

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

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2011

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
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INDEPENDENT AUDITORS' REPORT

The Honorable Richard M. Weiss
Clerk of the Circuit Court
Polk County, Florida

We have audited the accompanying special-purpose financial statements of the general fund, court fund, records modernization fund, and aggregate agency fund information of the Clerk of the Circuit Court (Clerk), Polk County, Florida as of and for the year ended September 30, 2011 which comprise the special-purpose financial statements of the Clerk as listed in the table of contents. These special-purpose financial statements are the responsibility of the management of the Clerk. Our responsibility is to express opinions on these special-purpose 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 special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall special-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in note 1, the special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the Rules of the Auditor General, State of Florida, and are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Additionally, the special-purpose statements present only the Clerk and are not intended to present fairly the financial position of Polk County, Florida, as of September 30, 2011, and the changes in financial position, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund, court fund, records modernization fund and the aggregate agency fund information of the Polk County, Florida, Clerk as of September 30, 2011, and the changes in financial position and budgetary comparison of its general fund and court fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Honorable Richard M. Weiss
Clerk of the Circuit Court

As discussed in Note 1, the Clerk implemented Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended September 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2012 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements taken as a whole. The accompanying combining schedules on pages 19 through 22 are presented for purposes of additional analysis and are not a required part of the special-purpose financial statements of the Clerk. Such information has been subjected to auditing procedures applied in the audit of the special-purpose financial statements, and, in our opinion, is fairly stated in all material respects, in relation to the special-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Clerk of the Circuit Court, Polk County, Florida, the Board of County Commissioners, Polk County, Florida and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Lakeland, Florida
March 7, 2012

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	General Fund	Court Fund	Records Modernization Fund	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	\$ 1,150,347	\$ 2,781,382	\$ 4,208,662	\$ 8,140,391
Due from Board of County Commissioners	25,220	-	-	25,220
Due from Other Governments	36,017	-	-	36,017
Other Receivables	1,686	-	-	1,686
Total Assets	<u>\$ 1,213,270</u>	<u>\$ 2,781,382</u>	<u>\$ 4,208,662</u>	<u>\$ 8,203,314</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 291,707	\$ 32,620	\$ 470	\$ 324,797
Accrued Expenses	65,020	187,875	11,338	264,233
Customer Deposits	-	1,137,435	-	1,137,435
Due to Board of County Commissioners	856,543	3,779	3,797	864,119
Due to Other Governments	-	1,133,856	-	1,133,856
Total Liabilities	<u>1,213,270</u>	<u>2,495,565</u>	<u>15,605</u>	<u>3,724,440</u>
FUND BALANCES				
Restricted for Court-Related Operations	-	285,817	-	285,817
Restricted for Court-Related Technology	-	-	1,513,164	1,513,164
Restricted for Court-Related Operations and/or Technology	-	-	1,011,364	1,011,364
Restricted for Records Modernization	-	-	1,668,529	1,668,529
Total Restricted Fund Balance	<u>-</u>	<u>285,817</u>	<u>4,193,057</u>	<u>4,478,874</u>
Total Liabilities and Fund Balances	<u>\$ 1,213,270</u>	<u>\$ 2,781,382</u>	<u>\$ 4,208,662</u>	<u>\$ 8,203,314</u>

See accompanying Notes to Special-Purpose Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2011**

	General Fund	Court Fund	Records Modernization Fund	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 4,949,035	\$ 13,103,177	\$ -	\$ 18,052,212
Charges for Services	2,027,620	-	-	2,027,620
Fines and Forfeitures	-	-	749,713	749,713
Recording Fees	-	-	779,216	779,216
Interest	11,507	-	18,027	29,534
Net Change in Fair Value of Investments	(388)	-	4,993	4,605
Miscellaneous	40,633	-	-	40,633
Total Revenues	<u>7,028,407</u>	<u>13,103,177</u>	<u>1,551,949</u>	<u>21,683,533</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	4,901,156	11,847,727	608,044	17,356,927
General Expenditures	1,481,934	818,473	182,645	2,483,052
Capital Outlay	27,191	-	5,953	33,144
Total Expenditures	<u>6,410,281</u>	<u>12,666,200</u>	<u>796,642</u>	<u>19,873,123</u>
EXCESS OF REVENUES OVER EXPENDITURES	618,126	436,977	755,307	1,810,410
OTHER FINANCING SOURCES (USES)				
Distribution of Excess Court Revenue to the State of Florida	-	(438,313)	-	(438,313)
Excess Fees Returned to the Board of County Commissioners	(618,126)	-	-	(618,126)
Total Other Financing Sources (Uses)	<u>(618,126)</u>	<u>(438,313)</u>	<u>-</u>	<u>(1,056,439)</u>
NET CHANGE IN FUND BALANCE	-	(1,336)	755,307	753,971
Fund Balances - Beginning of Year	<u>-</u>	<u>287,153</u>	<u>3,437,750</u>	<u>3,724,903</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 285,817</u>	<u>\$ 4,193,057</u>	<u>\$ 4,478,874</u>

See accompanying Notes to Special-Purpose Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 4,203,114	\$ 4,503,114	\$ 4,949,035	\$ 445,921
Charges for Services	2,410,900	2,110,900	2,027,620	(83,280)
Interest	25,000	25,000	11,507	(13,493)
Net Change in Fair Value of Investments	-	-	(388)	(388)
Miscellaneous	35,000	35,000	40,633	5,633
Total Revenues	<u>6,674,014</u>	<u>6,674,014</u>	<u>7,028,407</u>	<u>354,393</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	4,957,089	4,957,089	4,901,156	55,933
General Expenditures	1,677,461	1,652,461	1,481,934	170,527
Capital Outlay	31,000	56,000	27,191	28,809
Total Expenditures	<u>6,665,550</u>	<u>6,665,550</u>	<u>6,410,281</u>	<u>255,269</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,464	8,464	618,126	609,662
OTHER FINANCING SOURCES (USES)				
Excess Fees Returned to the Board of County Commissioners	(8,464)	(8,464)	(618,126)	(609,662)
Total Other Financing Sources (Uses)	<u>(8,464)</u>	<u>(8,464)</u>	<u>(618,126)</u>	<u>(609,662)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Special-Purpose Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – COURT FUND
YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 13,301,527	\$ 13,103,177	\$ 13,103,177	\$ -
Total Revenues	<u>13,301,527</u>	<u>13,103,177</u>	<u>13,103,177</u>	<u>-</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	12,070,268	12,103,210	11,847,727	255,483
General Expenditures	1,231,259	999,967	818,473	181,494
Capital Outlay	-	-	-	-
Total Expenditures	<u>13,301,527</u>	<u>13,103,177</u>	<u>12,666,200</u>	<u>436,977</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	436,977	436,977
OTHER FINANCING SOURCES (USES)				
Distribution of Excess Court				
Revenue to the State of Florida	-	-	(438,313)	(438,313)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(438,313)</u>	<u>(438,313)</u>
NET CHANGE IN FUND BALANCE	-	-	(1,336)	(1,336)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>287,153</u>	<u>287,153</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,817</u>	<u>\$ 285,817</u>

See accompanying Notes to Special-Purpose Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2011**

ASSETS

Equity in Pooled Cash and Investments, at Fair Value	<u>\$ 11,913,385</u>
Total Assets	<u><u>\$ 11,913,385</u></u>

LIABILITIES

Due to State of Florida	\$ 1,412,836
Due to Board of County Commissioners	591,801
Due to Municipalities	134,687
Due to Others	1,594,369
Deposits, Registry of the Court	5,539,436
Deposits, Witness Fees	34,280
Deposits, Other	<u>2,605,976</u>
Total Liabilities	<u><u>\$ 11,913,385</u></u>

See accompanying Notes to Special-Purpose Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Polk County is a political subdivision of the State of Florida governed by the State Constitution and general laws of the State of Florida.

The Clerk of the Circuit Court (Clerk) is a County Agency and a local governmental entity pursuant to Article 8, Section 1(d), of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. The Clerk is considered to be a part of the primary government of Polk County. The financial statements contained herein represent the financial transactions of the Clerk only.

The Clerk's financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which requires the Clerk to only present fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including management's discussion and analysis, these financial statements do not constitute a complete presentation of financial position of the Clerk as of September 30, 2011 and the changes in its financial position for the year ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

The legislative and governing body of the County is the five-member Board of County Commissioners. Each County Commissioner is elected on a county-wide basis for a four year term of office and each County Commissioner is a resident of their Commission District. Polk County became a Home Rule Charter County on January 1, 1999, with an appointed County Manager, and with separate legislative and executive functions. The County Manager is the head of the administrative branch of county government and is responsible to the Board of County Commissioners for the proper administration of all affairs of the County, except for those powers, duties and functions residing, as specified by law, with the elected constitutional officers.

The Clerk is an elected public official serving both the Circuit and County Court in an administrative capacity. The Clerk's functions are to keep the Courts' records and seal, serve as county recorder, issue and process, enter judgments and orders, give certified copies from the records, record and maintain custody of records, summon and process juries, serve as accountant, auditor and clerk to the Board of County Commissioners and perform other designated duties.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Clerk, were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

The accounts of the governmental funds and the fiduciary funds are maintained on the modified accrual basis. Under the modified accrual basis, expenditures are recorded at the time liabilities are incurred, and revenues are recorded when received in cash or when they are considered both measurable and available and as such, are susceptible to accrual.

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying financial statements.

Description of Funds

The accounts of the Clerk are organized for reporting purposes on the basis of governmental funds and fiduciary funds.

Governmental Funds

Major Funds

General Fund – The General Fund is the general operating fund of the Clerk and accounts for all financial resources not required to be accounted for in another fund.

Court Fund – The Court Fund is used to account for all court-related financial resources.

Records Modernization Fund – To account for the additional service charges on recorded instruments for modernizing the official record keeping systems in the Clerk's office per Section 28.24 (12)(d), Florida Statutes. This fund also accounts for ten percent of all fine revenue collected to be used exclusively for additional clerk court-related operational needs and program enhancements per Section 28.37(2), Florida Statutes.

Fiduciary Funds

Agency Funds - The agency funds account for all assets held by the Clerk in his capacity as custodian or agent for individuals, governmental entities and non-public organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for principal and interest on general long term debt which is recognized when due, as well as expenditures related to accrued compensated absences which are recorded only when payment has matured and will be payable shortly after year-end.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

In governmental funds, material revenues in the following categories are considered susceptible to accrual when they are both measurable and available:

Intergovernmental Revenues Interest Earned

Charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are usually not measurable until actually received.

Use of Estimates

The preparation of the special-purpose fund financial statements is in conformity with accounting principles generally prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

The following are the procedures followed by the Clerk in establishing the budget:

The General Fund and Court Fund legally adopt budgets which are prepared on the modified accrual basis of accounting.

The budget for the General Fund is prepared, adopted and administered in accordance with Sections 129.03 and 218.35, Florida Statutes. Section 218.35 also requires separation of the part pertaining to the court system from that pertaining to the Clerk and the Auditor of the Board of County Commissioners.

On or before May 1, of each year the Clerk submits to the Board of County Commissioners a tentative budget for expenditures to be paid by the Board of County Commissioners on behalf of the Clerk of the Circuit Court for the ensuing fiscal year.

Prior to September 1 of each year, the Clerk submits a budget to the Board of County Commissioners for filing which includes proposed expenditures for the operations of the Clerk's Office and the means of financing operations.

For the Court Fund, the following budgetary procedures are followed in accordance with Section 28.36, Florida Statutes:

1. Prepare the budget in accordance with instructions distributed by the Florida Clerk of Court Operations Corporation (CCOC).
2. Submit the budget in the required format and forms along with a Budget Program Expenditure Certification signed by the Clerk to the CCOC on or before October 1.
3. All collections of court fees, service charges, court costs, and fines are remitted to the State for deposit into the Clerk of Courts Trust Fund by the 10th of the following month. Unspent appropriations are to be returned to the State of Florida at the end of each state fiscal year (June 30). This remittance is recorded as an expenditure for budgetary presentation.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Court Fund.

Section 129.07, Florida Statutes, provides that only excesses of total fund budgets are unlawful. Unused appropriations expire at the end of each state fiscal year.

There is no legal requirement to adopt a budget for the Records Modernization Fund.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

Full-time employees earn annual leave at varying rates depending upon length of service as follows:

<u>Length of Services</u>	<u>Annual Leave Earned</u>
0-5 Years	22 Days
6-10 Years	25 Days
11-15 Years	28 Days
16-20 Years	31 Days
21 and Above Years	35 Days

The maximum permissible accumulation of annual leave is 35 days as of January 1 of each year. At termination, employees are paid for any accumulated annual leave up to 35 days.

Sick leave accumulates for employees at the rate of one day per calendar month and is cumulative. At termination, employees are paid for any accumulated sick leave, based upon the following schedule provided they have 160 hours, up to a maximum of 800 hours for those employees hired prior to December 1, 1990, and a maximum of 400 hours for those employees hired after December 1, 1990.

At termination, employees hired prior to October 1, 1996 are paid for any accumulated sick leave based on the following schedule:

<u>Length of Services</u>	<u>Percentage of Sick Leave</u>
0-5 Years	25%
6-10 Years	30%
11-15 Years	35%
16-20 Years	40%
21 and Above Years	50%

The Clerk uses the last-in, first-out (LIFO) method of recognizing the use of compensated absences. Under this method, compensated absences are recorded as an expenditure when the liability is normally liquidated with expendable available financial resources. Thus, unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued by the Clerk. These liabilities are recorded in the financial statements of Polk County, Florida as a whole and are not reflected in these statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefit Obligations

Based on GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which was implemented by Polk County, Florida for the year ended September 30, 2008, certain governmental entities are required to record actuarial accrued liabilities related to Other Postemployment Benefit Plans. The Clerk's employees are included as part of the Postemployment Health Benefits Plan (OPEB Plan) administered by the Board of County Commissioners. The OPEB Plan currently covers certain eligible retirees of the Board of County Commissioners and the Constitutional Officers of Polk County. The OPEB Plan currently pays certain portions of healthcare insurance premiums of retirees based on years of service and other factors. The liabilities and expenses associated with the OPEB Plan are not recorded on the modified accrual basis of accounting, and are not included in the financial statements of the Clerk. Such liabilities and expenses are included in the Comprehensive Annual Financial Report of Polk County, Florida.

Excess Fees

Chapter 218, Florida Statutes, requires that any excess of revenues over expenditures in the General Fund which are not court related (excess fees) held by the Clerk at the end of each fiscal year shall be remitted to the Board of County Commissioners. Excess fees generated by unspent court related appropriations shall be remitted to the State of Florida at the end of each state fiscal year (June 30). For the year ended September 30, 2011, the Clerk remitted \$618,126 to the Board of County Commissioners, Polk County Florida and \$438,313 to the State of Florida.

Due to/from Other Funds

Amounts receivable from or payable to other funds are reflected in the accounts of the fund until liquidated by payment or authorized interfund transactions.

Capital Assets

Capital assets purchased by the Clerk are recorded as capital outlay expenditures. Ownership of all capital assets is vested in the Polk County Board of County Commissioners as provided by Chapter 274, Florida Statutes. The Clerk's policy is to capitalize expenditures for assets with a life of more than one year and cost of greater than \$1,000.

Cash and Investments

All funds participate in the pooled cash and investments program for the purpose of maximizing investment yields. The earnings of the pool are allocated on a monthly basis to individual funds based upon their average monthly balance in the pool.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and Spending Policies

In accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, which was implemented by the Clerk for the year ended September 30, 2011, governments are required to classify fund balance in governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The following are the definitions of the fund balance classifications:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the Clerk. As the Clerk is an elected official responsible for the activities of the Clerk's office, he is the highest level of decision making authority and any official order from the Clerk would be required to authorize commitment of fund balance.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used or specific purposes.

Unassigned — all other spendable amounts.

The Clerk has implemented fund balance and spending policies to clearly define the process for tracking the various classifications of fund balance. The policy states when a general fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Clerk will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts. All other funds in which fund expenditure is incurred and where restricted, committed, assigned, or unassigned amounts are available to be used, the Clerk will first use unassigned amounts, then assigned amounts, then committed amounts, and finally restricted amounts.

Other

Chapter 218, Florida Statutes, requires that the Clerk make an annual report to the Board of County Commissioners, within 31 days of the close of his fiscal year, reflecting the excess of revenues over expenditures or the unexpended budget balance as of the close of the fiscal year. In order to comply with the state statute, it is the policy of the Clerk that the accounting records be held open several days after the close of the fiscal year in order that all receipts and expenditures applicable to the fiscal year can be recorded in the records. The financial statements prepared on a GAAP basis reflect any receipts or disbursements made after the close of the fiscal year as receivables or payables, as applicable.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Legislature Revisions

Effective July 1, 2004, Senate Bill 2962 implemented modifications to Article V, Revision 7 of Constitution of the State of Florida (Article V). Article V modifications altered the funding for the county and circuit courts in the State of Florida. From July 1, 2004 and forward, Article V transferred the cost of county and circuit court operations from a BOCC funded operation to a State funded operation. Effective July 1, 2009, Senate Bill 2108 placed the Clerk's Offices under the state appropriation process. The Clerks are allotted a statewide budget that is allocated across the 67 Clerks by the Clerk of Courts Operations Corporation. Each clerk receives 1/12th of their appropriation monthly. Unspent appropriations must be returned at the end of the state fiscal year, (June 30). All collections of court related funds are recorded as liabilities and remitted monthly to the Clerk of Courts Trust Fund.

The court fund budget is prepared on a state fiscal year basis. As such, the county fiscal year budget included herein represents the last nine months of the state fiscal year ending June 30, 2011 budget and three months of the state fiscal year beginning July 1, 2011 budget.

NOTE 2 POOLED CASH AND INVESTMENTS

Deposits

At September 30, 2011, the Clerk's book balance of pooled cash and investments was \$20,053,776. Of this amount \$159,924 was on deposit with the State of Florida, State Board of Administration, in the Clerk's name. The bank balances in other qualified depositories totaled \$22,187,898. The Clerk's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances in such accounts are collateralized with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 2 POOLED CASH AND INVESTMENTS (CONTINUED)

Investments

The Clerk is authorized to invest surplus funds in accordance with Chapter 218, Florida Statutes. This investment policy formally established guidelines and authorized the Clerk to invest in the following:

- a) the Local Government Surplus Funds Trust Fund under the management of the State Board of Administration;
- b) negotiable direct obligations of, or obligations in which the principal and interest are unconditionally guaranteed by, the United States Government;
- c) interest bearing time deposits or savings accounts in banks and savings and loans organized under state laws or doing business in and situated in the state, provided collateral requirements are met.

The Clerk's investment in the State Pool exposes it to custodial credit risk and, for Fund B, interest rate risk. Custodial credit risk is the risk that in the event of a failure of the counterparty to a transaction, the Clerk will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Florida PRIME has adopted operating procedures consistent with the requirements for a SEC 2a7-like fund (as defined in GASB 31), therefore the account balance should be considered the fair value of the investment. The Florida PRIME is rated by Standard and Poors. The current rating is AAAm. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2011 was 38 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the LGIP to interest rate changes.

Fund B is accounted for as a fluctuating Net Asset Value (NAV) pool and is reported at fair value, determined by the fair value per share of the pool's underlying portfolio. The Fair Value Factor for September 30, 2011 was .7568386. Fund B is not rated by any nationally recognized statistical rating agency. The weighted average life (WAL) of Fund B at September 30, 2011 was 4.82 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. WAL is based on legal final maturity dates for Fund B as of September 30, 2011.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3 ACCRUED COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences for the Clerk for the year ended September 30, 2011:

	Balance October 1, 2010	Net Additions	Balance September 30, 2011
Accrued Compensated Absences	<u>\$ 2,031,432</u>	<u>\$ (230,247)</u>	<u>\$ 1,801,185</u>

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Clerk's compensated absences policy.

NOTE 4 RETIREMENT PLAN

All full-time employees are participants in the Florida Retirement System (FRS), a multiple employer cost-sharing public retirement system. The FRS, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers approximately 650,000 full-time employees of various governmental units within the State of Florida.

For employees enrolled in the System on or after July 1, 2011, vesting of benefits begins after 8 years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with 8 or more years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's eight highest years of earnings.

Effective with the State fiscal year 2002, the State created a new retirement plan within the System; the Public Employee Optional Retirement Program (the "FRS Investment Plan"). Any regular member, not in the Deferred Retirement Option Program (DROP) is eligible to participate in the FRS Investment Plan. Employer contributions are made to the FRS Investment Plan, which holds the contributions in individual investment accounts for each participating employee. The employee directs the investments in their account to the investments funds available through the Plan. These investment accounts vest to the employee after 1 year of service and may be withdrawn by the employee 90 days after termination or retirement from a participating employer in the System.

Alternately, the funds may remain in the investment account until the employee reaches normal retirement age or some earlier date, at the employee's choosing. Employees are not required to contribute to the FRS Investment Plan.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 4 RETIREMENT PLAN (CONTINUED)

The Clerk has no responsibility to the System other than to make the periodic contributions required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, 2639 Monroe Street, Building C, Tallahassee, FL 32399-1560.

Participating employer contributions are based upon state-wide rates established by the State of Florida. From October 1, 2010 through June 30, 2011, these rates, which include the health insurance subsidy contributions of 1.11%, and the 0.03% administrative/education fee, are applied to employee salaries as follows: regular employees – 10.77%; senior management – 14.57%; deferred retirement option plan – 12.25%, and elected officials – 18.64%. Effective July 1, 2011, the State of Florida required all employees to contribute 3% of their salaries to the FRS Pension Plan. The employer contribution rates, effective July 1, 2011, which include the health insurance subsidy of contributions of 1.11%, and the 0.03% administrative/education fee, are applied to employee salaries as follows: regular employees – 4.91%; senior management – 6.27%; deferred retirement option plan – 4.42%; and elected officials – 11.14%. The Clerk’s contributions made during the years ended September 30, 2011, 2010 and 2009 were \$1,164,936, \$1,292,494 and \$1,330,808, respectively, equal to the actuarially determined required contribution requirements for each year.

NOTE 5 OPERATING LEASES

As of September 30, 2011, the Clerk has several cancelable and non-cancelable operating leases. The operating leases generally provide for automatic termination in any year in which the Clerk fails to appropriate funds for lease payments. Lease and rental expenditures under cancelable and non-cancelable lease arrangements as well as various month to month rental agreements for the year ended September 30, 2011, were \$112,468. The following is a schedule of future minimum lease payments required under non-cancelable leases:

<u>September 30,</u>	
2012	\$ 109,766
2013	46,241
2014	<u>29,271</u>
Total	<u><u>\$ 185,278</u></u>

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 6 POSTEMPLOYMENT HEALTH CARE BENEFITS

As described in Note 1, the County provides certain health care benefits for retired employees. For the year ended September 30, 2011, the total retiree health care premiums paid by the County, including the Clerk's operations, were approximately \$ 2,822,360.

NOTE 7 CHANGES IN CAPITAL ASSETS

Tangible personal property used by the Clerk of Circuit Court in operations is reported in the financial statements of the County.

State law requires the Clerk to account for all tangible property used by the Clerk. A summary of changes in capital assets follows:

	Balance October 1, 2010	Additions	Disposals	Balance September 30, 2011
Capital assets being depreciated:				
Buildings and Improvements	\$ 10,130	\$ -	\$ -	\$ 10,130
Equipment	469,057	32,983	(30,048)	471,992
Furniture	997,553	-	(5,111)	992,442
IT Equipment	1,319,681	6,483	(192,964)	1,133,200
Software	4,012,171	-	-	4,012,171
Total assets being depreciated:	<u>6,808,592</u>	<u>39,466</u>	<u>(228,123)</u>	<u>6,619,935</u>
Less accumulated depreciation:				
Buildings and Improvements	1,688	1,013	-	2,701
Equipment	339,009	22,954	(25,940)	336,023
Furniture	953,601	7,035	(3,365)	957,271
IT Equipment	1,070,036	100,688	(192,851)	977,873
Software	1,652,093	522,332	-	2,174,425
Total accumulated depreciation:	<u>4,016,427</u>	<u>654,022</u>	<u>(222,156)</u>	<u>4,448,293</u>
Total assets being depreciated, net:	<u>\$ 2,792,165</u>	<u>\$ (614,556)</u>	<u>\$ (5,967)</u>	<u>\$ 2,171,642</u>

NOTE 8 RELATED-PARTY TRANSACTIONS

Transactions with the Polk County Board of County Commissioners for the year ended September 30, 2011 were as follows:

Budget Appropriation – The General Fund of the Clerk received revenues in the amount of \$3,843,114 for the year ended September 30, 2011, from the Board of County Commissioners.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 9 COMMITMENTS AND CONTINGENCIES

Litigation

Various suits and claims arising in the ordinary course of operations, some of which involve substantial amounts, are pending against the Clerk. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Clerk, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Clerk or the results of its operations.

Contingencies

No accrual has been made in the financial statements for contingencies related to claims not yet asserted, because the amount cannot be reasonably estimated. In management's opinion, any such claims, if asserted, would not have a material adverse effect on the operations or financial position of the Clerk.

Federal Grant Programs

The Clerk participates in a number of Federal programs. Grant programs are subject to financial and compliance audits by the grantors or their representatives. The grantor audits of all programs for or including the year ended September 30, 2011 have not been completed.

Accordingly, the Clerk's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies, cannot be determined at this time although the Clerk expects such amounts, if any, to be immaterial.

NOTE 10 RISK MANAGEMENT

The Clerk participates in the risk management program through the Polk County Board of County Commissioners under a local government risk management pool. The risk management program provides for property, automobile and workers' compensation insurance.

COMBINING SCHEDULES

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE COMBINING SCHEDULE OF FIDUCIARY
ASSETS AND LIABILITIES – AGENCY FUNDS
SEPTEMBER 30, 2011**

	County Court Fund	Registry of Court Fund	Jury and Witness Fund	Domestic Relations Fund	Tax Deed Fund	Intangible Tax and Documentary Stamp Fund	County Court/ Civil Court Fund	Cash Bonds Fund	Other Agency Fund	Totals
ASSETS										
Equity in Pooled Cash and Investments, at Fair Value	\$ 2,053,449	\$ 5,539,436	\$ 34,280	\$ 300,438	\$ 376,316	\$ 107,372	\$ 82,912	\$ 2,605,976	\$ 813,206	\$ 11,913,385
LIABILITIES										
Due to State of Florida	\$ 780,063	\$ -	\$ -	\$ -	\$ -	\$ 107,372	\$ -	\$ -	\$ 525,401	\$ 1,412,836
Due to Board of County Commissioners	487,689	-	-	-	-	-	-	-	104,112	591,801
Due to Municipalities	134,687	-	-	-	-	-	-	-	-	134,687
Due to Others	651,010	-	-	300,438	376,316	-	82,912	-	183,693	1,594,369
Deposits, Registry of the Court	-	5,539,436	-	-	-	-	-	-	-	5,539,436
Deposits, Witness Fees	-	-	34,280	-	-	-	-	-	-	34,280
Deposits, Other	-	-	-	-	-	-	-	2,605,976	-	2,605,976
Total Liabilities	\$ 2,053,449	\$ 5,539,436	\$ 34,280	\$ 300,438	\$ 376,316	\$ 107,372	\$ 82,912	\$ 2,605,976	\$ 813,206	\$ 11,913,385

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES – AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2011**

COUNTY COURT FUND	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	<u>\$ 2,162,997</u>	<u>\$ 18,321,210</u>	<u>\$ 18,430,758</u>	<u>\$ 2,053,449</u>
LIABILITIES				
Due to State of Florida	\$ 668,118	\$ 9,985,823	\$ 9,873,878	\$ 780,063
Due to Board of County Commissioners	491,722	6,056,955	6,060,988	487,689
Due to Municipalities	91,435	1,645,094	1,601,842	134,687
Due to Others	911,722	633,338	894,050	651,010
	<u>\$ 2,162,997</u>	<u>\$ 18,321,210</u>	<u>\$ 18,430,758</u>	<u>\$ 2,053,449</u>
REGISTRY OF COURT FUND				
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	<u>\$ 4,348,712</u>	<u>\$ 21,887,954</u>	<u>\$ 20,697,230</u>	<u>\$ 5,539,436</u>
LIABILITIES				
Deposits, Registry of the Court	<u>\$ 4,348,712</u>	<u>\$ 21,887,954</u>	<u>\$ 20,697,230</u>	<u>\$ 5,539,436</u>
JURY AND WITNESS FUND				
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	<u>\$ 55,344</u>	<u>\$ 30,001</u>	<u>\$ 51,065</u>	<u>\$ 34,280</u>
LIABILITIES				
Deposits, Witness Fees	<u>\$ 55,344</u>	<u>\$ 30,001</u>	<u>\$ 51,065</u>	<u>\$ 34,280</u>

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2011**

DOMESTIC RELATIONS FUND	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	<u>\$ 292,585</u>	<u>\$ 2,560,066</u>	<u>\$ 2,552,213</u>	<u>\$ 300,438</u>
LIABILITIES				
Due to Others	<u>\$ 292,585</u>	<u>\$ 2,560,066</u>	<u>\$ 2,552,213</u>	<u>\$ 300,438</u>
 TAX DEED FUND				
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	<u>\$ 122,252</u>	<u>\$ 1,093,951</u>	<u>\$ 839,887</u>	<u>\$ 376,316</u>
LIABILITIES				
Due to Others	<u>\$ 122,252</u>	<u>\$ 1,093,951</u>	<u>\$ 839,887</u>	<u>\$ 376,316</u>
 INTANGIBLE TAX AND DOCUMENTARY STAMP FUND				
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	<u>\$ 79,777</u>	<u>\$ 23,756,636</u>	<u>\$ 23,729,041</u>	<u>\$ 107,372</u>
LIABILITIES				
Due to State of Florida	<u>\$ 79,777</u>	<u>\$ 23,756,636</u>	<u>\$ 23,729,041</u>	<u>\$ 107,372</u>

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
SPECIAL-PURPOSE COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2011**

COUNTY COURT / CIVIL COURT FUND	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	\$ 82,753	\$ 299	\$ 140	\$ 82,912
LIABILITIES				
Due to Others	\$ 82,753	\$ 299	\$ 140	\$ 82,912
CASH BONDS FUND				
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	\$ 1,290,307	\$ 3,395,927	\$ 2,080,258	\$ 2,605,976
LIABILITIES				
Deposits, Other	\$ 1,290,307	\$ 3,395,927	\$ 2,080,258	\$ 2,605,976
OTHER AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	\$ 1,110,029	\$ 9,828,907	\$ 10,125,730	\$ 813,206
LIABILITIES				
Due to State of Florida	\$ 826,660	\$ 7,541,915	\$ 7,843,174	\$ 525,401
Due to Board of County Commissioners	114,806	1,369,771	1,380,465	104,112
Due to Others	168,563	917,221	902,091	183,693
	<u>\$ 1,110,029</u>	<u>\$ 9,828,907</u>	<u>\$ 10,125,730</u>	<u>\$ 813,206</u>
TOTALS - AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments, at Fair Value	\$ 9,544,756	\$ 80,874,951	\$ 78,506,322	\$ 11,913,385
LIABILITIES				
Due to State of Florida	\$ 1,574,555	\$ 41,284,374	\$ 41,446,093	\$ 1,412,836
Due to Board of County Commissioners	606,528	7,426,726	7,441,453	591,801
Due to Municipalities	91,435	1,645,094	1,601,842	134,687
Due to Others	1,577,875	5,204,875	5,188,381	1,594,369
Deposits, Registry of the Court	4,348,712	21,887,954	20,697,230	5,539,436
Deposits, Witness Fees	55,344	30,001	51,065	34,280
Deposits, Other	1,290,307	3,395,927	2,080,258	2,605,976
	<u>\$ 9,544,756</u>	<u>\$ 80,874,951</u>	<u>\$ 78,506,322</u>	<u>\$ 11,913,385</u>

SUPPLEMENTAL REPORTS



**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***

The Honorable Richard M. Weiss
Clerk of the Circuit Court
Polk County, Florida

We have audited the accompanying special-purpose financial statements of the general fund, court fund, records modernization fund, and aggregate agency fund information of the Clerk of the Circuit Court (Clerk), Polk County, Florida as of and for the year ended September 30, 2011, and have issued our report thereon dated March 7, 2012. 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.

Internal Control over Financial Reporting

Management of the Clerk is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the special-purpose financial statements, we considered the Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

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.

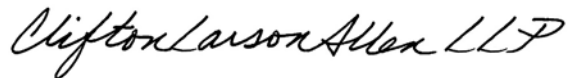
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above

The Honorable Richard M. Weiss
Clerk of the Circuit Court

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk’s special-purpose 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*.

This report is intended solely for the information and use of management; the Clerk, Polk County, Florida, the Board of County Commissioners, Polk County, Florida, and the Auditor General, State of Florida and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Lakeland, Florida
March 7, 2012

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

MANAGEMENT LETTER

SEPTEMBER 30, 2011



CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

The Honorable Richard M. Weiss
Clerk of the Circuit Court
Polk County, Florida

We have audited the accompanying special-purpose financial statements of the general fund, court fund, records modernization fund, and aggregate agency fund information of the Clerk of the Circuit Court, Polk County, Florida (Clerk), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated March 7, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also issued our 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*. Disclosures in that report, which is dated March 7, 2012, should be considered in conjunction with this management letter.

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

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

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

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

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

The Honorable Richard M. Weiss
Clerk of the Circuit Court

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

Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Clerk of the Circuit Court, Polk County, Florida, was established by the Constitution of the State of Florida, Article VIII, Section 1(d).

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

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



CliftonLarsonAllen LLP

Lakeland, Florida
March 7, 2012