

**SEMINOLE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**Year Ended September 30, 2006**

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MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Maryanne Morse,  
Clerk of the Circuit Court of Seminole County, Florida

We have audited the accompanying special purpose financial statements of the Seminole County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2006, listed in the foregoing table of contents. These financial statements are the responsibility of the Clerk's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 of the financial statements, the financial statements referred to above present only the financial position and results of operations of the Clerk and are not intended to present the financial position and results of operations of Seminole County, Florida, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, such special purpose financial statements present fairly, in all material respects, the financial position of the Clerk as of September 30, 2006 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2006 on our consideration of the Clerk's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

*Moore Stephens Lovelace, P.A.*

Certified Public Accountants

Orlando, Florida  
December 2, 2006

**SEMINOLE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

September 30, 2006

**ASSETS**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Cash and investments	\$ 6,758,346	\$ 7,726,452
Accounts receivable	30,790	-
Deposits	20,730	-
Due from other governments	<u>11,815</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 6,821,681</u></b>	<b><u>\$ 7,726,452</u></b>

**LIABILITIES AND FUND EQUITY**

LIABILITIES

Accounts payable	\$ 2,237,977	\$ -
Due to Board of County Commissioners	3,050,987	-
Due to other governments	1,145,172	-
Accrued liabilities	<u>387,545</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>6,821,681</u></b>	<b><u>-</u></b>

FUND EQUITY

Fund balance:		
Unreserved	<u>-</u>	<u>7,726,452</u>
<b>TOTAL FUND EQUITY</b>	<b><u>-</u></b>	<b><u>7,726,452</u></b>

<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 6,821,681</u></b>	<b><u>\$ 7,726,452</u></b>
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The accompanying notes are an integral part of the financial statements.

**SEMINOLE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS - BUDGET AND ACTUAL**

**Year Ended September 30, 2006**

	Original Budget	Final Budget	Actual
<b>GENERAL FUND</b>			
General Government			
Subsidy from Board of County Commissioners	\$ 1,217,400	\$ 1,217,400	\$ 1,404,100
Charges for services	4,430,000	4,430,000	4,945,236
Operating grants	525,000	525,000	596,130
Interest	150,000	150,000	502,442
Miscellaneous revenues	26,500	26,500	28,298
Court Related			
Charges for services	8,826,425	8,826,425	9,816,681
TOTAL REVENUES	15,175,325	15,175,325	17,292,887
Expenditures			
General government			
Programs and operations	5,243,182	4,377,114	2,646,820
Capital outlay	105,718	538,061	433,755
Court Related			
Programs and operations	8,207,716	8,652,561	9,679,930
Capital outlay	397,782	386,662	133,707
TOTAL EXPENDITURES	13,954,398	13,954,398	12,894,212
NET CHANGE IN FUND BALANCE	1,220,927	1,220,927	4,398,675
Transfers - Board of County Commissioners	1,000,000	1,000,000	3,050,987
Funds returned to state of Florida	220,927	220,927	1,347,688
FUND BALANCE - BEGINNING OF YEAR	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -
<b>SPECIAL REVENUE FUND</b>			
Revenues			
Charges for services	\$ 1,965,000	\$ 1,965,000	\$ 2,279,541
Interest	95,000	95,000	295,482
TOTAL REVENUES	2,060,000	2,060,000	2,575,023
Expenditures			
Capital outlay	750,000	750,000	124,767
TOTAL EXPENDITURES	750,000	750,000	124,767
NET CHANGE IN FUND BALANCE	1,310,000	1,310,000	2,450,256
FUND BALANCE - BEGINNING OF YEAR	1,904,818	1,904,818	5,276,196
FUND BALANCE - END OF YEAR	\$ 3,214,818	\$ 3,214,818	\$ 7,726,452

The accompanying notes are an integral part of the financial statements.

**SEMINOLE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT**

**STATEMENT OF FIDUCIARY NET ASSETS AND  
CHANGES IN NET ASSETS AND LIABILITIES - AGENCY FUNDS**

**Year Ended September 30, 2006**

	Balance October 1, 2005	Additions	Deletions	Balance September 30, 2006
<b>ASSETS</b>				
Cash and investments	\$ 9,065,754	\$ 134,097,472	\$ 134,421,549	\$ 8,741,677
<b>TOTAL ASSETS</b>	9,065,754	\$ 134,097,472	\$ 134,421,549	8,741,677
<b>LIABILITIES</b>				
Due to individuals	3,951,285	\$ 28,545,841	\$ 28,428,529	4,068,597
Due to Board of County Commissioners	457,455	5,029,427	5,091,558	395,324
Due to other governments	4,657,014	100,522,204	100,901,462	4,277,756
<b>TOTAL LIABILITIES</b>	9,065,754	\$ 134,097,472	\$ 134,421,549	8,741,677
<b>NET ASSETS</b>	\$ -			\$ -

The accompanying notes are an integral part of the financial statements.

**SEMINOLE COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

**Year Ended September 30, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant accounting policies used in the presentation of these special purpose financial statements.

**Reporting Entity**

The Seminole County, Florida Clerk of the Circuit Court (the "Clerk") is a separately elected county official established pursuant to the Constitution of the state of Florida. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Seminole County, Florida, (the "County") taken as a whole. These special purpose financial statements are presented to comply with the requirements of Florida Statutes and the Rules of the Auditor General of the state of Florida. The Clerk's General Fund is combined with the Board of County Commissioners and other constitutional officers' general funds in the County's Comprehensive Annual Financial Report ("CAFR") to properly reflect the county-wide General Fund. The special revenue and fiduciary funds are shown separately in the appropriate sections of the CAFR.

**Description of Funds**

The accounting records are organized on the basis of funds classified for reporting purposes into two basic fund types:

General Fund – The General Fund is a governmental fund used to account for all revenues and expenditures applicable to the general operations of the Clerk. The General Fund measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources, rather than upon net income determination).

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The Clerk's Special Revenue Fund includes the activities of the Public Records Modernization Trust Fund, which was established July 1, 1987 pursuant to an act of the 1987 Florida Legislature and the Court Related Technology Trust Fund, established July 1, 2004 pursuant to an act of the 2003 Florida Legislature. This fund receives additional recording fees, which are collected by the Clerk's office and are earmarked for the modernization of recording service operations, and additional fees assessed due to implementation of Article V legislation related to court activities. The measurement focus of this fund is the same as the General Fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Description of Funds (Continued)**

Fiduciary Funds – The Clerk maintains Agency Funds, which are used to account for assets held by the Clerk as agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. A statement of net assets is presented for the Agency Funds. However, a statement of changes in net assets is not presented since there are no operations in the Agency Funds, only assets and liabilities.

**Basis of Accounting and Presentation**

The accounts of the General Fund are maintained on the modified accrual basis. Under the modified accrual basis of accounting, expenditures are recorded at the time liabilities are incurred and revenues are recorded when received in cash or when they are considered both measurable and available and, as such, susceptible to accrual. The extent to which General Fund revenues exceed General Fund expenditures is reflected as a liability in compliance with Florida Statutes.

**Budgetary Requirements and Basis**

The Clerk’s budget consists of two distinct parts: general governmental activities and court-related activities. The budget for general governmental revenues and expenditures is filed with the Board of County Commissioners (“BOCC”) and the State Courts Administrator. This budget can be amended, as necessary, during the year. Budgetary control is at the total revenue and expenditure level. The court-related budget must be submitted to the Florida Clerk of Court Operations Corporation (“CCOC”), in accordance with Section 28.36 of the Florida Statutes. The Clerk must request approval from the CCOC in order to amend the court-related budget. Budgetary control is at the total revenue and expenditure level.

The Clerk must remit the excess of revenues over expenditures for general governmental operations to the BOCC by October 31<sup>st</sup> after the close of the fiscal year. The Clerk must remit to the State of Florida General Revenue Fund the cumulative excess of all court-related revenues over the amounts needed to meet the approved budgeted expenditures. This must be done by January 1<sup>st</sup> after the close of the fiscal year.

**Transfers**

In accordance with Florida Statutes, all unexpended balances at year end are owed to the BOCC for non-court related functions and back to the state of Florida for court-related balances. These excess fees are reported as transfers out. Appropriations are presented as a subsidy from the respective entity.

## **NOTE 2 - CASH AND INVESTMENTS**

### **Cash Deposits**

Cash consists of various demand deposit accounts, which are insured by the Federal Deposit Insurance Corporation or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories". Therefore, all cash deposits held by banks can be classified as fully insured.

### **Investments**

Florida Statutes 28.33, 218.415, 219.075 and the Clerk's investment policy authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government.

The Clerk's investments at September 30, 2006 consist of approximately \$18.4 million in overnight repurchase agreements. In addition, the Clerk held \$4 million in the Local Government Surplus Funds Trust Fund. These investments are reported at fair value in the accompanying governmental funds and fiduciary fund financial statements.

## **NOTE 3 - PENSION PLAN**

### **Plan Description**

The Clerk's employees participate in the Florida Retirement System ("FRS"), a multiple employer, cost-sharing, defined benefit retirement system, administered by the Florida Department of Administration ("FDA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the state of Florida. For a detailed plan description, see the County's CAFR for the fiscal year ended September 30, 2006.

### **Funding Policy**

The Clerk's contributions to the FRS for the fiscal years ended September 30, 2004 through 2006 were \$481,331, \$504,217 and \$662,224, respectively, which were equal to the required contribution for each fiscal year.

**NOTE 4 - INSURANCE COVERAGE**

The County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophic insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. Any public liability loss which exceeds the self-insurance coverage limit would remain the responsibility of the County. The Clerk participated in the County's self-insurance program during fiscal year 2006. For additional information related to these programs, see the County's CAFR for the fiscal year ended September 30, 2006.

**NOTE 5 - LONG-TERM LIABILITIES**

The Clerk incurs a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Clerk is not legally required and does not accumulate expendable available financial resources to liquidate this obligation. A summary of changes in long-term liabilities for the fiscal year ended September 30, 2006 is as follows:

	Balance October 1, 2005	Additions	Retirements	Balance September 30, 2006
Compensated absences	\$750,400	\$693,399	\$618,771	\$825,028

## **COMPLIANCE SECTION**



**MOORE STEPHENS  
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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**

To the Honorable Maryanne Morse,  
Clerk of the Circuit Court of Seminole County, Florida

We have audited the special purpose financial statements of the Seminole County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2006, and have issued our report thereon dated December 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Clerk's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

***Compliance and Other Matters***

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

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

*Moore Stephens Lovelace, P.A.*

Certified Public Accountants

Orlando, Florida  
December 2, 2006



**MOORE STEPHENS  
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Honorable Maryanne Morse,  
Clerk of the Circuit Court of Seminole County, Florida

We have audited the special purpose financial statements of the Clerk of the Circuit Court of Seminole County, Florida (the "Clerk") as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated December 2, 2006.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting. Disclosures in that report, which is dated December 2, 2006, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554(1) (h) 1.) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554(1) (h) 2.), the scope of our audit included a review of provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Clerk complied with Section 218.415, Florida Statutes.

Rules of the Auditor General (Section 10.554(1) (h) 3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General (Section 10.554(1) (h) 4.) require disclosure in the management letter of the following matters, if not already addressed in the auditor's reports on compliance and internal controls and are not clearly inconsequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters required to be disclosed by Rules of the Auditor General (Section 10.554(1) (h) 4.).

Honorable Maryanne Morse,  
Clerk of the Circuit Court of Seminole County, Florida

As required by Rules of the Auditor General (Section 10.554 (1) (h) 7.), the scope of our audit included a review of the provisions of Section 28.35, Florida Statutes, regarding the budget and performance standards certified by the Florida Clerk of Courts Operations Corporation. In connection with our audit, we determined that the Clerk complied with the budget and performance standards pursuant to Section 28.35, Florida Statutes. We did note that the Florida Department of Financial Services conducted a performance audit of the Seminole Clerk's compliance with certain other provisions of Article V. Their report contained a fiscal 2006 finding related to compliance with the surplus remittance directives. This issue has been addressed by the Clerk.

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

*Moore Stinson LLP, P.A.*

Certified Public Accountants

Orlando, Florida  
December 2, 2006