



Y INTERNAL AUDIT AUTHORITY FREDERICK COUNTY, MARYLAND

COUNTY GOVERNMENT PUBLIC SCHOOLS COMMUNITY COLLEGE
8 East Second Street, Suite 130 • Frederick, Maryland 21701
301-694-1154 • FAX 301-846-2211 • TTY Use Maryland Relay
www.co.frederick.md.us

October 25, 2006

COMMISSIONERS

John L. Thompson, Jr.
President

Michael L. Cady
Vice President

John R. Lovell, Jr.

Jan H. Gardner

Bruce L. Reeder

COUNTY MANAGER

Douglas D. Browning

DIRECTOR

Martin T. Standel, CIA

Mr. James Conrad
Executive Director
Maryland Agricultural Land Preservation Foundation
50 Harry S. Truman Parkway, Room 104
Annapolis MD 21401-8960

Dear Mr. Conrad:

Attached is our opinion letter and the attached audited Statement of Agricultural Transfer Tax Receipts and Expenditures and Changes in Fund Balance of Frederick County for the year ended June 30, 2006.

If you have any questions, please feel free to contact either Martin Standel, Internal Audit Director at (301) 600-1675 or me at (301) 600-2307.

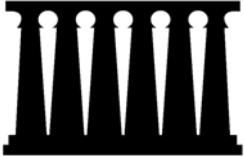
Sincerely,

Paul M. Kolar
Senior Auditor

Enclosures

pc: Douglas Browning, County Manager
Richard Duthoy, Acting Finance Director
Lori Decker, Acting Director of Treasury
J. Steven Kai-Ziegler, Director, Planning
Martin Standel, Director, Internal Audit
Kelly M. Hammond, Audit Manager

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We have audited the accompanying Statement of Agricultural Transfer Tax Receipts, Expenditures and Changes in Fund Balance of Frederick County, Maryland (Exhibit A), for the period July 1, 2005 through June 30, 2006, under Tax-Property Title 13, Subtitle 3, Agricultural Land Transfer Tax §13-301 through §13-308 of the Annotated Code of Maryland. This statement is the responsibility of the County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the Agricultural Transfer Tax receipts, expenditures and changes in fund balance of Frederick County, Maryland for the year that ended June 30, 2006 in conformity with generally accepted accounting principles.

/s/ Interagency Internal Audit Authority

October 4, 2006

Interagency Internal Audit Authority

Enclosure

pc: Douglas Browning, County Manager
Richard Duthoy, Acting Finance Director
Lori Decker, Acting Director of Treasury
J. Steven Kai-Ziegler, Director, Planning
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FREDERICK COUNTY, MARYLAND
COMPARATIVE STATEMENT OF AGRICULTURAL TRANSFER TAX
RECEIPTS, EXPENDITURES AND CHANGES IN FUND BALANCE
For Year Ended June 30, 2006

	<u>2006</u>	<u>2005</u>
RECEIPTS		
Agricultural		
Transfer Tax	\$ 1,102,557	\$ 1,912,393
Interest	8,836	10,645
Refunds	<u>-</u>	<u>(14,141)</u>
Net Receipts	1,111,393	1,908,897
Less: State Share	<u>(277,848)</u>	<u>(477,224)</u>
County Share of Agricultural Transfer Tax Receipts	833,545	1,431,673
Woodland		
Transfer Tax	7,373	-
Interest	-	-
Less: State Share	<u>(7,373)</u>	<u>-</u>
County Share of Woodland Transfer Tax Receipts	<u>-</u>	<u>-</u>
Total County Share of Receipts	<u>\$ 833,545</u>	<u>\$ 1,431,673</u>
EXPENDITURES		
Matching MALPF Acquisition	\$ 411,369	\$ -
Administrative	<u>39,247</u>	<u>42,458</u>
Total Expenditures	<u>\$ 450,616</u>	<u>\$ 42,458</u>
Excess (Deficit) of Receipts over Expenditures	<u>\$ 382,929</u>	<u>\$ 1,389,215</u>
BEGINNING FUND BALANCE, July 1	\$ 2,241,734	\$ 852,519
ENDING FUND BALANCE, June 30	<u>\$ 2,624,663</u>	<u>\$ 2,241,734</u>