

**REPORT ON
COLLECTIONS OF COMMONWEALTH REVENUES
BY LOCAL CONSITUTIONAL OFFICERS**

**FOR THE YEAR ENDED
JUNE 30, 2007**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

May 14, 2008

The Honorable Timothy M. Kaine
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable M. Kirkland Cox.
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We are pleased to submit the statewide Report on Collections of Commonwealth Revenues by Local Constitutional Officers for the fiscal year ended June 30, 2007. The Auditor of Public Accounts annually audits each constitutional officer or director of finance handling state funds to determine that these officials have maintained accountability over Commonwealth collections, established internal controls, and complied with state laws and regulations. This statewide report summarizes our findings that we have previously communicated to the individual Treasurers, Directors of Finance, Commissioners of the Revenue, Sheriffs, Commonwealth's Attorneys, and the respective local governing body upon completing our individual audits. Constitutional officers, excluding Clerks of the Circuit Courts, collected \$456,941,813 in Commonwealth revenues for fiscal year 2007, as detailed in Schedule A. Clerks of the Circuit Courts maintain separate accounting records and we issue separate reports for each Clerk's Office. This report also includes a Schedule of State and Estimated Income Taxes by local government for each of the past five tax years in Schedule B.

Our audits resulted in findings at twenty-eight localities. We have listed the findings by constitutional officer and locality.

We limited our work in local government to the collection of Commonwealth revenues. The local governments hire certified public accountants to audit all other local government financial activities. These firms issue separate reports on the results of their audits.

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

INTERNAL CONTROL AND COMPLIANCE FINDINGS

TREASURERS AND DIRECTORS OF FINANCE

Strengthen Internal Controls

City of Waynesboro

As we reported last year, the Treasurer does not maintain an adequate internal control system for her office. These inadequacies have lead to prior improprieties and misappropriation of funds and the current situation could allow these problems to continue.

The Treasurer has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process to provide reasonable, but not absolute, assurance regarding the protection of assets, reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Specifically, we noted the following areas needing improvement.

- Properly Secure Payments

The Treasurer and her staff leave collections on the counter unsecured, which makes them susceptible to loss or theft. The Treasurer and her staff should secure payments when received a locking drawer and not having them on the counter where they could be lost or stolen.

- Properly Record Penalty and Interest

The Treasurer does not properly record penalty and interest consistently into an official accounting system nor is the penalty and interest calculation by the Commissioner of Revenue included as part of the assessment. Failure to properly record interest and penalty could result in the loss of revenue to the Commonwealth, and result in the taxpayer improperly assuming they have paid the entire amount they owe the Commonwealth. The Treasurer should appropriately record penalty and interest to ensure that it agrees monthly to the state's Commonwealth Accounting and Reporting System (CARS).

- Properly Document/Secure Manual Receipts

Normally, the Treasurer and her staff record all transactions directly into the accounting system, which can provide a receipt for any collection. The use of manual receipts is reserved for unusual transactions which the Treasurer and her staff can not immediately enter into the accounting system. After issuing a manual receipt, the Treasurer and her staff must manually enter the transaction into the accounting system, increasing the risk of errors and other data entry problems in recording the receipt.

The Treasurer should have controls in place to minimize the use of manual receipts to guarantee the Treasurer and her staff properly record all transactions later in the system properly. In order to achieve this objective the Treasurer should physically safeguard the manual receipts until needed. Controls over usage of manual receipts should also be established, documenting daily the beginning and ending numbers of all manual receipts used and including on each receipt the signature or initials of the person responsible for taking the payment. We further recommend the Treasurer use pre-numbered receipt books preprinted with the City of Waynesboro on them.

- Maintain Proper Accounting Records and Perform Monthly Reconciliations

The Treasurer failed to maintain appropriate accounting records for taxpayer payments as required by Code of Virginia 2.2-806(A), sound business practices and generally accepted accounting principles. Without such records, the Treasurer was unable to provide accurate balances for collections and uncollected taxes at time of audit.

Additionally, the Treasurer did not reconcile state income tax assessments, collections, and uncollected balances to the CARS for the entire fiscal year. The Department of Accounts provides monthly reports to Treasurers so that they can reconcile the amounts recorded by the Commonwealth. Failing to maintain records and perform monthly reconciliations is a significant internal control weakness which brings into question the reliability, effectiveness and efficiency of the office.

The Treasurer should maintain proper records of state funds received and should reconcile these records to the assessments and collections recorded in CARS pursuant to Code of Virginia Section 58.1-3168. This will ensure complete and accurate recording of state tax assessments and collections. Implementation of an automated system for recording tax payments received would assist the Treasurer in daily reconciliation and also monthly reconciliations to CARS.

- Remit Tax Collections Timely

The Treasurer did not remit state tax collections as required by the Code of Virginia section 2.2-806(A), which requires treasurers to remit all tax collections within one banking day of receipt. We had difficulty agreeing collections from daily transmittals to deposit certificates. We found deposits were one to three days late. The Treasurer should remit all state tax collections as required.

- Send Commonwealth Fees Promptly

We found the Treasurer had not sent the Commonwealth two months of Sheriff fees, which totaled \$1132.39. Additionally, we found Worker's Compensation Fees in the amount of \$120 recorded in a local account and not sent to the State.

Contributing to not sending payments to the Commonwealth is the Treasurer not doing timely reconciliations to find these errors. Section 2.2-806(B) of the Code of Virginia requires Treasurers to remit fees weekly, or twice each week when collections exceed \$5,000. The Treasurer should send fees as required by the Code of Virginia.

- Properly Account for Restitution Received

As a follow up of the prior audit in which there was a loss of funds due to a theft from the Treasurer's Office, the auditors determined the Treasurer receipted funds received in payment of restitution into a local "Miscellaneous" fund in the amount of \$23,723.57 on May 23, 2007. As of the completion of this audit, the Treasurer has not applied these payments to the individual taxpayers and Commonwealth accounts affected by the theft. The Treasurer should credit the affected accounts immediately to ensure the taxpayers' accounts reflect accurate balances.

Complete all Duties Required of the Treasurer

City of Falls Church

The Treasurer and her staff do not have sufficient knowledge and understanding of the proper procedures to account for Commonwealth tax activities as required by the Department of Taxation and the Department of Accounts. We recognize the Treasurer and her entire staff are new to the procedures, received minimal training, and inherited certain processes from the previous Treasurer. The Treasurer has maintained

appropriate documentation of all activities and has safeguarded funds; however we noted the following deficiencies with regard to office operations.

- The Treasurer does not perform a comprehensive monthly reconciliation to the CARS reports from the Department of Accounts.
- The Treasurer does not calculate penalty and interest, track overpayments, issue appropriate payment receipts, or bill taxpayers for uncollected state income taxes.
- The Treasurer does not maintain an accurate detailed general ledger nor utilize the available automated system for individual tax accounts. We noted a \$4,000 deposit in CARS that the Treasurer did not have support for in her records.
- The Treasurer and her staff have not had training on the Department of Taxation's automated IRMS system.
- The Treasurer did not submit a listing of all uncollected 2005 taxes to the Department of Taxation for further collection activities.
- The Treasurer did not remit all collected Sheriff fees to the Commonwealth.
- The Treasurer maintains a Commonwealth checking account that has not been reconciled and currently carries an unknown balance in excess of \$97,000.

In addition, we noted the current automated system does not allow for the assessment of penalty greater than \$999 and the Treasurer is not receiving all appropriate advices from the Department of Taxation. The Treasurer should ensure she and her staff are properly trained to comply with all requirements of her office. We recommend the Treasurer contact the Treasurers Association, Department of Accounts, Department of Taxation, and any other organizations that could assist her with this training process.

Perform Monthly Reconciliations

City of Norfolk

The Treasurer did not perform timely and adequate monthly reconciliations of his accounting records to the CARS reports provided by the Department of Accounts. As of September 2007, the staff had not completed the year end reconciliation. Many of the delays are the result of difficulties the City and the Treasurer's staff encountered in the implementation of a new city finance system.

Timely monthly reconciliations are a significant internal control which is essential for determining the reliability of information. The Treasurer should reconcile assessments, collections, and uncollected balances to CARS on a monthly basis pursuant to Section 58.1-3168 of the Code of Virginia and submit correction requests timely. Proper procedures will ensure complete and accurate recording of tax assessments and collections.

Remit Sheriff Fees Promptly

County of Albemarle
County of Carroll
County of King George
County of Rappahannock
City of Richmond
City of Salem
City of Staunton

The Treasurer or Director of Finance delayed sending Sheriff's fees to the Commonwealth. Section 2.2-806(B) of the Code of Virginia requires Treasurers and Directors of Finance to remit fees weekly, or twice each week when collections exceed \$5,000. The Treasurer or Director of Finance should remit fees as required by the Code of Virginia.

Properly Manage Manual Receipts

County of Bedford
County of Botetourt
County of Lee
County of Montgomery

The Treasurer does not properly manage the use of manual receipts. Specifically, we noted the following weaknesses:

In the Counties of Bedford, Botetourt, and Montgomery, the Treasurer does not use a bound, pre-numbered receipt book when the office issues a manual receipt or there is inadequate security over the receipt books. As a result, the Treasurer cannot ensure the accountability over all manual receipts issued.

In the Counties of Botetourt and Montgomery, the Treasurer does not retain one copy of the issued manual receipts to provide an adequate audit trail.

In the County of Montgomery, the Treasurer does not reconcile daily manual receipt totals with the automated accounting system to ensure proper and timely entry.

In the County of Lee, the Treasurer delayed recording and depositing funds received using manual receipts.

The Treasurer should review the accounting procedures and internal control structure relating to the management of manual receipts. Sound business practices recommend strict controls and procedures when using manual receipts. Failure to maintain strong internal controls in this area can lead to misappropriation of funds or theft.

Use Correct Interest Rate

City of Martinsville

The Treasurer did not enter the correct interest rate into her state tax accounting system to reflect changes in interest rates published by the Department of Taxation. The Treasurer should review the quarterly Virginia Tax Bulletin and promptly update the system when the rate changes.

COMMISSIONERS OF THE REVENUE

Remit State Tax Collections Timely

County of Botetourt

County of Fauquier

The Commissioner of the Revenue delayed remitting state tax collections to the Treasurer. Section 58.1-307(B) of the Code of Virginia requires the Commissioner to remit payments accompanied by tax returns to the Treasurer within two banking days of receipt. The Commissioner of the Revenue should remit all state tax collections as required.

Improve Internal Controls Over Collections

County of Clarke

County of Frederick

The Commissioner of the Revenue does not maintain adequate internal controls over collections. Typically, Commissioners of Revenue receive estimated income payments or state income tax payments, which they hold for a short time period and send to the Treasurer. Most Commissioners have a log of these collections, which is the preferable practice, and others use ordinary manual receipts.

Code of Virginia Section 58.1-307 requires the Commissioner to send all payments received to the Treasurer within two banking days. Further, only the Treasurer can officially receive, receipt, and deposit these collections. The Commissioner of Revenue sent state income tax payments and estimated payments to the Treasurer from 1 to 22 days after the statutory deadline.

In Clarke County, the Commissioner did not maintain numerical continuity of the receipts issued. Staff left receipts blank and discarded the original copies. We found receipts where staff had altered the information by writing over the previous information making the receipts illegible.

In Frederick County, the Commissioner's office had no documentation for two voided receipts and could provide no reason for the voiding of the receipts. In addition, on May 3, 2007, an employee in the Commissioner's office prepared a receipt for \$750 of estimated income tax payments, held the payment until June 7, 2007, and then sent the Treasurer \$350. When an auditor discussed the delay in sending the money to the Treasurer, the employee could not explain the delay and additionally claimed the taxpayer had just paid the additional \$400. The Commissioner, with the auditor, discussed the matter with the taxpayer and questioned the employee about the receipting of the \$400. The employee was then terminated from the office.

The Commissioner of the Revenue should immediately stop using manual receipts and use the logging method used by most other Commissioners. The Commissioner's office should not collect any monies, but should only hold funds pending verification of tax information and follow the statutory requirement to transmit funds to the Treasurer within two banking days. If taxpayers wish to pay their taxes in cash or require a receipt, the Commissioner should send these taxpayers to the Treasurer.

SHERIFFS

Promptly Deposit Sheriff's Fees

County of Culpeper
County of Fairfax
County of Fauquier
County of Grayson
County of Nelson
County of Warren
City of Radford
City of Roanoke
City of Winchester

The Sheriff does not promptly deposit fees either into an official bank account or directly with the local Treasurer. Having cash and checks on hand increases the risk that these funds could be misplaced or lost.

The Sheriff should follow the accounting best practices for fees as outlined in the Virginia Sheriff's Accounting Manual, which recommends the Sheriff deposit all collections, if receipts total \$200 or more, daily either into the Sheriff's official bank account or directly with the Treasurer. When receipts total less than \$200 in a day, the Sheriff should accumulate daily receipts until they total \$200, but always deposit no less frequently than weekly.

Reconcile Bank Statement

County of Bedford

The Sheriff did not reconcile his official bank account for all of fiscal year 2007 as recommended by the Virginia Sheriff's Accounting Manual. Reconciliations are an essential internal control to ensure the proper accounting for funds and timely recognition of error, therefore, the Sheriff should perform monthly bank reconciliations.

Properly Deposit Funds

County of Bland

The Sheriff did not deposit \$2,058 in donations received for a community crime prevention fund with the Treasurer as required by Section 15.2-1615 of the Code of Virginia. When the Sheriff accepts these funds, they become public funds and are subject to state law. When we brought this matter to his attention, the Sheriff immediately deposited the donations with the Treasurer.

Properly Manage Sheriff's Fees

City of Hopewell

The Sheriff did not issue receipts for \$111 his office collected in May 2007 and inappropriately issued in June 2007 a receipt for a \$100 donation not related to the Sheriff's Office. Additionally, the Sheriff is using a receipt book with unnumbered receipts.

The Sheriff should only use his official receipt book for civil processes and Sheriff's sales. The Sheriff should follow the accounting practices for civil fees as outlined in the Virginia Sheriffs' Accounting Manual page 11-4 that states, "Prepare an official pre-numbered receipt for all funds collected by the Sheriff and his employees".

The Sheriff delayed sending May 2007 Sheriff's fees totaling \$285 to the City Treasurer until July 2007. Section 15.2-1609.3 of the Code of Virginia requires the Sheriff to remit fees to the City Treasurer on or before the tenth of the month following collections. The Sheriff should comply with remittance requirements as outlined in the Code of Virginia. Although we acknowledge that the Sheriff's Administrative Assistant had been ill for a portion of the time involved, the Sheriff should have trained appropriate back up staff to be available to take over her job duties.

COMMONWEALTH'S ATTORNEY

Properly Remit Excess Collection Fees

County of Botetourt

County of Montgomery

The Commonwealth's Attorney did not report the appropriate amount of excess fees to the Treasurer, so that the Treasurer could forward the amount to the Commonwealth. The Commonwealth's Attorney did not reconcile his manual records with the actual amount of fees sent to the local Treasurer by the courts, resulting in additional amounts owed to the state. The Commonwealth's Attorney should send the additional fees to the Treasurer for forwarding to the Commonwealth and send an amended report to the Compensation Board.

SUMMARY OF COLLECTIONS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Income taxes	\$146,827,026	\$139,245,142	\$123,731,127	\$105,661,600
Estimated income taxes	299,335,707	280,386,547	251,395,616	206,831,820
Penalty	355,851	352,465	340,958	345,555
Interest	48,334	47,849	44,445	40,212
Commonwealth's portion of Sheriff's fees	10,078,428	10,124,213	9,479,028	8,717,641
Commonwealth Attorney's excess collection program fees	<u>296,467</u>	<u>289,704</u>	<u>198,699</u>	<u>102,271</u>
Total	<u>\$456,941,813</u>	<u>\$430,445,920</u>	<u>\$385,189,873</u>	<u>\$321,699,099</u>

This schedule summarizes the cash collections made in the period July 1 to June 30 each year, regardless of what tax year the collections relate to.

Schedule of State and Estimated Income Taxes
Reported by Local Government and Tax Year

Locality	State Income Taxes				
	TY 2005	TY 2004	TY 2003	TY 2002	TY 2001
Cities:					
Alexandria	\$ -	\$ -	\$ -	\$ -	\$ -
Bedford	97,755	115,132	91,968	68,241	89,402
Bristol	776,128	654,142	551,900	818,384	917,049
Buena Vista	89,583	93,443	46,175	52,964	73,423
Charlottesville	2,637,846	2,567,624	1,655,305	1,269,451	1,291,488
Chesapeake	5,703,561	4,873,450	4,058,128	3,761,849	3,897,538
Colonial Heights	215,446	267,072	190,366	289,764	261,260
Covington	56,681	44,891	36,849	55,005	70,220
Danville	1,104,599	1,374,633	1,084,060	787,228	1,149,564
Emporia	40,166	36,917	55,382	35,627	51,288
Fairfax	647,915	697,667	456,087	421,295	588,919
Falls Church	881,473	545,242	441,878	347,906	652,946
Franklin	203,063	121,297	136,981	183,941	161,611
Fredericksburg	2,201,117	901,615	780,989	966,634	1,059,863
Hampton	2,000,601	1,927,757	1,674,834	1,731,259	1,906,509
Harrisonburg	1,617,532	982,493	727,546	752,711	870,795
Hopewell	248,943	192,317	174,565	238,840	218,602
Lexington	558,747	279,220	189,868	226,601	254,069
Lynchburg	2,208,197	1,122,274	1,130,374	1,074,283	1,602,186
Manassas Park	64,028	92,389	57,337	70,352	144,654
Martinsville	176,068	238,591	194,456	191,301	234,246
Newport News	4,052,523	2,400,770	2,297,703	2,083,053	2,616,716
Norfolk	5,153,309	4,834,240	3,994,764	3,489,369	3,892,419
Norton	107,984	109,470	113,555	82,373	74,718
Petersburg	141,970	161,871	19,826	199,982	198,822
Poquoson	532,981	493,359	299,480	297,175	373,530
Portsmouth	1,226,491	1,080,513	1,205,841	1,070,886	1,152,211
Radford	204,349	156,504	168,552	103,755	230,402
Richmond	41,359	84,573	70,777	50,365	52,879
Roanoke	1,102,246	966,848	942,155	949,935	932,771
Salem	443,507	425,044	345,647	-	271,818
Staunton	505,316	275	86,344	61,372	420,788
Suffolk	2,298,763	2,061,315	1,640,040	1,364,364	1,599,703
Virginia Beach	19,334,595	16,955,841	14,761,712	12,584,885	13,852,547
Waynesboro	660,830	489,330	376,830	361,175	364,604
Williamsburg	789,401	840,486	458,393	642,717	654,408
Winchester	-	-	-	-	-

Estimated Income Taxes				
TY 2006	TY 2005	TY 2004	TY 2003	TY 2002
\$ -	\$ -	\$ -	\$ -	\$ -
172,526	227,997	166,526	169,352	179,284
1,070,996	1,199,210	850,722	889,725	936,199
107,658	98,494	107,489	80,481	113,075
3,498,279	3,576,722	2,316,372	2,064,124	2,141,329
9,284,164	8,143,488	7,060,028	6,621,205	6,370,783
550,032	509,831	449,993	707,899	457,247
86,390	86,700	77,832	91,597	143,298
3,182,495	2,555,071	2,199,716	2,327,968	2,798,556
109,138	89,740	110,648	1,479,704	918,926
2,279,681	1,789,734	2,055,568	1,361,954	1,613,146
2,131,260	1,577,757	1,592,314	1,534,481	1,441,643
621,737	472,006	393,313	384,274	502,594
5,570,710	4,389,148	2,864,153	2,030,652	2,628,200
2,387,628	2,537,645	2,263,477	2,333,343	2,324,857
2,303,929	1,962,754	2,013,722	1,912,739	1,844,362
245,044	218,814	262,564	253,541	286,033
641,436	576,491	447,465	406,254	544,725
5,209,540	4,121,336	3,651,633	3,213,885	3,781,631
-	-	-	-	-
817,787	1,040,433	747,027	626,900	677,948
4,424,736	2,784,199	3,629,730	3,075,878	3,503,789
10,779,819	9,206,454	7,698,185	6,952,363	7,345,020
101,646	103,359	114,680	115,722	289,755
111,547	281,429	325,181	269,092	393,701
1,114,334	1,088,032	874,362	706,951	656,841
1,781,300	1,714,304	1,564,919	1,442,780	1,616,867
304,006	324,920	334,645	243,384	277,174
161,744	143,276	80,588	97,249	81,931
3,574,121	3,333,982	2,862,780	2,813,173	2,819,356
1,378,706	1,345,705	1,011,799	985,107	996,184
1,056,121	945,746	897,152	797,173	890,509
3,291,307	3,038,418	2,814,829	2,317,167	2,535,322
38,163,529	40,979,209	40,930,862	28,411,812	30,369,397
953,540	871,217	900,621	828,513	926,281
2,267,218	2,344,767	1,822,762	1,876,881	1,803,266
-	-	-	-	-

Schedule of State and Estimated Income Taxes
Reported by Local Government and Tax Year

Locality	State Income Taxes				
	TY 2005	TY 2004	TY 2003	TY 2002	TY 2001
Counties:					
Accomack	\$ 1,609,858	\$ 2,408,033	\$ 1,367,540	\$ 1,198,896	\$ 1,124,401
Albemarle	-	-	-	-	-
Alleghany	158,297	175,390	128,452	254,398	235,462
Amelia	299,414	261,090	312,643	195,560	279,363
Amherst	449,448	528,772	378,449	347,673	463,644
Appomattox	350,941	260,338	283,443	243,397	297,441
Arlington	-	-	-	-	-
Augusta	2,212,424	1,989,598	1,495,460	1,444,821	2,013,658
Bath	136,419	68,354	59,805	70,223	98,846
Bedford	2,466,426	2,284,706	1,871,530	1,245,424	1,745,867
Bland	165,543	112,531	2,029,855	100,903	121,172
Botetourt	678,702	580,095	512,419	531,023	544,583
Brunswick	331,096	310,913	290,515	201,685	270,712
Buchanan	501,462	436,276	393,287	506,482	506,707
Buckingham	141,804	139,738	125,207	150,169	156,592
Campbell	966,220	884,444	727,321	951,388	1,029,808
Caroline	719,636	671,880	436,662	339,667	370,992
Carroll	-	-	-	-	-
Charles City	-	-	-	-	-
Charlotte	215,733	221,882	315,060	170,010	210,322
Chesterfield	7,491,359	6,035,060	5,846,466	5,450,988	5,932,647
Clarke	1,118,864	616,609	611,678	528,830	576,414
Craig	60,373	41,978	59,249	48,001	62,189
Culpeper	1,942,025	1,327,602	1,564,574	1,295,911	1,213,549
Cumberland	114,536	91,221	109,436	109,594	99,666
Dickenson	156,577	183,059	159,122	173,420	242,645
Dinwiddie	260,627	272,968	245,909	290,773	300,157
Essex	218,544	359,354	327,165	218,701	275,708
Fairfax	-	-	-	-	-
Fauquier	4,476,516	5,828,157	3,743,225	4,014,868	4,150,120
Floyd	169,790	206,409	194,613	145,782	243,321
Fluvanna	-	-	-	-	-
Franklin	1,246,228	1,378,869	904,272	982,461	1,041,469
Frederick	134,473	119,539	146,174	71,399	131,600
Giles	290,679	286,807	239,804	205,608	268,586
Gloucester	1,091,623	963,096	709,318	711,416	864,752
Goochland	1,233,102	1,869,495	768,700	710,942	1,134,610
Grayson	152,586	175,592	171,752	143,108	117,600
Greene	10,879	36,353	9,128	16,838	25,530
Greensville	243,213	85,090	136,079	90,931	121,974
Halifax	573,101	576,768	526,421	407,521	423,180
Hanover	2,655,477	2,659,209	2,381,250	2,302,743	2,690,811
Henrico	-	-	-	-	-
Henry	948,583	858,686	853,040	708,205	961,645

Estimated Income Taxes				
TY 2006	TY 2005	TY 2004	TY 2003	TY 2002
\$ 2,218,333	\$ 2,406,480	\$ 1,767,849	\$ 1,570,404	\$ 1,796,589
631,257	182,043	115,296	103,160	86,303
415,438	533,972	411,969	440,137	497,002
353,074	282,253	308,703	265,662	255,827
747,622	711,142	575,416	625,577	604,528
514,390	530,510	567,042	518,867	552,446
34,458	17,946	92,678	142,966	115,023
3,632,121	3,096,347	2,680,983	2,370,931	2,535,223
448,247	353,313	346,325	369,412	265,828
3,936,229	3,961,339	3,379,755	3,015,276	3,288,471
144,924	135,452	169,405	150,866	136,021
1,420,678	1,604,571	1,505,604	1,368,274	1,258,889
411,292	359,332	316,599	276,781	380,936
1,375,061	821,708	465,666	433,223	580,166
225,104	272,397	289,772	190,209	221,561
2,310,684	2,677,899	1,435,767	1,664,176	1,692,612
989,707	894,975	652,004	608,553	597,094
-	-	-	-	-
-	-	-	-	-
268,830	354,138	253,018	259,530	288,342
13,380,212	12,085,836	11,609,160	10,445,660	11,448,895
1,747,906	1,562,939	1,526,249	1,118,309	1,852,083
121,675	102,607	86,456	103,185	114,566
2,590,156	2,361,169	2,483,570	1,893,936	2,185,846
196,712	162,414	199,705	182,537	191,002
660,322	315,474	186,677	236,969	297,893
829,540	369,580	387,066	379,298	399,462
519,858	561,519	542,461	511,975	515,460
-	-	-	-	-
22,038,731	21,541,451	17,130,726	13,100,546	16,828,140
562,411	513,370	480,886	485,044	467,806
-	-	-	-	-
3,077,274	2,952,837	3,121,687	2,303,975	2,494,244
2,905,244	4,160,642	3,919,389	3,213,727	2,839,580
478,620	425,064	363,719	353,596	396,750
1,718,190	1,908,645	1,424,450	1,153,103	1,480,349
8,597,388	4,916,962	3,726,873	2,249,291	2,783,756
368,058	325,572	281,346	287,141	311,424
8,197	11,342	7,616	17,496	17,889
106,346	90,413	130,268	144,553	144,727
672,838	777,370	684,139	598,117	617,270
5,389,588	5,668,893	5,174,719	5,356,270	5,032,530
37,546	12,931	23,660	77,429	106,083
1,802,890	1,601,024	1,524,710	1,309,287	1,620,461

Schedule of State and Estimated Income Taxes
Reported by Local Government and Tax Year

Locality	State Income Taxes				
	TY 2005	TY 2004	TY 2003	TY 2002	TY 2001
Counties continued:					
Highland	\$ 151,716	\$ 219,493	\$ 124,912	\$ 70,065	\$ 76,045
Isle of Wight	1,138,646	928,865	754,339	620,472	504,463
James City	2,534,257	2,296,097	2,432,725	2,050,851	2,075,791
King & Queen	119,141	146,548	145,486	71,246	102,836
King George	1,301,216	798,641	689,456	546,185	447,653
King William	359,376	405,415	250,416	232,248	248,753
Lancaster	1,623,522	1,235,446	797,672	656,766	649,075
Lee	378,038	370,869	459,155	413,836	440,352
Loudoun	-	-	-	-	-
Louisa	825,230	716,032	566,766	568,268	468,968
Lunenburg	192,524	254,499	417,766	140,667	197,126
Madison	605,817	559,311	361,385	364,848	420,550
Mathews	555,857	585,632	405,648	419,771	433,374
Mecklenburg	868,735	824,976	813,395	751,511	744,985
Middlesex	683,938	673,387	862,884	569,669	431,419
Montgomery	2,405,734	2,101,534	1,814,219	1,772,558	1,937,743
Nelson	610,843	498,548	350,710	397,639	385,416
New Kent	-	-	-	-	-
Northampton	713,088	755,080	570,598	407,952	506,012
Northumberland	951,669	853,349	635,924	693,679	530,648
Nottoway	136,757	184,788	173,719	216,475	157,816
Orange	1,234,616	954,188	805,698	938,034	675,081
Page	646,828	502,975	431,327	387,539	600,923
Patrick	208,719	-	-	-	-
Pittsylvania	6,044	1,070,224	1,006,849	1,218,885	1,248,871
Powhatan	693,365	582,424	709,712	487,817	474,262
Prince Edward	225,170	254,331	224,759	160,056	244,019
Prince George	456,463	468,267	352,567	396,040	483,012
Prince William	-	-	-	-	-
Pulaski	627,907	636,004	576,499	514,029	719,870
Rappahannock	1,587,595	505,611	432,363	374,754	356,907
Richmond	305,228	234,192	258,204	187,446	249,440
Roanoke	1,803,239	1,648,695	1,331,307	1,793,085	1,728,624
Rockbridge	1,039,856	976,633	642,082	782,025	1,334,745
Rockingham	4,065,227	3,400,732	2,519,594	2,487,258	3,836,316
Russell	439,863	511,006	467,025	381,535	434,973
Scott	449,173	368,377	460,272	404,765	509,250
Shenandoah	-	-	-	-	-
Smyth	561,468	570,653	155,430	398,260	472,844
Southampton	305,251	199,926	315,499	390,670	376,429
Spotsylvania	4,069,681	3,157,451	2,541,312	2,486,511	2,590,432
Stafford	3,502,590	2,980,507	2,725,499	2,706,845	2,646,745
Surry	86,364	98,896	116,960	59,968	112,481

Estimated Income Taxes				
TY 2006	TY 2005	TY 2004	TY 2003	TY 2002
\$ 478,390	\$ 235,489	\$ 103,438	\$ 185,831	\$ 182,147
1,451,566	1,235,227	1,074,527	882,779	969,574
8,005,554	7,309,278	5,934,758	6,267,183	5,534,593
228,903	273,562	210,785	237,854	158,037
1,736,053	1,463,682	1,325,510	1,057,263	1,104,853
563,846	426,909	448,595	427,204	383,936
2,376,116	2,452,642	2,086,006	1,782,082	1,798,406
479,556	454,535	522,144	431,251	460,344
-	-	-	-	-
1,468,228	1,486,423	1,106,644	934,264	1,008,709
205,757	478,371	810,665	482,931	557,541
1,025,038	864,869	645,058	731,525	908,873
1,158,819	1,568,693	1,139,001	914,780	892,000
1,313,046	1,116,766	1,097,201	1,070,685	1,115,646
1,258,622	1,454,198	1,395,635	1,111,419	1,114,636
4,795,059	3,805,584	3,872,720	3,132,102	3,526,682
1,139,525	920,079	782,343	787,294	743,442
557,974	519,807	356,169	396,152	353,046
1,783,837	1,258,363	917,026	698,941	844,011
1,733,649	1,838,149	1,985,794	1,541,055	1,527,072
305,407	383,516	363,677	401,062	420,145
2,315,142	3,160,263	1,926,837	1,648,374	1,584,518
1,117,062	868,912	617,013	611,269	725,963
490,160	-	-	-	-
2,357,455	2,339,017	2,195,798	2,010,620	2,254,977
1,349,569	1,318,483	1,044,916	1,041,577	1,009,774
510,740	533,967	500,793	434,241	447,979
753,203	645,127	540,978	573,646	698,509
-	-	-	-	-
978,403	1,051,444	880,636	757,237	1,124,243
1,054,917	1,105,518	942,398	901,080	861,750
541,789	479,376	471,375	315,090	368,053
5,184,439	4,727,707	3,984,686	3,695,503	4,674,484
1,634,232	1,651,016	1,360,208	1,353,487	1,247,751
6,052,336	5,602,520	4,980,710	4,613,380	4,940,705
592,743	631,584	507,163	458,689	665,775
599,015	575,947	571,002	454,505	480,187
-	-	-	-	-
1,072,027	1,009,114	120,615	707,202	1,084,768
398,293	458,999	349,766	414,759	394,893
8,647,143	7,360,505	5,968,435	4,474,877	4,621,011
6,512,770	6,324,348	5,015,448	4,604,387	4,722,982
95,228	107,181	109,413	115,819	479,957

Schedule of State and Estimated Income Taxes
Reported by Local Government and Tax Year

Locality	State Income Taxes				
	TY 2005	TY 2004	TY 2003	TY 2002	TY 2001
Counties continued:					
Sussex	\$ 127,600	\$ 123,530	\$ 105,408	\$ 105,171	\$ 99,099
Tazewell	1,341,276	1,407,810	1,195,554	1,155,804	1,535,615
Warren	1,114,821	860,824	697,383	847,625	795,694
Washington	2,067,241	1,550,496	1,536,291	1,425,148	1,461,676
Westmoreland	682,121	556,236	653,333	394,171	396,981
Wise	1,112,482	823,893	727,110	724,579	665,733
Wythe	451,020	414,016	353,347	389,954	723,628
York	<u>2,158,133</u>	<u>1,979,264</u>	<u>1,298,159</u>	<u>1,542,194</u>	<u>1,680,811</u>
	<u>\$ 141,643,086</u>	<u>\$ 124,740,232</u>	<u>\$ 106,218,410</u>	<u>\$ 97,369,673</u>	<u>\$ 109,745,201</u>

This schedule reflects the state income taxes and estimated income taxes collected by the local treasurers on a tax year basis by locality. It includes the last five full tax years covered by the Auditor of Public Accounts' most recently completed audits.

Treasurers process state income taxes separate from estimated taxes. Due to the nature of the tax, the flow of collections for these two taxes is different within the fiscal year period. The state income taxes are generally collected by the Treasurer from January through December of the year following the given tax year. The taxpayer files their return with the local Commissioner of the Revenue. The Commissioner is then responsible for the assessment of the tax and any applicable penalty and interest. The state income taxes for tax years 2001 through 2005 are reported on this schedule.

The Treasurer generally collects the estimated income taxes beginning in February of the tax year through March of the next year. The taxpayer files the declaration of estimated taxes with the Commissioner of the Revenue. The first estimated payment is often made and given to the Commissioner with the declaration. Then the taxpayer remits the remaining estimated income tax payments directly to the local Treasurer. This report includes the estimated income taxes for tax years 2002 through 2006.

Estimated Income Taxes				
TY 2006	TY 2005	TY 2004	TY 2003	TY 2002
\$ 287,668	\$ 190,061	\$ 160,985	\$ 132,949	\$ 175,878
3,184,899	3,000,178	2,682,817	2,396,493	2,679,941
2,030,993	1,470,518	1,174,841	1,209,463	1,358,723
4,487,867	5,742,939	3,479,508	2,641,175	3,210,075
1,090,893	1,220,070	849,602	817,381	821,165
1,630,087	1,269,533	1,028,234	799,417	783,648
1,790,623	1,190,813	1,104,450	1,073,515	932,811
3,491,688	3,351,891	2,628,619	2,400,987	2,766,364
<u>\$ 289,937,583</u>	<u>\$ 272,235,431</u>	<u>\$ 237,217,982</u>	<u>\$ 203,449,550</u>	<u>\$ 220,228,878</u>

