

SANTA ROSA COUNTY, FLORIDA CLERK OF COURTS

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

SANTA ROSA COUNTY, FLORIDA CLERK OF COURTS

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

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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, 2010, 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, 2010, 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 March 24, 2011 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, 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 16 and 17 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 Balance Sheet – Non-major Governmental Funds; the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds; and the Combining Statement of Fiduciary Net Assets – All Agency Funds, is presented for purposes of additional analysis and is not a required part of these financial statements. These combining fund financial statements have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are 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 Greel, LLP

March 24, 2011

**Santa Rosa County, Florida Clerk of Courts
BALANCE SHEET - ALL GOVERNMENTAL FUNDS
September 30, 2010**

	Major Funds				Total Non-major Funds	Total
	General	Courts	Courts Technology	Records Modernization Trust		
ASSETS						
Cash and cash equivalents	\$ 141,124	\$ 323,290	\$ 440,953	\$ 480,115	\$ 125,909	\$ 1,511,391
Due from other governmental units	6,440	5,245	-	-	13,736	25,421
Due from other funds	-	13,736	-	-	-	13,736
Total assets	<u>\$ 147,564</u>	<u>\$ 342,271</u>	<u>\$ 440,953</u>	<u>\$ 480,115</u>	<u>\$ 139,645</u>	<u>\$ 1,550,548</u>
LIABILITIES						
Accounts payable	\$ 8,056	\$ 677	\$ 8,904	\$ -	\$ -	\$ 17,637
Accrued wages and salaries	54,325	80,229	7,899	-	-	142,453
Due to Board of County Commissioners	37,747	-	-	-	-	37,747
Due to other funds	-	-	-	-	13,736	13,736
Deferred income	47,436	-	-	-	-	47,436
Total liabilities	<u>147,564</u>	<u>80,906</u>	<u>16,803</u>	<u>-</u>	<u>13,736</u>	<u>259,009</u>
FUND BALANCES						
Reserved for courts technology fund	-	-	424,150	-	-	424,150
Reserved for records modernization trust fund	-	-	-	480,115	-	480,115
Unreserved	-	261,365	-	-	125,909	387,274
Total fund balances	<u>-</u>	<u>261,365</u>	<u>424,150</u>	<u>480,115</u>	<u>125,909</u>	<u>1,291,539</u>
Total liabilities and fund balances	<u>\$ 147,564</u>	<u>\$ 342,271</u>	<u>\$ 440,953</u>	<u>\$ 480,115</u>	<u>\$ 139,645</u>	<u>\$ 1,550,548</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, 2010**

	Major Funds				Total Non-major Funds	Total
	General	Courts	Courts Technology	Records Modernization Trust		
REVENUES						
Intergovernmental	\$ -	\$ 3,287,416	\$ -	\$ -	\$ 114,779	\$ 3,402,195
Charges for services	765,041	5,402	223,964	74,009	-	1,068,416
Fines and forfeits	-	-	-	-	183,814	183,814
Miscellaneous	31,560	22,251	-	-	-	53,811
Total revenues	<u>796,601</u>	<u>3,315,069</u>	<u>223,964</u>	<u>74,009</u>	<u>298,593</u>	<u>4,708,236</u>
EXPENDITURES						
Current:						
General government:						
Financial and administrative:						
Personal services	1,831,490	-	-	-	78,564	1,910,054
Operating	279,292	322	-	28,468	24,090	332,172
Capital outlay	18,120	-	-	-	2,283	20,403
Judicial:						
Personal services	-	2,958,804	99,920	-	114,779	3,173,503
Operating	-	152,872	73,866	-	-	226,738
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>2,128,902</u>	<u>3,111,998</u>	<u>173,786</u>	<u>28,468</u>	<u>219,716</u>	<u>5,662,870</u>
Excess (deficiency) of revenues over expenditures	<u>(1,332,301)</u>	<u>203,071</u>	<u>50,178</u>	<u>45,541</u>	<u>78,877</u>	<u>(954,634)</u>
OTHER FINANCING SOURCES (USES)						
Board of County Commissioners appropriation	1,367,247	-	-	-	-	1,367,247
Board of County Commissioners excess fees	(34,946)	-	-	-	-	(34,946)
Payments to Clerks of the Court Trust Fund	-	(480)	-	-	-	(480)
Total other financing sources (uses)	<u>1,332,301</u>	<u>(480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,331,821</u>
Net change in fund balances	-	202,591	50,178	45,541	78,877	377,187
FUND BALANCES, BEGINNING OF YEAR	-	58,774	373,972	434,574	47,032	914,352
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 261,365</u>	<u>\$ 424,150</u>	<u>\$ 480,115</u>	<u>\$ 125,909</u>	<u>\$ 1,291,539</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, 2010**

ASSETS

Cash and cash equivalents	\$ 2,352,299
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LIABILITIES

Accounts payable	20,272
Due to other governmental units	1,518,449
Deposits	813,578
Total liabilities	<u>2,352,299</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, 2010

NOTE A – SUMMARY OF SIGNIFICANT 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, Florida Statutes), Clerk of the County Court (duties described in Chapter 34, Florida Statutes), and Clerk and Accountant to the Santa Rosa County Board of County Commissioners (the “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 BOCC, 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.

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, 2010

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 BOCC, 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 funds:

Title IV-D Fund is a special revenue fund used to account for activities related to Title IV-D child support cases. The funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

10% Fines – Public Records Modernization Trust (PRMT) Fund is a special revenue fund used to account for 10% of fines collected and retained by the Clerk for supporting court operations.

Santa Rosa County, Florida Clerk of Courts
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2010

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

2. Fund Accounting -- (Continued)

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.

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. 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 BOCC, county auditor, and custodian or treasurer of all county funds and other county-related duties. The budget is submitted to the BOCC 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, 2010

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

7. Accounting for Capital Assets

Capital assets (vehicles, equipment, and other tangible property and certain intangible 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. In addition, the Clerk must also remit to the Board any excess revenues attributable to non court-related functions. These amounts, if unpaid, are reported as due to other governmental units at year-end.

10. Events Occurring After Reporting Date

The Clerk has evaluated events and transactions that occurred between September 30, 2010 and March 24, 2011, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Santa Rosa County, Florida Clerk of Courts
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2010

NOTE B – CASH

At September 30, 2010, the banks reported deposits before outstanding checks of \$3,923,284 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 LIABILITY – COMPENSATED ABSENCES

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

Balance - October 1, 2009	\$ 692,145
Increases	511,611
Decreases	<u>(540,195)</u>
Balance - September 30, 2010	<u>\$ 663,561</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"). 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 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 Florida retirement system offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans.

The FRS Pension Plan is a multiple employer costs sharing defined benefit plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Normal retirement benefits are available to

Santa Rosa County, Florida Clerk of Courts
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2010

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

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 may 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.

The FRS Investment Plan is a defined contribution plan in which participants are vested after one year of service. The employer makes contributions each month based on a percentage of the employee's gross salary and membership class. The contribution percentage is the same whether participating in the Pension Plan or Investment Plan. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the funds are portable upon termination if the participant is vested. Members in the investment plan are not eligible for participation in the Deferred Retirement Option Program ("DROP").

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 plans are 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, 2010 were as follows: regular employees, 10.08%, special risk employees, 21.50%, elected officials, 17.06%, senior management employees, 13.48%, and DROP participants, 11.25%. The Clerk's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. The Clerk's contributions to the Investment Plan were equal to the legislatively mandated contribution rates, which are equal to a percentage of the members' gross monthly salary based on the membership class. Contributions to both plans totaled \$365,501, \$388,558, and \$402,063, for the years ended September 30, 2010, 2009, and 2008, respectively.

Santa Rosa County, Florida Clerk of Courts
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2010

NOTE E – OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Clerk participates in the health insurance plan offered to employees of the Board other County Elected Officials (the Board plan). Additionally, retirees and eligible dependants have the option of continuing in the Board plan at the same group rate as for active employees.

The Board engaged an actuarial firm to determine the estimated obligation associated with the post employment health insurance benefits as of September 30, 2010 for all participants of the Board plan. Costs attributed to the Clerk have been allocated based on the Clerk's payroll compared to total payroll of all participants in the Board plan. The Clerk's Annual OPEB Cost for fiscal year 2010 was \$150,442, and employer contributions included in Personal Services expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance were \$33,146. The net OPEB obligation of the Clerk was \$206,639, and the Unfunded Actuarial Accrued Liability, which is being amortized over a thirty year period as part of the Annual Required Contribution, was \$1,107,960. Because these financial statements focus on current financial resources, they do not include the net OPEB obligation or any other long-term liability. A full presentation of the OPEB liabilities, funding status, and actuarial methods and assumptions is included in the 2010 Board's Annual Financial Report.

Following are the components of the Clerk's net OPEB obligation at September 30, 2010:

Normal Cost	\$ 87,466
Amortization of Unfunded Actuarial Accrued Liability	<u>65,202</u>
Annual Required Contribution (ARC)	152,668
Interest on Net OPEB Obligation	4,691
Adjustment to ARC	<u>(6,917)</u>
Annual OPEB Cost	150,442
Estimated Employer Contributions Made	<u>(33,146)</u>
Increase in net OPEB Obligation	117,296
Net OPEB Obligation, October 1, 2009	<u>89,343</u>
Net OPEB Obligation, September 30, 2010	<u>\$ 206,639</u>

Santa Rosa County, Florida Clerk of Courts
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2010

NOTE F – 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 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 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, \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials' Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings and contents. There also were no significant reductions in insurance coverage from the prior year and settled claims resulting from conventional insurance risks have not exceeded 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, 2010

	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)
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 3,329,100	\$ 3,329,100	\$ 3,287,416	\$ (41,684)
Charges for services	771,590	769,720	765,041	(4,679)	3,000	3,000	5,402	2,402
Fines and forfeits	-	-	-	-	-	-	-	-
Miscellaneous	31,780	33,650	31,560	(2,090)	210	210	22,251	22,041
Total revenues	<u>803,370</u>	<u>803,370</u>	<u>796,601</u>	<u>(6,769)</u>	<u>3,332,310</u>	<u>3,332,310</u>	<u>3,315,069</u>	<u>(17,241)</u>
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Personal services	1,824,901	1,828,016	1,831,490	(3,474)	-	-	-	-
Operating	186,346	289,353	279,292	10,061	-	2,600	322	2,278
Capital outlay	-	18,200	18,120	80	-	-	-	-
Judicial:								
Personal services	-	-	-	-	2,996,984	3,070,219	2,958,804	111,415
Operating	-	-	-	-	302,684	256,615	152,872	103,743
Reserve for contingencies	-	-	-	-	3,200	389	-	389
Total expenditures	<u>2,011,247</u>	<u>2,135,569</u>	<u>2,128,902</u>	<u>6,667</u>	<u>3,302,868</u>	<u>3,329,823</u>	<u>3,111,998</u>	<u>217,825</u>
Excess (deficiency) of revenues over expenditures	(1,207,877)	(1,332,199)	(1,332,301)	(102)	29,442	2,487	203,071	200,584
OTHER FINANCING SOURCES (USES)								
Board of County Commissioners appropriation	1,367,247	1,367,247	1,367,247	-	-	-	-	-
Board of County Commissioners excess fees	(159,370)	(35,048)	(34,946)	102	-	-	-	-
Transfer to Clerk of Court Trust Fund	-	-	-	-	(29,442)	(2,487)	(480)	2,007
Total other financing sources (uses)	<u>1,207,877</u>	<u>1,332,199</u>	<u>1,332,301</u>	<u>102</u>	<u>(29,442)</u>	<u>(2,487)</u>	<u>(480)</u>	<u>2,007</u>
Net change in fund balances	-	-	-	-	-	-	202,591	202,591
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-	58,774	58,774
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,365</u>	<u>\$ 261,365</u>

**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, 2010**

	Special Revenue Fund Courts Technology Fund				Special Revenue Fund Records Modernization Trust Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	235,000	235,000	223,964	(11,036)	150,000	150,000	74,009	(75,991)
Total revenues	<u>235,000</u>	<u>235,000</u>	<u>223,964</u>	<u>(11,036)</u>	<u>150,000</u>	<u>150,000</u>	<u>74,009</u>	<u>(75,991)</u>
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Operating	-	-	-	-	140,000	131,500	28,468	103,032
Capital outlay	-	-	-	-	10,000	18,500	-	18,500
Judicial:								
Personal services	110,616	110,616	99,920	10,696	-	-	-	-
Operating	124,384	124,384	73,866	50,518	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>235,000</u>	<u>235,000</u>	<u>173,786</u>	<u>61,214</u>	<u>150,000</u>	<u>150,000</u>	<u>28,468</u>	<u>121,532</u>
Net change in fund balances	-	-	50,178	50,178	-	-	45,541	45,541
FUND BALANCES, BEGINNING OF YEAR	-	-	373,972	373,972	-	-	434,574	434,574
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,150</u>	<u>\$ 424,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,115</u>	<u>\$ 480,115</u>

SUPPLEMENTARY INFORMATION
COMBINING FUND FINANCIAL STATEMENTS

Santa Rosa County, Florida Clerk of Courts
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2010

	10% Fines - PRMTF	Child Support Title IV-D	Total Non-major Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 125,909	\$ -	\$ 125,909
Due from other governmental units	-	13,736	13,736
Total assets	<u>\$ 125,909</u>	<u>\$ 13,736</u>	<u>\$ 139,645</u>
LIABILITIES			
Due to other funds	\$ -	\$ 13,736	\$ 13,736
Total liabilities	<u>-</u>	<u>13,736</u>	<u>13,736</u>
FUND BALANCES			
Unreserved	125,909	-	125,909
Total fund balances	<u>125,909</u>	<u>-</u>	<u>125,909</u>
Total liabilities and fund balances	<u>\$ 125,909</u>	<u>\$ 13,736</u>	<u>\$ 139,645</u>

**Santa Rosa County, Florida Clerk of Courts
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
 For the year ended September 30, 2010**

	10% Fines - PRMTF	Child Support Title IV-D	Total Non-major Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 114,779	\$ 114,779
Fines and forfeits	183,814	-	183,814
Total revenues	<u>183,814</u>	<u>114,779</u>	<u>298,593</u>
EXPENDITURES			
Current:			
General government:			
Financial and administrative:			
Personal services	78,564	-	78,564
Operating	24,090	-	24,090
Capital outlay	2,283	-	2,283
Judicial:			
Personal services	-	114,779	114,779
Operating	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>104,937</u>	<u>114,779</u>	<u>219,716</u>
Net change in fund balances	78,877	-	78,877
FUND BALANCES, BEGINNING OF YEAR	<u>47,032</u>	<u>-</u>	<u>47,032</u>
FUND BALANCES, END OF YEAR	<u>\$ 125,909</u>	<u>\$ -</u>	<u>\$ 125,909</u>

**Santa Rosa County, Florida Clerk of Courts
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
 ALL AGENCY FUNDS
 September 30, 2010**

	Court Registry	Fine and Cost	Court Revenues - State	Intangible Tax	State Documentary Stamp	Suspense	Tax Redemption	Ordinary Witness	Bail Bonds	Child Support	Totals
ASSETS											
Cash and cash equivalents	\$ 506,765	\$ 140,992	\$ 235,537	\$ 164,488	\$ 791,814	\$ 184,725	\$ 76,070	\$ 20,272	\$ 230,743	\$ 893	\$ 2,352,299
Total assets	506,765	140,992	235,537	164,488	791,814	184,725	76,070	20,272	230,743	893	2,352,299
LIABILITIES											
Accounts payable	-	-	-	-	-	-	-	20,272	-	-	20,272
Due to other governmental units	-	140,992	235,537	164,488	791,814	184,725	-	-	-	893	1,518,449
Deposits	506,765	-	-	-	-	-	76,070	-	230,743	-	813,578
Total liabilities	506,765	140,992	235,537	164,488	791,814	184,725	76,070	20,272	230,743	893	2,352,299
NET ASSETS											
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 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, 2010, and have issued our report thereon dated March 24, 2011.

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 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 March 24, 2011 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 Greel, LLP

March 24, 2011

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, 2010, and have issued our report thereon dated March 24, 2011.

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 March 24, 2011, 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.

Section 10.554 (1) (i) 1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit. There were no recommendations made in the preceding annual financial audit report.

Section 10.554 (1) (i) 2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Clerk complied with Section 218.415, Florida Statutes.

Section 10.554 (1) (i) 3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554 (1) (i) 4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554 (1) (i) 5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554 (1) (i) 8., Rules of the Auditor General, requires a statement as to whether or not the Clerk complied with the requirement of Sections 28.35 and 28.36, Florida Statutes. In connection with our audit, we determined that the Clerk complied with such requirements.

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 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

March 24, 2011

**Santa Rosa County, Florida Clerk of Courts
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
For the year ended September 30, 2010**

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