

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURTS**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2008**

**SANTA ROSA COUNTY, FLORIDA CLERK OF COURTS**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2008**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mary M. Johnson  
Clerk of Courts  
Santa Rosa County, Florida

We have audited the accompanying special-purpose financial statements (hereinafter referred to as "financial statements") of each major fund and the aggregate remaining fund information of the Office of the Clerk of Courts of Santa Rosa County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Clerk's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note A to the financial statements, the special-purpose financial statements consists of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Clerk, nor are they intended to be a complete presentation of the financial position and changes in financial position of Santa Rosa County, Florida, taken as a whole.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information of the Clerk as of September 30, 2008, and the changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2009 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison information on pages 15 and 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the fund level financial statements. The accompanying supplementary information, the Combining Schedule of Fiduciary Net Assets – All Agency Funds, is presented for purposes of additional analysis and is not a required part of these financial statements. The Combining Schedule of Fiduciary Net Assets – All Agency Funds has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects in relation to the financial statements taken as a whole.

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

*O'Sullivan Creel, LLP*

May 5, 2009

**Santa Rosa County, Florida Clerk of Courts  
BALANCE SHEET - ALL GOVERNMENTAL FUNDS  
September 30, 2008**

	Major Funds				Nonmajor Fund	Total
	General	Courts	Courts Technology	Records Modernization Trust	OSCA	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 146,306	\$ -	\$ 267,067	\$ 561,437	\$ -	\$ 974,810
Due from other governmental units	12,807	137,973	-	-	15,131	165,911
Due from other funds	13,510	-	33,999	-	-	47,509
Prepaid expenses	-	-	-	56,936	-	56,936
Total assets	<u>\$ 172,623</u>	<u>\$ 137,973</u>	<u>\$ 301,066</u>	<u>\$ 618,373</u>	<u>\$ 15,131</u>	<u>\$ 1,245,166</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 11,960	\$ 29,344	\$ 2,011	\$ 49,772	\$ -	\$ 93,087
Accrued wages and salaries	44,791	74,630	5,158	-	1,621	126,200
Due to other governmental units	66,857	-	-	-	-	66,857
Due to other funds	-	33,999	-	-	13,510	47,509
Deferred income	49,015	-	-	-	-	49,015
Total liabilities	<u>172,623</u>	<u>137,973</u>	<u>7,169</u>	<u>49,772</u>	<u>15,131</u>	<u>382,668</u>
<b>FUND BALANCES</b>						
Reserved for courts technology fund	-	-	293,897	-	-	293,897
Reserved for records modernization trust fund	-	-	-	568,601	-	568,601
Unreserved	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>293,897</u>	<u>568,601</u>	<u>-</u>	<u>862,498</u>
Total liabilities and fund balances	<u>\$ 172,623</u>	<u>\$ 137,973</u>	<u>\$ 301,066</u>	<u>\$ 618,373</u>	<u>\$ 15,131</u>	<u>\$ 1,245,166</u>

*The accompanying notes are an integral part of these financial statements.*

**Santa Rosa County, Florida Clerk of Courts  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUNDS  
For the year ended September 30, 2008**

	Major Funds				Nonmajor Fund	Total
	General	Courts	Courts Technology	Records Modernization Trust	OSCA	
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 79,236	\$ -	\$ -	\$ 76,561	\$ 155,797
Charges for services	903,296	2,552,388	263,293	86,885	-	3,805,862
Fines and forfeits	-	876,282	-	-	-	876,282
Miscellaneous	89,109	15,106	-	-	-	104,215
Total revenues	<u>992,405</u>	<u>3,523,012</u>	<u>263,293</u>	<u>86,885</u>	<u>76,561</u>	<u>4,942,156</u>
<b>EXPENDITURES</b>						
Current:						
General government:						
Financial and administrative:						
Personal services	2,053,514	-	-	-	-	2,053,514
Operating	280,154	12,291	-	290,133	-	582,578
Capital outlay	11,081	-	-	103,124	-	114,205
Judicial:						
Personal services	-	3,132,088	286,933	-	68,328	3,487,349
Operating	-	377,486	187,254	-	5,834	570,574
Capital outlay	-	-	9,981	-	1,415	11,396
Total expenditures	<u>2,344,749</u>	<u>3,521,865</u>	<u>484,168</u>	<u>393,257</u>	<u>75,577</u>	<u>6,819,616</u>
Excess (deficiency) of revenues over expenditures	<u>(1,352,344)</u>	<u>1,147</u>	<u>(220,875)</u>	<u>(306,372)</u>	<u>984</u>	<u>(1,877,460)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Board of County Commissioners appropriation	1,385,860	-	-	-	-	1,385,860
Board of County Commissioners excess fees	(33,516)	-	-	-	-	(33,516)
Payments to Clerks of the Court Trust Fund	-	(1,147)	-	-	-	(1,147)
Total other financing sources (uses)	<u>1,352,344</u>	<u>(1,147)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,351,197</u>
<b>Net change in fund balances</b>	-	-	(220,875)	(306,372)	984	(526,263)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>514,772</u>	<u>874,973</u>	<u>(984)</u>	<u>1,388,761</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,897</u>	<u>\$ 568,601</u>	<u>\$ -</u>	<u>\$ 862,498</u>

*The accompanying notes are an integral part of these financial statements.*

**Santa Rosa County, Florida Clerk of Courts  
STATEMENT OF FIDUCIARY NET ASSETS -  
AGENCY FUNDS  
September 30, 2008**

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**ASSETS**

Cash and cash equivalents	\$ 1,944,213
Total assets	<u>1,944,213</u>

**LIABILITIES**

Accounts payable	29,478
Due to other governmental units	562,329
Deposits	<u>1,352,406</u>
Total liabilities	<u>1,944,213</u>

**NET ASSETS**

Net assets	<u><u>\$ -</u></u>
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**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows:

**1. Reporting Entity**

The Clerk of the Courts of Santa Rosa County, Florida (the "Clerk") was established as a constitutional office of Santa Rosa County, Florida (the "County") by Article VIII, Section 1 (d) of the Constitution of the State of Florida. The Clerk is an elected official of the County and serves as Clerk of the Circuit Court (duties described in Chapter 28, F.S.), Clerk of the County Court (duties described in Chapter 34, F.S.), and Clerk and Accountant to the Board of County Commissioners (BOCC) (in this capacity the Clerk is required to keep the minutes of the county commission, keep the accounts of the county, invest county funds, and perform such other duties as provided by law). The Clerk's office is funded by appropriations from the BOCC and by fees charged for providing court related services. Although the Clerk is operationally autonomous from the Santa Rosa County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is considered part of the County's primary government.

These *special-purpose financial statements* of the Clerk are not intended to be a complete presentation of the financial position and results of operations of the County, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consists of only the *fund level* financial statements as defined in GASB Statement No. 34, and do not include presentations of *government-wide* financial statements of the Clerk of Court.

**2. Fund Accounting**

The accounting system of the Clerk's office is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)**

**2. Fund Accounting -- (Continued)**

The funds utilized by the Clerk are as follows:

**Governmental Funds**

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources rather than upon net income determination).

The Clerk reports the following major governmental funds:

**General Fund** is used to account for all financial resources that are generated from operations of the office, appropriations from the Board of County Commissioners, and any other resources not required to be accounted for in another fund.

**Courts Fund** is a special revenue fund used to account for all court-related activities and court-related financial resources of the Clerk.

**Courts Technology Fund** is a special revenue fund used to account for the court-related technology needs of the Clerk.

**Records Modernization Trust Fund** is a special revenue fund used to account for monies collected according to Chapter 28.24, Florida Statutes, to be used exclusively for equipment, personnel training, and technical assistance in modernizing the official records system and to pay for equipment and start-up costs necessitated by a statewide recording system.

Additionally, the Clerk reports the following non-major governmental fund:

**OSCA Fund** is a special revenue fund used to account for funding received from the Office of the State Courts Administrator (OSCA) and related expenditures for domestic violence prosecution services.

**Fiduciary Funds**

The Clerk uses agency funds to account for assets being held in a trustee capacity or for individuals, private organizations, and/or other governments. Assets equal liabilities in agency funds, and results of operations are not measured.

**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)**

**3. Basis of Accounting**

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. The Clerk considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Agency funds use the accrual basis of accounting.

**4. Cash and Cash Equivalents**

The Clerk's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**5. Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

**6. Budgets and Budgetary Accounting**

The Clerk establishes annual budgets for its general fund and special revenue funds pursuant to Section 218.35, Florida Statutes. The budget is prepared in two parts. The first part includes the budget for funds necessary to perform court-related functions as provided in Section 28.36, Florida Statutes and must be submitted to and approved by the Florida Clerks of Courts Operations Corporation. The second part includes the budget relating to the requirements of the Clerk as Clerk of the Board of County Commissioners, county auditor, and custodian or treasurer of all county funds and other county-related duties. The budget is submitted to the Board of County Commissioners and is incorporated into the overall County budget. The Clerk's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the fund level.

**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)**

**7. Accounting for Capital Assets**

Capital assets (vehicles, equipment, and other tangible property costing at least \$1,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and are accounted for in the County's government-wide financial statements.

**8. Compensated Absences**

Employees accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

**9. Excess Revenue**

Annually, the Clerk must calculate and remit to the Department of Revenue Clerks of Courts Trust Fund the excess revenues attributable to court-related functions per Section 28.37(4), Florida Statutes. In addition, the Clerk must also remit to the Board of County Commissioners any excess revenues attributable to non court-related functions per Section 218.36(2), Florida Statutes. These amounts are reported as due to other governmental units at year-end.

**10. Effects of New Pronouncements**

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement addresses how state and local governments should account for and report costs and obligations related to postemployment healthcare and other nonpension benefits. Annual other postemployment benefit (OPEB) cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally, would provide sufficient resources to pay benefits as they become due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy allowed, the actuarial

**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)**

**10. Effects of New Pronouncements -- (Continued)**

valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. The County is currently studying the financial statement impact of the new requirements. The County intends to implement the new reporting requirements as required for the FY 2008-09 financial statements.

**NOTE B - CASH**

At September 30, 2008, the banks reported deposits before outstanding checks of \$3,191,579, all of which were held by financial institutions designated as "qualified public depositories" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institutions in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

**NOTE C - LONG-TERM DEBT - COMPENSATED ABSENCES**

Disclosures required by Chapter 10.557(3)(g), Rules of the State of Florida Auditor General, related to long term debt are as follows:

Balance - October 1, 2007	\$ 702,414
Increases	474,801
Decreases	<u>(468,104)</u>
Balance - September 30, 2008	<u>\$ 709,111</u>

Compensated absences are paid from the General Fund.

**NOTE D - PENSION AND RETIREMENT PLAN**

Substantially all full-time employees of the Clerk are covered by the Florida Retirement System (FRS), a multiple employer cost sharing defined benefit pension plan. The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be

**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE D – PENSION AND RETIREMENT PLAN -- (Continued)**

made only by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Since July 1, 2001, the FRS provides for vesting of benefits after 6 years of creditable service. Normal retirement benefits are available to employees who retire at age 62 with 6 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Retirement age and years of service requirements vary depending on membership class. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Deferred Retirement Option Program (DROP) is an elective program available for members of the FRS who are eligible for normal retirement. Under this program, a member effectively retires and continues covered employment for up to 5 years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

The FRS is noncontributory for employees and all contributions are made by participating FRS employers. Participating employer contributions are based upon state-wide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2008 were as follows: regular employees, 9.85%, special risk employees, 20.92%, elected officials, 16.53%, senior management employees, 13.12%, and DROP participants, 10.91%. The Clerk's contributions, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for each year and totaled \$402,063, \$392,353, and \$323,719, for the years ended September 30, 2008, 2007, and 2006, respectively.

**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE E - CLAIMS AND CONTINGENCIES**

The Clerk is involved from time to time in routine civil litigation incidental to the ordinary course of operations. In the opinion of management and legal counsel, there are no lawsuits or claims outstanding which might materially affect the financial position of the Clerk's Office.

**NOTE F - COMMITMENTS**

As of September 30, 2008, the Clerk has a commitment for the purchase of case maintenance software not to exceed \$229,483. There are three phases included in the purchase, which are system design, system development, and quality assurance and user acceptance testing. As of September 30, 2008, \$137,690, included in operating expenditures, has been spent on this project through the first phase.

**NOTE G - RISK MANAGEMENT**

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board of County Commissioners maintains a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Building and contents, \$25,000 deductible
- Boats
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

**Santa Rosa County, Florida Clerk of Courts**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended September 30, 2008**

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**NOTE G - RISK MANAGEMENT -- (Continued)**

Conventional insurance remains in effect for buildings and contents. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public official's liability coverage. The Clerk participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Santa Rosa County, Florida Clerk of Courts  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS  
For the year ended September 30, 2008**

	General Fund				Special Revenue Fund Courts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 96,115	\$ 79,236	\$ (16,879)
Charges for services	1,396,754	1,394,354	903,296	(491,058)	2,445,547	2,607,716	2,552,388	(55,328)
Fines and forfeits	-	-	-	-	1,057,548	889,675	876,282	(13,393)
Miscellaneous	160,853	163,253	89,109	(74,144)	14,205	19,909	15,106	(4,803)
Total revenues	1,557,607	1,557,607	992,405	(565,202)	3,567,300	3,613,415	3,523,012	(90,403)
<b>EXPENDITURES</b>								
Current:								
General government:								
Financial and administrative:								
Personal services	2,122,457	2,109,182	2,053,514	55,668	-	-	-	-
Operating	451,483	493,291	280,154	213,137	9,818	12,292	12,291	1
Capital outlay	135,000	143,741	11,081	132,660	-	-	-	-
Judicial:								
Personal services	-	-	-	-	3,228,463	3,160,950	3,132,088	28,862
Operating	-	-	-	-	294,182	390,322	377,486	12,836
Capital outlay	-	-	-	-	-	15,026	-	15,026
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Reserve for contingencies	-	-	-	-	34,825	34,825	-	34,825
Total expenditures	2,708,940	2,746,214	2,344,749	401,465	3,567,288	3,613,415	3,521,865	91,550
Excess (deficiency) of revenues over expenditures	(1,151,333)	(1,188,607)	(1,352,344)	(163,737)	12	-	1,147	1,147
<b>OTHER FINANCING SOURCES (USES)</b>								
Board of County Commissioners appropriation	1,385,860	1,385,860	1,385,860	-	-	-	-	-
Board of County Commissioners excess fees	(234,527)	(197,253)	(33,516)	163,737	-	-	-	-
Transfer to Clerk of Court Trust Fund	-	-	-	-	(12)	-	(1,147)	(1,147)
Total other financing sources (uses)	1,151,333	1,188,607	1,352,344	163,737	(12)	-	(1,147)	(1,147)
<b>Net change in fund balances</b>	-	-	-	-	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Santa Rosa County, Florida Clerk of Courts  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS (Continued)  
For the year ended September 30, 2008**

	Special Revenue Fund Courts Technology Fund				Special Revenue Fund Records Modernization Trust Fund				Special Revenue Fund OSCA Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>												
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,252	\$ 71,928	\$ 76,561	\$ 4,633
Charges for services	410,000	410,000	263,293	(146,707)	130,500	130,500	86,885	(43,615)	-	-	-	-
Total revenues	410,000	410,000	263,293	(146,707)	130,500	130,500	86,885	(43,615)	54,252	71,928	76,561	4,633
<b>EXPENDITURES</b>												
Current:												
General government:												
Financial and administrative:												
Operating	-	-	-	-	100,000	100,000	290,133	(190,133)	-	-	-	-
Capital outlay	-	-	-	-	30,500	30,500	103,124	(72,624)	-	-	-	-
Judicial:												
Personal services	330,735	286,935	286,933	2	-	-	-	-	49,192	67,383	68,328	(945)
Operating	69,265	113,084	187,254	(74,170)	-	-	-	-	3,381	3,130	5,834	(2,704)
Capital outlay	10,000	9,981	9,981	-	-	-	-	-	1,679	1,415	1,415	-
Reserve for contingencies	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	410,000	410,000	484,168	(74,168)	130,500	130,500	393,257	(262,757)	54,252	71,928	75,577	(3,649)
<b>Net change in fund balances</b>	-	-	(220,875)	(220,875)	-	-	(306,372)	(306,372)	-	-	984	984
<b>FUND BALANCES, BEGINNING OF YEAR</b>	-	-	514,772	514,772	-	-	874,973	874,973	-	-	(984)	(984)
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 293,897	\$ 293,897	\$ -	\$ -	\$ 568,601	\$ 568,601	\$ -	\$ -	\$ -	\$ -

**SUPPLEMENTARY INFORMATION**  
**COMBINING FUND FINANCIAL STATEMENTS**

**Santa Rosa County, Florida Clerk of Courts  
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS -  
ALL AGENCY FUNDS  
September 30, 2008**

	Court Registry	Fine and Cost	Intangible Tax	State Documentary Stamp	Suspense	Tax Redemption	Ordinary Witness	State Juror Account	Bail Bonds	Child Support	Totals
<b>ASSETS</b>											
Cash and cash equivalents	\$ 821,461	\$ 115,291	\$ 60,781	\$ 314,709	\$ 70,655	\$ 59,341	\$ 26,915	\$ 2,563	\$ 471,604	\$ 893	\$ 1,944,213
Total assets	821,461	115,291	60,781	314,709	70,655	59,341	26,915	2,563	471,604	893	1,944,213
<b>LIABILITIES</b>											
Accounts payable	-	-	-	-	-	-	26,915	2,563	-	-	29,478
Due to other governmental units	-	115,291	60,781	314,709	70,655	-	-	-	-	893	562,329
Deposits	821,461	-	-	-	-	59,341	-	-	471,604	-	1,352,406
Total liabilities	821,461	115,291	60,781	314,709	70,655	59,341	26,915	2,563	471,604	893	1,944,213
<b>NET ASSETS</b>											
Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**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**

Honorable Mary M. Johnson  
Clerk of Courts  
Santa Rosa County, Florida

We have audited the special-purpose financial statements (hereinafter referred to a “financial statements”) of each major fund and aggregate remaining fund information of the Office of the Clerk of Courts of Santa Rosa County, Florida (hereinafter referred to as “Clerk”), as of and for the year ended September 30, 2008, and have issued our report thereon dated May 5, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk’s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity’s financial statements that is more than inconsequential will not be prevented or detected by the entity’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity’s internal control.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

As required by the provisions of Chapter 10.550, Rules of the Auditor General, we have issued a separate management letter dated May 5, 2009 which should be considered in assessing the results of our audit.

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

*O'Sullivan Creel, LLP*

May 5, 2009

## MANAGEMENT LETTER

Honorable Mary M. Johnson  
Clerk of Courts  
Santa Rosa County, Florida

We have audited the special-purpose financial statements (hereinafter referred to as “financial statements”) of each major fund and aggregate remaining fund information of the Office of the Clerk of Courts of Santa Rosa County, Florida (hereinafter referred to as “Clerk”), as of and for the year ended September 30, 2008, and have issued our report thereon dated May 5, 2009.

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. We have also issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated May 5, 2009, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554 (1) (i) 1.) require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. The recommendation made in the preceding annual financial audit report has been satisfactorily implemented.

As required by the Rules of the Auditor General (Section 10.554 (1) (i) 2.), we determined that the Clerk is in compliance with Section 218.415, Florida Statutes, regarding the investment of public funds.

The Rules of the Auditor General (Section 10.554 (1) (i) 3.) require that we comment as to whether or not there were any recommendations made to improve the financial management. In connection with our audit, we did not have any such recommendations.

The Rules of the Auditor General (Section 10.554 (1) (i) 4.) require disclosure in the management letter of violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit we did not identify any such findings.

The Rules of the Auditor General (Section 10.554 (1) (i) 5.) permit disclosure in the management letter based on professional judgment of matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors, including the following: violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred; control deficiencies that are not significant deficiencies, including, but not limited to: improper or inadequate accounting procedures (e.g. the omission of required disclosures from the annual financial statements), failures to properly record financial transactions, and other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters which, in our judgment, are required to be disclosed.

As required by the Rules of the Auditor General (Section 10.554 (1) (i) 8. (a)) we determined that the Clerk is in compliance with the budget certified by the Florida Clerk of Courts Operations Corporation pursuant to Section 28.35, Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554 (1) (h) 8. (b)) we determined that the Clerk is in compliance with the performance standards developed and certified pursuant to Section 28.35, Florida Statutes.

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

*O'Sullivan Creel, LLP*

May 5, 2009

**Santa Rosa County, Florida Clerk of Courts  
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER  
For the year ended September 30, 2008**

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There were no comments which require management's written response.