

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2014

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

The Honorable Stacy M. Butterfield
Clerk of the Circuit Court
Polk County, Florida

Report on the Financial Statement

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Polk County Clerk of the Circuit Court (the Clerk) as of and for the 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 from 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 auditors' 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 entity'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 entity'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Clerk as of September 30, 2014, and the respective changes in financial position and the respective budget comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Polk County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Polk County 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 these matters.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk financial statements. The combining schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional 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 combining schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The Honorable Stacy M. Butterfield
Clerk of the Circuit Court

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report 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 included under the heading Independent Auditors' 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 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.

CliftonLarsonAllen LLP

Lakeland, Florida
February 17, 2015

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	General Fund	Court Fund	Records Modernization Fund	Total Governmental Funds
ASSETS				
Equity in Pooled Cash	\$ 1,196,593	\$ 3,712,831	\$ 3,594,988	\$ 8,504,412
Due from Board of County Commissioners	54,304	-	-	54,304
Due from Other Governments	59,592	906,180	-	965,772
Other Receivables	5,033	-	-	5,033
Total Assets	\$ 1,315,522	\$ 4,619,011	\$ 3,594,988	\$ 9,529,521
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 39,936	\$ 139,477	\$ 10,624	\$ 190,037
Accrued Expenses	108,833	285,895	20,771	415,499
Customer Deposits	-	3,141,689	-	3,141,689
Due to Board of County Commissioners	1,166,570	14,698	3,528	1,184,796
Due to Other Governments	183	1,037,252	-	1,037,435
Total Liabilities	1,315,522	4,619,011	34,923	5,969,456
FUND BALANCES				
Restricted for Court-Related Technology	-	-	344,129	344,129
Restricted for Court-Related Operations and/or Technology	-	-	1,403,943	1,403,943
Restricted for Records Modernization	-	-	1,811,993	1,811,993
Total Fund Balance	-	-	3,560,065	3,560,065
Total Liabilities and Fund Balances	\$ 1,315,522	\$ 4,619,011	\$ 3,594,988	\$ 9,529,521

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2014**

	General Fund	Court Fund	Records Modernization Fund	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 4,417,294	\$ 1,666,303	\$ -	\$ 6,083,597
Charges for Services	816,788	6,396,016	5,753	7,218,557
Fines and Forfeitures	-	4,270,136	563,249	4,833,385
Recording Fees	1,732,879	-	992,116	2,724,995
Interest	2,994	62,719	14,959	80,672
Net Change in Fair Value of Investments	(1,895)	-	(1,985)	(3,880)
Miscellaneous	53,996	41,509	-	95,505
Total Revenues	<u>7,022,056</u>	<u>12,436,683</u>	<u>1,574,092</u>	<u>21,032,831</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	4,984,334	11,113,053	734,584	16,831,971
General Expenditures	1,038,250	1,240,296	863,021	3,141,567
Capital Outlay	81,332	83,334	488,149	652,815
Total Expenditures	<u>6,103,916</u>	<u>12,436,683</u>	<u>2,085,754</u>	<u>20,626,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	918,140	-	(511,662)	406,478
OTHER FINANCING SOURCES (USES)				
Excess Fees Returned to the Board of County Commissioners	(918,140)	-	-	(918,140)
Total Other Financing Sources (Uses)	<u>(918,140)</u>	<u>-</u>	<u>-</u>	<u>(918,140)</u>
NET CHANGE IN FUND BALANCE	-	-	(511,662)	(511,662)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,071,727</u>	<u>4,071,727</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,560,065</u>	<u>\$ 3,560,065</u>

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 4,050,684	\$ 4,273,684	\$ 4,417,294	\$ 143,610
Charges for Services	709,843	709,843	816,788	106,945
Recording Fees	1,900,000	1,700,000	1,732,879	32,879
Interest	25,000	2,000	2,994	994
Net Change in Fair Value of Investments	-	-	(1,895)	(1,895)
Miscellaneous	35,000	35,000	53,996	18,996
Total Revenues	<u>6,720,527</u>	<u>6,720,527</u>	<u>7,022,056</u>	<u>301,529</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	4,762,927	4,762,927	4,984,334	(221,407)
General Expenditures	1,695,189	1,635,189	1,038,250	596,939
Capital Outlay	31,000	91,000	81,332	9,668
Total Expenditures	<u>6,489,116</u>	<u>6,489,116</u>	<u>6,103,916</u>	<u>385,200</u>
EXCESS OF REVENUES OVER EXPENDITURES	231,411	231,411	918,140	686,729
OTHER FINANCING SOURCES (USES)				
Excess Fees Returned to the Board of County Commissioners	(231,411)	(231,411)	(918,140)	(686,729)
Total Other Financing Sources (Uses)	<u>(231,411)</u>	<u>(231,411)</u>	<u>(918,140)</u>	<u>(686,729)</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 Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – COURT FUND
YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 754,788	\$ 754,788	\$ 1,666,303	\$ 911,515
Charges for Services	6,648,000	6,648,000	6,396,016	(251,984)
Fines and Forfeitures	5,626,400	5,626,400	4,270,136	(1,356,264)
Interest	75,000	75,000	62,719	(12,281)
Miscellaneous	-	-	41,509	41,509
Total Revenues	<u>13,104,188</u>	<u>13,104,188</u>	<u>12,436,683</u>	<u>(667,505)</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	11,718,479	11,718,479	11,113,053	605,426
General Expenditures	1,385,709	1,345,709	1,240,296	105,413
Capital Outlay	-	40,000	83,334	(43,334)
Total Expenditures	<u>13,104,188</u>	<u>13,104,188</u>	<u>12,436,683</u>	<u>667,505</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
STATEMENT OF FIDUCIARY
NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2014**

ASSETS

Equity in Pooled Cash	<u>\$ 14,937,784</u>
Total Assets	<u><u>\$ 14,937,784</u></u>

LIABILITIES

Due to State of Florida	\$ 1,137,670
Due to Board of County Commissioners	487,966
Due to Municipalities	93,153
Due to Others	4,189,398
Deposits, Registry of the Court	7,942,577
Deposits, Witness Fees	43,683
Deposits, Other	<u>1,043,337</u>
Total Liabilities	<u><u>\$ 14,937,784</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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, 2014 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 FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These 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 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.

Major Governmental 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. Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governments.

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 28.24(12)(e)(1), Florida Statutes.

Fiduciary Funds

Agency Funds - The agency funds account for all assets held by the Clerk in her 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 FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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, intergovernmental revenues are considered susceptible to accrual when they are both measurable and available.

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 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 financial statements. Actual results could differ from estimates.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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. Formal budgetary integration is employed as a management control device during the year for the General Fund and Court Fund. There is no legal requirement to adopt a budget for the Records Modernization Fund.

General Fund

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.

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.

Court Fund

The budget for the Court Fund shall further conform to the following requirements:

1. On or before June 1 of each year beginning in 2014, the proposed budget shall be prepared, summarized, and submitted to the Florida Clerks of Court Operations Corporation (COCC) in the manner and form prescribed by the COCC. The proposed budget must provide detailed information on the anticipated revenues available and expenditures necessary for the performance of the court-related functions of the Clerk's office for the county fiscal year beginning October 1.
2. The proposed budget must be balanced such that the total of the estimated revenues available equals or exceeds the total of the anticipated expenditures. Such revenues include revenue projected to be received from fees, service charges, costs, and fines for court-related functions during the fiscal period covered by the budget. The anticipated expenditures must be itemized as required by the COCC.
3. If the Clerk estimates that available funds plus projected revenues from fines, fees, service charges, and costs for court-related services are insufficient to meet the anticipated expenditures for the standard list of court-related functions performed by the Clerk's office, the Clerk must report the revenue deficit to the COCC.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

The COCC shall verify that the proposed budget is limited to the standard list of court-related functions. If the COCC verifies that a revenue deficit is projected, the COCC shall certify a revenue deficit and notify the Department of Revenue that the Clerk is authorized to retain revenues, in an amount necessary to fully fund the projected revenue deficit, which he or she would otherwise be required to remit to the Department of Revenue for deposit into the department's Clerks of the Court Trust Fund pursuant. If a revenue deficit is projected for that clerk after retaining all of the projected collections from the court-related fines, fees, service charges, and costs, the corporation shall certify the amount of the revenue deficit to the Executive Office of the Governor and request release authority for funds from the department's Clerks of the Court Trust Fund.

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 hired prior to December 28, 2004 at the rate of two days per calendar year 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>
3-5 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,

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences (continued)

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 Comprehensive Annual Financial Report of Polk County, Florida as a whole and are not reflected in these statements.

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. For the year ended September 30, 2014, the Clerk remitted \$918,140 to the Board of County Commissioners, Polk County 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

All funds participate in the pooled cash program for the purpose of maximizing interest income. 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 FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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*, 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, she 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.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Legislature Revisions

Effective July 1, 2004, Senate Bill 2962 implemented modifications to Article V, Revision 7 of the 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, 2013 with Senate Bill 1500, the Clerks are allotted a statewide budget that is allocated across the 67 Clerks by the Clerk of Courts Operations Corporation. Clerk's whose budgeted revenue is less than this budget allocation receive the expected shortfall in a 1/12th appropriation monthly. If a Clerk collects revenue in excess of 1/12th of their allocation in any month they must remit the excess by the 20th of the following month. Unspent revenue must be remitted at the end of the fiscal year.

NOTE 2 POOLED CASH

Deposits

At September 30, 2014, the Clerk's book balance of pooled cash was \$23,442,196. Of this amount \$4,183 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 \$27,229,414. 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 FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 2 POOLED CASH (CONTINUED)

Deposits (continued)

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 Poor's. The current rating is AAAm. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2014 was 39 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.

Custodial Credit Risk and 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.

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, 2014:

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014
Accrued Compensated Absences	\$ 1,749,821	\$ 1,327,091	\$ 1,309,025	\$ 1,767,887

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

Substantially all full-time employees of the Clerk are participants in the Florida Retirement System (the System), a multiple-employer cost-sharing public retirement system. The System, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement, covers approximately 623,000 full-time employees of various governmental units within the State of Florida.

For employees enrolled prior to July 1, 2011, the System provides for vesting of benefits after 6 years of creditable service. Normal retirement benefits are available to regular employees who retire at or after age 62 with 6 or more years of service or has 30 years of service, regardless of age. Early retirement is available after a member is vested and is within 20 years of normal retirement age; however, there is a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age,

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 4 RETIREMENT PLAN (CONTINUED)

average compensation, and years of service credit where average compensation is computed as the average of an individual's five highest years of earnings

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 or has 33 years of services, regardless of age. Early retirement is available after a member is vested and is within 20 years of normal retirement age; however, there is 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 investment funds available through the System. Investment accounts vest 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.

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, 1317 Winewood Blvd., Building 8, Tallahassee, FL 32399-1560.

Participating employer contributions are based upon statewide rates established by the State of Florida. These rates were applied to employee salaries as follows: regular employees, 6.95% and 5.18%, DROP employees, 12.84% and 5.44%, Elected Officials, 33.03% and 10.23 % and senior management 18.31% and 6.30%; for the System's years ended June 30, 2014 and 2013, respectively. Effective July 1, 2014, the rates were changed as follows: regular employees, 7.37%, DROP employees, 12.28%, elected officials, 43.24%, and senior management, 21.14%. In addition, all employees (except for those in DROP) were required to make contributions of 3% on a pretax basis, deductible from their gross salaries for each payroll beginning in July 2011. The Clerks' contributions made during year the years ended September 30, 2014, 2013, and 2012 were \$1,029,603, \$712,423 and \$610,956 respectively, equal to the actuarially determined contribution requirements for each year.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 5 OPERATING LEASES

As of September 30, 2014, 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, 2014, were \$53,840. The following is a schedule of future minimum lease payments required under non-cancelable leases:

<u>September 30,</u>	
2015	\$ 76,204
2016	47,311
2017	31,032
2018	31,032
2019	<u>23,274</u>
Total	<u><u>\$ 208,853</u></u>

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, 2014, the total retiree health care premiums paid by the County, including the Clerk's operations, were approximately \$2,903,614.

NOTE 7 RELATED-PARTY TRANSACTIONS

Transactions with the Polk County Board of County Commissioners for the year ended September 30, 2014 were as follows:

Budget Appropriation – The General Fund of the Clerk received revenues in the amount of \$4,028,083 for the year ended September 30, 2014, from the Board of County Commissioners.

NOTE 8 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.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 8 CHANGES IN CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets follows:

	Balance October 1, 2013	Additions	Disposals	Transfers	Balance September 30, 2014
Capital assets not being depreciated:					
Construction in Progress	\$ 145,371	\$ 35,875	\$ -	\$ (181,246)	\$ -
Total Capital Assets not being Depreciated:	145,371	35,875	-	(181,246)	-
Capital assets being depreciated:					
Buildings and Improvements	10,130	-	-	-	10,130
Equipment	485,166	12,121	(2,850)	-	494,437
Furniture	1,010,924	26,937	(1,833)	-	1,036,028
IT Equipment	1,139,398	130,664	(9,912)	(40,233)	1,219,917
Software	5,390,578	449,512	-	221,479	6,061,569
Total Capital Assets being Depreciated:	8,036,196	619,234	(14,595)	181,246	8,822,081
Less accumulated depreciation:					
Buildings and Improvements	4,727	1,013	-	-	5,740
Equipment	339,478	28,063	(2,850)	-	364,691
Furniture	975,130	8,027	(1,833)	-	981,324
IT Equipment	951,013	53,487	(9,912)	-	994,588
Software	4,144,742	760,062	-	-	4,904,804
Total Accumulated Depreciation:	6,415,090	850,652	(14,595)	-	7,251,147
Total Capital Assets being Depreciated, Net:	1,621,106	(231,418)	-	181,246	1,570,934
Total Capital Assets, Net	\$ 1,766,477	\$ (195,543)	\$ -	\$ -	\$ 1,570,934

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.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2014 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 SCHEDULE

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF FIDUCIARY
NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2014**

	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	\$ 1,737,063	\$ 7,942,577	\$ 43,683	\$ 333,574	\$ 2,890,300	\$ 228,852	\$ 72,612	\$ 1,043,337	\$ 645,786	\$ 14,937,784
LIABILITIES										
Due to State of Florida	\$ 573,798	\$ -	\$ -	\$ -	\$ -	\$ 228,852	\$ -	\$ -	\$ 335,020	\$ 1,137,670
Due to Board of County Commissioners	379,558	-	-	-	-	-	-	-	108,408	487,966
Due to Municipalities	93,153	-	-	-	-	-	-	-	-	93,153
Due to Others	690,554	-	-	333,574	2,890,300	-	72,612	-	202,358	4,189,398
Deposits, Registry of the Court	-	7,942,577	-	-	-	-	-	-	-	7,942,577
Deposits, Witness Fees	-	-	43,683	-	-	-	-	-	-	43,683
Deposits, Other	-	-	-	-	-	-	-	1,043,337	-	1,043,337
Total Liabilities	<u>\$ 1,737,063</u>	<u>\$ 7,942,577</u>	<u>\$ 43,683</u>	<u>\$ 333,574</u>	<u>\$ 2,890,300</u>	<u>\$ 228,852</u>	<u>\$ 72,612</u>	<u>\$ 1,043,337</u>	<u>\$ 645,786</u>	<u>\$ 14,937,784</u>

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2014**

COUNTY COURT FUND	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
ASSETS				
Equity in Pooled Cash	<u>\$ 1,662,331</u>	<u>\$ 14,712,628</u>	<u>\$ 14,637,896</u>	<u>\$ 1,737,063</u>
Due to State of Florida	\$ 600,697	\$ 8,165,152	\$ 8,192,051	\$ 573,798
Due to Board of County Commissioners	390,556	980,870	991,868	379,558
Due to Municipalities	75,678	817,510	800,035	93,153
Due to Others	595,400	4,749,096	4,653,942	690,554
	<u>\$ 1,662,331</u>	<u>\$ 14,712,628</u>	<u>\$ 14,637,896</u>	<u>\$ 1,737,063</u>
REGISTRY OF COURT FUND				
ASSETS				
Equity in Pooled Cash	<u>\$ 7,701,217</u>	<u>\$ 49,443,537</u>	<u>\$ 49,202,177</u>	<u>\$ 7,942,577</u>
LIABILITIES				
Deposits, Registry of the Court	<u>\$ 7,701,217</u>	<u>\$ 49,443,537</u>	<u>\$ 49,202,177</u>	<u>\$ 7,942,577</u>
JURY AND WITNESS FUND				
ASSETS				
Equity in Pooled Cash	<u>\$ 36,137</u>	<u>\$ 70,000</u>	<u>\$ 62,454</u>	<u>\$ 43,683</u>
LIABILITIES				
Deposits, Witness Fees	<u>\$ 36,137</u>	<u>\$ 70,000</u>	<u>\$ 62,454</u>	<u>\$ 43,683</u>

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2014**

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
DOMESTIC RELATIONS FUND				
ASSETS				
Equity in Pooled Cash	<u>\$ 314,723</u>	<u>\$ 2,701,910</u>	<u>\$ 2,683,059</u>	<u>\$ 333,574</u>
LIABILITIES				
Due to Others	<u>\$ 314,723</u>	<u>\$ 2,701,910</u>	<u>\$ 2,683,059</u>	<u>\$ 333,574</u>
 TAX DEED FUND				
ASSETS				
Equity in Pooled Cash	<u>\$ 3,402,983</u>	<u>\$ 2,969,855</u>	<u>\$ 3,482,538</u>	<u>\$ 2,890,300</u>
LIABILITIES				
Due to Others	<u>\$ 3,402,983</u>	<u>\$ 2,969,855</u>	<u>\$ 3,482,538</u>	<u>\$ 2,890,300</u>
 INTANGIBLE TAX AND DOCUMENTARY STAMP FUND				
ASSETS				
Equity in Pooled Cash	<u>\$ 75,138</u>	<u>\$ 63,976,478</u>	<u>\$ 63,822,764</u>	<u>\$ 228,852</u>
LIABILITIES				
Due to State of Florida	<u>\$ 75,138</u>	<u>\$ 63,976,478</u>	<u>\$ 63,822,764</u>	<u>\$ 228,852</u>

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2014**

COUNTY COURT / CIVIL COURT FUND	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
ASSETS				
Equity in Pooled Cash	\$ 72,612	\$ 160	\$ 160	\$ 72,612
LIABILITIES				
Due to Others	\$ 72,612	\$ 160	\$ 160	\$ 72,612
CASH BONDS FUND				
ASSETS				
Equity in Pooled Cash	\$ 673,915	\$ 1,128,745	\$ 759,323	\$ 1,043,337
LIABILITIES				
Deposits, Other	\$ 673,915	\$ 1,128,745	\$ 759,323	\$ 1,043,337
OTHER AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash	\$ 595,409	\$ 10,159,290	\$ 10,108,913	\$ 645,786
LIABILITIES				
Due to State of Florida	\$ 300,098	\$ 4,010,013	\$ 3,975,091	\$ 335,020
Due to Board of County Commissioners	121,972	1,461,754	1,475,318	108,408
Due to Others	173,339	4,687,523	4,658,504	202,358
	<u>\$ 595,409</u>	<u>\$ 10,159,290</u>	<u>\$ 10,108,913</u>	<u>\$ 645,786</u>
TOTALS - AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash	\$ 14,534,465	\$ 145,162,603	\$ 144,759,284	\$ 14,937,784
LIABILITIES				
Due to State of Florida	\$ 975,933	\$ 76,151,643	\$ 75,989,906	\$ 1,137,670
Due to Board of County Commissioners	512,528	2,442,624	2,467,186	487,966
Due to Municipalities	75,678	817,510	800,035	93,153
Due to Others	4,559,057	15,108,544	15,478,203	4,189,398
Deposits, Registry of the Court	7,701,217	49,443,537	49,202,177	7,942,577
Deposits, Witness Fees	36,137	70,000	62,454	43,683
Deposits, Other	673,915	1,128,745	759,323	1,043,337
	<u>\$ 14,534,465</u>	<u>\$ 145,162,603</u>	<u>\$ 144,759,284</u>	<u>\$ 14,937,784</u>

SUPPLEMENTAL REPORTS

**INDEPENDENT AUDITORS' 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 Stacy M. Butterfield
Clerk of the Circuit Court
Polk 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 major funds and the aggregate remaining fund information of Polk County Clerk of the Circuit Court (the Clerk) as of and for the 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 February 17, 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 opinions 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.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Stacy M. Butterfield
Clerk of the Circuit Court

Compliance and Other Matters

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

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 result 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.

CliftonLarsonAllen LLP

Lakeland, Florida
February 17, 2015

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

MANAGEMENT LETTER

SEPTEMBER 30, 2014



CliftonLarsonAllen LLP
CLAconnect.com

The Honorable Stacy M. Butterfield
Clerk of the Circuit Court
Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of Polk County 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 February 17, 2015.

Auditor's Responsibility

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 and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the 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 and schedule, which are dated February 17, 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. In connection with our audit, we did not have any such recommendations.

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. See Note 1 in Notes to Financial Statements.

The Honorable Stacy M. Butterfield
Clerk of the Circuit Court

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.

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, The Honorable Stacy M. Butterfield and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Lakeland, Florida
February 17, 2015



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INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Stacy M. Butterfield
Clerk of the Circuit Court
Polk County, Florida

We have examined the Polk County Clerk of the Circuit Court (the Clerk), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds 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 year ended September 30, 2014.

This report is intended solely for the information and use of the Clerk 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
February 17, 2015