

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2015

**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 Courts (the Clerk), as of and for the year ended September 30, 2015, 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, 2015, and the respective changes in financial position and budgetary comparison for the General fund and the Court fund 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, 2015, 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's 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 statements and individual financial statements and 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 statements and individual financial statements and 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 Clerk's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
February 19, 2016

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

	General Fund	Court Fund	Records Modernization Fund	Total Governmental Funds
ASSETS				
Equity in Pooled Cash	\$ 1,187,146	\$ 3,985,615	\$ 3,157,060	\$ 8,329,821
Due from Board of County Commissioners	27,401	-	-	27,401
Due from Other Governments	83,487	-	-	83,487
Other Receivables	6,240	-	-	6,240
Total Assets	\$ 1,304,274	\$ 3,985,615	\$ 3,157,060	\$ 8,446,949
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 84,098	\$ 24,850	\$ 11,186	\$ 120,134
Accrued Expenses	116,278	328,682	23,020	467,980
Customer Deposits	-	2,598,063	-	2,598,063
Due to Board of County Commissioners	1,103,515	15,130	476	1,119,121
Due to Other Governments	383	1,018,890	-	1,019,273
Total Liabilities	1,304,274	3,985,615	34,682	5,324,571
FUND BALANCES				
Restricted for Court-Related Technology	-	-	992,455	992,455
Restricted for Court-Related Operations and/or Technology	-	-	425,946	425,946
Restricted for Records Modernization	-	-	1,703,977	1,703,977
Total Fund Balance	-	-	3,122,378	3,122,378
Total Liabilities and Fund Balances	\$ 1,304,274	\$ 3,985,615	\$ 3,157,060	\$ 8,446,949

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, 2015**

	General Fund	Court Fund	Records Modernization Fund	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 4,714,085	\$ 1,687,292	\$ -	\$ 6,401,377
Charges for Services	946,007	6,378,128	6,390	7,330,525
Fines and Forfeitures	-	4,026,021	563,574	4,589,595
Recording Fees	1,864,326	-	1,075,094	2,939,420
Interest	4,478	108,755	23,906	137,139
Miscellaneous	62,932	34,488	-	97,420
Total Revenues	<u>7,591,828</u>	<u>12,234,684</u>	<u>1,668,964</u>	<u>21,495,476</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	5,004,839	11,066,535	746,245	16,817,619
General Expenditures	1,682,944	1,167,051	976,370	3,826,365
Capital Outlay	44,480	1,098	384,036	429,614
Total Expenditures	<u>6,732,263</u>	<u>12,234,684</u>	<u>2,106,651</u>	<u>21,073,598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	859,565	-	(437,687)	421,878
OTHER FINANCING SOURCES (USES)				
Excess Fees Returned to the Board of County Commissioners	(859,565)	-	-	(859,565)
Total Other Financing Sources (Uses)	<u>(859,565)</u>	<u>-</u>	<u>-</u>	<u>(859,565)</u>
NET CHANGE IN FUND BALANCE	-	-	(437,687)	(437,687)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,560,065</u>	<u>3,560,065</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,122,378</u>	<u>\$ 3,122,378</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, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 4,468,498	\$ 4,508,498	\$ 4,714,085	\$ 205,587
Charges for Services	785,400	785,400	946,007	160,607
Recording Fees	1,900,000	1,900,000	1,864,326	(35,674)
Interest	10,000	10,000	4,478	(5,522)
Miscellaneous	35,000	35,000	62,932	27,932
Total Revenues	<u>7,198,898</u>	<u>7,238,898</u>	<u>7,591,828</u>	<u>352,930</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	5,257,527	5,257,527	5,004,839	252,688
General Expenditures	1,819,370	1,819,370	1,682,944	136,426
Capital Outlay	31,000	71,000	44,480	26,520
Total Expenditures	<u>7,107,897</u>	<u>7,147,897</u>	<u>6,732,263</u>	<u>415,634</u>
EXCESS OF REVENUES OVER EXPENDITURES	91,001	91,001	859,565	768,564
OTHER FINANCING SOURCES (USES)				
Excess Fees Returned to the Board of County Commissioners	(91,001)	(91,001)	(859,565)	(768,564)
Total Other Financing Sources (Uses)	<u>(91,001)</u>	<u>(91,001)</u>	<u>(859,565)</u>	<u>(768,564)</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, 2015**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 1,628,623	\$ 1,636,966	\$ 1,687,292	\$ 50,326
Charges for Services	6,300,000	6,300,000	6,378,128	78,128
Fines and Forfeitures	4,227,718	4,227,718	4,026,021	(201,697)
Interest	70,000	70,000	108,755	38,755
Miscellaneous	-	-	34,488	34,488
Total Revenues	<u>12,226,341</u>	<u>12,234,684</u>	<u>12,234,684</u>	<u>-</u>
EXPENDITURES				
General Government:				
Salaries and Benefits	11,122,922	11,066,535	11,066,535	-
General Expenditures	1,103,419	1,167,079	1,167,051	28
Capital Outlay	-	1,070	1,098	(28)
Total Expenditures	<u>12,226,341</u>	<u>12,234,684</u>	<u>12,234,684</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - 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 FIDUCIARY
NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2015**

ASSETS

Equity in Pooled Cash	<u>\$ 12,259,575</u>
Total Assets	<u><u>\$ 12,259,575</u></u>

LIABILITIES

Due to State of Florida	\$ 1,107,814
Due to Board of County Commissioners	460,128
Due to Municipalities	88,565
Due to Others	4,748,261
Deposits, Registry of the Court	5,074,795
Deposits, Witness Fees	58,741
Deposits, Other	<u>721,271</u>
Total Liabilities	<u><u>\$ 12,259,575</u></u>

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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, 2015 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, 2015**

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 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 Fund

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, 2015**

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, 2015**

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, 2015**

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%

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences (Continued)

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 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 Comprehensive Annual Financial Report of Polk County, Florida for the entire county 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, 2015, the Clerk remitted \$859,565 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.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2015**

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, 2015, the Clerk's book balance of pooled cash was \$20,589,396. The bank balances in qualified depositories totaled \$25,761,328. 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.

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.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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, 2015:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Accrued Compensated Absences	\$ 1,767,887	\$ 863,201	\$ 1,330,855	\$ 1,300,233

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 PENSION PLAN

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 4 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 4 PENSION PLAN (CONTINUED)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 4 PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Clerk employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 4 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2015, 2014, and 2013 were \$1,068,403, \$1,029,603, and \$712,423, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County's comprehensive annual financial report.

NOTE 5 OPERATING LEASES

As of September 30, 2015, 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, 2015, were \$31,630. The following is a schedule of future minimum lease payments required under non-cancelable leases:

<u>September 30,</u>	
2016	\$ 57,489
2017	37,279
2018	32,594
2019	23,274
Total	<u>\$ 150,636</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, 2015, the total retiree health care premiums paid by the County, including the Clerk's operations, were approximately \$3,220,350.

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

NOTE 7 RELATED-PARTY TRANSACTIONS

Transactions with the Polk County Board of County Commissioners for the year ended September 30, 2015 were as follows:

Budget Appropriation – The General Fund of the Clerk received revenues in the amount of \$4,276,638 for the year ended September 30, 2015, 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. The Clerk transferred \$47,461 in assets and \$36,900 in related depreciation to the Board of County Commissioners in fiscal year 2015.

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, 2014	Additions	Disposals	Transfers	Balance September 30, 2015
Capital Assets Being Depreciated:					
Buildings and Improvements	\$ 10,130	\$ -	\$ -	\$ -	\$ 10,130
Equipment	494,437	3,809	(159,991)	1,277	339,532
Furniture	1,036,028	1,424	(280,537)	13,356	770,271
IT Equipment	1,219,917	100,185	(193,143)	(62,094)	1,064,865
Software	6,061,569	324,196	-	-	6,385,765
Total Capital Assets Being Depreciated	8,822,081	429,614	(633,671)	(47,461)	8,570,563
Less Accumulated Depreciation:					
Buildings and Improvements	5,740	1,013	-	-	6,753
Equipment	364,691	27,985	(157,323)	1,277	236,630
Furniture	981,324	10,533	(280,537)	13,331	724,651
IT Equipment	994,588	76,388	(193,143)	(51,508)	826,325
Software	4,904,804	513,334	-	-	5,418,138
Total Accumulated Depreciation	7,251,147	629,253	(631,003)	(36,900)	7,212,497
Total Capital Assets, Net	<u>\$ 1,570,934</u>	<u>\$ (199,639)</u>	<u>\$ (2,668)</u>	<u>\$ (10,561)</u>	<u>\$ 1,358,066</u>

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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, 2015 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.

SUPPLEMENTARY INFORMATION - COMBINING SCHEDULES

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF FIDUCIARY
NET POSITION – AGENCY FUNDS
SEPTEMBER 30, 2015**

	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	\$ 1,861,661	\$ 5,074,795	\$ 58,741	\$ 340,959	\$ 3,281,703	\$ 227,877	\$ 72,732	\$ 721,271	\$ 619,836	\$ 12,259,575
LIABILITIES										
Due to State of Florida	\$ 574,209	\$ -	\$ -	\$ -	\$ -	\$ 227,877	\$ -	\$ -	\$ 305,728	\$ 1,107,814
Due to Board of County Commissioners	347,845	-	-	-	-	-	-	-	112,283	460,128
Due to Municipalities	88,565	-	-	-	-	-	-	-	-	88,565
Due to Others	851,042	-	-	340,959	3,281,703	-	72,732	-	201,825	4,748,261
Deposits, Registry of the Court	-	5,074,795	-	-	-	-	-	-	-	5,074,795
Deposits, Witness Fees	-	-	58,741	-	-	-	-	-	-	58,741
Deposits, Other	-	-	-	-	-	-	-	721,271	-	721,271
Total Liabilities	\$ 1,861,661	\$ 5,074,795	\$ 58,741	\$ 340,959	\$ 3,281,703	\$ 227,877	\$ 72,732	\$ 721,271	\$ 619,836	\$ 12,259,575

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS
YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<u>COUNTY COURT FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 1,737,063	\$ 13,877,107	\$ 13,752,509	\$ 1,861,661
LIABILITIES				
Due to State of Florida	\$ 573,798	\$ 7,044,056	\$ 7,043,645	\$ 574,209
Due to Board of County Commissioners	379,558	4,483,797	4,515,510	347,845
Due to Municipalities	93,153	1,165,151	1,169,739	88,565
Due to Others	690,554	1,184,103	1,023,615	851,042
	<u>\$ 1,737,063</u>	<u>\$ 13,877,107</u>	<u>\$ 13,752,509</u>	<u>\$ 1,861,661</u>
<u>REGISTRY OF COURT FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 7,942,577	\$ 44,477,570	\$ 47,345,352	\$ 5,074,795
LIABILITIES				
Deposits, Registry of the Court	\$ 7,942,577	\$ 44,477,570	\$ 47,345,352	\$ 5,074,795
<u>JURY AND WITNESS FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 43,683	\$ 70,000	\$ 54,942	\$ 58,741
LIABILITIES				
Deposits, Witness Fees	\$ 43,683	\$ 70,000	\$ 54,942	\$ 58,741
<u>DOMESTIC RELATIONS FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 333,574	\$ 2,986,333	\$ 2,978,948	\$ 340,959
LIABILITIES				
Due to Others	\$ 333,574	\$ 2,986,333	\$ 2,978,948	\$ 340,959

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<u>TAX DEED FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 2,890,300	\$ 5,546,800	\$ 5,155,397	\$ 3,281,703
LIABILITIES				
Due to Others	\$ 2,890,300	\$ 5,546,800	\$ 5,155,397	\$ 3,281,703
 <u>INTANGIBLE TAX AND DOCUMENTARY STAMP FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 228,852	\$ 77,406,277	\$ 77,407,252	\$ 227,877
LIABILITIES				
Due to State of Florida	\$ 228,852	\$ 77,406,277	\$ 77,407,252	\$ 227,877
 <u>COUNTY COURT / CIVIL COURT FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 72,612	\$ 677	\$ 557	\$ 72,732
LIABILITIES				
Due to Others	\$ 72,612	\$ 677	\$ 557	\$ 72,732
 <u>CASH BONDS FUND</u>				
ASSETS				
Equity in Pooled Cash	\$ 1,043,337	\$ 1,010,765	\$ 1,332,831	\$ 721,271
LIABILITIES				
Deposits, Other	\$ 1,043,337	\$ 1,010,765	\$ 1,332,831	\$ 721,271

**CLERK OF THE CIRCUIT COURT
POLK COUNTY, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION – AGENCY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<u>OTHER AGENCY FUNDS</u>				
ASSETS				
Equity in Pooled Cash	\$ 645,786	\$ 10,400,943	\$ 10,426,893	\$ 619,836
LIABILITIES				
Due to State of Florida	\$ 335,020	\$ 3,544,526	\$ 3,573,818	\$ 305,728
Due to Board of County Commissioners	108,408	1,337,759	1,333,884	112,283
Due to Others	202,358	5,518,658	5,519,191	201,825
	<u>\$ 645,786</u>	<u>\$ 10,400,943</u>	<u>\$ 10,426,893</u>	<u>\$ 619,836</u>
<u>TOTALS - AGENCY FUNDS</u>				
ASSETS				
Equity in Pooled Cash	\$ 14,937,784	\$ 155,776,472	\$ 158,454,681	\$ 12,259,575
LIABILITIES				
Due to State of Florida	\$ 1,137,670	\$ 87,994,859	\$ 88,024,715	\$ 1,107,814
Due to Board of County Commissioners	487,966	5,821,556	5,849,394	460,128
Due to Municipalities	93,153	1,165,151	1,169,739	88,565
Due to Others	4,189,398	15,236,571	14,677,708	4,748,261
Deposits, Registry of the Court	7,942,577	44,477,570	47,345,352	5,074,795
Deposits, Witness Fees	43,683	70,000	54,942	58,741
Deposits, Other	1,043,337	1,010,765	1,332,831	721,271
	<u>\$ 14,937,784</u>	<u>\$ 155,776,472</u>	<u>\$ 158,454,681</u>	<u>\$ 12,259,575</u>

SUPPLEMENTAL REPORTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE 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, 2015, 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 19, 2016.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Lakeland, Florida
February 19, 2016



MANAGEMENT LETTER

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, 2015, and have issued our report thereon dated February 19, 2016.

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 19, 2016, 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 19, 2016



CliftonLarsonAllen

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined Polk County Clerk of the Circuit Court's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2015. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on 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, 2015.

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

CliftonLarsonAllen LLP

Lakeland, Florida
February 19, 2016