



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

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MEMORANDUM

January 3, 2007

MEMO TO: Ken Ulman
County Executive

SUBJECT: FY 2005 Audit - Sheriff's Office

The County Auditor's Office has completed the annual audit of the Howard County Sheriff's Office. This audit is performed because the Sheriff's cash receipts operation is maintained outside of the Department of Finance. Total Sheriff's fees received in connection with Summons, Ejectments, Writs of Execution, Writs of Restitution, and Child Support Summons and Warrants were \$312,352 in FY 2006 compared to \$793,107 in FY 2004. The amount collected in FY 2005 includes \$505,000 for sales proceeds of a house.

The Auditors noted no material exceptions in the cash receipts and disbursements processed by the Sheriff's Office during FY 2006. Recommendations made in previous audits have been implemented and, in their judgment, the system of internal controls appears adequate.

By copy of this memorandum, the report is being distributed to the related agencies. If you have any questions, please let me know.

Calvin Ball
Chairman

LO:dl-SH06

cc: Council Members

James F. Fitzgerald, Sheriff
Sharon F. Greisz, Director, Department of Finance
Lois Miller, Administrative Services Officer



HOWARD COUNTY
SHERIFF'S OFFICE

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OFFICE OF THE COUNTY AUDITOR

Keith Zumbrun C.I.S.A.
Acting County Auditor

December 28, 2006

The Honorable County Council
Howard County, Maryland

We have examined the statement of cash receipts and disbursements of the Howard County Sheriff's Office for the year ended June 30, 2006. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, the policy of the Howard County Sheriff's Office is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly the cash receipts and disbursements made by the Howard County Sheriff's Office for the year then ended, on the basis of accounting described in Note 1, which basis has been applied in a manner consistent with that of the preceding year.

Keith Zumbrun, C.I.S.A.
Acting County Auditor

Leo Oken, CPA
Auditor-in-Charge

HOWARD COUNTY SHERIFF'S OFFICE
Statement of Cash Receipts and Disbursements
for the Year Ended June 30, 2006

Cash Receipts (Note 1)

Collections under Writs of Execution (Note 1)		\$ 34,428
Sheriff's Fees (Notes 1 & 2)		
Service of Summons	\$ 46,371	
Service of Writs of Execution	4,500	
Service of Ejectments and Writs of Restitution	208,826	
Service of Child Support Summons and Warrant	2,259	
Photo I.D.'s	335	
Fingerprint Fees	<u>695</u>	262,986
Transfers from the General Fund to Replenish the Imprest Fund (Note 2)		14,912
Interest Revenue (Note 2)		<u>26</u>
Total Cash Receipts		<u>\$312,352</u>

Cash Disbursements (Note 1)

Distributions in Connection with Writs of Execution (Note 2)		
Remittances to Litigants (Note 4)	22,428	
Refund of Advance	10,374	
Advertising	225	
Auctioneer	200	
New Checks	51	
Interest Transferred to Howard County	14	33,292
Distributions in Connection with Service Fee Refunds (Note 2)		
Refunds	14,152	
New Checks	256	
Interest Transferred to Howard County	<u>11</u>	14,419
Deposits & Transfers to Howard County General Fund (Note 3)		<u>262,986</u>
Total Cash Disbursements		<u>\$310,697</u>
Cash Disbursements over Receipts		\$ 1,655
Cash Balance - July 1, 2005		12,544
Cash Balance - June 30, 2006		<u>\$ 14,199</u>

(The accompanying notes are an integral part of this financial statement.)

HOWARD COUNTY SHERIFF'S OFFICE
Notes to Statement of
Cash Receipts and Disbursements

Note 1 - Significant Accounting Methods & Policies

The accompanying financial statement was prepared on the cash basis of accounting. This accounting method is consistent with that used in the preceding period for external financial reporting purposes. If the financial statement was prepared on an accrual basis in accordance with generally accepted accounting principles, revenues earned but not yet received, and expenses incurred but not yet paid, would also be reflected.

Receipts derived by the Sheriff from collections under writs of execution represent gross proceeds from the seizure and sale of property in satisfaction of judicial orders. Fees for service of summons, ejectments and writs of restitution are collected by the Sheriff from both the Circuit Court and the District Court. Fees are also received by the Sheriff for fingerprints and for photographs taken for courthouse identification badges.

Note 2 - Cash in Banks

The Sheriff's Office maintains two interest bearing accounts at The Citizens National Bank. The "regular account" is used for the deposit of any advance collections received from litigants to meet anticipated expenses of handling and selling levied property. At the time of a Court authorized sale of levied property, cash proceeds there from are also deposited to the regular account. The "imprest account" is used to refund fees for service of summons collected in advance after the Sheriff has been unsuccessful in serving a summons or writ. Disbursements from this account are replenished from the Howard County General Fund to insure availability of adequate finances on deposit to satisfy refund requirements. As of June 30, 2006, the reconciled balances in the regular and imprest accounts were \$11,804 and \$2,395, respectively. Interest revenue reflected on the financial statement represents the cumulative interest earned on the bank accounts during the fiscal period.

Note 3 - Deposits and Transfers to the Howard County General Fund

Financial records for fiscal year 2006 indicate that \$262,986 attributed to fees for services performed by the Sheriff's Office were deposited with the Howard County Department of Finance.