

St. Johns County Clerk of Courts

Audit Report

September 30, 2013

St. Johns County Clerk of Courts
Table of Contents
September 30, 2013

	<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>	20
Elected Official's Response to Auditor's Comments	--

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, 2013, 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, 2013, 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 February 20, 2014, 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.



Gainesville, Florida
February 20, 2014

St. Johns County Clerk of Courts
Balance Sheet - Governmental Funds
September 30, 2013

	General Fund	Court Modernization	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and equivalents	\$ 98,406	\$ 423,248	\$ 845,159	\$ 131,994	\$ 1,498,807
Accounts receivable	651,256	86,464	28,755	-	766,475
Due from other funds	13,561	-	-	-	13,561
Due from other county agencies	2,206	-	-	-	2,206
Due from other governments	106,368	-	-	16,256	122,624
	<u>\$ 871,797</u>	<u>\$ 509,712</u>	<u>\$ 873,914</u>	<u>\$ 148,250</u>	<u>\$ 2,403,673</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 146,362	\$ 9,770	\$ 6,232	\$ 3,913	\$ 166,277
Due to other funds	-	-	-	13,561	13,561
Due to other county agencies	404,555	582	31	987	406,155
Due to other governments	284,100	-	-	-	284,100
Deferred revenue	36,780	-	-	-	36,780
	<u>871,797</u>	<u>10,352</u>	<u>6,263</u>	<u>18,461</u>	<u>906,873</u>
Fund balances:					
Restricted	-	499,360	867,651	129,789	1,496,800
	<u>-</u>	<u>499,360</u>	<u>867,651</u>	<u>129,789</u>	<u>1,496,800</u>
Total liabilities and fund balances	<u>\$ 871,797</u>	<u>\$ 509,712</u>	<u>\$ 873,914</u>	<u>\$ 148,250</u>	<u>\$ 2,403,673</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, 2013

	General Fund	Court Modernization	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Intergovernmental revenues	\$ 2,813,565	\$ -	\$ -	\$ 75,054	\$ 2,888,619
Charges for services	2,431,817	584,829	188,767	51,524	3,256,937
Fines and forfeitures	392,257	-	104,146	-	496,403
Investment income	7,448	55	121	23	7,647
Miscellaneous revenue	2,301	-	-	-	2,301
Total revenues	5,647,388	584,884	293,034	126,601	6,651,907
Expenditures					
Current:					
General government services:					
Personal services	2,679,145	-	-	-	2,679,145
Operating expenditures	316,434	-	119,480	-	435,914
Capital outlay	138,459	-	17,479	-	155,938
Court related:					
Personal services	3,338,123	213,389	8,931	157,820	3,718,263
Operating expenditures	174,200	157,392	69,381	7,663	408,636
Capital outlay	23,359	14,698	1,248	-	39,305
Total expenditures	6,669,720	385,479	216,519	165,483	7,437,201
Excess of revenues over (under) expenditures	(1,022,332)	199,405	76,515	(38,882)	(785,294)
Other financing sources (uses)					
Appropriation from Board of County Commissioners					
Commissioners	1,757,000	-	-	-	1,757,000
Reversion to Board of County Commissioners					
Commissioners	(375,169)	-	-	-	(375,169)
Reversion to Clerks of Court Trust Fund					
Clerks of Court Trust Fund	(513,735)	-	-	-	(513,735)
Total other financing sources (uses)	868,096	-	-	-	868,096
Net change in fund balances	(154,236)	199,405	76,515	(38,882)	82,802
Fund balances - October 1, 2012	154,236	299,955	791,136	168,671	1,413,998
Fund balances - September 30, 2013	\$ -	\$ 499,360	\$ 867,651	\$ 129,789	\$ 1,496,800

See accompanying notes.

St. Johns County Clerk of Courts
Statement of Fiduciary Net Position
September 30, 2013

	<u>Agency Fund</u>
Assets	
Equity in pooled cash and equivalents	\$ 4,725,194
Accounts receivable	<u>9,181</u>
Total assets	<u>4,734,375</u>
Liabilities	
Assets held for others	4,595,936
Due to other county agencies	<u>138,439</u>
Total liabilities	<u>4,734,375</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, 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 reconciliations to the government-wide financial statements, 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. The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. Previously, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("Florida PRIME" and "Fund B").

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 Fund B is reported at fair value, determined by the fair value per share of the pool's underlying portfolio.

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 2a-7 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, 2013

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2013 are as follows:

	Court Modernization Fund	Records Modernization Trust Fund	Other Funds	Total
Restricted for:				
Court operations	\$ -	\$ 175,533	\$ 129,789	\$ 305,322
Court technology modernization	499,360	-	-	499,360
Records modernization	-	692,118	-	692,118
Total fund balances	<u>\$ 499,360</u>	<u>\$ 867,651</u>	<u>\$ 129,789</u>	<u>\$ 1,496,800</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	\$ 99,717
Fund B	54,633
FLGIT	<u>3,079,039</u>
Total	<u>\$ 3,233,389</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, 2013

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, 2013 of AAAm.

The Fund B is not rated by a nationally recognized statistical rating agency.

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, 2013 was 43.9 days.

The weighted average life (WAL) of Fund B at September 30, 2013 was 4.04 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. Since Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL.

The weighted average maturity of FLGIT's Day-to-Day Fund at September 30, 2013 was 54.41 days.

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

	Deposits	Overdraft Due To/ Due From	Investments	Equity in Pooled Cash & Equivalents
General Fund	\$ (2,679)	\$ (13,561)	\$ 114,646	\$ 98,406
Court Modernization Trust Fund	-	-	423,248	423,248
Records Modernization Trust Fund	-	-	845,159	845,159
Other Governmental Funds	4,306	13,561	114,127	131,994
Agency Fund	2,988,985	-	1,736,209	4,725,194
Totals	<u>\$2,990,612</u>	<u>\$ -</u>	<u>\$3,233,389</u>	<u>\$ 6,224,001</u>

NOTE 4 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013	Due Within One Year
Compensated absences	<u>\$ 433,000</u>	<u>\$ 516,600</u>	<u>\$ 479,400</u>	<u>\$ 470,200</u>	<u>\$ 282,500</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, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%; DROP 12.84%. 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, 2013, 2012 and 2011 were \$270,000, \$203,000, and \$425,000 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 \$35,000.

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, 2013

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Intergovernmental revenues	\$ 2,748,168	\$ 2,918,373	\$ 2,813,565
Charges for services	1,314,400	2,270,047	2,431,817
Fines and forfeitures	-	152,865	392,257
Investment income	-	-	7,448
Miscellaneous revenue	200	2,775	2,301
Total revenues	<u>4,062,768</u>	<u>5,344,060</u>	<u>5,647,388</u>
Expenditures			
Current:			
General government services:			
Personal services	2,540,400	2,796,925	2,679,145
Operating expenditures	227,500	372,175	316,434
Capital outlay	22,600	145,900	138,459
Court related:			
Personal services	2,679,803	3,452,441	3,338,123
Operating expenditures	158,465	213,219	174,200
Capital outlay	-	23,400	23,359
Total expenditures	<u>5,628,768</u>	<u>7,004,060</u>	<u>6,669,720</u>
Excess of revenues under expenditures	<u>(1,566,000)</u>	<u>(1,660,000)</u>	<u>(1,022,332)</u>
Other financing sources (uses)			
Appropriation from Board of County Commissioners	1,757,000	1,757,000	1,757,000
Reversion to Board of County Commissioners	-	-	(375,169)
Reversion to Clerks of Court Trust Fund	-	-	(513,735)
Total other financing sources (uses)	<u>1,757,000</u>	<u>1,757,000</u>	<u>868,096</u>
Net change in fund balances	191,000	97,000	(154,236)
Fund balances- October 1, 2012	<u>154,236</u>	<u>154,236</u>	<u>154,236</u>
Fund balances - September 30, 2013	<u>\$ 345,236</u>	<u>\$ 251,236</u>	<u>\$ -</u>

Notes to Schedule:

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. As such, the budgeted amounts reflected in this schedule are comprised of nine months of activity from the State's 2013 fiscal year and a transitional three-month budget from the State. 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, 2013

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Charges for services	\$ 400,000	\$ 400,000	\$ 584,829
Investment income	-	-	55
	<u>400,000</u>	<u>400,000</u>	<u>584,884</u>
Expenditures			
Current:			
Court related:			
Personal services	192,500	221,930	213,389
Operating expenditures	175,000	183,170	157,392
Capital outlay	30,000	30,000	14,698
	<u>397,500</u>	<u>435,100</u>	<u>385,479</u>
Excess of revenue over (under) expenditures	2,500	(35,100)	199,405
Fund balances - October 1, 2012	<u>299,955</u>	<u>299,955</u>	<u>299,955</u>
Fund balances - September 30, 2013	<u><u>\$ 302,455</u></u>	<u><u>\$ 264,855</u></u>	<u><u>\$ 499,360</u></u>

Notes to Schedule:

The preparation, adoption, and amendment of the budgets is governed by Florida Statutes. 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, 2013

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Charges for services	\$ 135,000	\$ 135,000	\$ 188,767
Fines and forfeitures	100,000	100,000	104,146
Investment income	-	-	121
	<u>235,000</u>	<u>235,000</u>	<u>293,034</u>
Expenditures			
Current:			
General government services:			
Operating expenditures	122,000	132,000	119,480
Capital outlay	-	20,000	17,479
Court related:			
Personal services	11,050	10,300	8,931
Operating expenditures	30,500	81,900	69,381
Capital outlay	-	1,550	1,248
	<u>163,550</u>	<u>245,750</u>	<u>216,519</u>
Excess of revenues over (under) expenditures	71,450	(10,750)	76,515
Fund balances - October 1, 2012	<u>791,136</u>	<u>791,136</u>	<u>791,136</u>
Fund balances - September 30, 2013	<u>\$ 862,586</u>	<u>\$ 780,386</u>	<u>\$ 867,651</u>

Notes to Schedule:

The preparation, adoption, and amendment of the budgets is governed by Florida Statutes. The fund is the legal level of control.

Supplementary Information

St. Johns County Clerk of Courts
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

	Title IV D Fund	Teen Court	Total Nonmajor Governmental Funds
Assets			
Equity in pooled cash and equivalents	\$ -	\$ 131,994	\$ 131,994
Due from other governments	16,256	-	16,256
Total assets	<u>\$ 16,256</u>	<u>\$ 131,994</u>	<u>\$ 148,250</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,970	\$ 1,943	\$ 3,913
Due to other funds	13,561	-	13,561
Due to other county agencies	725	262	987
Total liabilities	16,256	2,205	18,461
Fund balances:			
Restricted	-	129,789	129,789
Total liabilities and fund balances	<u>\$ 16,256</u>	<u>\$ 131,994</u>	<u>\$ 148,250</u>

St. Johns County Clerk of Courts
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2013

	Title IV D Fund	Teen Court	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 75,054	\$ -	\$ 75,054
Charges for services	-	51,524	51,524
Investment income	-	23	23
	<u>75,054</u>	<u>51,547</u>	<u>126,601</u>
Expenditures			
Current:			
Court related:			
Personal services	70,559	87,261	157,820
Operating expenditures	4,495	3,168	7,663
	<u>75,054</u>	<u>90,429</u>	<u>165,483</u>
Excess of revenues over (under) expenditures	-	(38,882)	(38,882)
Fund balances - October 1, 2012	<u>-</u>	<u>168,671</u>	<u>168,671</u>
Fund balances - September 30, 2013	<u>\$ -</u>	<u>\$ 129,789</u>	<u>\$ 129,789</u>

Additional Elements Required by the
Rules of the Auditor General

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, 2013, and have issued our report thereon dated February 20, 2014. 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.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Sections 28.35 and 28.36, Florida Statutes

The Rules of the Auditor General require that statements be included in the management letter as to whether the Office complied with the requirements of Sections 28.35 and 28.36, Florida Statutes. Our audit of the financial statements disclosed no reportable instances of noncompliance with the budget procedures specified in Section 28.36, Florida Statutes, and no reportable instances of noncompliance with the workload performance standards developed and certified pursuant to Section 28.35, Florida Statutes.

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

Gainesville, Florida
February 20, 2014

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, 2013, 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 February 20, 2014.

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*.

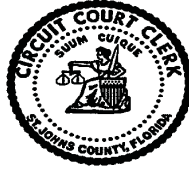
Purpose of this Report

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

Gainesville, Florida
February 20, 2014

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

February 20, 2014

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