

Martin County, Florida

Management Letters for the Board of County
Commissioners, and Constitutional Officers
September 30, 2012



**Management Letter Required By
Chapter 10.550 of the Rules of the
Auditor General of the State of Florida**

To the Honorable Members of the Board
of County Commissioners
Martin County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Martin County, Florida (the County) as of and for the year ended September 30, 2012, and have issued our report thereon dated March 29, 2013.

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 the *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Compliance and 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*, Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program or State Project and Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General of the State of Florida*, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information:

Section 10.554(1)(i)1., *Rules of the Auditor General* require that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. The status of recommendations made in the preceding annual financial audit report has been noted in Appendix A to this report.

Section 10.554(1)(i)2, *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined the County complied with Section 218.415, Florida Statutes, regarding investment of public funds.

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve the County's financial management. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of laws, regulations, contracts or agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations or grant agreements or abuse that have occurred or are likely to have occurred and (2) control deficiencies that are not significant deficiencies, including but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Section 10.554(1)(i)7.a., *Rules of the Auditor General*, requires a statement must be included as to whether or not the local government entity has met one or more of the conditions described in the Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the County is not in a state of financial emergency as a consequence of the conditions described by Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., *Rules of the Auditor General*, requires that we determine that the annual financial report for the County for the fiscal year ended September 30, 2012, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Section 10.554(1)(i)7.c. and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provide by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information of the County Commission, and management of the County, federal and state awarding agencies, 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.

McGladrey LLP

West Palm Beach, Florida
March 29, 2013

Martin County, Florida

**Appendix A – Prior Year’s Recommendations to Improve Financial Management
Fiscal Year Ended September 30, 2012**

| No. | Prior Year's Observation | Observation is Still Relevant | Observation Addressed or No Longer Relevant |
|------------|-------------------------------------|--|--|
| 2011-1 | Penetration & Vulnerability Testing | x | |
| 2011-2 | Disaster Recovery Plan | x | |
| 2011-3 | Banner Access | x | |

Martin County, Florida

Appendix A – Prior Year’s Recommendations to Improve Financial Management Fiscal Year Ended September 30, 2012

2011-1 Penetration & Vulnerability Testing

Prior Year Observation: A penetration and vulnerability test has not been performed on the network. This increases the risk that weaknesses and vulnerabilities in the network could be exploited. During the lifetime of any network, changes can occur which may create situations that perpetuate imperfect security, and these situations can compound over time.

Prior Year Recommendation: To mitigate the risk that gaps in security can be overlooked, we recommend that a penetration and vulnerability test be periodically performed by a third party.

Prior Year Management’s Response: The Department has evaluated this action for several years now. However as previously noted, vulnerability and penetration testing involves a certain degree of risk to on-line systems which here-to-fore, many of the agencies who are on the network are unwilling to take. Further, none of the traditional consultants we have contacted have been able to assure the County that their testing can be limited nor mitigated. Until such testing can be performed with acceptable mitigation and risk reduction as a responsibility of those conducting tests, we are reluctant to subject to such testing. We have been provided with recommendations of new companies who may be able to provide acceptable risk mitigation and we have contacted several and received quotes from some including Verizon, Accuvant and IBM. However, given the deepening economic downturn conditions and severe budget reductions, this additional cost has not been funded.

Explanation of the Status of the Corrective Action: The Department has evaluated this action for several years now. However, vulnerability and penetration testing involves a certain degree of risk to on-line systems which, here-to-fore, many of the agencies who are on the network are unwilling to take. These agencies include the Sheriff’s Office, Clerk of Circuit Court, Tax Collector, Property Appraiser, Supervisor of Elections, Fire and Emergency Management and others. Further, none of the traditional consultants we have contacted have been able to assure the County that their testing can be limited nor mitigated. Until such testing can be performed with acceptable mitigation and risk reduction as a responsibility of those conducting the tests, we are reluctant to subject to such testing. We have recently been provided with recommendations of new companies who may be able to provide acceptable risk mitigation and testing and will pursue them as recommended. Funding is being provided in the current fiscal year in order to undertake this task and will schedule a test in the current year, if it can obtain concurrence from the various agencies.

2011-2 Disaster Recovery Plan

Prior Year Observation: There is no formal disaster recovery plan for recovering from a disaster affecting data processing services and the loss of financial systems and data. Statistics show that companies without a disaster recovery plan incurred higher costs and take longer to recover from a disaster than companies with a written and tested disaster recovery plan. Also, entities without disaster recovery plans have a greater risk of business failure if they experience a disaster that affects their operations or information systems. Entities should have a business continuity plan, which include provisions for continuing business operations in the event of a disaster and during the recovery period. Also, a disaster recovery plan is not considered complete until it has been tested.

Prior Year Recommendation: We understand that the County currently participates in the Florida Technology Disaster Recovery Consortium and is informally developing disaster recovery technologies. We recommend that the County set a target date for the completion of their comprehensive, formal disaster recovery plan and that the plan be periodically tested and updated based on the results of testing.

Martin County, Florida

Appendix A – Prior Year’s Recommendations to Improve Financial Management (Continued) Fiscal Year Ended September 30, 2012

Prior Year Management’s Response: While not yet part of a formal disaster plan, Information Technology Services (ITS) has undertaken a specific project that will have provided a more resilient and robust disaster mitigation. The project will create an operating environment where a recovery database instance (via Oracle Data Guard) will be maintained in an offsite location at the Public Safety Complex. When completed, this will make the Banner FMS and Ventyx CIS application redundant with offsite disaster recover capability.

Unfortunately, given economic conditions and severe budget reductions, hiring freezes and staff turnover, the Data Guard project is not yet complete and a formal disaster recovery project has had to be put on hold.

Explanation of the Status of the Corrective Action: Martin County has been working on projects over the past five fiscal years to provide the facilities and technology necessary to support a disaster recovery plan. In the current fiscal year (FY13) Martin County has been working with these facilities and technologies to implement and test disaster recovery systems and procedures for each of the financial systems. The target date for incorporating these systems and procedures into a comprehensive, formal disaster recovery plan is the end of the current fiscal year, October 1, 2013.

2011-3 Banner Access

Prior Year Observation: Banner is the County’s General Ledger and Financial System. There is no formal process in place for periodic review of Banner access by management of user departments. Without a periodic review of access, users that are assigned a level of access that is higher than is needed for their job responsibilities, or terminated employees that retain access after they have been terminated, may go undetected.

Prior Year Recommendation: We recommend that the County implement a process for periodic review of Banner access. This review should take place at two levels. From time-to-time, as appropriate, security classes should be reviewed by department management to verify that the classes as defined remain appropriate. In addition, managers of user departments should be required to periodically review and certify, in writing, the access rights of users.

Prior Year Management’s Response: In the past few years, the County has undergone extensive reorganization, had staff and management cuts and turnover, and currently has limited staffing in the Purchasing and Human Resources divisions. Consequently, this task has not yet been fully implemented. ITS had started working with the Finance Division to remove formerly locked accounts and provided access information in order to begin a review. ITS will continue to work with the management of user departments to develop a process to review access authorization as time and resources permit.

Explanation of the Status of the Corrective Action: Information Technology Services Staff has met with the Director of Finance for the Clerk of the Circuit Court and the Grants Compliance/Budget Manager for the Board of County Commissioners Office of Management & Budget to review Financial System access and procedures. As a result of these meetings, a project is under way to develop and implement a policy, procedure and system to review Financial System security classes to verify they remain appropriate. The proposed system will require managers of user departments review the access rights of individual Financial System users. The target date for completion of this project is September 1, 2013.



**Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida**

To the Honorable Carolyn Timmann
Clerk and Comptroller
Martin County, Florida

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Martin County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2012, and have issued our report thereon dated May 29, 2013, which was prepared to comply with State of Florida reporting requirements.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated May 29, 2013, should be considered in conjunction with this management letter.

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Clerk complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve the Clerk's financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Clerk's financial statements.

Section 10.554(1)(i)8., Rules of the Auditor General, requires a statement as to whether or not the Clerk complied with the requirements of Sections 28.35 and 28.36, Florida Statutes. In connection with our audit, we determined that the Clerk complied with such requirements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of the Clerk, management of the Clerk's Office and the Florida Auditor General, and is not intended to be and should not be used by anyone other than the specified parties.

McGladrey LLP

West Palm Beach, Florida
May 29, 2013



**Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida**

The Honorable Laurel Kelly
Property Appraiser
Martin County, Florida

We have audited the accompanying financial statements of the major fund of the Property Appraiser of Martin County, Florida (the "Property Appraiser") as of and for the year ended September 30, 2012, and have issued our report thereon dated May 29, 2013, which was prepared to comply with State of Florida reporting requirements.

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. We have issued our Independent Auditor's 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*. Disclosures in that report, which is dated May 29, 2013, should be considered in conjunction with this management letter.

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

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 such recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Property Appraiser complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Property Appraiser's financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Property Appraiser, management of the Property Appraiser's Office, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

West Palm Beach, Florida
May 29, 2013



Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

The Honorable William Snyder
The Sheriff
Martin County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Sheriff of Martin County, Florida (the "Sheriff") as of and for the year ended September 30, 2012, and have issued our report thereon dated May 29, 2013, which was prepared to comply with State of Florida reporting requirements.

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. We have issued our Independent Auditor's 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*. Disclosures in that report, which is dated May 29, 2013, should be considered in conjunction with this management letter.

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

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 such findings in the prior year.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Sheriff complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Sheriff's financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Sheriff, management of Martin County, Florida Sheriff's Office, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

West Palm Beach, Florida
May 29, 2013



Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

The Honorable Vicki Davis
Supervisor of Elections
Martin County, Florida

We have audited the financial statement of the major fund of the Supervisor of Elections, of Martin County, Florida (the "Supervisor"), as of and for the year ended September 30, 2012, and have issued our report thereon dated May 29, 2013, which was prepared to comply with State of Florida reporting requirements.

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. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated May 29, 2013, should be considered in conjunction with this management letter.

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Supervisor complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve the Supervisor's financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Sections 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Supervisor's financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of the Supervisor of Elections, management of the Supervisor's Office and the Florida Auditor General, and is not intended to be and should not be used by anyone other than the specified parties.

McGladrey LLP

West Palm Beach, Florida
May 29, 2013



Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

The Honorable Ruth Pietruszewski
Tax Collector
Martin County, Florida

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Tax Collector of Martin County, Florida (the "Tax Collector") as of and for the year ended September 30, 2012, and have issued our report thereon dated May 29, 2013, which was prepared to comply with State of Florida reporting requirements.

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. We have issued our Independent Auditor's 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*. Disclosures in that report, which is dated May 29, 2013, should be considered in conjunction with this management letter.

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

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 findings in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Tax Collector complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Tax Collector's financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Tax Collector, management of the Tax Collector's Office, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

West Palm Beach, Florida
May 29, 2013