241,898	2,006	243,904	–
Total assets	\$ 10,735,708	\$2,502,244,930	\$2,500,290,967	\$ 12,689,671
Liabilities:				
Accounts payable	\$ 504,794	\$ 60,324,642	\$ 59,878,979	\$ 950,457
Deposits	358,521	5,862	364,383	–
Due to other funds	438,968	1,491,958	1,911,529	19,397
Due to Board of County Commissioners	5,325,876	21,977,234	20,722,988	6,580,122
Due to other governmental agencies	4,107,549	1,626,940,215	1,625,908,069	5,139,695
Total liabilities	\$ 10,735,708	\$1,710,739,911	\$1,708,785,948	\$ 12,689,671
Motor Vehicle Fund				
Assets:				
Cash and cash equivalents	\$ 2,468,948	\$ 91,923,337	\$ 92,238,316	\$ 2,153,969
Accounts receivable	65,119	265,108	297,385	32,842
Due from other funds	15,787	264,764	244,169	36,382
Due from other governmental agencies	330	480	810	–
Total assets	\$ 2,550,184	\$ 92,453,689	\$ 92,780,680	\$ 2,223,193
Liabilities:				
Accounts payable	\$ 91,496	\$ 4,080,102	\$ 4,115,785	\$ 55,813
Deposits	270,812	4,318,002	4,401,867	186,947
Due to other funds	87,827	6,373,071	6,383,608	77,290
Due to Board of County Commissioners	9,385	572,755	575,772	6,368
Due to other governmental agencies	2,090,664	84,499,649	84,693,538	1,896,775
Total liabilities	\$ 2,550,184	\$ 99,843,579	\$ 100,170,570	\$ 2,223,193

Continued on next page.

Hillsborough County, Florida,
Tax Collector

Combining Statement of Changes in
Assets and Liabilities – All Agency Funds (continued)

September 30, 2004

	Balance September 30 2003	Additions	Deductions	Balance September 30 2004
Total – All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 12,545,182	\$2,592,554,288	\$2,590,305,685	\$ 14,793,785
Accounts receivable	69,270	1,199,017	1,223,765	44,522
Due from other funds	21,745	906,445	890,015	38,175
Due from Board of County Commissioners	407,467	36,382	407,467	36,382
Due from other governmental agencies	242,228	2,486	244,714	–
Total assets	\$ 13,285,892	\$2,594,698,618	\$2,593,071,646	\$ 14,912,864
Liabilities:				
Accounts payable	\$ 596,290	\$ 64,404,744	\$ 63,994,764	\$ 1,006,270
Deposits	629,333	4,323,864	4,766,250	186,947
Due to other funds	526,795	7,865,028	8,295,136	96,687
Due to Board of County Commissioners	5,335,261	22,550,003	21,298,774	6,586,490
Due to other governmental agencies	6,198,213	1,711,439,862	1,710,601,605	7,036,470
Total liabilities	\$ 13,285,892	\$1,810,583,501	\$1,808,956,529	\$ 14,912,864

Other Reports

**Report of Independent Certified Public Accountants 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 Doug Belden
Tax Collector
Hillsborough County, Florida

We have audited the special-purpose financial statements of Hillsborough County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2004, and have issued our report thereon dated November 23, 2004, for purpose of compliance with the requirements of the Auditor General, State of Florida. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 special-purpose 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 over financial reporting 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 special-purpose 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 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 the Tax Collector, Hillsborough County, Florida, and the Auditor General, State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

November 23, 2004

Management Letter on Internal Control and State Reporting Requirements

The Honorable Doug Belden
Tax Collector
Hillsborough County, Florida

In planning and performing our audit of the special-purpose financial statements of the Hillsborough County, Florida, Tax Collector (the Tax Collector), for the year ended September 30, 2004, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose fund financial statements and not to provide assurance on internal control.

Recommendations

There were no recommendations in either the current or prior year.

Required Disclosures

The Tax Collector has complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

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

Ernst & Young LLP

November 23, 2004