

**PROPERTY APPRAISER**

**HIGHLANDS COUNTY, FLORIDA**

**FINANCIAL STATEMENTS**

**For the Fiscal Year Ended September 30, 2001**

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
September 30, 2001**

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# The NCT Group CPA's, L.L.P.

Certified Public Accountants and Consultants

## INDEPENDENT AUDITOR'S REPORT

October 31, 2001

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

Charles T. Nunez, CPA  
David M. Touchton, CPA  
Garry B. Perry, CPA  
Walker D. Wilkerson, CPA  
John H. Gray, Jr., CPA  
Ben R. Adams, Jr., CPA  
Tammy J. Hancock, CPA  
Michael E. Carter, CPA

Daniel F. Dorrell, CPA  
*Consultant*

We have audited the accompanying general purpose financial statements of the Property Appraiser of Highlands County, Florida, as of and for the fiscal year ended September 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Property Appraiser's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above are intended to present the financial position and results of operations of only the Property Appraiser of Highlands County, Florida, and are not meant to represent Highlands County, Florida, as a whole.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Property Appraiser of Highlands County, Florida, as of September 30, 2001, and the results of its operations 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 a report dated October 31, 2001, on our consideration of the Property Appraiser's internal control over financial reporting and our tests of its compliance with certain laws, regulations, and contracts. 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 NCT Group CPAs, L.L.P.*

THE NCT GROUP CPA'S, L.L.P.



**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
COMBINED BALANCE SHEET  
ALL FUND TYPES**

September 30, 2001

**Governmental  
Fund Type**

**General Fund**

**ASSETS**

Cash and cash equivalents	\$	543,048
Accounts receivable		1,042
<b>Total Assets</b>	<b>\$</b>	<b><u>544,090</u></b>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Vouchers payable	\$	218,185
Accrued wages payable		26,941
Retirement expense payable		6,760
Revenue collected in advance		56,782
Accrued compensated absences payable		235,422
<b>Total Liabilities</b>	<b>\$</b>	<b><u>544,090</u></b>

**Fund Balance:**

Unreserved		-
<b>Total Liabilities and Fund Balance</b>	<b>\$</b>	<b><u>544,090</u></b>

See accompanying notes to financial statements.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE**

**For the Fiscal Year Ended September 30, 2001**

	<u>General Fund</u>
<b>REVENUES:</b>	
<b>Intergovernmental revenues:</b>	
Appropriations from Board of County Commissioners	\$ 1,997,925
South Florida Water Management District	11,750
Southwest Florida Water Management District	55,203
<b>Total Intergovernmental Revenues</b>	<b>2,064,878</b>
<b>Miscellaneous revenues:</b>	
Interest earnings	12,463
Other miscellaneous revenues	15,552
<b>Total Miscellaneous Revenues</b>	<b>28,015</b>
<b>Total Revenues</b>	<b>2,092,893</b>
<b>EXPENDITURES:</b>	
<b>General Government:</b>	
<b>Financial and administrative:</b>	
Personal services	1,453,888
Operating expenditures	498,503
Capital outlay	140,502
<b>Total Financial and Administrative</b>	<b>2,092,893</b>
<b>Total Expenditures</b>	<b>2,092,893</b>
Excess of Revenues Over Expenditures	-
<b>FUND BALANCE-October 1, 2000</b>	-
<b>FUND BALANCE-September 30, 2001</b>	<b>\$ -</b>

See accompanying notes to financial statements

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
GOVERNMENTAL FUND TYPE**

**For the Fiscal Year Ended September 30, 2001**

	<b>General Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES:</b>			
<b>Intergovernmental revenues:</b>			
Appropriations from Board of County Commissioners	\$ 2,052,866	\$ 1,997,925	\$ (54,941)
South Florida Water Management District	12,072	11,750	(322)
Southwest Florida Water Management District	56,722	55,203	(1,519)
<b>Total Intergovernmental Revenues</b>	<b>2,121,660</b>	<b>2,064,878</b>	<b>(56,782)</b>
<b>Miscellaneous revenues:</b>			
Interest earnings	-	12,463	12,463
Other miscellaneous revenues	-	15,552	15,552
<b>Total Miscellaneous Revenues</b>	<b>-</b>	<b>28,015</b>	<b>28,015</b>
<b>Total Revenues</b>	<b>2,121,660</b>	<b>2,092,893</b>	<b>(28,767)</b>
<b>EXPENDITURES:</b>			
<b>General government:</b>			
<b>Financial and administrative:</b>			
Personal services	1,453,888	1,453,888	-
Operating expenditures	521,270	498,503	22,767
Capital outlay	140,502	140,502	-
<b>Total Financial and Administrative</b>	<b>2,115,660</b>	<b>2,092,893</b>	<b>22,767</b>
<b>Other uses:</b>			
Reserve for contingencies	6,000	-	6,000
<b>Total Other Uses</b>	<b>6,000</b>	<b>-</b>	<b>6,000</b>
<b>Total Expenditures</b>	<b>2,121,660</b>	<b>2,092,893</b>	<b>28,767</b>
Excess of Revenues Over Expenditures	-	-	-
<b>FUND BALANCE -October 1, 2000</b>	-	-	-
<b>FUND BALANCE-September 30, 2001</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**PROPERTY APPRAISER**  
**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2001

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

Highlands County is a non-charter county established April 23, 1921, under the laws of Florida 1921, Chapter 8513. The Property Appraiser (Appraiser) is one of six constitutional officers elected to serve within the County and receives a significant portion of its revenue from the Board of County Commissioners, Highlands County, Florida. These financial statements present all fund types and account groups of the Appraiser and are not meant to represent Highlands County, Florida, as a whole.

The Appraiser is elected every four years to serve as the official appraiser of property within the County as it relates to the ad valorem tax rolls. The Appraiser is responsible for ensuring that all property is included on the tax rolls, that the fair value of the property is correctly reflected in the rolls, and that the proper millage rate has been applied to the recorded property values. In addition, the Appraiser is responsible to ensure that all taxable tangible personal property is properly reflected on the tax rolls.

The Appraiser is a "fee" officer, in that operating revenues are received based upon the services rendered to the various taxing governmental units within the County. The Appraiser receives the majority of his operating revenues from the Board of County Commissioners in the form of an appropriation. The balance of fees in excess of expenditures remaining at September 30 shall be divided among the various taxing governmental units in the same proportion as that particular unit's payments to the Appraiser during the year relates to the total payments from all taxing governmental units. These excess fees shall be applied as an advance payment to the ensuing year's total fees due.

The accounting policies of the Appraiser conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

**A. Fund Accounting**

The accounts of the Appraiser are organized on the basis of funds and account groups, 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 or expenses, 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 purpose of the Appraiser's various funds and account groups is as follows:

**GOVERNMENTAL FUND**

**General Fund** - The General Fund is the general operating fund of the Appraiser. It is used to account for all financial resources not required to be accounted for in another fund. Intergovernmental revenues and fees are recorded in this fund. Expenditures for general governmental services are paid through this fund. In addition, payments on long-term debt used for financing general fund capital outlays are paid through this fund.

**ACCOUNT GROUP**

**General Fixed Assets Account Group** - The Appraiser does not maintain a General Fixed Assets Account Group. All general fixed assets purchased are recorded as expenditures in the General Fund at the time of purchase. The Appraiser notifies the Board of County Commissioners of general fixed assets purchased and the original cost is recorded in the General Fixed Assets Account Group of the Board of County Commissioners. The Appraiser may not dispose of any general fixed assets in his custody. The Appraiser is to notify the Board of County Commissioners of any unused or obsolete assets and it is the Board of County Commissioners' responsibility to dispose of these assets in accordance with the various Florida Statutes.

**PROPERTY APPRAISER**  
**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2001

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

**B. Measurement Focus**

**Governmental Fund Types** - The General Fund is accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported undesignated fund balances (net current assets) are considered a measure of "available, spendable, or appropriable resources." Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**C. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses 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.

**Governmental Fund Types** - Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

**D. Budgets and Budgetary Data**

The following are the procedures followed in establishing the budget for the Appraiser's office:

1. On or before June 1 of each year, the Appraiser submits an annual budget for the operations of his office to the State of Florida, Department of Revenue (Department). A copy of his budget is also furnished to the Board of County Commissioners. After his budget has been reviewed and approved by the Department, it becomes his operating budget for the ensuing fiscal year.
2. The Appraiser's operating budget can only be amended after written approval has been received from the Department.
3. Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. The Department of Revenue approves all transfers between appropriation categories, and this becomes the level of control for budgetary considerations.
4. Formal budgetary integration is employed as a management control device during the year for all Governmental Fund Types.
5. Annual appropriated budgets for the General Fund are legally adopted on a basis consistent with accounting principles generally accepted in the United States.

**PROPERTY APPRAISER  
HIGHLANDS COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

September 30, 2001

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

**E. Cash and Cash Equivalents**

The Appraiser considers the following as cash and cash equivalents:

1. equity in bank accounts; and
2. deposits in the Local Government Surplus Funds Trust Fund under the management of the State Board of Administration.

**F. Investments**

Section 219, Florida Statutes, authorizes the Appraiser to invest surplus public funds in:

1. negotiable direct obligations of, or obligations of which the principal and interest are unconditionally guaranteed by the U. S. Government;
2. interest bearing time deposits or savings accounts in banks and savings and loans organized under state or federal laws and doing business in and situated in the State, provided deposits are secured by collateral as prescribed by the State;
3. securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio is limited to U.S. Government obligations or to repurchase agreements fully collateralized by such obligations.

**G. Revenue Collected in Advance**

Revenues in the Governmental Fund Types which are measurable, but not available, are reported in accordance with the modified accrual basis of accounting as revenue collected in advance. The revenues collected in advance will be recognized as revenue in the fiscal year they become available.

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures held by the Appraiser shall be allocated to each governmental unit which was billed and paid for the operation of the Appraiser's office. This excess shall be treated as an advance on the following year's bill. Therefore, the excess of revenues over expenditures at the end of each fiscal year is reflected as advance payments reverting to taxing authorities on the balance sheet. As of September 30, 2001, there was \$56,782 collected in advance reflected in the accompanying financial statements.

**H. Compensated Absences**

Employees of the Appraiser earn annual and sick leave in varying amounts. Upon retirement, death, resignation, or separation in good standing, employees are eligible to receive payment at their current rate of pay, 100% of accumulated annual leave.

There is no limit on the amount of sick leave that can be accumulated by employees of the Appraiser. The limit of lump-sum reimbursements of sick leave credits is based on years of continuous service. Employees of the Appraiser with ten or more years of continuous service are fully vested for sick leave. Upon termination of employment, these employees are eligible to receive payment for accumulated sick leave up to 500 hours at their current rate of pay.

**PROPERTY APPRAISER**  
**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2001

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

**H. Compensated Absences (continued)**

In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. The liability for accrued compensated absences has been budgeted for and fully funded by the General Fund.

**I. Other**

Chapter 218, Florida Statutes, requires that the Appraiser make an annual report to the Board of County Commissioners within 31 days of the close of his fiscal year reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the State Statutes, it is the policy of the Appraiser that the accounting period be held open several days after the close of the fiscal year in order that all receipts and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared in accordance with accounting principles generally accepted in the United States reflect any receipts or disbursements made after the close of the fiscal year as receivables or payables, as applicable.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:

Demand deposits	\$ 179,364
Petty cash and change funds	200
Local Government Surplus Funds Trust Fund	<u>363,484</u>
	<u>\$543,048</u>

The entire amount of the demand deposits are deposited in a State of Florida qualified depository and, therefore, are fully collateralized.

The Appraiser's monies must be deposited in banks designated as qualified public depositories by the Florida Department of Insurance and State Treasurer. Therefore, the Appraiser's total deposits are insured by the Florida Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, Florida Department of Insurance. The law requires the State Treasurer to ensure that funds are entirely collateralized throughout the fiscal year.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 50% 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%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

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 State Treasurer. On a monthly basis, the State Treasurer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

**PROPERTY APPRAISER**  
**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2001

**NOTE 2 - CASH AND CASH EQUIVALENTS (continued)**

Investments in the Local Government Surplus Funds Trust Fund are fully insured in accordance with Chapter 280, Florida Statutes, which establishes the multiple financial institution collateral pool.

**NOTE 3 - INVESTMENTS**

The Appraiser invests funds throughout the year with the Local Government Surplus Trust Fund (SBA), an investment pool administered by the State Board of Administration, under the regulatory oversight of the State of Florida. Throughout the year and as of September 30, 2001, the SBA contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three month LIBOR rates. These investments represented 12% of the SBA's portfolio at September 30, 2001. Local Government Surplus Funds Trust Fund investments are considered to be in a Rule 2a7-like pool and are reported, at amortized cost, as cash equivalents.

**NOTE 4 - PERSONNEL COMMITMENTS**

Employees of the Appraiser earn annual leave and sick leave in varying amounts. In the event of retirement or termination of employment, an employee is paid for accumulated unused credits. The cash benefit of compensated absences is determined by multiplying the employee's current wage rate by the number of hours of unused credits.

The following shows the change in compensated absences for the fiscal year ended September 30, 2001:

Compensated absences September 30, 2000	\$213,227
Net change during current year	<u>22,195</u>
Compensated absences September 30, 2001	<u>\$235,422</u>

The Appraiser is obligated to make available to retired employees the option to maintain coverage with the County group health insurance plan. The County incurs no cost for this as the retired employee makes monthly payments to the County for this insurance.

**NOTE 5 - PENSION PLAN**

All full-time employees are participants in the Florida Retirement System (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, Division of Retirement, covers approximately 619,000 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 or after age 62 with six or more years of service. Early retirement is available after six years of service with a five percent 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 the retirement system.

The Appraiser's office has no responsibility to the System other than to make the periodic payments required by the 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.

**PROPERTY APPRAISER**  
**HIGHLANDS COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2001**

**NOTE 5 - PENSION PLAN (continued)**

Participating employer contributions are based upon statewide rates established by the State of Florida. These rates, which include the health insurance subsidy contribution of 1.11%, are applied to employee salaries as follows: regular employees - 7.30%; senior management - 9.28%; and elected officials - 15.14%. The Appraiser's contributions made during the years ended September 30, 2001, 2000, and 1999 were \$204,671, 98,557, and \$137,315, respectively, equal to the actuarially determined contribution requirements for each year. The Appraiser has determined, in accordance with GASB Statement No. 27, that there was no pension liability before or at transition.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

Transactions with the Highlands County Board of Commissioners and the Constitutional Officers of Highlands County, Florida, for the year ended September 30, 2001, were as follows:

**Budget Appropriation** - The General Fund of the Appraiser received revenue from the Board of County Commissioners in the amount of \$1,997,925 for the year ended September 30, 2001.

**Data Processing** - The Clerk of the Courts' accounting department and automated services department performs accounting functions and data processing services, respectively, for the Appraiser. The charges for these services for the year ended September 30, 2001, amounted to \$15,660.

**Various Services** - The Board of County Commissioners provide various services to the Appraiser. The charges for these services for the fiscal year ended September 30, 2001, amounted to \$216,744.



# The NCT Group CPA's, L.L.P.

Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Charles T. Nunez, CPA  
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Michael E. Carter, CPA

Daniel F. Dorrell, CPA  
*Consultant*

October 31, 2001

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

We have audited the accompanying general purpose financial statements of the Property Appraiser (Appraiser) of Highlands County, Florida as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated October 31, 2001. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Appraiser's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance 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 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management and is not intended to be and should not be used by anyone other than these specified parties.

*The NCT Group CPAs, LLP*

THE NCT GROUP CPA's, L.L.P.



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# The NCT Group CPA's, L.L.P.

Certified Public Accountants and Consultants

## MANAGEMENT LETTER

Charles T. Nunez, CPA  
David M. Touchton, CPA  
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Daniel F. Dorrell, CPA  
*Consultant*

October 31, 2001

Honorable C. Raymond McIntyre  
Property Appraiser  
Highlands County, Florida

We have audited the general purpose financial statements of the Property Appraiser of Highlands County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated October 31, 2001.

We have issued our Independent auditor's report on compliance and on internal control over financial reporting dated October 31, 2001. Disclosures in this report, if any, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554 (1) (g) 1.a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no prior year irregularities.

The Rules of the Auditor General (Section 10.554 (1) (g) 1.b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1) (g) 2.), we determined that the entity complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

The Rules of the Auditor General (Section 10.554 (1) (g) 4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

Honorable C. Raymond McIntyre  
Page 2  
October 31, 2001

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

*The NCT Group CPAs, LLP*

THE NCT GROUP CPA's, L.L.P.