

St. Johns County Clerk of Courts

Audit Report

September 30, 2014

St. Johns County Clerk of Courts
Table of Contents
September 30, 2014

	<u>Page</u>
Independent Auditor's Report	1
Special Purpose Financial Statements	
Governmental Funds:	
Balance Sheet	3
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Fiduciary Funds:	
Statement of Fiduciary Net Position	5
Notes to Financial Statements	6
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	13
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Court Modernization Fund	14
Schedule of Revenues, Expenditures and Changes in Fund Balances – Records Modernization Trust Fund	15
Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	16
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	17
Additional Elements Required by the Rules of the Auditor General	
Management Letter	18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	19
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	21
Independent Accountant's Report on Compliance with Sections 28.35 and 28.36, Florida Statutes	22
Elected Official's Response to Auditor's Comments	--



Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Cheryl Strickland
Clerk of Courts
St. Johns County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the St. Johns County Clerk of Courts (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 of the Office as of September 30, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements 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 special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
January 22, 2015

St. Johns County Clerk of Courts
Balance Sheet - Governmental Funds
September 30, 2014

	General Fund	Court Modernization	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and equivalents	\$ 228,544	\$ 505,679	\$ 816,808	\$ 102,328	\$1,653,359
Accounts receivable	683,194	92,168	31,046	-	806,408
Due from other funds	17,907	-	-	-	17,907
Due from other county agencies	2,287	-	-	-	2,287
Due from other governments	32,367	-	-	21,282	53,649
Total assets	<u>\$ 964,299</u>	<u>\$ 597,847</u>	<u>\$ 847,854</u>	<u>\$ 123,610</u>	<u>\$2,533,610</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 177,570	\$ 8,825	\$ 1,850	\$ 4,417	\$ 192,662
Due to other funds	-	-	-	17,907	17,907
Due to other county agencies	370,494	792	31	1,157	372,474
Due to other governments	416,235	-	-	-	416,235
Total liabilities	964,299	9,617	1,881	23,481	999,278
Fund balances:					
Restricted	-	588,230	845,973	100,129	1,534,332
Total liabilities and fund balances	<u>\$ 964,299</u>	<u>\$ 597,847</u>	<u>\$ 847,854</u>	<u>\$ 123,610</u>	<u>\$2,533,610</u>

See accompanying notes.

St. Johns County Clerk of Courts
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2014

	General Fund	Court Modernization	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Intergovernmental revenues	\$ 543,174	\$ -	\$ -	\$ 96,449	\$ 639,623
Charges for services	4,220,479	461,185	151,781	62,522	4,895,967
Fines and forfeitures	626,973	-	131,515	-	758,488
Investment income (loss)	(4,822)	28	51	7	(4,736)
Miscellaneous revenue	3,642	-	-	-	3,642
Total revenues	5,389,446	461,213	283,347	158,978	6,292,984
Expenditures					
Current:					
General government services:					
Personal services	2,740,923	-	-	-	2,740,923
Operating expenditures	289,745	-	268,199	-	557,944
Capital outlay	5,600	-	17,817	-	23,417
Court related:					
Personal services	3,526,655	219,509	9,741	175,842	3,931,747
Operating expenditures	198,293	143,984	9,268	9,546	361,091
Capital outlay	2,099	8,850	-	3,250	14,199
Total expenditures	6,763,315	372,343	305,025	188,638	7,629,321
Excess of revenues over (under) expenditures	(1,373,869)	88,870	(21,678)	(29,660)	(1,336,337)
Other financing sources (uses)					
Appropriation from Board of County Commissioners					
Commissioners	1,861,570	-	-	-	1,861,570
Reversion to Board of County Commissioners					
Commissioners	(337,611)	-	-	-	(337,611)
Reversion to Clerks of Court Trust Fund					
Clerks of Court Trust Fund	(150,090)	-	-	-	(150,090)
Total other financing sources (uses)	1,373,869	-	-	-	1,373,869
Net change in fund balances	-	88,870	(21,678)	(29,660)	37,532
Fund balances - October 1, 2013	-	499,360	867,651	129,789	1,496,800
Fund balances - September 30, 2014	\$ -	\$ 588,230	\$ 845,973	\$ 100,129	\$ 1,534,332

See accompanying notes.

St. Johns County Clerk of Courts
Statement of Fiduciary Net Position
September 30, 2014

	<u>Agency Fund</u>
Assets	
Equity in pooled cash and equivalents	\$ 7,609,243
Accounts receivable	<u>10,171</u>
Total assets	<u>7,619,414</u>
Liabilities	
Assets held for others	7,462,598
Due to other county agencies	<u>156,816</u>
Total liabilities	<u>7,619,414</u>
Net position	<u><u>\$ -</u></u>

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the St. Johns County Clerk of Courts (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Clerk of Courts is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of St. Johns County (the “County”), which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide financial statements or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Court Modernization Fund – This fund is primarily used to account for and report additional service charges collected and associated expenditures used exclusively to fund the court-related technology needs of the Office.

Records Modernization Trust Fund – This fund is primarily used to account for and report the additional service charges required by Section 28.24, Florida Statutes, used exclusively to modernize the public records system of the Office. The fund also accounts for the 10 percent of fines that remain with the Office as required by Section 28.37(2), Florida Statutes. These funds are used solely for court-related operations and program enhancements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Office reports the following nonmajor funds:

Title IV D Fund – This fund is used to primarily account for and report Title IV D costs and related federal reimbursement.

Teen Court Fund – This fund is primarily used to account for and report the fines, surcharges and associated expenditures of the operations of Teen Court.

The Office also reports the following fiduciary fund:

Agency Fund - The Agency Fund is primarily used to account for and report resources held in a custodial capacity.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures 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.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the St. Johns County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity in Pooled Cash and Equivalents

The Office maintains a cash and cash equivalents pool that is available for use by all funds. Each fund's portion of this pool is displayed on the balance sheet as "Equity in Pooled Cash and Equivalents." If a fund overdraws its account in the pool, a liability and corresponding receivable (i.e., due to/from other funds) are reported on the balance sheet.

Investments in State Pool and FLGIT

The Office has adopted an investment policy pursuant to Section 218.415, Florida Statutes, which allows for surplus funds to be invested in the Local Government Investment Pool (the "State Pool") or any intergovernmental investment pool (such as "FLGIT"); Securities and Exchange Commission registered money market funds; certificates of deposits and savings accounts in state-certified qualified public depositories; and direct obligations of the U.S. Treasury.

The Office has funds invested in the State Pool's PRIME Fund. The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The Florida PRIME has adopted operating procedures consistent with the requirements for a 2a7-like fund. The Office's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Office has funds invested in the Florida Local Government Trust's ("FLGIT") Day-to-Day Fund. FLGIT is administered by the Florida Clerk of Courts and Comptrollers Association and the Florida Association of Counties. The fund is managed to comply with Rule 2a7-like money-market guidelines and is reported at amortized cost.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balance classifications are described below:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund and the negative residual amount in other funds.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

St. Johns County Clerk of Courts
Notes to Financial Statements
September 30, 2014

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2014 are as follows:

	Court Modernization Fund	Records Modernization Trust Fund	Other Funds	Total
Restricted for:				
Court operations	\$ -	\$ 288,050	\$ 100,129	\$ 388,179
Court technology modernization	588,230	-	-	588,230
Records modernization	-	557,923	-	557,923
Total fund balances	<u>\$ 588,230</u>	<u>\$ 845,973</u>	<u>\$ 100,129</u>	<u>\$ 1,534,332</u>

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

All deposits of the Office are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

Investments

At year end, the Office's investments consisted of:

Florida PRIME	\$ 147,394
FLGIT	3,081,309
Total	<u>\$ 3,228,703</u>

The Office's investments expose it to credit risk and interest rate risks. The Office does not have a formal investment policy relating to these risks, which are hereafter described.

St. Johns County Clerk of Courts
Notes to Financial Statements
September 30, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Florida PRIME and FLGIT are rated by Standard and Poors and have a rating at September 30, 2014 of AAAM.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted average maturity (WAM) of the Florida PRIME at September 30, 2014 was 39 days.

The weighted average maturity of FLGIT's Day-to-Day Fund at September 30, 2014 was 57 days.

The following represents a summary of the Office's Equity in Pooled Cash and Equivalents in the accompanying financial statements:

	Deposits and Investments	Overdraft Due To/ Due From	Equity in Pooled Cash & Equivalents
General Fund	\$ 246,451	\$ (17,907)	\$ 228,544
Court Modernization Trust Fund	505,679	-	505,679
Records Modernization Trust Fund	816,808	-	816,808
Other Governmental Funds	84,421	17,907	102,328
Agency Fund	7,609,243	-	7,609,243
Totals	<u>\$ 9,262,602</u>	<u>\$ -</u>	<u>\$ 9,262,602</u>

NOTE 4 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deletions	Balance September 30, 2014	Due Within One Year
Compensated absences	<u>\$ 470,200</u>	<u>\$ 451,000</u>	<u>\$ 502,400</u>	<u>\$ 418,800</u>	<u>\$ 248,800</u>

NOTE 5 – PENSION PLAN

Defined Benefit Plan

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3.00%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were \$412,000, \$270,000, and \$203,000 respectively, equal to the required contributions for each year.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled \$57,500.

NOTE 6 – RISK MANAGEMENT

For health insurance and worker's compensation, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

Required Supplementary Information

St. Johns County Clerk of Courts
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Intergovernmental revenues	\$ 506,394	\$ 506,530	\$ 543,174
Charges for services	4,089,970	4,089,970	4,220,479
Fines and forfeitures	624,000	624,000	626,973
Investment income (loss)	200	200	(4,822)
Miscellaneous revenue	3,400	3,400	3,642
Total revenues	<u>5,223,964</u>	<u>5,224,100</u>	<u>5,389,446</u>
Expenditures			
Current:			
General government services:			
Personal services	2,682,090	2,822,430	2,740,923
Operating expenditures	626,150	487,810	289,745
Capital outlay	13,500	11,500	5,600
Court related:			
Personal services	3,431,800	3,530,720	3,526,655
Operating expenditures	317,994	231,110	198,293
Capital outlay	14,000	2,100	2,099
Total expenditures	<u>7,085,534</u>	<u>7,085,670</u>	<u>6,763,315</u>
Excess of revenues over (under) expenditures	<u>(1,861,570)</u>	<u>(1,861,570)</u>	<u>(1,373,869)</u>
Other financing sources (uses)			
Appropriation from Board of County Commissioners			
Commissioners	1,861,570	1,861,570	1,861,570
Reversion to Board of County Commissioners	-	-	(337,611)
Reversion to Clerks of Court Trust Fund	-	-	(150,090)
Total other financing sources (uses)	<u>1,861,570</u>	<u>1,861,570</u>	<u>1,373,869</u>
Net change in fund balances	-	-	-
Fund balances - October 1, 2013	-	-	-
Fund balances - September 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

Pursuant to Section 28.36, Florida Statutes, the budget for court-related functions of the Office is subject to the General Appropriations Act of the Florida Legislature and is prepared on a basis that does not differ materially from generally accepted accounting principles. The State of Florida releases this appropriation on a monthly basis. The noncourt-related functions are funded by Board appropriations and user fees. The fund is the legal level of control.

St. Johns County Clerk of Courts
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Court Modernization Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Charges for services	\$ 500,000	\$ 500,000	\$ 461,185
Investment income (loss)	100	100	28
	<u>500,100</u>	<u>500,100</u>	<u>461,213</u>
Expenditures			
Current:			
Court related:			
Personal services	218,050	228,350	219,509
Operating expenditures	190,050	196,050	143,984
Capital outlay	30,000	24,000	8,850
	<u>438,100</u>	<u>448,400</u>	<u>372,343</u>
Excess of revenue over (under) expenditures	62,000	51,700	88,870
Fund balances - October 1, 2013	<u>499,360</u>	<u>499,360</u>	<u>499,360</u>
Fund balances - September 30, 2014	<u><u>\$ 561,360</u></u>	<u><u>\$ 551,060</u></u>	<u><u>\$ 588,230</u></u>

Notes to Schedule:

The preparation, adoption, and amendment of the budgets is governed by Florida Statutes, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The fund is the legal level of control.

St. Johns County Clerk of Courts
Schedule of Revenues, Expenditures and Changes in Fund Balances - Records Modernization Trust
Year Ended September 30, 2014

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Charges for services	\$ 185,000	\$ 185,000	\$ 151,781
Fines and forfeitures	105,000	105,000	131,515
Investment income	100	100	51
	<u>290,100</u>	<u>290,100</u>	<u>283,347</u>
Expenditures			
Current:			
General government services:			
Operating expenditures	127,000	348,500	268,199
Capital outlay	4,000	18,000	17,817
Court related:			
Personal services	10,000	10,400	9,741
Operating expenditures	29,000	28,600	9,268
	<u>170,000</u>	<u>405,500</u>	<u>305,025</u>
Excess of revenues over (under) expenditures	120,100	(115,400)	(21,678)
Fund balances - October 1, 2013	<u>867,651</u>	<u>867,651</u>	<u>867,651</u>
Fund balances - September 30, 2014	<u><u>\$ 987,751</u></u>	<u><u>\$ 752,251</u></u>	<u><u>\$ 845,973</u></u>

Notes to Schedule:

The preparation, adoption, and amendment of the budgets is governed by Florida Statutes, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The fund is the legal level of control.

Supplementary Information

St. Johns County Clerk of Courts
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Title IV D Fund	Teen Court	Total Nonmajor Governmental Funds
Assets			
Equity in pooled cash and equivalents	\$ -	\$ 102,328	\$ 102,328
Due from other governments	21,282	-	21,282
Total assets	<u>\$ 21,282</u>	<u>\$ 102,328</u>	<u>\$ 123,610</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,529	\$ 1,888	\$ 4,417
Due to other funds	17,907	-	17,907
Due to other county agencies	846	311	1,157
Total liabilities	21,282	2,199	23,481
Fund balances:			
Restricted	-	100,129	100,129
Total liabilities and fund balances	<u>\$ 21,282</u>	<u>\$ 102,328</u>	<u>\$ 123,610</u>

St. Johns County Clerk of Courts
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2014

	Title IV D Fund	Teen Court	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 96,449	\$ -	\$ 96,449
Charges for services	-	62,522	62,522
Investment income	-	7	7
	<u>96,449</u>	<u>62,529</u>	<u>158,978</u>
Total revenues			
	<u>96,449</u>	<u>62,529</u>	<u>158,978</u>
Expenditures			
Current:			
Court related:			
Personal services	90,561	85,281	175,842
Operating expenditures	5,888	3,658	9,546
Capital outlay	-	3,250	3,250
	<u>-</u>	<u>3,250</u>	<u>3,250</u>
Total expenditures			
	<u>96,449</u>	<u>92,189</u>	<u>188,638</u>
Excess of revenues over (under) expenditures	-	(29,660)	(29,660)
Fund balances - October 1, 2013	<u>-</u>	<u>129,789</u>	<u>129,789</u>
Fund balances - September 30, 2014	<u>\$ -</u>	<u>\$ 100,129</u>	<u>\$ 100,129</u>

**Additional Elements Required by the
Rules of the Auditor General**



Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

MANAGEMENT LETTER

The Honorable Cheryl Strickland
Clerk of Courts
St. Johns County, Florida

We have audited the financial statements of the office of the St. Johns County Clerk of Courts (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated January 22, 2015. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
January 22, 2015

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Cheryl Strickland
Clerk of Courts
St. Johns 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 each major fund and the aggregate remaining fund information of the office of the St. Johns County Clerk of Courts (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 22, 2015.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
January 22, 2015



**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES**

The Honorable Cheryl Strickland
Clerk of Courts
St. Johns County, Florida

We have examined the office of the St. Johns County Clerk of Courts' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office'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 Office's compliance with specified requirements.

In our opinion, the Office 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 management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
January 22, 2015

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Cheryl Strickland
Clerk of Courts
St. Johns County, Florida

We have examined the office of the St. Johns County Clerk of Courts' (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office'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 Office's compliance with specified requirements.

In our opinion, the Office 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 management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

Gainesville, Florida
January 22, 2015

Cheryl Strickland
Clerk of Courts



George Lareau
Chief Deputy

St. Johns County Clerk Of Courts
4010 Lewis Speedway, Saint Augustine, Florida 32084
(904) 819-3600

January 22, 2015

David W. Martin, CPA
Auditor General
401 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

I agree with the contents of the audit report, and I am pleased to note that there are no current year findings. Should you have any questions or concerns, please feel free to contact us.

Sincerely yours,

Cheryl Strickland
Clerk of Courts