

**OKEECHOBEE COUNTY CLERK OF
THE CIRCUIT COURT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2016

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

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, 2016, 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, 2016, 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, 2016, 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 this matter.

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.

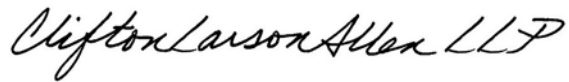
Supplementary Information

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.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Sebring, Florida
January 23, 2017

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

ASSETS	<u>General</u>	<u>PRMT</u>	<u>Court Related</u>	<u>Court Related PRMT</u>	<u>Total Governmental Funds</u>
Cash	\$ 141,089	\$ 489,159	\$ 267,335	\$ 264,003	\$ 1,161,586
Accounts Receivable	129	-	169	-	298
Due from Other Governments	-	-	47,344	-	47,344
Prepaid Items	13,959	-	15,020	-	28,979
Total Assets	<u>\$ 155,177</u>	<u>\$ 489,159</u>	<u>\$ 329,868</u>	<u>\$ 264,003</u>	<u>\$ 1,238,207</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 43,018	\$ -	\$ 65,512	\$ -	\$ 108,530
Due to Board of County Commissioners	91,841	-	-	-	91,841
Due to Other Governmental Units	-	-	46,274	-	46,274
Deposits	20,318	-	218,077	-	238,395
Total Liabilities	<u>155,177</u>	<u>-</u>	<u>329,863</u>	<u>-</u>	<u>485,040</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue:					
Intergovernmental	-	-	34,822	-	34,822
FUND BALANCES					
Nonspendable	13,959	-	15,020	-	28,979
Restricted	-	489,159	-	264,003	753,162
Unassigned	(13,959)	-	(49,837)	-	(63,796)
Total Fund Balances	<u>-</u>	<u>489,159</u>	<u>(34,817)</u>	<u>264,003</u>	<u>718,345</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 155,177</u>	<u>\$ 489,159</u>	<u>\$ 329,868</u>	<u>\$ 264,003</u>	<u>\$ 1,238,207</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, 2016**

	General	PRMT	Court Related	Court Related PRMT	Total Governmental Funds
REVENUES					
Appropriations from Board of County Commissioners	\$ 1,145,539	\$ -	\$ -	\$ -	\$ 1,145,539
Intergovernmental	-	-	329,039	-	329,039
Charges for Services	182,273	61,641	467,326	28,679	739,919
Fines and Forfeitures	-	-	233,152	-	233,152
Interest	7,522	1,613	1,076	873	11,084
Total Revenues	1,335,334	63,254	1,030,593	29,552	2,458,733
EXPENDITURES					
Current:					
General Government:					
Salaries and Benefits	990,467	-	995,874	-	1,986,341
Operating Expenditures	214,311	12,434	69,536	-	296,281
Capital Outlay	32,235	1,148	-	-	33,383
Total Expenditures	1,237,013	13,582	1,065,410	-	2,316,005
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	98,321	49,672	(34,817)	29,552	142,728
OTHER FINANCING USES					
Distribution of Excess Revenues:					
Board of County Commissioners	(98,321)	-	-	-	(98,321)
Total Other Financing Uses	(98,321)	-	-	-	(98,321)
NET CHANGE IN FUND BALANCE	-	49,672	(34,817)	29,552	44,407
Fund Balances - Beginning of Year	-	439,487	-	234,451	673,938
FUND BALANCES - END OF YEAR	\$ -	\$ 489,159	\$ (34,817)	\$ 264,003	\$ 718,345

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, 2016**

	Budget		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Appropriations from Board of County Commissioners	\$ 1,145,539	\$ 1,145,539	\$ 1,145,539	\$ -
Charges for Services	240,510	240,510	182,273	(58,237)
Interest	9,489	9,489	7,522	(1,967)
Total Revenues	<u>1,395,538</u>	<u>1,395,538</u>	<u>1,335,334</u>	<u>(60,204)</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	1,111,651	1,054,991	990,467	64,524
Operating Expenditures	246,787	253,067	214,311	38,756
Capital Outlay	37,100	87,480	32,235	55,245
Total Expenditures	<u>1,395,538</u>	<u>1,395,538</u>	<u>1,237,013</u>	<u>158,525</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	98,321	98,321
OTHER FINANCING USES				
Distribution of Excess Revenues:				
Board of County Commissioners	-	-	(98,321)	(98,321)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<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, 2016**

	Budget		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 420,478	\$ 380,519	\$ 329,039	\$ (51,480)
Charges for Services	523,884	523,884	467,326	(56,558)
Fines and Forfeitures	210,857	210,857	233,152	22,295
Interest	1,089	1,089	1,076	(13)
Total Revenues	<u>1,156,308</u>	<u>1,116,349</u>	<u>1,030,593</u>	<u>(85,756)</u>
EXPENDITURES				
Current:				
General Government:				
Salaries and Benefits	1,010,191	1,021,050	995,874	25,176
Operating Expenditures	146,117	95,299	69,536	25,763
Total Expenditures	<u>1,156,308</u>	<u>1,116,349</u>	<u>1,065,410</u>	<u>50,939</u>
NET CHANGE IN FUND BALANCE	-	-	(34,817)	(34,817)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,817)</u>	<u>\$ (34,817)</u>

See accompanying Notes to Financial Statements.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2016**

ASSETS

Cash	<u>\$ 754,613</u>
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LIABILITIES

Due to Individuals	\$ 609,775
Due to Board of County Commissioners	9,790
Due to Other Governments	<u>135,048</u>
Total Liabilities	<u>\$ 754,613</u>

See accompanying Notes to Financial Statements.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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.

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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, 2016**

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 28.35, 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 Section 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 appropriable 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, 2016**

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 60 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.

Deferred Inflows of Resources

The governmental fund balance sheet includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and so it will be recognized as an inflow of resources (revenue) until that time. The Clerk has one item which arises under a modified accrual basis of accounting that qualified for reporting in the category. Accordingly, the item is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues. The amount is deferred and recognized as an inflow of resources in the period in which the amount becomes available.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 life in excess of one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

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.

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016**

NOTE 2 CASH

At September 30, 2016, the Clerk's deposits were \$1,913,746. The entire amount of the demand deposits is deposited in a State of Florida qualified depository and, therefore, is fully collateralized.

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	\$ 1,913,746
Petty Cash and Change Funds	2,453
Total	\$ 1,916,199
Balance Sheet:	
Cash	\$ 1,161,586
Statement of Fiduciary Net Position:	
Cash	754,613
Total Cash	\$ 1,916,199

OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016:

<u>Governmental Activities</u>	<u>Balance October 1, 2015</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance September 30, 2016</u>
Capital Assets, Being				
Depreciated/Amortized:				
Machinery and Equipment	\$ 758,281	\$ 29,145	\$ (35,010)	\$ 752,416
Computer Software	405,611	-	-	405,611
Total Capital Assets Being				
Depreciated/Amortized	1,163,892	29,145	(35,010)	1,158,027
Less: Accumulated				
Depreciation/Amortization:				
Machinery and Equipment	(588,314)	(67,745)	34,687	(621,372)
Computer Software	(355,646)	(27,610)	-	(383,256)
Total Accumulated				
Depreciation/Amortization	(943,960)	(95,355)	34,687	(1,004,628)
Total Capital Assets, Net	<u>\$ 219,932</u>	<u>\$ (66,210)</u>	<u>\$ (323)</u>	<u>\$ 153,399</u>

NOTE 4 FUND BALANCES – GOVERNMENTAL FUNDS

As of September 30, 2016, 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, 2016**

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, 2016 is as follows:

	General Fund	PRMT	Court Related	Court Related PRMT	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$ 13,959	\$ -	\$ 15,020	\$ -	\$ 28,979
Restricted for:					
Equipment	-	489,159	-	-	489,159
Clerk Services	-	-	-	264,003	264,003
Total Restricted Fund Balance	-	489,159	-	264,003	753,162
Unassigned Fund Balance	(13,959)	-	(49,837)	-	(63,796)
Total Fund Balances	<u>\$ -</u>	<u>\$ 489,159</u>	<u>\$ (34,817)</u>	<u>\$ 264,003</u>	<u>\$ 718,345</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, 2016:

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
Compensated Absences	<u>\$ 149,939</u>	<u>\$ 132,926</u>	<u>\$ (119,789)</u>	<u>\$ 163,076</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

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).

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, 2016**

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, 2016**

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, 2016, 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, 2016**

NOTE 6 PENSION PLANS (CONTINUED)

Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% 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, 2016, 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, 2016, 2015, and 2014 were \$105,581, \$101,654, and \$109,085, 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, 2016**

NOTE 8 RELATED PARTY TRANSACTIONS

Transactions with the Okeechobee County Board of County Commissioners for the year ended September 30, 2016 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 \$1,145,539. Excess fees payable to the Board at September 30, 2016 was \$91,841.

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, 2016**

	<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>
ASSETS										
Cash	<u>\$ 4,872</u>	<u>\$ 35,549</u>	<u>\$ 9,533</u>	<u>\$ 74,586</u>	<u>\$ 171,843</u>	<u>\$ 358,146</u>	<u>\$ 100</u>	<u>\$ 99,674</u>	<u>\$ 310</u>	<u>\$ 754,613</u>
LIABILITIES										
Due to Individuals	\$ 4,872	\$ -	\$ -	\$ 74,586	\$ 171,843	\$ 358,146	\$ 18	\$ -	\$ 310	\$ 609,775
Due to Board of County Commissioners	-	-	-	-	-	-	-	9,790	-	9,790
Due to Other Governments	-	35,549	9,533	-	-	-	82	89,884	-	135,048
Total Liabilities	<u>\$ 4,872</u>	<u>\$ 35,549</u>	<u>\$ 9,533</u>	<u>\$ 74,586</u>	<u>\$ 171,843</u>	<u>\$ 358,146</u>	<u>\$ 100</u>	<u>\$ 99,674</u>	<u>\$ 310</u>	<u>\$ 754,613</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED SEPTEMBER 30, 2016**

	Balance October 1, 2015	Increases	(Decreases)	Balance September 30, 2016
TAX DEED				
Assets				
Cash	<u>\$ 4,496</u>	<u>\$ 513,077</u>	<u>\$ (512,701)</u>	<u>\$ 4,872</u>
Liabilities				
Due to Individuals	<u>\$ 4,496</u>	<u>\$ 513,077</u>	<u>\$ (512,701)</u>	<u>\$ 4,872</u>
 DOCUMENTARY STAMPS				
Assets				
Cash	<u>\$ 23,169</u>	<u>\$ 1,835,157</u>	<u>\$ (1,822,777)</u>	<u>\$ 35,549</u>
Liabilities				
Due to Other Governments	<u>\$ 23,169</u>	<u>\$ 1,835,157</u>	<u>\$ (1,822,777)</u>	<u>\$ 35,549</u>
 INTANGIBLE TAXES				
Assets				
Cash	<u>\$ 6,026</u>	<u>\$ 231,390</u>	<u>\$ (227,883)</u>	<u>\$ 9,533</u>
Liabilities				
Due to Other Governments	<u>\$ 6,026</u>	<u>\$ 231,390</u>	<u>\$ (227,883)</u>	<u>\$ 9,533</u>
 CASH BOND				
Assets				
Cash	<u>\$ 125,210</u>	<u>\$ 202,156</u>	<u>\$ (252,780)</u>	<u>\$ 74,586</u>
Liabilities				
Due to Individuals	<u>\$ 125,210</u>	<u>\$ 202,156</u>	<u>\$ (252,780)</u>	<u>\$ 74,586</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES (CONTINUED)
 ALL AGENCY FUNDS
 YEAR ENDED SEPTEMBER 30, 2016**

	Balance October 1, 2015	Increases	(Decreases)	Balance September 30, 2016
REGISTRY OF THE COURT				
Assets				
Cash	<u>\$ 840,511</u>	<u>\$ 2,845,163</u>	<u>\$ (3,513,831)</u>	<u>\$ 171,843</u>
Liabilities				
Due to Individuals	<u>\$ 840,511</u>	<u>\$ 2,845,163</u>	<u>\$ (3,513,831)</u>	<u>\$ 171,843</u>
 ESCROW				
Assets				
Cash	<u>\$ 222,421</u>	<u>\$ 226,104</u>	<u>\$ (90,379)</u>	<u>\$ 358,146</u>
Liabilities				
Due to Individuals	<u>\$ 222,421</u>	<u>\$ 226,104</u>	<u>\$ (90,379)</u>	<u>\$ 358,146</u>
 CHILD SUPPORT				
Assets				
Cash	<u>\$ 1,532</u>	<u>\$ 637,496</u>	<u>\$ (638,928)</u>	<u>\$ 100</u>
Liabilities				
Due to Individuals	\$ 28	\$ -	\$ (10)	\$ 18
Due to Other Governments	1,504	637,493	(638,915)	82
Total Liabilities	<u>\$ 1,532</u>	<u>\$ 637,493</u>	<u>\$ (638,925)</u>	<u>\$ 100</u>

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES (CONTINUED)
 ALL AGENCY FUNDS
 YEAR ENDED SEPTEMBER 30, 2016**

	Balance October 1, 2015	Increases	(Decreases)	Balance September 30, 2016
FINES AND COSTS				
Assets				
Cash	\$ 119,476	\$ 1,067,902	\$ (1,087,704)	\$ 99,674
Liabilities				
Due to Board of County Commissioners	\$ 13,482	\$ 182,059	\$ (185,751)	\$ 9,790
Due to Other Governments	105,994	885,843	(901,953)	89,884
Total Liabilities	<u>\$ 119,476</u>	<u>\$ 1,067,902</u>	<u>\$ (1,087,704)</u>	<u>\$ 99,674</u>
 RESTITUTION				
Assets				
Cash	\$ 939	\$ 6,243	\$ (6,872)	\$ 310
Liabilities				
Due to Individuals	\$ 939	\$ 6,243	\$ (6,872)	\$ 310
 TOTAL ALL AGENCY FUNDS				
Assets				
Cash	<u>\$ 1,343,780</u>	<u>\$ 7,564,688</u>	<u>\$ (8,153,855)</u>	<u>\$ 754,613</u>
Liabilities				
Due to Individuals	\$ 1,193,605	\$ 3,792,743	\$ (4,376,573)	\$ 609,775
Due to Board of County Commissioners	13,482	182,059	(185,751)	9,790
Due to Other Governments	136,693	3,589,883	(3,591,528)	135,048
Total Liabilities	<u>\$ 1,343,780</u>	<u>\$ 7,564,685</u>	<u>\$ (8,153,852)</u>	<u>\$ 754,613</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**

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, 2016, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated January 23, 2017.

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2016-001, that we consider to be a material weakness.

Honorable Sharon Robertson
Okeechobee County Clerk of the Circuit Court

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 23, 2017

MANAGEMENT LETTER

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, 2016, and have issued our report thereon dated January 23, 2017.

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 23, 2017, 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 as noted in the schedule below.

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2014-15 FY Finding No.	2013-14 FY Finding No.
2016-001	2015-002	Not Reported

Honorable Sharon Robertson
Okeechobee County Clerk of the Circuit Court

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.

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. In connection with our audit, we did not have any such findings.

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 23, 2017

**OKEECHOBEE COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2016**

2016-001 – Bank Reconciliations (Previously Identified as Finding 2015-002)

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition:

Bank reconciliation controls did not detect that one intergovernmental receipt, one disbursement, and other court-related transactions were not posted to the general ledger.

Criteria or specific requirement:

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

Context:

Testing of court-related intergovernmental revenue and the bank reconciliation identified the deficiency.

Effect:

Unrecorded revenue and liability transactions were not detected because the bank reconciliations were not accurately prepared. As a result, revenue and liabilities were understated.

Cause:

One receipt in June and one disbursement in April transacted electronically through the bank were not posted to the general ledger. Also, other court related transactions were not posted to the general ledger. The monthly bank reconciliation process did not detect and correct those unposted transactions.

Recommendation:

We recommend that the monthly bank reconciliation process be completed accurately and reviewed thoroughly.

Current Status:

In the prior year, testing of internal controls identified that bank reconciliations for a portion of the fiscal year were not completed and reviewed timely. During the current year, internal controls were established to provide for timely completion and review of bank reconciliations.

Views of responsible officials and planned corrective actions:

In order to reinforce controls on accuracy, we have implemented a journal entry checklist and added a second revenue and key expenditure account review to the monthly reconciliation procedures.



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INDEPENDENT ACCOUNTANTS' REPORT

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, 2016. 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.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

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 23, 2017