

**OKEECHOBEE COUNTY CLERK OF  
THE CIRCUIT COURT**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**YEAR ENDED SEPTEMBER 30, 2015**

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Sharon Robertson  
Okeechobee County Clerk of the Circuit Court  
Okeechobee 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 Okeechobee County Clerk of the Circuit Court, Okeechobee County, Florida (Clerk) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the General Fund and Court Related Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Okeechobee County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Okeechobee County as of September 30, 2015, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

**Other Matters**

*Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

*Supplementary Information*

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

The Honorable Sharon Robertson  
Okeechobee County Clerk of the Circuit Court

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sebring, Florida  
January 29, 2016

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

<b>ASSETS</b>	<u>General</u>	<u>PRMT</u>	<u>Court Related</u>	<u>Court Related PRMT</u>	<u>Total Governmental Funds</u>
Cash	\$ 108,787	\$ 439,487	\$ 451,002	\$ 234,451	\$ 1,233,727
Accounts Receivable	-	-	1,115	-	1,115
Due from Other Governments	-	-	12,784	-	12,784
Prepaid Items	19,134	-	5,937	-	25,071
	<u>127,921</u>	<u>439,487</u>	<u>470,838</u>	<u>234,451</u>	<u>1,272,697</u>
Total Assets	<u>\$ 127,921</u>	<u>\$ 439,487</u>	<u>\$ 470,838</u>	<u>\$ 234,451</u>	<u>\$ 1,272,697</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ 61,391	\$ -	\$ 75,011	\$ -	\$ 136,402
Due to Board of County Commissioners	52,932	-	-	-	52,932
Due to Other Governmental Units	-	-	294,646	-	294,646
Deposits	13,598	-	101,181	-	114,779
Total Liabilities	<u>127,921</u>	<u>-</u>	<u>470,838</u>	<u>-</u>	<u>598,759</u>
 <b>FUND BALANCES</b>					
Nonspendable	19,134	-	5,937	-	25,071
Restricted	-	439,487	-	234,451	673,938
Unassigned	(19,134)	-	(5,937)	-	(25,071)
Total Fund Balances	<u>-</u>	<u>439,487</u>	<u>-</u>	<u>234,451</u>	<u>673,938</u>
Total Liabilities and Fund Balances	<u>\$ 127,921</u>	<u>\$ 439,487</u>	<u>\$ 470,838</u>	<u>\$ 234,451</u>	<u>\$ 1,272,697</u>

See accompanying Notes to Financial Statements.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2015**

	General	PRMT	Court Related	Court Related PRMT	Total Governmental Funds
<b>REVENUES</b>					
Appropriations from Board of County Commissioners	\$ 995,593	\$ -	\$ -	\$ -	\$ 995,593
Intergovernmental	-	-	447,437	-	447,437
Charges for Services	162,835	54,261	612,704	40,544	870,344
Fines and Forfeitures	-	-	234,094	-	234,094
Interest	13,941	1,415	1,169	749	17,274
Total Revenues	<u>1,172,369</u>	<u>55,676</u>	<u>1,295,404</u>	<u>41,293</u>	<u>2,564,742</u>
<b>EXPENDITURES</b>					
Current:					
General Government:					
Salaries and Benefits	872,463	-	998,698	-	1,871,161
Operating Expenditures	210,446	13,988	62,164	-	286,598
Capital Outlay	36,528	3,132	-	-	39,660
Total Expenditures	<u>1,119,437</u>	<u>17,120</u>	<u>1,060,862</u>	<u>-</u>	<u>2,197,419</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	52,932	38,556	234,542	41,293	367,323
<b>OTHER FINANCING USES</b>					
Distribution of Excess Revenues:					
Board of County Commissioners	(52,932)	-	-	-	(52,932)
State of Florida	-	-	(234,542)	-	(234,542)
Total Other Financing Uses	<u>(52,932)</u>	<u>-</u>	<u>(234,542)</u>	<u>-</u>	<u>(287,474)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	38,556	-	41,293	79,849
Fund Balances - Beginning of Year	-	400,931	-	193,158	594,089
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 439,487</u>	<u>\$ -</u>	<u>\$ 234,451</u>	<u>\$ 673,938</u>

See accompanying Notes to Financial Statements.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budget		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Appropriations from Board of County Commissioners	\$ 995,593	\$ 995,593	\$ 995,593	\$ -
Charges for Services	240,507	240,507	162,835	(77,672)
Interest	9,489	9,489	13,941	4,452
Total Revenues	<u>1,245,589</u>	<u>1,245,589</u>	<u>1,172,369</u>	<u>(73,220)</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	961,706	960,802	872,463	88,339
Operating Expenditures	246,783	247,687	210,446	37,241
Capital Outlay	<u>37,100</u>	<u>37,100</u>	<u>36,528</u>	<u>572</u>
Total Expenditures	<u>1,245,589</u>	<u>1,245,589</u>	<u>1,119,437</u>	<u>126,152</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	52,932	52,932
<b>OTHER FINANCING USES</b>				
Distribution of Excess Revenues:				
Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(52,932)</u>	<u>(52,932)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.



**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
COURT RELATED FUND  
YEAR ENDED SEPTEMBER 30, 2015**

	Budget		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 549,201	\$ 500,410	\$ 447,437	\$ (52,973)
Charges for Services	528,352	528,350	612,704	84,354
Fines and Forfeitures	210,281	210,281	234,094	23,813
Interest	1,890	1,890	1,169	(721)
Total Revenues	<u>1,289,724</u>	<u>1,240,931</u>	<u>1,295,404</u>	<u>54,473</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Salaries and Benefits	1,158,952	1,131,161	998,698	132,463
Operating Expenditures	<u>130,772</u>	<u>109,770</u>	<u>62,164</u>	<u>47,606</u>
Total Expenditures	<u>1,289,724</u>	<u>1,240,931</u>	<u>1,060,862</u>	<u>180,069</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	234,542	234,542
<b>OTHER FINANCING USES</b>				
Distribution of Excess Revenues:				
State of Florida	<u>-</u>	<u>-</u>	<u>(234,542)</u>	<u>(234,542)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
SEPTEMBER 30, 2015**

**ASSETS**

Cash	<u>\$ 1,343,780</u>
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**LIABILITIES**

Due to Individuals	\$ 1,193,605
Due to Board of County Commissioners	13,482
Due to Other Governments	136,693
Total Liabilities	<u>\$ 1,343,780</u>

*See accompanying Notes to Financial Statements.*

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting principles and policies used in the preparation of the financial statements of the Okeechobee County Clerk of the Circuit Court (Clerk).

**Reporting Entity**

Okeechobee County, Florida (County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (Board) and an appointed County Administrator, as provided by Section 125.73 of the Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Clerk is an elected official of the County, pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Clerk is part of the primary government of the County. The Clerk is responsible for the administration and operation of the Clerk's office. The Clerk's financial statements include only the funds of the Clerk's office. There are no separate legal entities (component units) for which the Clerk is considered to be financially accountable.

The clerk funds court-related functions from fees, service charges, costs, and fines collected and retained according to Section 28.36, Florida Statutes. Excess fees are remitted per Section 28.37, Florida Statutes.

As Clerk to the Board, the Clerk is funded as a budget officer pursuant to Florida Statutes Chapters 218 and 129, respectively. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Clerk's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures as Clerk to the Board are remitted to the Board at year-end.

**Basis of Presentation**

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Okeechobee County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Okeechobee County, Florida in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Fund Accounting**

The accounts of the Clerk 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, as appropriate. 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.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

The purposes of the Clerk's funds are as follows:

**Governmental Funds**

**General Fund** – The General Fund is the general operating fund of the Clerk. It is used to account for general revenues and other receipts that are not required to be accounted for in another fund.

**PRMT Fund** – The Public Records Modernization Trust Fund (PRMT) is a special revenue fund used to account for the revenues and expenditures pursuant to Section 28.24, Florida Statutes.

**Court Related Fund** – The Court Related Fund is a special revenue fund used to account for the revenues and expenditures pursuant to Sections 28.36 and 28.37, Florida Statutes for court related functions.

**Court Related PRMT Fund** – The Court Related PRMT Fund is a special revenue fund used to account for the revenues and expenditures for the 10% PRMT pursuant to Chapter 28.37(5), Florida Statutes.

**Fiduciary Fund Type**

**Agency Fund** – Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Measurement Focus**

**Governmental Fund Type** – Governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported unassigned fund balance (net current assets) is considered a measure of "available, spendable, or appropriate resources". Governmental fund type operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Agency funds are accounted for using the accrual basis of accounting. Under the accrual method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgetary Requirements**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the General Fund and the Court Related Fund. Budget to actual comparisons are provided in the financial statements for the General Fund and the Court Related Fund, where the Clerk has legally adopted an annual budget. The Clerk is not legally required to adopt a budget for the PRMT Fund or the Court Related PRMT Fund. Therefore, budget comparison information is not included in the Clerk's financial statements. Final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual (GAAP) basis of accounting. The Clerk's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Prepaid Items**

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

**Capital Assets**

Capital assets are recorded as expenditures in the governmental funds at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost. Donated assets are recorded at fair market value at the time received. All capital assets are reported in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for these capital assets.

Capital assets are defined by the Clerk as assets with an initial, individual cost of \$1,000 or more and an estimated useful of life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Compensated Absences**

It is the Clerk's policy to grant permanent full-time employees vacation and sick leave. Employees are fully vested after 90 days for vacation leave and 1 year for sick leave. For all full-time employees hired prior to January 15, 1996, the maximum vacation and sick leave to be reimbursed upon termination will be 240 hours, unless the employee has 25 years of service with the County. An employee with 25 years of service or more will be reimbursed for all accrued and unused vacation and sick leave. For all full-time employees hired after January 15, 1996, the maximum vacation to be reimbursed upon termination will be 240 hours; the maximum sick leave to be reimbursed will also be 240 hours.

The Clerk's liability for compensated absences is reported as noncurrent liabilities in the records of the County as a whole. Because of their spending measurement focus, expenditure recognition for governmental funds 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 expenditures or fund liabilities.

**Use of Estimates**

The preparation of the financial statements is in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**Other Postemployment Benefit Obligations**

Other postemployment benefit obligations are reported in conformity with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The basic premise of the statement is that Other Postemployment Benefits (OPEB) are earned by employees and should be recognized by the employer as the employee provides services. The Clerk's employees are included as part of the Other Postemployment Health Benefits Plan (OPEB plan) administered by the Board and the Constitutional Officers of the County. The OPEB plan currently covers certain eligible retirees of the Board and the Constitutional Officers of the County. Retirees participating in the group insurance plans offered by the County are required to contribute 100% of the active premiums. Accounting for OPEB under GASB No. 45 results in the County reporting a significant actuarially-based liability for benefits.

**NOTE 2 CASH**

At September 30, 2015, the Clerk's deposits were \$2,575,057. The entire amount of the demand deposits is deposited in a State of Florida qualified depository and, therefore, is fully collateralized.

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

**NOTE 2 CASH (CONTINUED)**

Custodial Credit Risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The Clerk's monies must be deposited in banks designated as qualified public depositories by the Chief Financial Officer, Florida Department of Financial Services. Therefore, the Clerk's total deposits are insured by the Federal Depository Insurance Corporation and collateralized by the Bureau of Collateral Management, Division of Treasury, Florida Department of Financial Services. The law requires the Chief Financial Officer to ensure that funds are entirely collateralized throughout the fiscal year. Other than the preceding, the Clerk has no policy on custodial credit risk.

Collateral is provided for demand deposits through the Florida Security for Public Deposits Act. This law establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under this law, the qualified public depository must pledge at least 25% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance.

Additional collateral, up to a maximum of 150%, may be required if deemed necessary under the conditions set forth in this law. Eligible collateral consists of obligations of the United States and its agencies and obligations of states and their local political subdivisions and unaffiliated corporations.

Obligations pledged to secure deposits must be delivered to the Department of Financial Services or, with the approval of the Chief Financial Officer, to a bank, savings association or trust company provided a power of attorney is delivered to the Chief Financial Officer. On a monthly basis, the Chief Financial Officer determines that the collateral has a market value adequate to cover the deposits under the provisions of this law.

A reconciliation to amount shown on the balance sheet and statement of fiduciary net position is as follows:

Demand Deposits	\$ 2,575,057
Petty Cash and Change Funds	2,450
Total	\$ 2,577,507
Balance Sheet:	
Cash	\$ 1,233,727
Statement of Fiduciary Net Position:	
Cash	1,343,780
Total Cash	\$ 2,577,507

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

**NOTE 3 CAPITAL ASSETS**

The Clerk's capital assets include machinery and equipment and software. Detailed information concerning capital assets is recorded and reported in the government-wide financial statements of the County. The following is a summary of changes in capital assets for the year ended September 30, 2015:

<u>Governmental Activities</u>	Balance October 1, 2014	Increases	(Decreases)	Balance September 30, 2015
Capital Assets, Being				
Depreciated/Amortized:				
Machinery and Equipment	\$ 760,631	\$ 39,661	\$ (42,011)	\$ 758,281
Computer Software	405,611	-	-	405,611
Total Capital Assets Being				
Depreciated/Amortized	1,166,242	39,661	(42,011)	1,163,892
Less: Accumulated				
Depreciation/Amortization:				
Machinery and Equipment	(558,405)	(69,988)	40,079	(588,314)
Computer Software	(326,126)	(29,520)	-	(355,646)
Total Accumulated				
Depreciation/Amortization	(884,531)	(99,508)	40,079	(943,960)
Total Capital Assets, Net	<u>\$ 281,711</u>	<u>\$ (59,847)</u>	<u>\$ (1,932)</u>	<u>\$ 219,932</u>

**NOTE 4 FUND BALANCES – GOVERNMENTAL FUNDS**

As of September 30, 2015, fund balances of the governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.

**Committed** – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority.

**Assigned** – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

**Unassigned** – amounts that are available for any purpose; these amounts can be reported only in the Clerk's General Fund. Unassigned fund balance may also include a negative balance for any governmental fund if expenditures exceed the amount restricted, committed, or assigned for those purposes.



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

**NOTE 4 FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)**

The Clerk has adopted a fund balance policy. Funds are committed through a written memorandum of the Clerk. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Clerk considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk has provided otherwise in its commitment or assignment actions.

A detailed schedule of fund balances at September 30, 2015 is as follows:

	General Fund	PRMT	Court Related	Court Related PRMT	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$ 19,134	\$ -	\$ 5,937	\$ -	\$ 25,071
Restricted for:					
Equipment	-	439,487	-	-	439,487
Clerk Services	-	-	-	234,451	234,451
Total Restricted					
Fund Balance	-	439,487	-	234,451	673,938
Unassigned Fund Balance	(19,134)	-	(5,937)	-	(25,071)
Total Fund Balances	<u>\$ -</u>	<u>\$ 439,487</u>	<u>\$ -</u>	<u>\$ 234,451</u>	<u>\$ 673,938</u>

**NOTE 5 PERSONNEL COMMITMENTS**

Accrued compensated absences represent the vested portion of accrued annual leave. See Note 1 for a summary of Clerk’s compensated absences policy.

The following is a summary of the changes in long-term obligations of the Clerk for the year ended September 30, 2015:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
Compensated Absences	<u>\$ 164,534</u>	<u>\$ 112,538</u>	<u>\$ (127,133)</u>	<u>\$ 149,939</u>

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

**NOTE 6 PENSION PLANS**

**Background**

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

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

**Florida Retirement System Pension Plan**

**Plan Description**

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

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

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

**NOTE 6 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

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

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

**Benefits Provided**

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

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

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

**NOTE 6 PENSION PLANS (CONTINUED)**

**Florida Retirement System Pension Plan (Continued)**

**Benefits Provided (Continued)**

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

**Retiree Health Insurance Subsidy Program**

**Plan Description**

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

**Benefits Provided**

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

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

**FRS Investment Plan**

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

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

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

**NOTE 6 PENSION PLANS (CONTINUED)**

Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members.

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

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

**Contributions**

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2015, 2014, and 2013 were \$101,654, \$109,085, and \$85,842, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

**NOTE 7 DEFERRED COMPENSATION PLAN**

The Clerk offers to its employees a deferred compensation plan crated in accordance with the Internal Revenue Code Section 457. The plan, available to all Clerk employees, permits participants to defer a portion of their current salary until future years. Participation in the plan is optional. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. The plan assets are held in trust for benefit of the employee and therefore are not reflected on the financial statements of the Clerk.

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

**NOTE 8 RELATED PARTY TRANSACTIONS**

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

**Budget Appropriation**

The General Fund of the Clerk received payments from the Board of County Commissioners for non-court related and accounting services in the amount of \$995,593. Excess fees payable to the Board at September 30, 2015 was \$52,932.

**NOTE 9 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. There has been no significant reduction in the insurance coverage from the prior year. Insurance for the Clerk relating to property, general liability and workers' compensation is included in the policies maintained by the Board.

Insurance for the Clerk related to commercial insurance coverage to insure employees for health and life insurance costs is included in the policies maintained by the Board. The Clerk does not retain any risk of loss under these policies.

There were no settled claims that have exceeded insurance coverage for each of the past three years.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

The Clerk is currently receiving, and has received in the past, a grant which is subject to special compliance audits by the grantor agency and which may result in disallowed expenditure amounts. These amounts, if any, constitute a contingent liability of the Clerk. Accordingly, such liabilities are not reflected within the financial statements. Management does not believe the effects of contingent liabilities, if any, will be material to the financial statements.

The Clerk is named as a defendant in several lawsuits involving mortgage foreclosures. Although the outcome of these lawsuits is not presently determinable, in the opinion of legal counsel for the Clerk, the resolution of these matters will not have a materially adverse effect on the financial condition of the Clerk.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 ALL AGENCY FUNDS  
 SEPTEMBER 30, 2015**

	<u>Tax Deed</u>	<u>Documentary Stamps</u>	<u>Intangible Taxes</u>	<u>Cash Bond</u>	<u>Registry of the Court</u>	<u>Escrow</u>	<u>Child Support</u>	<u>Fines and Costs</u>	<u>Restitution</u>	<u>Total</u>
<b>ASSETS</b>										
Cash	\$ 4,496	\$ 23,169	\$ 6,026	\$ 125,210	\$ 840,511	\$ 222,421	\$ 1,532	\$ 119,476	\$ 939	\$ 1,343,780
<b>LIABILITIES</b>										
Due to Individuals	\$ 4,496	\$ -	\$ -	\$ 125,210	\$ 840,511	\$ 222,421	\$ 28	\$ -	\$ 939	\$ 1,193,605
Due to Board of County Commissioners	-	-	-	-	-	-	-	13,482	-	13,482
Due to Other Governments	-	23,169	6,026	-	-	-	1,504	105,994	-	136,693
Total Liabilities	\$ 4,496	\$ 23,169	\$ 6,026	\$ 125,210	\$ 840,511	\$ 222,421	\$ 1,532	\$ 119,476	\$ 939	\$ 1,343,780

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Increases	(Decreases)	Balance September 30, 2015
<b>TAX DEED</b>				
<b>Assets</b>				
Cash	<u>\$ 34,247</u>	<u>\$ 289,570</u>	<u>\$ (319,321)</u>	<u>\$ 4,496</u>
<b>Liabilities</b>				
Due to Individuals	<u>\$ 34,247</u>	<u>\$ 289,570</u>	<u>\$ (319,321)</u>	<u>\$ 4,496</u>
 <b>DOCUMENTARY STAMPS</b>				
<b>Assets</b>				
Cash	<u>\$ 5,323</u>	<u>\$ 1,619,676</u>	<u>\$ (1,601,830)</u>	<u>\$ 23,169</u>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 5,323</u>	<u>\$ 1,619,676</u>	<u>\$ (1,601,830)</u>	<u>\$ 23,169</u>
 <b>INTANGIBLE TAXES</b>				
<b>Assets</b>				
Cash	<u>\$ 527</u>	<u>\$ 189,148</u>	<u>\$ (183,649)</u>	<u>\$ 6,026</u>
<b>Liabilities</b>				
Due to Other Governments	<u>\$ 527</u>	<u>\$ 189,148</u>	<u>\$ (183,649)</u>	<u>\$ 6,026</u>
 <b>CASH BOND</b>				
<b>Assets</b>				
Cash	<u>\$ 139,160</u>	<u>\$ 377,606</u>	<u>\$ (391,556)</u>	<u>\$ 125,210</u>
<b>Liabilities</b>				
Due to Individuals	<u>\$ 139,160</u>	<u>\$ 377,606</u>	<u>\$ (391,556)</u>	<u>\$ 125,210</u>



**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES (CONTINUED)  
 ALL AGENCY FUNDS  
 YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Increases	(Decreases)	Balance September 30, 2015
<b>REGISTRY OF THE COURT</b>				
<b>Assets</b>				
Cash	<u>\$ 2,459,162</u>	<u>\$ 8,371,115</u>	<u>\$ (9,989,766)</u>	<u>\$ 840,511</u>
<b>Liabilities</b>				
Due to Individuals	<u>\$ 2,459,162</u>	<u>\$ 8,371,115</u>	<u>\$ (9,989,766)</u>	<u>\$ 840,511</u>
 <b>ESCROW</b>				
<b>Assets</b>				
Cash	<u>\$ 218,080</u>	<u>\$ 301,709</u>	<u>\$ (297,368)</u>	<u>\$ 222,421</u>
<b>Liabilities</b>				
Due to Individuals	<u>\$ 218,080</u>	<u>\$ 301,709</u>	<u>\$ (297,368)</u>	<u>\$ 222,421</u>
 <b>CHILD SUPPORT</b>				
<b>Assets</b>				
Cash	<u>\$ 458</u>	<u>\$ 511,887</u>	<u>\$ (510,813)</u>	<u>\$ 1,532</u>
<b>Liabilities</b>				
Due to Individuals	\$ 28	\$ -	\$ -	\$ 28
Due to Other Governments	430	511,887	(510,813)	1,504
	<u>\$ 458</u>	<u>\$ 511,887</u>	<u>\$ (510,813)</u>	<u>\$ 1,532</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES (CONTINUED)  
 ALL AGENCY FUNDS  
 YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Increases	(Decreases)	Balance September 30, 2015
<b>FINES &amp; COSTS</b>				
<b>Assets</b>				
Cash	\$ 84,659	\$ 1,296,791	\$ (1,261,974)	\$ 119,476
<b>Liabilities</b>				
Due to Board of County Commissioners	\$ 13,103	\$ 186,208	\$ (185,829)	\$ 13,482
Due to Other Governments	71,556	1,089,527	(1,055,089)	105,994
Total Liabilities	<u>\$ 84,659</u>	<u>\$ 1,275,735</u>	<u>\$ (1,240,918)</u>	<u>\$ 119,476</u>
<b>RESTITUTION</b>				
<b>Assets</b>				
Cash	\$ 74	\$ 9,976	\$ (9,111)	\$ 939
<b>Liabilities</b>				
Due to Individuals	\$ 74	\$ 9,976	\$ (9,111)	\$ 939
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash	<u>\$ 2,941,690</u>	<u>\$ 12,967,478</u>	<u>\$ (14,565,388)</u>	<u>\$ 1,343,780</u>
<b>Liabilities</b>				
Due to Individuals	\$ 2,850,751	\$ 9,349,976	\$ (11,007,122)	\$ 1,193,605
Due to Board of County Commissioners	13,103	186,208	(185,829)	13,482
Due to Other Governments	77,836	3,410,238	(3,351,381)	136,693
Total Liabilities	<u>\$ 2,941,690</u>	<u>\$ 12,946,422</u>	<u>\$ (14,544,332)</u>	<u>\$ 1,343,780</u>



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

The Honorable Sharon Robertson  
Okeechobee County Clerk of the Circuit Court  
Okeechobee 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 Okeechobee County Clerk of the Circuit Court, Okeechobee County, Florida (Clerk), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated January 29, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as 2015-001, 2015-002 and 2015-003 to be material weaknesses.

**Compliance and Other Matters**

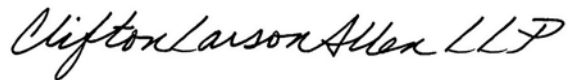
As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

**Clerk of the Circuit Court's Response to Findings**

The Clerk's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Clerk's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Clerk'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 Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sebring, Florida  
January 29, 2016

## MANAGEMENT LETTER

The Honorable Sharon Robertson  
Okeechobee County Clerk of the Circuit Court  
Okeechobee County, Florida

We have audited the financial statements of the Okeechobee County Clerk of the Circuit Court, Okeechobee County, Florida (Clerk), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated January 29, 2016.

### ***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### ***Other Reports and Schedule***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 29, 2016, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except for the current year finding 2015-001 which was reported in the preceding year as finding 2014-001 but was not reported in the second preceding year.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in the notes to the financial statements.

The Honorable Sharon Robertson  
Okeechobee County Clerk of the Circuit Court


**Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. See findings 2015-003 and 2015-004 in the accompanying schedule of findings and responses.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clerk and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sebring, Florida  
January 29, 2016

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2015**

**2015-001 – Financial Statement Adjustments (Previously Identified as Finding 2014-001)**

**Type of Finding:**

- Material Weakness in Internal Control over Financial Reporting

**Condition:**

Audit adjustments to correct the Clerk's trial balances and financial statements were identified during the course of the audit.

**Criteria or specific requirement:**

The Clerk's management is responsible for establishing and maintaining internal controls for the proper recording of the Clerk's transactions.

**Context:**

Substantive testing of account balances identified the misstatements.

**Effect:**

General Fund assets were understated while expenditures were overstated. Court Related Fund assets and liabilities were understated.

**Cause:**

Financial close and reporting procedures did not detect that services related to the fiscal year ending September 30, 2016 (future period) were recorded as an expenditure as of September 30, 2015, nor did they detect that an electronic funds payment made in October 2015 (future period) was recorded as a disbursement as of September 30, 2015.

**Recommendation:**

We recommend that management develop additional year-end closing procedures to ensure account balances are correctly stated and that financial statements are correctly presented in accordance with accounting principles generally accepted in the United States of America.

**Views of responsible officials and planned corrective actions:**

Management has developed additional year-end closing procedures to ensure account balances are correctly stated.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**2015-002 – Bank Reconciliations**

**Type of Finding:**

- Material Weakness in Internal Control over Financial Reporting

**Condition:**

Bank reconciliations for the months of October 2014 through June 2015 were not completed and reviewed timely.

**Criteria or specific requirement:**

The Clerk's management is responsible for establishing and maintaining internal controls over cash transactions. Timely preparation of complete and accurate bank reconciliations is key to maintaining adequate control over both cash receipts and disbursements.

**Context:**

Testing of internal controls identified the deficiency.

**Effect:**

Not reconciling the accounts on a monthly basis could result in errors or other problems, including misappropriation of cash, not being recognized and resolved in a timely basis. Delays in reconciling accounts also results in inefficiency due to the additional time needed to research and resolve differences.

**Cause:**

The accounting department experienced staff turnover at the beginning of the fiscal year and has been in a period of transition since that time. Accounting staff took on additional responsibilities and experienced changes in responsibilities, resulting in the bank reconciliations not being completed in a timely manner.

**Recommendation:**

We recommend that the monthly bank reconciliation process be completed and reviewed on a timely basis.

**Views of responsible officials and planned corrective actions:**

We have developed and implemented the bank reconciliations process to include assigning monthly reconciliations to the Accounting Technician with a review by the Director of Accounting. Upon completion of these steps, a report of the monthly completion will be sent to the Comptroller.



**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**2015-003 – Court-Related Receipting and Distribution**

**Type of Finding:**

- Material Weakness in Internal Control over Financial Reporting
- State Compliance

**Condition:**

In certain instances court-related receipts were not posted to the general ledger in a timely manner.

**Criteria or specific requirement:**

Management is responsible for establishing and maintaining internal control over court-related receipts. Court-related collections should be recorded in the general ledger and remitted to the appropriate agencies on a timely basis. Per Section 28.245, Florida Statutes, distribution to any state agency must be transmitted electronically, by the 10<sup>th</sup> day of the month immediately after the month in which the monies are collected, to the Department of Revenue for appropriate distribution.

**Context:**

Substantive testing of bank reconciliations disclosed the deficiency.

**Effect:**

Unadjusted balances in the Agency Funds were understated. Additionally, state agencies have not received certain amounts due to them from current year collections.

**Cause:**

The Clerk experienced issues processing voids and receipts of certain transaction types within the court case management system. As a result, certain receipts during the year were not posted to the general ledger.

**Recommendation:**

We recommend that management review the procedures for processing court-related collections to ensure all items are recorded in the general ledger upon receipt. All amounts collected on behalf of state agencies should be remitted within the statutory guidelines.

**Views of responsible officials and planned corrective actions:**

Management has developed and implemented additional procedures during the daily receipting process to identify and record to a separate schedule any receipts with possible distribution or receipting issues. This separate schedule will help minimize monthly reconciliation discrepancies to ensure all items are recorded in the general ledger upon receipt.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2015**

**2015-004 – Court-Related Technology Funding**

**Type of Finding:**

- State Compliance

**Condition:**

Telephones purchased were charged to the PRMT Fund which accounts for court-related technology revenue.

**Criteria or specific requirement:**

Section 28.24(12)(e)1, Florida Statutes states that \$1.90 shall be retained by the clerk to be deposited in the Public Records Modernization Trust Fund and used exclusively for funding court-related technology needs of the clerk as defined in Section 29.008(1)(f)2. and (h), Florida Statutes. The statute defines court-related technology needs as computer networks, systems and equipment and existing multiagency criminal justice information systems.

**Context:**

Substantive testing of expenditures and compliance with Chapter 28.24 of Florida Statutes identified the condition.

**Effect:**

Expenditures were charged to the PRMT fund that are not authorized by Florida Statutes. During the course of the audit, the expenditures were moved to an appropriate fund.

**Cause:**

Ineligible costs were not identified in a timely manner to prevent them from being charged to the PRMT Fund.

**Recommendation:**

We recommend that management develop procedures to provide additional review of expenditures charged to funds with limited allowable uses.

**Views of responsible officials and planned corrective actions:**

Management has developed and implemented two (2) additional reviews of expenditures before approval is granted to charge to funds with limited allowable uses.

## INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Sharon Robertson  
Okeechobee County Clerk of the Circuit Court  
Okeechobee County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

Our examination disclosed the following material noncompliance with Section 61.181, Florida Statutes, applicable to the Clerk during the year ended September 30, 2015. The Clerk, as the depository for alimony and child support payments, establishes accounts for the receipt and disbursement of support payments for Title IV-D interstate cases at the request of the Florida Department of Revenue (Department). Per Section 61.181, Florida Statutes, the Clerk shall advise the Department of the account number in writing within 4 business days after receipt of the request. The Clerk mails the response including the account number to the Department, but does not maintain documentation of when it was mailed. Therefore, we are unable to determine if the Clerk was in compliance with Section 61.181(1)(b), Florida Statutes.

In our opinion, except for the material noncompliance described in the third paragraph, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

The Honorable Sharon Robertson  
Okeechobee County Clerk of the Circuit Court

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Sebring, Florida  
January 29, 2016