

OFFICE OF JOE G. TEDDER, CFC

Tax Collector for Polk County, Florida



ANNUAL REPORT

For Year Ended September 30, 2015

OUR MISSION

"We are working to earn the public's trust and confidence by providing the best in customer service through assured quality and the efficient use of public funds."

OUR VISION

"To treat our customers with such professionalism and concern that we change their perception of government."

Cover Image



TAX COLLECTOR'S OFFICE RECEIVES 2015 STERLING AWARD

The Tax Collector's Office for Polk County was recognized as a 2015 Governor's Sterling Award recipient. The prestigious Sterling Award is presented annually to businesses and other organizations that demonstrate they meet or exceed the Sterling Criteria for Performance Excellence. The award follows a rigorous assessment consisting of an Organizational Profile and a formal 50 page application which is scored against the seven categories of the Sterling Criteria, including results that show sustained high levels of performance excellence. This award is the highest recognition that an organization in Florida can receive for performance excellence.

The Tax Collector's Office is only the second recipient from Polk County to receive this recognition and is the first local governing authority in Polk to win the award.

Notable responses regarding the Tax Collector's Office receiving the Governor's Sterling Award:

"The citizens of Polk County should take great pride in this recognition. It's a tangible sign that their Tax Collector's Office is considered a role model in Florida for businesses and organizations. The staff in the Tax Collector's Office has worked for years to get better and better and this recognition doesn't stop that process; it just keeps us focused to do more." ~ Joe G. Tedder, Tax Collector

"The Tax Collector's Office provides exceptional service to the people of Polk County and this award is truly deserved because of their commitment to performance excellence." ~ George Lindsey, Chairman of the Polk County Board of County Commissioners

"This is a great day for the Tax Collector's Office and for the people of Polk County. Sterling challenges organizations to demonstrate their systemic approach to customers, leadership, strategic planning, workforce and operations. It's not a walk in the park. It's truly a big deal. I can't be more pleased for them and their staff and look forward to learning more about their performance excellence journey." ~ Eileen Holden, President of Polk State College

"The Governor's Sterling Award is a rigorous examination and few organizations attain this high level of performance. Here in Polk County we are very lucky to have a tax collector and his organization so focused on process-driven performance, because the work that they do impacts us all. Congratulations to a stellar organization who demonstrates exceptional leadership in their community through their customer service excellence, strong resource management, swift and accurate processing of payments, and compassion for their customers. I can't think of a more worthy recipient." ~ Ed Crenshaw, President of Publix Markets

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Joe G. Tedder, CFC, Tax Collector
Imperial Polk County & The State of Florida

February 29, 2016

To the Citizens and Taxpayers of Polk County:

Florida's Constitution authorizes the position of Tax Collector as an independent unit of its political subdivisions, which are otherwise known as counties.

The Tax Collector's responsibilities involve the collection of revenue and public funding for a variety of state, regional, and local governmental agencies and taxing authorities; the enforcement against delinquency in payment of such revenues and funds; the distribution of such revenues and funds in a timely manner to various state and local agencies and taxing authorities involved; the investment of public funds pending distribution; the vigilant adherence to procedures designed to promote fairness to the taxpayer and governmental efficiency and accountability in the collection, enforcement, distribution, and investment of funds; and, serve as the most likely contact on a daily basis with and between citizens and taxpayers and the various state, regional, and local governmental agencies and taxing authorities.

As a position established by Florida's Constitution to complete a system of checks and balances, the Tax Collector for Polk County (TCPC) serves the people of Polk County. Therefore, the Tax Collector does not serve as an employee of the state, a state agency, a regional governmental agency, or local government.

The Tax Collector serves the people of Polk County and is elected by its voters to serve a four-year term, with no limit on the number of terms served.

The TCPC is responsible for providing a wide range of services to the citizens and taxpayers of Polk County on behalf of other governmental units. These services consist primarily of the collection and administration of ad Valorem taxes, non-ad Valorem assessments, driver license fees and identification card issuance, motor vehicle taxes and registration/title/plate/decal issuance, county local business taxes and receipt issuance, tourist development taxes, hunting and fishing fees and license issuance and mail-in payment processing for various governmental agencies. These services are performed on behalf of numerous local governments and agencies of the State of Florida.

Services are provided at the TCPC Service Centers, which are located in Bartow, Lakeland, Davenport (North Ridge), and Lake Wales. Motor vehicle registration and title transactions are also authorized to be conducted in Winter Haven by the American Legion Post No. 8.

Our Mission (*What We Do!*) - We are working to earn the public's trust and confidence by providing the best in customer service, assured quality and the efficient use of public funds.

Our Vision (*What We Want To Be!*) - To treat our customers with such professionalism and concern that we change their perception of government.

Our Shared Values (*Who We Are!*)

- **Integrity** is striving to be honest, reliable, respectful, ethical and fair. The TCPC believes integrity is critical in gaining the trust and confidence needed to be successful in serving each other and our customers.
- **Innovation** is the introduction of something new that converts knowledge and ideas into benefits. The TCPC believes in using innovation to bring about creative and progressive techniques to streamline the services we provide.
- **Accountability** is the commitment to be responsible for one's actions. The TCPC believes we must be accountable to each other, our organization, and to the people we serve. We commit to be transparent in our actions and results.
- **Compassion** is an awareness and understanding of an individual's situation with a desire to help. The TCPC believes that, as public servants, our job is to be sensitive to the needs of people in our community and approach our work with the compassion to help others.
- **Teamwork** is using the unique talents of individuals in a collaborative manner and working toward a common goal. The TCPC believes we should treat one another with respect, openness and encourage teamwork. We believe a group of committed, thoughtful people working together will achieve extraordinary results.

Our Focus Points (*How We Do It!*)

- **Customer Service** – We strive to exceed customers' expectations.
- **Employee Well-Being** - We drive professional excellence by empowering our staff and meeting their needs.
- **Efficiency** - We provide timely services while conserving resources.
- **Accountability** - We hold ourselves to transparency in all we do as stewards of the public's trust.
- **Leadership** - We use the highest ethical standards in both actions and appearance enabling us to perform with the utmost honor and integrity.
- **Our Role As A Facilitator** - We team up with the customer to meet our common needs.

Ad Valorem Taxes and Non-Ad Valorem Assessments - The TCPC is responsible for collecting and remitting the taxes and assessments provided on the annual tax roll provided by the Property Appraiser's Office and independent taxing authorities.

The TCPC is not responsible for determining assessed values, exemptions, taxable values or the tax rates. The tax roll includes real estate taxes, tangible taxes and non-ad Valorem assessments. Non-ad Valorem assessments consist primarily of assessments for fire services, solid waste and yard trash collection and disposal services and lighting districts.

The collections of these taxes and assessments are administered in accordance with Florida Statutes and the rules and regulations of the Florida Department of Revenue. These services are provided on behalf of taxpayers, the Polk County Board of County Commissioners, the Polk County School Board, seventeen municipalities and eighteen special taxing and assessment districts.

The 2014 tax roll was provided to the TCPC in October of 2014 and the tax bills were mailed in time to start collections on November 1, 2014. Unpaid taxes became delinquent on April 1, 2014. Tax certificates were offered for sale in June 2015 on delinquent real estate taxes and warrants were ratified by the court in July 2015 for delinquent tangible taxes.

The TCPC is required by the state to report to the Board of County Commissioners the status of the current tax roll within sixty days of the tax certificate sale.

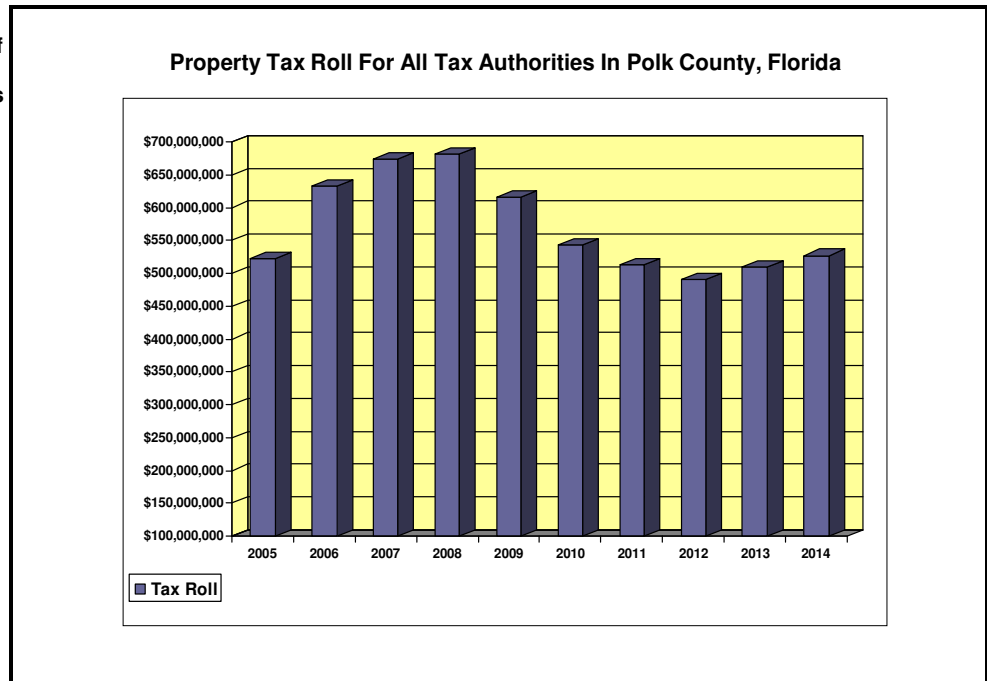
A summary of the Status of the Current Tax Roll Report, which was provided in July 2015:

SUMMARY OF 2014 TAX ROLL REPORT		
	Amount	Percent
Taxes collected including discounts taken	\$524,765,696	99.51%
Tax certificates not purchased at sale	1,329,313	0.25%
Delinquent tangible taxes	912,023	0.17%
Taxes in bankruptcy or litigation	287,388	0.06%
Miscellaneous	66,338	0.01%
Total 2014 Tax Roll	\$ 527,360,758	100.00%

The last ten tax rolls have consisted of the following amounts and accounts:

TAX ROLLS	Amount	Accounts
2014	\$ 527,360,758	429,809
2013	\$ 509,700,423	425,441
2012	\$ 491,329,439	424,753
2011	\$ 512,982,607	424,777
2010	\$ 543,728,462	425,447
2009	\$ 616,522,889	420,652
2008	\$ 682,343,686	421,137
2007	\$ 673,916,269	416,082
2006	\$ 633,118,579	406,222
2005	\$ 522,391,800	393,057

A graphic representation of property tax roll all tax authorities in Polk, County (2005 – 2014):



Tax Certificate Redemptions - On or before June 1 of each year, the TCPC offers for sale tax certificates on properties with unpaid real estate taxes. A tax certificate represents a lien on the property. The purpose of the sale is to collect unpaid real estate taxes on behalf of the numerous taxing authorities.

There were 24,709 certificates offered for sale representing taxes of \$15,809,501. As a result of the sale and subsequent sales 14,219 certificates were sold accounting for \$14,801,914 in taxes. Unsold certificates are referred to as “County held” certificates and earn interest at 18% per year.

After the sale of tax certificates this office is responsible for handling the subsequent collections from the property owner and remitting the funds to the certificate holder. During the fiscal year 2014/15, 16,145 certificates were redeemed by property owners and \$19,638,837 was remitted to certificate holders.

When County held certificates are redeemed by the property owner the funds are remitted to the various taxing authorities. During the fiscal year 2014/15, 2,204 County held certificates were redeemed and \$753,651 was remitted to the taxing authorities.

Motor Vehicle Transactions - The TCPC processes motor vehicle and vessel transactions, involving titles and registration, as well as various other transactions on behalf of the Florida Department of Highway Safety and Motor Vehicles. The TCPC also collect sales taxes on sales of motor vehicles and vessels not involving licensed dealers on behalf of the Florida Department of Revenue.

During the 2014/15 fiscal year 158,673 title transactions and 643,596 registration transactions were processed. Registration, sales taxes and title and other fees totaling more than \$48 million were collected in our Service Centers.

Driver Licenses – During the 2014/15 fiscal year, the TCPC issued 87,342 driver licenses and permits, as well as 16,302 identification cards, while collecting \$5,052,624 for the State of Florida.

The TCPC provides full driver license services in Lakeland, Lake Wales and North Ridge (Davenport) service centers and limited driver license services in Bartow.

Local Business Taxes - The TCPC collects the local business tax imposed by the Board of County Commissioners. This tax is required of various individuals and enterprises doing business in Polk County. During 2014/15 taxes were collected on 34,737 receipts for a total of \$1,616,470 including a 15% commission retained by this office. Collections are remitted monthly to the BOCC and municipalities in the county, which share these taxes.

Tourist Development Taxes - The TCPC collects the tourist development tax imposed by the Board of County Commissioners. This is a 5% tax on transient or short-term rentals of accommodations. During 2014/15 this office administered 6,465 accounts from which \$9,755,630 was remitted, including a 3% commission retained by this office.

Hunting and Fishing Licenses - The TCPC issues hunting and fishing licenses on behalf of the Florida Fish and Wildlife Conservation Commission. These licenses are issued at our Bartow Service Center, Lakeland Service Center, Lake Wales Service Center and North Ridge Service Center. During 2014/15, 1,576 licenses were issued totaling \$160,093, including the fees retained by this office. This is an 81.6% increase from last year due to Governor Rick Scott authorizing the Florida Fish and Wildlife Conservation Commission to offer Lifetime Sportsman's License for Florida residents at a greatly reduced cost during the month of December 2014. Collections are remitted to the Florida Fish and Wildlife Conservation Commission.

Payment Processing Services – The TCPC services include payment processing for local government entities. The Cities of Bartow and Lakeland as well as the Polk County Board of County Commissioners have contracted with the TCPC for processing of their mail-in utility payments. During 2014/15, approximately 760,000 payments totaling approximately \$250 million were processed in our Technical Processing Department for these entities generating \$169,972 in revenues for the TCPC.

Call Center Operations – The TCPC provides information services via telephone calls and emails. During 2014/15, 249,421 phone calls and 6,040 email inquiries were answered.

Citizens and Taxpayers
February 29, 2016

Total cash receipts collected by Tax Collector on behalf of other governmental agencies and tax certificate holders, during year ended September 30, 2015, were:

CASH RECEIPTS BY SOURCE	
Ad Valorem Taxes and Non-Ad Valorem Assessments	\$ 510,955,871
Vehicle and Vessel Taxes	45,295,194
Tax Certificate Redemptions	20,096,009
Tourist Development Taxes	9,471,523
Driver Licenses	5,052,624
Local Business Taxes	1,376,455
Hunting and Fishing License Taxes	158,199
Interest	80,868
Miscellaneous	8,409
Total	\$ 592,495,152

Total cash receipts distributed by Tax Collector to other governmental agencies and tax certificate holders, during year ended September 30, 2015, were:

CASH RECEIPTS FOR TAXING AUTHORITIES	
Polk County Board of County Commissioners	\$ 245,104,965
Polk County School Board	195,743,457
Municipalities in Polk County	58,118,297
State of Florida	50,950,325
Special Taxing Districts	22,939,271
Tax Certificate Holders	19,638,837
Total	\$ 592,495,152

Transactions per Employee – The TCPC uses transactions per employee as a measure of efficiency.

Transaction Type	FY 2015	FY 2014	FY 2013
Tax roll parcels	429,809	425,441	424,753
Tax certificates sold	14,219	14,768	17,711
Tax certificates redeemed	18,349	22,928	29,128
Registrations	643,596	597,929	570,038
Titles	158,673	143,113	131,618
Driver license and ID cards	103,644	96,786	34,768
Business tax receipts	34,737	34,037	33,479
TDT account receipts	80,661	77,832	78,516
Hunting and fishing licenses	1,576	1,635	1,579
Phone calls answered	249,421	233,366	208,115
Utility payments processed	761,005	829,661	864,945
Emails received	6,040	9,294	6,279
Total Transactions	2,501,730	2,486,790	2,400,929
Total Employees	172	164	152
Transactions per Employee	14,545	15,163	15,796

Operating Revenues and Expenditures - The TCPC operates as a “fee office.” This means the TCPC earns fees and commissions for the services rendered. The fees and commissions are established primarily by the Florida Legislature and are contained in the Florida Statutes.

The annual budget of the TCPC is approved by the Department of Revenue. Any subsequent increases in the budget must also be approved by the Department of Revenue.

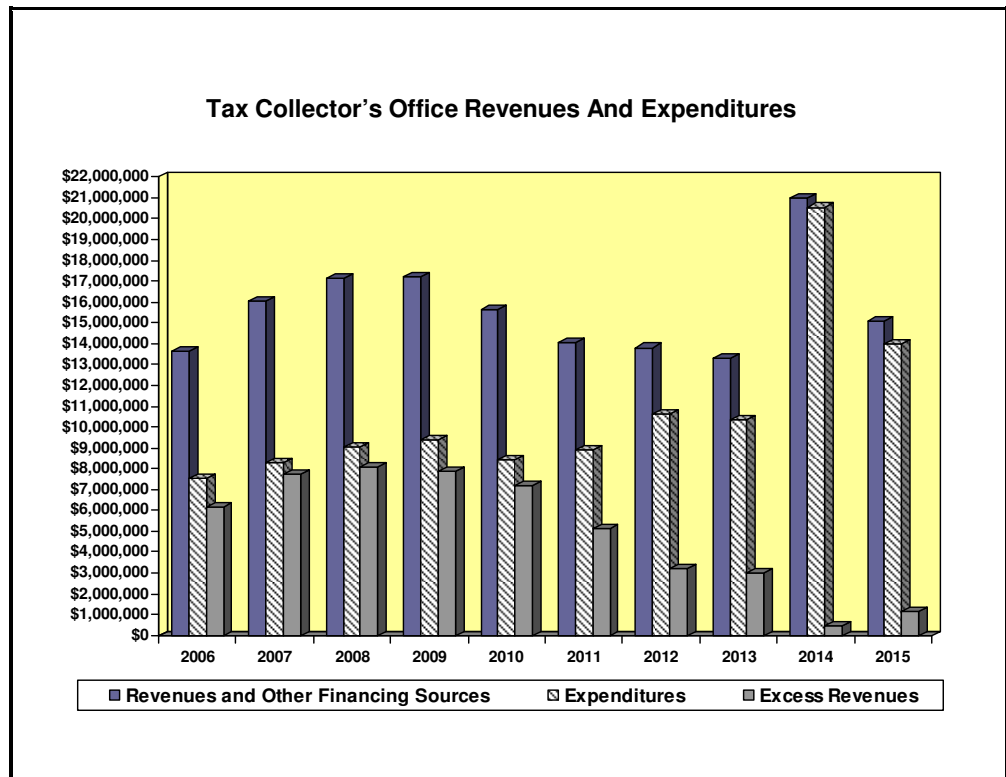
The excess of revenues and other financing sources over expenditures are remitted to each governmental unit that paid fees to our office in the same proportion as the fees paid bear to the total revenues of the office.

The increase in expenditures during the past four years is primarily due the TCPC taking over driver license services from the State.

Revenues (including other financing sources) and expenditures (including other financing uses) for the past ten years were:

REVENUES AND EXPENDITURES			
Fiscal Year	Revenues	Expenditures	Excess Revenues
2014/15	\$15,088,931	\$13,959,072	\$ 1,129,859
2013/14	\$21,019,117	\$20,543,313	\$ 475,804
2012/13	\$13,309,212	\$10,338,272	\$ 2,970,940
2011/12	\$13,814,779	\$10,605,868	\$ 3,208,911
2010/11	\$14,072,461	\$ 8,929,500	\$ 5,142,961
2009/10	\$15,615,892	\$ 8,453,665	\$ 7,162,227
2008/09	\$17,243,905	\$ 9,370,309	\$ 7,873,596
2007/08	\$17,115,576	\$ 9,012,434	\$ 8,103,142
2006/07	\$16,063,117	\$ 8,293,835	\$ 7,769,342
2005/06	\$13,659,469	\$ 7,530,658	\$ 6,128,811

A graphic representation of revenues (including other financing sources) and expenditures (2006 – 2015):



Accountability - The Tax Collector and his office are first and foremost accountable to the citizens and taxpayers of Polk County. To ensure that the Tax Collector remains primarily accountable to the people, the TCPC has undertaken a mission, whereby it is “working to earn the public’s trust and confidence by providing the best in customer services through assured quality and the efficient use of public funds.”

To succeed in its mission, the TCPC has adopted an “Outline For Success” (OFS), that seeks to measure operational performance, including meaningful public evaluations, so that administrative measures can be taken to improve and maintain efficiencies and/or address opportunities for improvement

TAX COLLECTOR				
EXPECTATION MEASUREMENT	EXPECTATION	FY 2015	FY 2014	FY 2013
Collect \$1.6 million in local business tax receipts annually	100%	100%	100%	100%
Service Center Transaction Accuracy	99%	99.6%	99.6%	99.6%
Remit tax dollars to appropriate taxing authority by deadlines	99%	100%	100%	100%
Mail-in payment transactions processed in 2 days	98%	100%	98.0%	100%
Customers perceive staff to be courteous and knowledgeable	98%	95.5%	97.6%	98.6%
Real estate property tax roll amount collected	98%	99.5%	99.5%	99.0%
Customer service telephone calls answered within two minutes	95%	80.0%	89.7%	89.3%
Overall Customer Experience (<i>Satisfaction</i>)	95%	97.6%	97.6%	97.1%
Collect current roll delinquent tangible property taxes by October	95%	99.2%	99.0%	99.0%
Customer service wait time is 20 minutes or less	85%	79.6%	87.1%	N/A
Customer Trust (<i>annual customer survey</i>)	85%	79.4%	83.1%	90.2%
Employee Trust (<i>annual employee survey</i>)	85%	94.3%	90.0%	86.3%
Transactions per FTE	>15,000	14,545	15,163	15,796
Personnel Budget per Capita	≤\$16	\$17.08	\$15.94	\$13.59
Audit Findings	No	No	No	No

I trust that these actions, including the performance of the Tax Collector's Office, as well as the accompanying document meet with your approval. However, if you have any questions or concerns regarding this correspondence or the accompanying information, please do not hesitate to contact us. Your inquiries and comments are welcomed.

Sincerely,


Joe G. Tedder, CFC
Tax Collector

INDEPENDENT AUDITORS' REPORT

The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and agency fund of the Tax Collector for Polk County, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector for Polk County, Florida's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and agency fund of the Tax Collector for Polk County, Florida, as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements were prepared for the purpose of complying with the financial reporting provisions of Section 218.39, *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General*. The financial statements present only the general fund and the agency fund information and do not purport to, and do not, present fairly the financial position of the Tax Collector of Polk County, Florida as of September 30, 2015, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector for Polk County, Florida's financial statements. The Statement of Changes in Assets and Liabilities – Agency Fund, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The Statement of Changes in Assets and Liabilities – Agency Fund, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Changes in Assets and Liabilities – Agency Fund, is fairly stated in all material respects in relation to the financial statements as a whole.



The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2016 on our consideration of the Tax Collector of Polk County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector of Polk County, Florida's internal control over financial reporting and compliance.

Other Reporting Required by Chapter 10.550, Rules of the Auditor General

In accordance with Chapter 10.550, *Rules of the Auditor General*, we have also issued our report dated February 29, 2016 on our examination of compliance with requirements of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our examination of compliance over compliance with Section 218.415, *Florida Statutes* and issue an opinion on compliance with Section 218.415, *Florida Statutes*.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 29, 2016



**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
BALANCE SHEET
GENERAL FUND
September 30, 2015**

ASSETS

Cash and investments	\$	1,500,593
Due from Board of County Commissioners		4,644
Due from other governmental agencies		204
Other assets		26,178
		26,178
Total assets	\$	1,531,619
		1,531,619

LIABILITIES AND FUND BALANCE

Liabilities:

Vouchers payable and accrued liabilities	\$	389,001
Due to Board of County Commissioners		1,090,949
Due to other governmental agencies		51,669
		51,669

Total liabilities		1,531,619
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Fund balance

		-
		-
Total liabilities and fund balance	\$	1,531,619
		1,531,619

See accompanying notes to financial statements

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended September 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Commissions and Fees:				
Board of County Commissioners	\$ 8,727,500	\$ 8,727,500	\$ 8,556,535	\$ (170,965)
Special taxing districts	505,815	505,815	565,994	60,179
Vehicle/Vessels	2,576,240	2,576,240	2,777,971	201,731
Driver licenses	1,100,000	1,100,000	1,149,950	49,950
Business taxes	236,000	236,000	243,492	7,492
Tax certificate sales	780,000	780,000	811,214	31,214
Tax redemptions	300,000	300,000	245,983	(54,017)
Payment processing	190,000	190,000	169,972	(20,028)
Hunting and fishing licenses	20,000	20,000	17,603	(2,397)
Tourist development	245,000	245,000	284,107	39,107
Interest	10,000	10,000	15,236	5,236
Collection costs and miscellaneous	190,000	190,000	250,874	60,874
Total revenues	14,880,555	14,880,555	15,088,931	208,376
EXPENDITURES				
General Government:				
Salaries and benefits	10,429,398	10,589,330	10,570,444	18,886
General expenditures	2,201,521	2,251,521	2,242,367	9,154
Capital outlay	314,000	264,000	196,261	67,739
Total expenditures	12,944,919	13,104,851	13,009,072	95,779
Excess of revenues over expenditures	1,935,636	1,775,704	2,079,859	304,155
OTHER FINANCING USES				
Repayment of loan to BoCC	1,100,000	1,005,000	950,000	55,000
Transfer of excess fees	835,636	770,704	1,129,859	(359,155)
Total other financing uses	1,935,636	1,775,704	2,079,859	(304,155)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
September 30, 2015**

ASSETS

Cash and investments	\$ 7,993,495
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Totals	<u>\$ 7,993,495</u>
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LIABILITIES

Due to Board of County Commissioners	\$ 3,436,972
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Due to other governmental agencies	3,273,509
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Tax certificates payable	1,187,908
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Refunds and other payables	<u>95,106</u>
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Totals	<u>\$ 7,993,495</u>
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See accompanying notes to financial statements

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Polk County is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida. Polk County government consists of the following six offices elected countywide: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Tax Collector, Polk County, Florida (Tax Collector) is a local government entity pursuant to Article 8, Section 1(d), of the constitution of the State of Florida.

These 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 Polk County as a whole, which includes the funds of the Tax Collector, were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

The Tax Collector is an elected public official responsible for the collection and distribution of the following taxes and fees: ad valorem taxes on real and tangible property and non-ad valorem assessments on property within Polk County, tourist development taxes, hunting and fishing licenses, motor vehicle and mobile home titles and registrations, driver license fees, business tax receipts, vessel titles and registrations and sales tax on motor vehicle and vessel sales with non-dealers. These services are provided on behalf of the Polk County Board of County Commissioners (Board), Polk County School Board, seventeen municipalities, eighteen special taxing districts and three agencies of the State of Florida.

The accounting policies of the Tax Collector conform to GAAP as applicable to governmental entities. The accompanying summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the financial statements.

Fund Accounting

The accounts of the Tax Collector are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in separate 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 various funds of the Tax Collector are grouped into two generic fund types and two broad fund categories as follows:

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the Tax Collector and accounts for all financial resources not required to be accounted for in another fund.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Fiduciary Fund Type

Agency Fund - The agency fund accounts for all assets held by the Tax Collector in his capacity as custodian or agent for individuals and other governmental units. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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 funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. For this purpose, the Tax Collector considers revenues to be available if they are collected within 31 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for the long term portion of unpaid sick and vacation pay.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the fund balance.

In governmental funds, material revenues in the following categories are considered susceptible to accrual when they are both measurable and available:

Property taxes	Intergovernmental revenues	Interest earned
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Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using the modified accrual basis of accounting.

Capital Assets

Capital assets purchased by the Tax Collector are recorded as expenditures. Capital assets, except for real property, are not included in the financial statements because ownership is vested in the Board of County Commissioners as provided by Chapter 274, Florida Statutes. Section 197.332, Florida Statutes, provides for county tax collectors to own real property. Tax Collector owned real property is reported in Footnote C. Capital assets are recorded at cost or fair value at the date of donation for donated assets. Capital assets are assets with a useful life of more than one year and a cost of \$1,000 or greater. Buildings are being depreciated over a 40 year useful life using the straight line method.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Excess Fees

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures (excess fees) held by a tax collector at the end of each fiscal year shall be distributed to each governmental unit utilizing the Tax Collector's services in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector's office. Therefore, the excess of revenues over expenditures at the end of each fiscal year is reflected as a transfer of excess fees on the statement of revenues and expenditures and the related liability is recorded as due to the Board or other governmental agencies, as applicable, leaving a net fund balance of zero dollars.

Budgets and Budgetary Accounting

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

1. On or before August 1 of each year, the Tax Collector submits an annual budget for the operations of his office to the Florida Department of Revenue, Ad Valorem Tax Division, (Department). A copy of the budget is also furnished to the Board. After the budget has been reviewed and approved by the Department, it becomes the operating budget for the ensuing fiscal year.
2. The Tax Collector's operating budget can only be amended after written approval has been received from the Department.
3. The Department approves all transfers between appropriation categories requested by the Tax Collector, and this becomes the level of budgetary control for the office.
4. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
5. The General Fund budget is adopted on a modified accrual basis of accounting.

Ad Valorem Taxes

The property tax calendar for 2015 is as follows:

Lien date	January 1, 2015
Levy date	January 1, 2015
Due dates	November 1, 2015 - March 31, 2016
Delinquent date	April 1, 2016
Tax certificate sale	No later than June 1, 2016

No accrual for the property tax levy becoming due in November of 2015 is included in the accompanying financial statements since such taxes are collected to finance expenditures of the subsequent period.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Tax Collector has elected to adopt an Internal Investment Policy in accordance with Chapter 218, Florida Statutes. This policy authorizes the Tax Collector to invest surplus public funds in:

- (1) The Local Government Surplus Funds Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Chapter 163, Florida Statutes.
- (2) Securities and Exchange Commission registered money market funds with the highest quality rating from a nationally recognized rating agency.
- (3) Accounts in state qualified public depositories as defined in Chapter 280, Florida Statutes.
- (4) Certificates of Deposit in state qualified public depositories, as defined in Chapter 280, Florida Statutes.
- (5) Direct obligations of the U.S. Treasury.
- (6) Federal agency and instrumentalities.
- (7) Repurchase Agreements collateralized by securities otherwise authorized above.

Accumulated Unpaid Leave

Effective January 1, 1992, employees began earning annual leave at varying rates depending upon length of service as follows:

<u>Length of Service</u>	<u>Annual Leave Earned</u>
01-05 years	20 days
06-10 years	25 days
11-15 years	28 days
16-20 years	30 days
21-25 years	32 days
26 and over	35 days

Employees are paid at year end for accumulated paid leave in excess of 240 hours.

The Tax Collector uses the last-in, first-out (LIFO) method of recognizing the use of compensated absences. Under this method, compensated absences are recorded as an expenditure when the liability is normally liquidated with expendable available financial resources. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accumulated Unpaid Leave

Since the Tax Collector remits the excess of revenues over expenditures to the Board and other governmental agencies on an annual basis, the entire unpaid liability for sick and annual leave is the responsibility of the Board and other governmental agencies and is therefore recorded in the General Long Term Debt Account Group of the Board and the respective governmental agencies.

Other significant accounting policies are set forth in the financial statements and the notes thereto.

Use of Estimates

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

Other Postemployment Benefit Obligations

Based on GASB Statement 45 – *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*, which was implemented by Polk County for the year ended September 30, 2008, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. The Tax Collector’s employees are included as part of the Postemployment Health Benefits Plan (OPEB Plan) administered by the Board. The OPEB Plan currently covers certain eligible retirees of the Board and the Constitutional Officers of Polk County. The OPEB Plan currently pays certain portions of healthcare insurance premiums of retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not included in the financial statements of the Tax Collector. Such liabilities and expenses are included in the Comprehensive Annual Financial Report of Polk County.

B - CASH AND INVESTMENTS

The carrying amount of the Tax Collector’s deposits was \$9,494,088 and the bank balances were \$8,438,975 at September 30, 2015. Cash and investments include cash equivalents which are assets easily and quickly convertible to cash.

Investments at September 30, 2015, were as follows

Amount insured by federal depository insurance or guaranteed by the banks as qualified public depositories in Florida pursuant to Section 280.07, Florida Statutes	\$ 7,502,929
Amount on deposit with State of Florida, State Board of Administration in the Tax Collector's name	936,046
	\$ 8,438,975

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

B - CASH AND INVESTMENTS (continued)

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The State of Florida requires that deposits by governmental units in a financial institution be collateralized. The State of Florida maintains collateral requirements and authorizes certain financial institutions to act as depositories for governmental unit funds. The Tax Collector maintains all of his accounts in financial institutions approved by the State of Florida.

C - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 2,229,723	\$ 50,000	\$ -	\$ 2,279,723
Capital Assets Being Depreciated:				
Building and Improvements	6,348,712	29,100	-	6,377,812
Less Accumulated Depreciation	(78,277)	(159,051)	-	(237,328)
Capital Assets Being Depreciated, Net	<u>6,270,435</u>	<u>(129,951)</u>	<u>-</u>	<u>6,140,484</u>
Capital Assets, Net	<u>\$ 8,500,158</u>	<u>\$ (79,951)</u>	<u>\$ -</u>	<u>\$ 8,420,207</u>

D- LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Loan Payable	<u>\$ 950,000</u>	<u>\$ -</u>	<u>\$ 950,000</u>	<u>\$ -</u>

The Tax Collector borrowed \$950,000 in FY14 from the Board of County Commissioners for the acquisition of property for the new North Ridge Service Center. The loan was non-interest bearing and was repaid in December 2014.

E - COMPENSATED ABSENCES

At September 30, 2015 the commitment for accrued leave was valued at \$365,415. This liability is recorded in the combined Polk County Comprehensive Annual Financial Report.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

F – POST-EMPLOYMENT HEALTH CARE BENEFITS

As described in Note A, Polk County provides certain health care benefits for retired employees. For the year ended September 30, 2015, the total retiree health care expenses paid by Polk County, including the Tax Collector's operations were approximately \$3,882,492. This liability is recorded in the combined Polk County Comprehensive Annual Financial Report.

G - OPERATING LEASES

The following is a schedule by years of future minimum payments required under operating leases used in governmental operations that have initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2015:

Year Ended September 30,	2016	\$ 123,395
	2017	125,536
	2018	126,095
	2019	114,388
	Thereafter	285,953
		\$ 775,367

Total rent expense on all operating leases, both cancelable and non-cancelable, for the year ended September 30, 2015 was \$128,126.

H - RISK MANAGEMENT

The Tax Collector purchases commercial insurance coverage and surety bonds related to various risks of loss related to theft of and errors and omissions related to cash. For all other risk such as property, automobile, and worker's compensation the Tax Collector is under Polk County's plan. In an effort to combat the rising cost of insurance premiums and the unavailability of coverage, Polk County has initiated self-insured worker's compensation, general liability, employment practices and automobile liability programs. There have been no decreases in coverage nor have there been any settlements in excess of coverage in any of the prior three years.

J - RETIREMENT PLANS

All 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, is available to governmental units within the State of Florida. Participants can choose from two options: the System Pension Plan or the System Investment Plan.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

J - RETIREMENT PLANS (Continued)

For employees hired on or before June 30, 2011, the System Pension Plan 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 or at completion of 30 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.

For employees hired on or after July 1, 2011, the System Pension Plan provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to employees who retire at or after age 65 with eight or more years of service or at completion of 33 years of service. Early retirement is available after eight 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 eight highest years of earnings.

The System Investment Plan provides for vesting after one year of creditable service. Normal retirement benefits are available to employees after termination from all FRS-covered employment for 3 calendar months. Retirement benefits are based on the employee's account balance.

Effective July 1, 2011, all employees are now required to contribute 3% of their salary to the Plan they have elected. As a result, retirement expenses were reduced compared to prior years.

The Tax Collector 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. Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates, effective July 1, 2015, which include the health insurance subsidy contributions of 1.66%, and the 0.04% administration/education fee, are applied to employee salaries as follows: regular employees – 7.26%; senior management – 21.43%; elected officials – 42.27%; and DROP from FRS – 12.88%. The Tax Collector recognizes pension expenditures when the payments are made to the System. Payments made during the years ended September 30, 2015, 2014 and 2013 were \$701,667, \$609,863, and \$381,205, respectively. Payments made after June 30, 2015, the measurement date used to determine the net pension liability associated with the System Pension Plan, amounted to \$203,287. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

K - RELATED PARTY

Transactions with the Board of County Commissioners include commissions earned from the collection of property taxes and other financing uses from the transfer of excess fees. For the year ended September 30, 2015, commissions earned were \$8,556,535 and the transfer of excess fees was \$1,078,190.

At September 30, 2015, amounts payable to the Board were \$1,090,949 from the General Fund and \$3,436,972 from the Agency Fund.

L - CONTINGENCY

Effective November 5, 2013 the Tax Collector has a contingent liability to the Lakeland Community Redevelopment Agency (LCRA) in the amount of \$600,000. The LCRA provided \$600,000 to the Tax Collector to assist with the relocation of the Lakeland Service Center. The agreement provides for the Tax Collector to repay the \$600,000 to the LCRA if the Tax Collector ceases to use the building within the next twenty five years. If the Tax Collector ceases to use the building between years twenty six and fifty the Tax Collector must repay \$300,000 of this amount. There is no amount due if the Tax Collector is using the building at the end of fifty years.

M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 29, 2016, the date which the financial statements were available for issue, and has determined there are no additional adjustments and/or disclosures required.

**TAX COLLECTOR
FOR POLK COUNTY, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended September 30, 2015**

	Balance September 30, 2014	Additions	Deletions	Balance September 30, 2015
ASSETS				
Cash and investments	\$ 7,383,810	\$ 594,545,598	\$ 593,935,913	\$ 7,993,495
Totals	<u>\$ 7,383,810</u>	<u>\$ 594,545,598</u>	<u>\$ 593,935,913</u>	<u>\$ 7,993,495</u>
LIABILITIES				
Due to Board of County Commissioners	3,453,598	\$ 245,104,965	\$ 245,121,591	\$ 3,436,972
Due to other governmental agencies	3,076,792	\$ 327,294,178	\$ 327,097,461	3,273,509
Tax certificates payable	730,736	\$ 20,096,009	\$ 19,638,837	1,187,908
Refunds and other payables	122,684	\$ 2,050,446	\$ 2,078,024	95,106
Totals	<u>\$ 7,383,810</u>	<u>\$ 594,545,598</u>	<u>\$ 593,935,913</u>	<u>\$ 7,993,495</u>

See accompanying notes to financial statements

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

The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

We have audited, in accordance with the 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, the financial statements of each major fund of the Tax Collector for Polk County, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector for Polk County, Florida's financial statements, and have issued our report thereon dated February 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector for Polk County, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector for Polk County, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector for Polk County, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector for Polk County, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 29, 2016



INDEPENDENT ACCOUNTANTS' REPORT
ON AN EXAMINATION CONDUCTED IN ACCORDANCE
WITH AICPA PROFESSIONAL STANDARDS, SECTION 601,
REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE
WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

We have examined the Tax Collector for Polk County, Florida's compliance with requirements of Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended September 30, 2015. Management is responsible for the Tax Collector for Polk County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector for Polk County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Tax Collector for Polk County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector for Polk County, Florida's compliance with specified requirements.

In our opinion, the Tax Collector for Polk County, Florida, complied, in all material respects with the aforementioned requirements for the year ended September 30, 2015.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 29, 2016



MANAGEMENT LETTER

The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tax Collector for Polk County, Florida as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated February 29, 2016.

Auditors' Responsibility

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; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Section 218.415, *Florida Statutes*. Disclosures in those reports, which are dated February 29, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no audit findings in the preceding audit report.



The Honorable Joe G. Tedder
Tax Collector
Polk County, Florida

Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Polk County, Florida, CliftonLarsonAllen LLP, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Baylis & Company PA

Baylis & Company PA

Lakeland, Florida
February 29, 2016

