

**OSCEOLA COUNTY
CLERK OF THE CIRCUIT COURT**

FINANCIAL STATEMENTS

Year Ended September 30, 2014

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MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Armando Ramirez,
Clerk of the Circuit Court Osceola County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Osceola County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Clerk'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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 auditor considers internal control relevant to the Clerk'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 Clerk'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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Clerk as of September 30, 2014, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund, Public Records Modernization Trust Fund, and Public Records Information Technology for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Armando Ramirez,
Clerk of the Circuit Court Osceola County, Florida

Emphasis of Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of Osceola County, Florida, as of September 30, 2014, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information, 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 accompanying supplemental information 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2015, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
April 2, 2015

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2014

	General	Public Records Modernization Trust Fund	Public Records Information Technology	Total Governmental Funds
Assets				
Cash and investments	\$ 1,746,227	\$ 3,365,631	\$ 868,283	\$ 5,980,141
Due from other funds	57,583	-	-	57,583
Due from other governments	66,852	-	-	66,852
Prepays	61,124	-	-	61,124
Total assets	\$ 1,931,786	\$ 3,365,631	\$ 868,283	\$ 6,165,700
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 464,642	\$ 16,678	\$ -	\$ 481,320
Accrued liabilities	183,330	-	-	183,330
Due to other county units	413,705	-	-	413,705
Due to other governments	494,761	-	-	494,761
Unearned revenue	375,348	-	-	375,348
Total liabilities	1,931,786	16,678	-	1,948,464
Fund balances:				
Restricted for records modernization	-	3,348,953	-	3,348,953
Restricted for information technology	-	-	868,283	868,283
Total fund balances	-	3,348,953	868,283	4,217,236
Total liabilities and fund balances	\$ 1,931,786	\$ 3,365,631	\$ 868,283	\$ 6,165,700

The accompanying notes are an integral part of the financial statements.

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS**

Year Ended September 30, 2014

	<u>General</u>	<u>Public Records Modernization Trust Fund</u>	<u>Public Records Information Technology</u>	<u>Total Governmental Funds</u>
Revenues				
Intergovernmental	\$ 9,760,860	\$ -	\$ -	\$ 9,760,860
Fees, fines and service charges	2,942,527	595,853	655,355	4,193,735
Miscellaneous	7,494	-	-	7,494
Total revenues	<u>12,710,881</u>	<u>595,853</u>	<u>655,355</u>	<u>13,962,089</u>
Expenditures				
Current				
General government:				
Personal services	9,355,446	-	-	9,355,446
Operating	1,138,524	408,284	-	1,546,808
Capital outlay	349,745	103,111	-	452,856
Total expenditures	<u>10,843,715</u>	<u>511,395</u>	<u>-</u>	<u>11,355,110</u>
Excess of revenues over expenditures	<u>1,867,166</u>	<u>84,458</u>	<u>655,355</u>	<u>2,606,979</u>
Other financing sources (uses)				
Transfers in	1,012,849	151,684	-	1,164,533
Transfers out:				
Osceola County Board of County Commissionere	(408,724)	-	-	(408,724)
Interfund	(151,684)	(357,128)	(655,721)	(1,164,533)
Remittances to Florida Department of Revenue	(2,319,607)	-	-	(2,319,607)
Total other financing sources (uses)	<u>(1,867,166)</u>	<u>(205,444)</u>	<u>(655,721)</u>	<u>(2,728,331)</u>
Net change in fund balances	-	(120,986)	(366)	(121,352)
Fund balances, at beginning of year	-	3,469,939	868,649	4,338,588
Fund balances, at end of year	<u>\$ -</u>	<u>\$ 3,348,953</u>	<u>\$ 868,283</u>	<u>\$ 4,217,236</u>

The accompanying notes are an integral part of the financial statements.

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

September 30, 2014

Assets

Cash	\$ 12,668,148
Accounts receivable	191,763
Due from other county units	7,966
Total assets	<u>\$ 12,867,877</u>

Liabilities

Due to other funds	\$ 57,583
Due to other county units	389,136
Due to other governments	1,742,656
Deposits	10,678,502
Total liabilities	<u>\$ 12,867,877</u>

The accompanying notes are an integral part of the financial statements.

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended September 30, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 8,573,276	\$ 8,573,276	\$ 9,760,860	\$ 1,187,584
Fees, fines and service charges	3,028,232	3,028,232	2,942,527	(85,705)
Miscellaneous	-	-	7,494	7,494
Total revenues	11,601,508	11,601,508	12,710,881	1,109,373
Expenditures				
Current				
General government:				
Personal services	9,233,080	9,233,080	9,355,446	(122,366)
Operating	2,137,428	2,137,428	1,117,836	1,019,592
Capital outlay	231,000	231,000	370,433	(139,433)
Total expenditures	11,601,508	11,601,508	10,843,715	757,793
Excess of revenues over expenditures	-	-	1,867,166	1,867,166
Other financing sources (uses)				
Transfers in	-	-	1,012,849	1,012,849
Transfers out:				
Osceola County Board of County Commissioners	-	-	(408,724)	(408,724)
Interfund	-	-	(151,684)	(151,684)
Remittances to Florida Department of Revenue	-	-	(2,319,607)	(2,319,607)
Total other financing sources (uses)	-	-	(1,867,166)	(1,867,166)
Net change in fund balances	-	-	-	-
Fund balances, at beginning of year	-	-	-	-
Fund balances, at end of year	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION TRUST FUND**

Year Ended September 30, 2014

	<u>Public Records Modernization Trust Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, fines and service charges	\$ -	\$ -	\$ 595,853	\$ 595,853
Total revenues	<u>-</u>	<u>-</u>	<u>595,853</u>	<u>595,853</u>
Expenditures				
Current				
General government:				
Operating	-	-	408,284	(408,284)
Capital outlay	-	-	103,111	(103,111)
Total expenditures	<u>-</u>	<u>-</u>	<u>511,395</u>	<u>(511,395)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>84,458</u>	<u>84,458</u>
Other financing sources (uses)				
Transfers in	-	-	151,684	151,684
Transfers out:				
Interfund	<u>(357,128)</u>	<u>(357,128)</u>	<u>(357,128)</u>	<u>-</u>
Total other financing sources (uses)	<u>(357,128)</u>	<u>(357,128)</u>	<u>(205,444)</u>	<u>151,684</u>
Net change in fund balances	(357,128)	(357,128)	(120,986)	236,142
Fund balances, at beginning of year	<u>-</u>	<u>-</u>	<u>3,469,939</u>	<u>3,469,939</u>
Fund balances, at end of year	<u>\$ (357,128)</u>	<u>\$ (357,128)</u>	<u>\$ 3,348,953</u>	<u>\$ 3,706,081</u>

The accompanying notes are an integral part of the financial statements.

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
PUBLIC RECORDS INFORMATION TECHNOLOGY**

Year Ended September 30, 2014

	<u>Public Records Information Technology</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, fines and service charges	\$ -	\$ -	\$ 655,355	\$ 655,355
Total revenues	<u>-</u>	<u>-</u>	<u>655,355</u>	<u>655,355</u>
Expenditures				
Current				
General government:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>655,355</u>	<u>655,355</u>
Other financing sources (uses)				
Transfers out:				
Interfund	<u>(655,720)</u>	<u>(655,720)</u>	<u>(655,721)</u>	<u>(1)</u>
Total other financing sources (uses)	<u>(655,720)</u>	<u>(655,720)</u>	<u>(655,721)</u>	<u>(1)</u>
Net change in fund balances	(655,720)	(655,720)	(366)	655,354
Fund balances, at beginning of year	<u>-</u>	<u>-</u>	<u>868,649</u>	<u>868,649</u>
Fund balances, at end of year	<u>\$ (655,720)</u>	<u>\$ (655,720)</u>	<u>\$ 868,283</u>	<u>\$ 1,524,003</u>

The accompanying notes are an integral part of the financial statements.

**CLERK OF THE CIRCUIT COURT
OSCEOLA COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Osceola County is a political subdivision of the State of Florida located in the central portion of the state. The County was established under Article VIII, Section (1), *Constitution of the State of Florida*. The County operates under a Home Rule Charter.

The Clerk of the Circuit Court (the “Clerk”) is an elected Constitutional Officer of the County. For financial statement and reporting purposes, the Clerk is a separate constitutional officer, as provided by Chapter 218, *Florida Statutes*. However, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Clerk is considered to be part of the primary government of Osceola County, Florida (the “County”) and the financial activities of the Clerk are included as such in the County’s annual financial report, along with the other Constitutional Officers and the Osceola County Board of County Commissioners (the “Board”). The financial statements contained herein represent the financial transactions of the Clerk only. There are no component units for the Clerk to consider for inclusion in the fund financial statements.

The Clerk is a fee officer whose operating budget is funded solely from fees, fines, and service charges relating to various statutory court and non-court services provided by the office. No funds are received from the Board other than applicable fees.

The accounting policies of the Clerk conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation

These financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (“GASB”) and are presented to comply with the requirements of Section 218.39, *Florida Statutes*, and Section 10.557(3) of the *Rules of the Auditor General for Local Governmental Entity Audits*.

Fund Accounting

The financial activities of the Clerk are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. 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 purposes of the Clerk’s various funds are categorized and described as follows:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types:

General Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk that are not required either legally or by accounting principles generally accepted in the United States of America to be accounted for in another fund. The General Fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources, rather than upon net income determination).

Special Revenue Funds

Public Records Modernization Trust Fund – This fund accounts for the proceeds of specific revenue sources pursuant to *Florida Statute 28.24(12)(d)*, that are legally restricted to expenditures for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the Clerk's public records systems.

Public Records Information Technology Fund – This fund accounts for the proceeds of specific revenue sources pursuant to *Florida Statute 28.24(12)(e)*, that are legally restricted to expenditures for court-related technology needs.

Fiduciary Fund Type:

Agency Funds – The Agency Funds account for the assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. A statement of net assets is presented for the Agency Fund. However, a statement of changes in net assets is not presented since there are no operations in the Agency Fund, only assets and liabilities.

Basis of Accounting

Basis of accounting refers to the method by which revenues and expenditures are recognized in the accounts and reported in the fund financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Governmental Funds and Agency Funds are maintained on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they are received in cash or when they are considered both measurable and available and, as such, are susceptible to accrual. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Clerk considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. The following major revenues are considered susceptible to accrual: intergovernmental revenue, charges for services, and interest earned. Intergovernmental revenue, consisting of a cost reimbursement grant, is recognized as revenue as the related expenditures are incurred.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

During the 2009 legislative session, the Florida Legislature reduced statewide funding for Clerk's budgets. The Legislature changed any future budget to a State fiscal year of July 1 to June 30. The Clerk's funding process was also changed to an appropriation from the State of Florida (the "State") rather than the existing revenue model. All court revenues will be collected and disbursed monthly to the State. The fiscal year for the Clerk continues to be from October 1 to September 30, and any unexpended appropriation for the Court's budget is rolled into the subsequent State's fiscal year.

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the *Florida Statutes*. Formal budgetary integration is employed as a management control device during the year for the Clerk's General Fund. Appropriations lapse at the close of the fiscal year to the extent they have not been expended, except for the Clerk's funds, which lapse at the end of the State's fiscal year on June 30th. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

Section 218.35 of the *Florida Statutes* provides the budget requirements for county fee officers and refers to budget requirements of Section 28.36 of the *Florida Statutes* for court-related functions of the Clerk. The budget must be balanced and segregated by funds. The proposed budget is required to be filed with the county governing authority by September 1 preceding the fiscal year of the budget. Subsequent balanced budget amendments relating to non-court operations may be approved by the Clerk.

Section 28.36 of the *Florida Statutes* requires the Clerk to prepare a separate budget for the court-related functions of the Clerk. Only those functions specified by Section 28.35(3)(a) of the *Florida Statutes* may be funded from court-related fees, service charges, court costs, and fines retained by the Clerk. The proposed budget is filed with the Clerk's Operations Corporation (the "Corporation") by October 1 preceding the fiscal year of the budget, in the format required by the Corporation. The Corporation verifies that the proposed budget is limited to court-related functions. Section 28.36 also defines the maximum annual budget permitted. With the 2009 legislative changes, the Corporation submits a legislative budget request for all clerks that will result in an appropriation by the Florida Legislature.

Increases to the court functions budget must be submitted to and approved by the Corporation. Transfers of approved budget funds between accounts and appropriation categories (personal services, operating expenses, capital outlay, and non-operating) may be approved by the Clerk.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

The budgeted revenues and expenditures in the accompanying budgetary comparison statement reflect the Clerk's original adopted budget and the final budget with all amendments approved by the Clerk or the Corporation. Budgetary authority is exercised at the fund level. Revenues and expenditures for the Public Records Modernization Trust Fund and the Public Records Information Technology Fund were budgeted in the current year in the General Fund. Expenditures for the Public Records Modernization Trust Fund are authorized on a five-year budget in the Public Records Modernization Trust Fund Report. The amounts included in the budgetary comparison statement reflect actual amounts spent in the current year. The total amounts available to be budgeted for the Public Records Modernization Trust Fund and the Public Records Information Technology Fund for the current year were \$590,000 and \$1,261,559, respectively.

Investments

Investments in external investment pools that follow Securities and Exchange Commission ("SEC") Rule 2a-7 regulations are reported at amortized cost, which approximates fair value.

Capital Assets

Capital assets purchased in the Governmental Fund Types are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Clerk is reported to and recorded by the Board as capital assets, at cost, in the statement of net assets in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for the capital assets used by the Clerk.

Compensated Absences

Employees accrue vacation leave based on their employment date or seniority date and length of employment. They may accrue from 12 to 22.5 days of vacation per year. Annual leave in excess of 30 days is forfeited on December 31 following the end of the fiscal year. Employees are not paid for vacation leave in lieu of taking a vacation. An employee is paid for earned vacation leave only upon separation.

Employees earn one day of sick leave for each month of employment. Upon separation, employees who have at least 20 years of continuous service will be paid for all accrued hours of sick leave. Employees with less than 20 years and two or more years of continuous service will be paid for all hours in excess of 40 hours.

The Clerk uses the vesting method to calculate the liability for compensated absences. The Clerk does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund, but is included in the statement of net assets in the government-wide financial statements of the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers In and Out

The Clerk collects fees pursuant to Section 28.24(12)(e), *Florida Statutes*, that are legally restricted to expenditures for court-related information technology needs. These fees are accounted for in a special revenue fund. The amount needed to fund the General Fund's court-related information technology expenditures is recorded as a transfer in by the General Fund and as a transfer out by the special revenue fund on the financial statements of the Clerk. Unexpended amounts are transferred back to the special revenue fund at the end of the fiscal year.

In accordance with Section 218.36, *Florida Statutes*, all general fund non-court-related revenues in excess of non-court-related expenditures during the fiscal year are distributed to the Board within 31 days following the end of the fiscal year. Accordingly, such amounts are recorded as liabilities due to other county units and as transfers out to the Board on the financial statements of the Clerk.

NOTE 2 – CASH AND INVESTMENTS

As of September 30, 2014, the Clerk had the following in cash and investments:

	<u>Carrying Amount</u>
Cash on Hand	\$ 12,760
Deposits in Qualified Public Depositories	16,507,199
Florida PRIME	<u>2,128,330</u>
Total Cash and Investments	<u>\$ 18,648,289</u>

Credit Risk

The Clerk's investment practices are governed by Section 218.415(17), *Florida Statutes*, and include the following investments:

1. The Florida PRIME (formerly the Local Government Surplus Trust Funds Investment Pool) administered by the State Board of Administration, or any authorized intergovernmental investment pool;
2. SEC-registered money market funds with the highest credit quality rating from a nationally-recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories; and
4. Direct obligations of the U.S. Treasury.

The Clerk does not have an investment policy that would further limit its investment choices.

NOTE 2 – CASH AND INVESTMENTS (*Continued*)

Credit Risk (*Continued*)

Florida PRIME is administered by the Florida State Board of Administration (“SBA”). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the *Florida Administrative Code*, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Office of the Auditor General, performs the operational audit of the activities and investments of the SBA. The fair value of the Clerk’s position in the pool approximates the value of pool shares. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAM by Standards and Poor’s. The weighted average days to maturity of the Florida PRIME at September 30, 2014, are between 20 and 60 days.

As of September 30, 2014, the Clerk’s Public Records Special Revenue Funds had \$2,128,330 invested in Pool A.

The SBA issues separate financial statements that may be obtained from its website, <https://www.sbafla.com/prime>, or by calling (850) 488-4406.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the government’s deposits may not be returned to it or the organization may not be able to recover the value of its investments that are in possession of an outside party.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, *Florida Statutes*. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories.

The Clerk’s deposits are, therefore, considered fully insured or collateralized. Bank balances at September 30, 2014, were \$25,058,036.

NOTE 3 – EMPLOYEES’ RETIREMENT AND BENEFIT PLANS

Retirement Plan

All full-time and permanent, part-time employees of the Clerk are eligible to participate in the Florida Retirement System (the “FRS”). The FRS includes various plans, including a defined benefit pension plan, which is primarily a cost-sharing, multiple-employer, defined benefit, public employee pension plan. The defined benefit plan is administered by the State of Florida, Department of Management Services, Division of Retirement.

NOTE 3 – EMPLOYEES’ RETIREMENT AND BENEFIT PLANS (Continued)

Retirement Plan (Continued)

Information as to benefits, contribution rates, and vesting requirements by membership category, is provided in the Osceola County, Florida annual financial report. Contributions and benefits are established by Section 121.71, *Florida Statutes*. Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Beginning July 1, 2011, a 3% employee contribution was required by active employees.

The contributions paid for the years ended September 30, 2014, 2013, and 2012, were \$575,334, \$414,725, and \$313,531, respectively, which is equal to the required contribution for each year.

Employees are required to contribute 3% towards the FRS. Employee withholdings for this purpose amounted to \$171,150, \$180,328, and \$188,068 for the fiscal years ended September 30, 2012 through 2014, respectively, which were equal to the required contribution for each fiscal year.

The FRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, Post Office Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 907-6500.

NOTE 4 – LONG-TERM LIABILITIES

A summary of changes in the long-term liabilities of the Clerk is as follows:

	<u>Balance</u> <u>October 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30, 2014</u>
Liability for compensated absences	\$ 413,185	\$ 754,640	\$ 694,552	\$ 473,272

Of the \$473,272 liability for accrued compensated absences, management estimates that \$313,754 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Clerk since they are not payable from available resources at September 30, 2014. As discussed in Note 1, they are reported in the statement of net assets in the government-wide financial statements of the County.

NOTE 5 – OTHER POST-EMPLOYMENT BENEFITS

The Clerk participates in the County’s plan covering other post-employment benefits. For a detailed plan description and any liability for employees of the Clerk, see the Osceola County, Florida Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014.

NOTE 6 – RISK MANAGEMENT

Osceola County maintains a self-insured risk management program that provides for coverage of risks of loss related to workers' compensation claims. This fund is administered by a third-party administrator. The Clerk makes payments to the County based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2014, was \$17,651. Excess coverage with a commercial carrier is also in force for each claim exceeding \$500,000.

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at September 30, 2014, are as follows:

Fund	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 57,583	\$ -
Fiduciary:		
Other Civil	-	57,583
Total all funds	<u>\$ 57,583</u>	<u>\$ 57,583</u>

The General Fund carries a \$57,583 balance due from the Other Civil Agency Fund, which is not expected to be repaid within the subsequent fiscal year. The balance was created as a result of the General Fund providing a cash reserve for the Other Civil Agency Fund's returned checks for child support payments.

NOTE 8 – EVALUATION OF SUBSEQUENT EVENTS

The Clerk has evaluated subsequent events through April 2, 2015, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

Year Ended September 30, 2014

	Balance September 30, 2013	Additions	Deletions	Balance September 30, 2014
Recording Agency Fund				
Assets:				
Cash	\$ 2,106,133	\$ 49,663,844	\$ (46,693,073)	\$ 5,076,904
Due from other county units	-	7,966	-	7,966
Accounts receivable	48,043	17,948,420	(17,875,529)	120,934
Total assets	<u>\$ 2,154,176</u>	<u>\$ 67,620,230</u>	<u>\$ (64,568,602)</u>	<u>\$ 5,205,804</u>
Liabilities:				
Due to other county units	\$ 65,824	\$ 3,809,559	\$ (3,808,649)	\$ 66,734
Due to other governments	766,709	34,770,722	(34,690,811)	846,620
Deposits	1,321,643	15,497,628	(12,526,821)	4,292,450
Total liabilities	<u>\$ 2,154,176</u>	<u>\$ 54,077,909</u>	<u>\$ (51,026,281)</u>	<u>\$ 5,205,804</u>
Fine & Forfeiture Agency Fund				
Assets:				
Cash	\$ 1,423,597	\$ 17,737,152	\$ (17,773,712)	\$ 1,387,037
Accounts receivable	30,913	4,309,642	(4,300,838)	39,717
Total assets	<u>\$ 1,454,510</u>	<u>\$ 22,046,794</u>	<u>\$ (22,074,550)</u>	<u>\$ 1,426,754</u>
Liabilities:				
Due to other county units	\$ 285,760	\$ 4,257,006	\$ (4,220,714)	\$ 322,052
Due to other governments	460,863	6,801,602	(6,678,833)	583,632
Deposits	707,887	7,084,904	(7,271,721)	521,070
Total liabilities	<u>\$ 1,454,510</u>	<u>\$ 18,143,512</u>	<u>\$ (18,171,268)</u>	<u>\$ 1,426,754</u>
County Circuit/Civil Agency Fund				
Assets:				
Cash	\$ 225,420	\$ 5,757,968	\$ (5,652,537)	\$ 330,851
Accounts receivable	46,140	4,445,210	(4,475,268)	16,082
Total assets	<u>\$ 271,560</u>	<u>\$ 10,203,178</u>	<u>\$ (10,127,805)</u>	<u>\$ 346,933</u>
Liabilities:				
Due to other county units	\$ 200	\$ 2,580	\$ (2,430)	\$ 350
Due to other governments	229,636	2,852,114	(2,880,080)	201,670
Deposits	41,724	155,134	(51,945)	144,913
Total liabilities	<u>\$ 271,560</u>	<u>\$ 3,009,828</u>	<u>\$ (2,934,455)</u>	<u>\$ 346,933</u>

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS *(Continued)*

Year Ended September 30, 2014

	Balance September 30, 2013	Additions	Deletions	Balance September 30, 2014
Bond Holding Agency Fund				
Assets:				
Cash	\$ 281,778	\$ 1,134,523	\$ (1,042,894)	\$ 373,407
Accounts receivable	-	1,860	(1,000)	860
Due from other county units	110,843	8,601	(119,444)	-
Total assets	\$ 392,621	\$ 1,144,984	\$ (1,163,338)	\$ 374,267
Liabilities:				
Due to other governments	\$ -	\$ 32,542	\$ -	\$ 32,542
Deposits	392,621	2,033,393	(2,084,289)	341,725
Total liabilities	\$ 392,621	\$ 2,065,935	\$ (2,084,289)	\$ 374,267
Tax Deeds Agency Fund				
Assets:				
Cash	\$ 1,751,212	\$ 2,845,566	\$ (4,568,941)	\$ 27,837
Liabilities:				
Due to other governments	\$ -	\$ 27,837	\$ -	\$ 27,837
Deposits	1,751,212	4,638,604	(6,389,816)	-
Total liabilities	\$ 1,751,212	\$ 4,666,441	\$ (6,389,816)	\$ 27,837
Other Civil Agency Fund				
Assets:				
Cash	\$ 19,805,801	\$ 48,194,273	\$ (62,527,962)	\$ 5,472,112
Accounts receivable	17,912	10,385	(14,127)	14,170
Total assets	\$ 19,823,713	\$ 48,204,658	\$ (62,542,089)	\$ 5,486,282
Liabilities:				
Due to other funds	\$ 100,572	\$ 2,241,227	\$ (2,284,216)	\$ 57,583
Due to other governments	30,388	699,813	(679,846)	50,355
Deposits	19,692,753	48,979,839	(63,294,248)	5,378,344
Total liabilities	\$ 19,823,713	\$ 51,920,879	\$ (66,258,310)	\$ 5,486,282
Total				
Assets:				
Cash	\$ 25,593,941	\$ 125,333,326	\$ (138,259,119)	\$ 12,668,148
Accounts receivable	143,008	26,715,517	(26,666,762)	191,763
Due from other county units	110,843	16,567	(119,444)	7,966
Total assets	\$ 25,847,792	\$ 152,065,410	\$ (165,045,325)	\$ 12,867,877
Liabilities:				
Due to other funds	\$ 100,572	\$ 2,241,227	\$ (2,284,216)	\$ 57,583
Due to other county units	351,784	8,077,111	(8,031,793)	389,136
Due to other governments	1,487,596	45,184,630	(44,929,570)	1,742,656
Deposits	23,907,840	78,389,502	(91,618,840)	10,678,502
Total liabilities	\$ 25,847,792	\$ 133,892,470	\$ (146,864,419)	\$ 12,867,877



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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***

To the Honorable Armando Ramirez,
Clerk of the Circuit Court Osceola 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 the Osceola County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated April 2, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies

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 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. We consider the deficiencies described in the accompanying schedule of prior year findings and recommendations as item 2013-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of prior year findings and recommendations as items 2013-002, 2013-003, 2013-008 and 2013-009 to be significant deficiencies.

To the Honorable Armando Ramirez,
Clerk of the Circuit Court Osceola County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of 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*.

Clerk's Response to Findings

The Clerk's response to the findings identified in our audit is described in the accompanying schedule of prior year findings and recommendations. The Clerk's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we reported to management in a separate letter dated April 2, 2015.

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 results 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.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
April 2, 2015



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Armando Ramirez,
Clerk of the Circuit Court Osceola County, Florida

We have examined the Osceola County, Florida Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Sections 28.35, 28.36, and 218.415, *Florida Statutes*, during the year ended September 30, 2014. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk'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 Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
April 2, 2015



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Armando Ramirez,
Clerk of the Circuit Court Osceola County, Florida

We have audited the financial statements of the Osceola County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated April 2, 2015.

Auditor's Responsibility

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.

Other Reports and Schedule

We have issued our Independent Auditor's 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* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 2, 2015, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *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 this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

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.

To the Honorable Armando Ramirez,
Clerk of the Circuit Court Osceola County, Florida

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, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
April 2, 2015

OSCEOLA COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended September 30, 2014

Finding Number	Description	Resolved	Partially Resolved	Not Resolved	Finding Type
2013-001	Cash Reconciliation			X	Material Weakness
2013-002	Approve Journal Entries		X		Significant Deficiency
2013-003	Excess Fee payment		X		Significant Deficiency
2013-004	Pay Rate Changes	X			
2013-005	Account Payable - Vendors	X			
2013-006	Check Logs	X			
2013-007	Purchase Cards	X			
2013-008	Budget Process			X	Significant Deficiency
2013-009	Year-End Closing			X	Significant Deficiency
10-01	Information Technology (I.T.) Disaster Recovery Plan	X			
10-02	Failure to Achive Performance measurment Standards	X			
12-02	Deposits in Non-Interest Registry Account	X			
12-03	Outstanding Account Recivable	X			

CLERK OF THE CIRCUIT COURT OSCEOLA COUNTY
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS (Continued)
Fiscal Year Ended September 30, 2014

Type: Material Weakness

2013-001 CASH RECONCILIATION

Criteria: Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Condition: During our current year audit of the Clerk's financial statements, it was noted that bank reconciliations were completed after year-end for the whole year.

Cause: Due to several changes in management positions during the year, cash reconciliations were not prepared or reviewed timely.

Effect: Deposits and withdrawals that were not properly reconciled timely resulted in unreconciled differences in the Clerk's bank reconciliation at year end. Unreconciled items were noted in all of the Clerk's reconciliations at year end. Unreconciled amounts should be investigated and not be allowed to carry over from month to month.

Recommendation: We recommend that the bank reconciliations be performed and reviewed for accuracy and completeness on a timely basis by the accounting manager. This process should include tests of mathematical accuracy and tracing of items on the reconciliation to the relevant source documents. The composition of unreconciled differences should be determined and followed up on, and any journal entries deemed necessary, should be recorded. If necessary, the accounting clerk who prepares the reconciliations should be given additional training and instruction on how to prepare them accurately and completely.

Current Year Status: In the current year, we noted that pooled cash bank reconciliations were not timely completed and included un-reconciled amounts of \$36,788. We do not consider this finding resolved.

Management's Response

Cash reconciliations have improved from this time last year, but more time is needed to research the open items. The first part of the process was to get caught up to date on the reconciliation. Research is now being done to accurately book all reconciling items. Processes are in place to meet the standard for reconciliations.

Type: Significant Deficiency

2013-002 APPROVE JOURNAL ENTRIES

Criteria: All entries should be initialed by a preparer and the individual approving them in order to attribute responsibility to the appropriate individuals.

Condition: During our testing of the Clerk's journal entry process, some transactions did not document that the entries were reviewed or approved.

Cause: Due to management turnover in the current year, journal entries were not being reviewed.

CLERK OF THE CIRCUIT COURT OSCEOLA COUNTY
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS (Continued)
Fiscal Year Ended September 30, 2014

Effect: Absence of an adequate review process could lead to improper posting, or misleading the information being reported in the Clerk's financial statements.

Recommendation: We recommend that the Clerk implement procedures to ensure that all journal entries are reviewed and proper approval has been documented.

Current Year Status: In the current year, we noted that only daily cash receipts and wires were posted in the system without review or approval in the transaction's supporting documentation. Due to improvements made in the current year, we consider this finding to be partially resolved.

Management's Response

All general journal entries are normally reviewed and appropriate approvals obtained. The daily entries are the subject of this Audit finding. The Clerk's office has now made the necessary changes to have the daily entries reviewed and approved prior to entry into financial system.

Type: Significant Deficiency

2013-003 EXCESS FEE PAYMENT

Criteria: *Florida Statute* 218.36 requires that all unexpended balances at the end of each fiscal year be refunded to the Board of County Commissioners 30 days after the end of the fiscal year.

Condition: During the Clerk's preparation of its financial statements, it was noted that the Clerk did not properly refund all of its unexpended balances per the *Florida Statute* requirements. This was due to an unreconciled item noted during the closing process.

Cause: Due to the fact that cash reconciliation and journal entries were not properly prepared or reviewed timely, excess fees were not properly calculated.

Effect: The Clerk refunded the remaining balance of its unexpended balances on March 11, 2014.

Recommendation: We recommend that the Clerk enhance its year-end closing procedures to ensure compliance with *Florida Statutes*.

Current Year Status: In the current year, we noted improvement in management's year-end closing procedures. However, additional amounts were submitted to the County on February 5, 2015 and the finding was not fully resolved to our satisfaction.

Management's Response

The county has received excess fee payment pre-audit on time. If there are any audit adjustments that would impact the fee, any additional payments are made as soon as they become known. In the current year, audit adjustments were made that prompted the additional payment. Due care will be used in future instance to ensure total payment is calculated correctly and remitted.

CLERK OF THE CIRCUIT COURT OSCEOLA COUNTY
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS (Continued)
Fiscal Year Ended September 30, 2014

Type: Significant Deficiency

2013-008 BUDGET PROCESS

Condition: During our testing of the Clerk's budget, we noted that the Finance Department did not post the budget information to the accounting system.

Criteria: Posting the approved budget to the accounting system is a control process to enable management to properly monitor the Clerk's financial activities. The budgeted information will not allow the Clerk's expenditures to exceed the approved amount for each financial line item without proper approval.

Cause: Management did not post the Clerk's approved budget to the accounting system.

Effect: Management has no control over the expenditures that exceed the approved budget amount.

Recommendation: We recommend that the approved budget be posted to the accounting system and proper documentation be implemented for each amendment.

Current Year Status: This finding was not resolved.

Management's Response:

FY 2014 budget was compiled by previous administration with work papers and files unavailable to current staff. Reconstruction of the budget for input into the system for the fiscal year was untimely. However, FY 2015 budget has been loaded into the accounting system. The initial meeting with the executives and the directors was held to inform them of the budget and how it will be used to gauge performance.

Type: Significant Deficiency

2013-009 YEAR-END CLOSING

Condition: During our testing of the Clerk's trial balance, we noted that the Finance Department did not close period 13 of the fiscal year ended September 30, 2012.

Criteria: For proper reporting of fund balance, the accounting system needs to be closed for proper rollover information to the subsequent year.

Cause: Due to several changes in management positions during the year, the closing processes were not completed timely.

Effect: Fund balance was not properly rolled over for fiscal year 2013.

Recommendation: We recommend that the year-end closing process be prepared and documented after the audit process is completed.

CLERK OF THE CIRCUIT COURT OSCEOLA COUNTY
SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS *(Continued)*
Fiscal Year Ended September 30, 2014

Current Year Status: In the current year, the Fund balance was properly closed, however, several adjusting entries were made by the Clerk based on our audit. A list of these adjusting entries was attached to the management representation letter. We consider this finding to be partially resolved.

Management's Response:

The Clerk's Office understands the full requirements to resolve this issue. Processes will be in place to have the fund balance closed in a timely manner.