

CLAY COUNTY  
CLERK OF THE CIRCUIT  
COURT

AUDIT REPORT

SEPTEMBER 30, 2010

**Clay County Clerk of the Circuit Court  
Audit Report  
September 30, 2010**

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## Independent Auditors' Report

The Honorable James B. Jett  
Clerk of the Circuit Court  
Clay County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clay County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2010, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Clay County, the primary government for financial reporting purposes.

In our opinion, the special purpose 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 Office at September 30, 2010, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

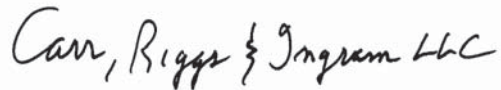
In accordance with *Government Auditing Standards*, we have also issued a report dated January 27, 2011 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other 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.

The Honorable James B. Jett  
Clerk of the Circuit Court  
Clay County, Florida  
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The budgetary comparison schedules listed in the table of contents as “required supplementary information” are not a required part of the special purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Office’s special purpose financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements of the Office. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

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

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram LLC".

January 27, 2011  
Gainesville, Florida

**Balance Sheet – Governmental Funds  
September 30, 2010  
Clay County Clerk of the Circuit Court**

	<u>GENERAL FUND</u>	<u>FINE &amp; FORFEITURE FUND</u>	<u>RECORDS MODERN- IZATION FUND</u>	<u>INFORMATION TECHNOLOGY FUND</u>	<u>OTHER GOVERN- MENTAL FUNDS</u>	<u>TOTAL GOVERN- MENTAL FUNDS</u>
<b><u>ASSETS</u></b>						
Equity in Pooled Cash	\$ 111,880	\$ 783,425	\$ 146,335	\$ 214,368	\$ 80,310	\$ 1,336,318
Cash and Equivalents	-	-	-	-	27,883	27,883
Investments	-	-	247,083	26,297	1,116	274,496
Due From Other Funds	29,726	-	9,049	9,177	14	47,966
Due From Other Governments	-	86,834	-	-	-	86,834
Prepays	2,916	11,666	-	-	-	14,582
<b>TOTAL ASSETS</b>	<b><u>\$ 144,522</u></b>	<b><u>\$ 881,925</u></b>	<b><u>\$ 402,467</u></b>	<b><u>\$ 249,842</u></b>	<b><u>\$ 109,323</u></b>	<b><u>\$ 1,788,079</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
<b><u>LIABILITIES</u></b>						
Accounts Payable and Accrued Liabilities	\$ 43,785	\$ 42,881	\$ 4,638	\$ 1,385	\$ 23,758	\$ 116,447
Due to Other County Agencies	97,821	516,343	-	-	56,552	670,716
Deferred Revenue	-	139,232	-	-	-	139,232
<b>TOTAL LIABILITIES</b>	<b><u>141,606</u></b>	<b><u>698,456</u></b>	<b><u>4,638</u></b>	<b><u>1,385</u></b>	<b><u>80,310</u></b>	<b><u>926,395</u></b>
<b><u>FUND BALANCES</u></b>						
Reserved	2,916	11,666	12,361	-	-	26,943
Unreserved	-	171,803	385,468	248,457	29,013	834,741
<b>TOTAL FUND BALANCES</b>	<b><u>2,916</u></b>	<b><u>183,469</u></b>	<b><u>397,829</u></b>	<b><u>248,457</u></b>	<b><u>29,013</u></b>	<b><u>861,684</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 144,522</u></b>	<b><u>\$ 881,925</u></b>	<b><u>\$ 402,467</u></b>	<b><u>\$ 249,842</u></b>	<b><u>\$ 109,323</u></b>	<b><u>\$ 1,788,079</u></b>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2010**  
**Clay County Clerk of the Circuit Court**

	GENERAL FUND	FINE & FORFEITURE FUND	RECORDS MODERN- IZATION FUND	INFORMATION TECHNOLOGY FUND	OTHER GOVERN- MENTAL FUNDS	TOTAL GOVERN- MENTAL FUNDS
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 3,860,178	\$ -	\$ -	\$ -	\$ 3,860,178
Charges for Services	867,461	-	80,229	242,778	480	1,190,948
Fines and Forfeitures	-	-	182,361	-	-	182,361
Miscellaneous Revenue	769	-	6,819	875	34,067	42,530
<b>TOTAL REVENUES</b>	<b>868,230</b>	<b>3,860,178</b>	<b>269,409</b>	<b>243,653</b>	<b>34,547</b>	<b>5,276,017</b>
<b>EXPENDITURES</b>						
General Government Services:						
Personal Services	613,234	-	-	-	-	613,234
Operating Expenditures	482,686	-	105,682	-	1,507	589,875
Capital Outlay	5,787	-	19,639	-	-	25,426
Court Related:						
Personal Services	52,452	3,395,849	110,203	30,372	67,839	3,656,715
Operating Expenditures	5,922	219,106	77,379	34,151	194,770	531,328
Capital Outlay	-	-	28,044	-	33,615	61,659
<b>TOTAL EXPENDITURES</b>	<b>1,160,081</b>	<b>3,614,955</b>	<b>340,947</b>	<b>64,523</b>	<b>297,731</b>	<b>5,478,237</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(291,851)</b>	<b>245,223</b>	<b>(71,538)</b>	<b>179,130</b>	<b>(263,184)</b>	<b>(202,220)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Appropriation from Board of County Commissioners						
	389,466	-	-	-	323,500	712,966
Reversion to Board of County Commissioners	(97,615)	-	-	-	(56,552)	(154,167)
Reversion to the Clerks of Court Operations Corporation	-	(209,768)	-	-	-	(209,768)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>291,851</b>	<b>(209,768)</b>	<b>-</b>	<b>-</b>	<b>266,948</b>	<b>349,031</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>35,455</b>	<b>(71,538)</b>	<b>179,130</b>	<b>3,764</b>	<b>146,811</b>
<b>FUND BALANCES – October 1, 2009</b>	<b>2,997</b>	<b>143,839</b>	<b>469,367</b>	<b>69,327</b>	<b>25,249</b>	<b>710,779</b>
Change in Reserve for Prepaid Postage	(81)	4,175	-	-	-	4,094
<b>FUND BALANCES – September 30, 2010</b>	<b>\$ 2,916</b>	<b>\$ 183,469</b>	<b>\$ 397,829</b>	<b>\$ 248,457</b>	<b>\$ 29,013</b>	<b>\$ 861,684</b>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Statement of Fiduciary Net Assets**  
**September 30, 2010**  
**Clay County Clerk of the Circuit Court**

	<u>Agency Funds</u>
<u>ASSETS</u>	
Equity in Pooled Cash	\$ 1,784,287
Cash and Equivalents	1,277,869
Receivables	<u>2,133</u>
 TOTAL ASSETS	 <u>3,064,289</u>
<u>LIABILITIES</u>	
Assets Held for Others	2,871,516
Due to Other Funds	47,966
Due to Other County Agencies	<u>144,807</u>
 TOTAL LIABILITIES	 <u>3,064,289</u>
 NET ASSETS	 <u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"  
form an integral part of this statement.

**Notes to Financial Statements**  
**September 30, 2010**  
**Clay County Clerk of the Circuit Court**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Clay County Clerk of the Circuit Court (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Clay County, the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts 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. 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. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds:

*General Fund* – The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

*Fine & Forfeiture Fund* – This fund is used to account for state appropriations received by the Office to fund court-related expenditures.

*Records Modernization Fund* – This fund is used to account for fees collected and associated expenditures related to equipment upgrades and modernization of all official records of the County, and for fines collected to be used exclusively for court-related expenditures.

**Notes to Financial Statements**  
**September 30, 2010**  
**Clay County Clerk of the Circuit Court**

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

*Information Technology Fund* – This fund is used to account for additional service charges collected and associated expenditures used exclusively to fund the court-related technology needs of the Office.

The Office reports the following nonmajor governmental funds:

*BCC Technology Fund* – This fund is used to account for additional service charges collected by the Office and used by the Board of County Commissioners to fund state-mandated court technology improvements and upgrades.

*CGD Supplementary Fee* – This fund is used to account for the services charges collected and used to upgrade the child support enforcement program.

*Teen Court* – This fund is used to account for donations received from the general public for the operation and administration of Teen Court.

*Clay County Archives* – This fund is used to account for donations received from the general public to promote County historical documents.

The Office also reports the following fiduciary funds:

*Agency Funds* - Agency Funds are used to account for resources held by the Office in a custodial capacity.

**Measurement Focus/Basis of Accounting**

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures 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.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

**Notes to Financial Statements**  
**September 30, 2010**  
**Clay County Clerk of the Circuit Court**

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Clay County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types 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 type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash and Cash Equivalents/Equity in Pooled Cash

All cash and cash equivalents, except those of the Teen Court Fund and Clay County Archives Fund, are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Investments

The Office invests certain surplus funds in the Florida Local Government Investment Trust ("FLGIT"). The FLGIT is an external investment pool administered by the Florida Association of Court Clerks and Comptrollers, and is not registered with the SEC. The Trust is an open-ended professionally managed fund available only to public entities in Florida. The fair value of the position in the FLGIT is equal to the value of the pool shares. Pursuant to the provisions of GASB Statement No. 31, such investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 2 – INVESTMENTS**

As of September 30, 2010, the Office's investment in FLGIT consists of the following:

<u>Fund</u>	<u>Fair Value</u>	<u>Maturities</u>		<u>S &amp; P Rating</u>
		<u>&lt; 1 yr</u>	<u>&lt; 5 yrs</u>	
Records Modernization Trust Fund	\$ 247,083	\$ 54,704	\$ 192,379	AAAf
Information Technology Fund	26,297	5,822	20,475	AAAf
CGD Supplementary Fee Fund	1,116	247	869	AAAf
Totals	<u>\$ 274,496</u>	<u>\$ 60,773</u>	<u>\$ 213,723</u>	

**Notes to Financial Statements**  
**September 30, 2010**  
**Clay County Clerk of the Circuit Court**

**NOTE 2 – INVESTMENTS**

Currently, the Office has no investment policy with regard to credit risk or interest-rate risk.

**NOTE 3 – INTERFUND BALANCES**

The following interfund balances arose during the normal course of operations of the Office.

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
Major Funds:		
General Fund	\$ 29,726	\$ -
Records Modernization Fund	9,049	-
Information Technology	9,177	-
Nonmajor Governmental	14	-
Agency Funds	-	47,966
	-	47,966
Total	\$ 47,966	\$ 47,966

**NOTE 4 – CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2009</u>	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, <u>2010</u>	DUE WITHIN <u>ONE YEAR</u>
Compensated Absences	\$ 464,000	\$ 284,000	\$ 253,000	\$ 495,000	\$ 172,000

**NOTE 5 – PENSION PLAN**

*Plan Description.* The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

**Notes to Financial Statements**  
**September 30, 2010**  
**Clay County Clerk of the Circuit Court**

**NOTE 5 – PENSION PLAN**

*Funding Policy.* The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2010 were as follows: Regular Employees 10.77%; Special Risk Employees 23.25%; Senior Management 14.57%; Elected Officials 18.64%; DROP 12.25%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2010, 2009 and 2008 were approximately \$350,200, \$360,300 and \$354,100, respectively, equal to the required contributions for each year.

**NOTE 6 – RISK MANAGEMENT**

For health insurance, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers.

**NOTE 7 – OPERATING LEASE COMMITMENTS**

The Office leases premises in Orange Park for office space. The agreement calls for 3% annual increases effective July 1<sup>st</sup> of each year. Future minimum rental payments are as follow:

<u>Year Ended</u> <u>September 30,</u>	<u>Amount</u>
2011	\$ 34,502
2012	35,537
2013	36,603
2014	37,701
2015	38,832
Total	<u>\$ 183,175</u>

In addition to the rental payments above, the Office is also responsible for its share of the common area maintenance and real estate taxes estimated to be approximately \$10,200 annually. For the year ended September 30, 2010, the Office incurred approximately \$34,500 for these premises.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**For the Year Ended September 30, 2010**  
**Clay County Clerk of the Circuit Court**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		WITH FINAL <u>BUDGET</u>
<b><u>REVENUES</u></b>				
Charges for Services	\$ 926,700	\$ 926,502	\$ 867,461	\$ (59,041)
Miscellaneous Revenue	1,700	1,898	769	(1,129)
<b>TOTAL REVENUES</b>	<b>928,400</b>	<b>928,400</b>	<b>868,230</b>	<b>(60,170)</b>
<b><u>EXPENDITURES</u></b>				
General Government Services:				
Personal Services	648,804	653,267	613,234	40,033
Operating Expenditures	574,499	585,099	482,686	102,413
Capital Outlay	30,850	20,787	5,787	15,000
Court Related:				
Personal Services	50,713	52,452	52,452	-
Operating Expenditures	13,000	6,261	5,922	339
<b>TOTAL EXPENDITURES</b>	<b>1,317,866</b>	<b>1,317,866</b>	<b>1,160,081</b>	<b>157,785</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(389,466)</b>	<b>(389,466)</b>	<b>(291,851)</b>	<b>97,615</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriation from Board of County Commissioners	389,466	389,466	389,466	-
Reversion to Board of County Commissioners	-	-	(97,615)	(97,615)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>389,466</b>	<b>389,466</b>	<b>291,851</b>	<b>(97,615)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES - October 1, 2009</b>	<b>-</b>	<b>-</b>	<b>2,997</b>	<b>2,997</b>
Change in Reserve for Prepaid Postage	-	-	(81)	(81)
<b>FUND BALANCES - September 30, 2010</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,916</b>	<b>\$ 2,916</b>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – Fine and Forfeiture Fund  
For the Year Ended September 30, 2010  
Clay County Clerk of the Circuit Court**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		WITH FINAL <u>BUDGET</u>
<b><u>REVENUES</u></b>				
Intergovernmental	<u>\$ 3,581,872</u>	<u>\$ 3,887,210</u>	<u>\$ 3,860,178</u>	<u>\$ (27,032)</u>
<b><u>EXPENDITURES</u></b>				
Court Related:				
Personal Services	3,261,097	3,665,440	3,395,849	269,591
Operating Expenditures	<u>320,775</u>	<u>221,770</u>	<u>219,106</u>	<u>2,664</u>
<b>TOTAL EXPENDITURES</b>	<u>3,581,872</u>	<u>3,887,210</u>	<u>3,614,955</u>	<u>272,255</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	245,223	245,223
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Reversion to the Clerks of Court Operations Corporation	<u>-</u>	<u>-</u>	<u>(209,768)</u>	<u>(209,768)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	35,455	35,455
<b>FUND BALANCES - October 1, 2009</b>	-	-	143,839	143,839
<b>Change in Reserve for Prepaid Postage</b>	<u>-</u>	<u>-</u>	<u>4,175</u>	<u>4,175</u>
<b>FUND BALANCES – September 30, 2010</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 183,469</u></u>	<u><u>\$ 183,469</u></u>

Notes to Schedule:

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. As such, the budgeted amounts reflected in the schedule are comprised of nine months of activity from the State's 2010 fiscal year and three months of activity from the State's 2011 fiscal year. The fund is the legal level of control.

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Records Modernization Fund**  
**For the Year Ended September 30, 2010**  
**Clay County Clerk of the Circuit Court**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET
<b><u>REVENUES</u></b>				
Charges For Services	\$ 90,500	\$ 90,500	\$ 80,229	\$ (10,271)
Fines and Forfeitures	182,853	182,851	182,361	(490)
Miscellaneous Revenue	-	2	6,819	6,817
	<u>273,353</u>	<u>273,353</u>	<u>269,409</u>	<u>(3,944)</u>
<b>TOTAL REVENUES</b>				
<b><u>EXPENDITURES</u></b>				
General Government:				
Operating Expenditures	90,500	137,650	105,682	31,968
Capital Outlay	423,742	376,592	19,639	356,953
Court Related:				
Personal Services	-	110,203	110,203	-
Operating Expenditures	167,753	90,231	77,379	12,852
Capital Outlay	15,100	28,044	28,044	-
	<u>697,095</u>	<u>742,720</u>	<u>340,947</u>	<u>401,773</u>
<b>TOTAL EXPENDITURES</b>				
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(423,742)	(469,367)	(71,538)	397,829
<b>FUND BALANCES - October 1, 2009</b>	<u>423,742</u>	<u>469,367</u>	<u>469,367</u>	<u>-</u>
<b>FUND BALANCES – September 30, 2010</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 397,829</u></u>	<u><u>\$ 397,829</u></u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual - Information Technology Fund  
For the Year Ended September 30, 2010  
Clay County Clerk of the Circuit Court**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET
<b><u>REVENUES</u></b>				
Charges For Services	\$ 297,250	\$ 297,250	\$ 242,778	\$ (54,472)
Miscellaneous Revenue	-	-	875	875
<b>TOTAL REVENUES</b>	<b>297,250</b>	<b>297,250</b>	<b>243,653</b>	<b>(53,597)</b>
<b><u>EXPENDITURES</u></b>				
Court Related:				
Personal Services	149,460	149,460	30,372	119,088
Operating Expenditures	181,548	181,548	34,151	147,397
Capital Outlay	35,569	35,569	-	35,569
<b>TOTAL EXPENDITURES</b>	<b>366,577</b>	<b>366,577</b>	<b>64,523</b>	<b>302,054</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(69,327)</b>	<b>(69,327)</b>	<b>179,130</b>	<b>248,457</b>
<b>FUND BALANCES - October 1, 2009</b>	<b>69,327</b>	<b>69,327</b>	<b>69,327</b>	<b>-</b>
<b>FUND BALANCES – September 30, 2010</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,457</b>	<b>\$ 248,457</b>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**SUPPLEMENTAL INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

**BCC Technology Fund** – To account for additional service charges collected by the Office and used by the Board of County Commissioners to fund state-mandated court technology improvements and upgrades.

**CGD Supplementary Fee** – To account for monies to upgrade the child support enforcement program. Financing is provided primarily through fees.

**Teen Court** – To account for donations received from the general public for the operation and administration of the Teen Court system.

**Clay County Archives** – To account for donations received from the general public to promote historical documents.

**Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2010  
Clay County Clerk of the Circuit Court**

	BCC TECHNOLOGY FUND	CGD SUPPLEMENTARY FEE	TEEN COURT	CLAY COUNTY ARCHIVES	TOTAL
<u>ASSETS</u>					
Equity in Pooled Cash	\$ 80,310	\$ -	\$ -	\$ -	\$ 80,310
Cash and Equivalents	-	2,580	24,814	489	27,883
Investments	-	1,116	-	-	1,116
Due From Other Funds	-	14	-	-	14
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 80,310</u>	<u>\$ 3,710</u>	<u>\$ 24,814</u>	<u>\$ 489</u>	<u>\$ 109,323</u>
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 23,758	\$ -	\$ -	\$ -	\$ 23,758
Due to Other County Agencies	56,552	-	-	-	56,552
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	80,310	-	-	-	80,310
<u>FUND BALANCES</u>					
Unreserved: Undesignated	-	3,710	24,814	489	29,013
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 80,310</u>	<u>\$ 3,710</u>	<u>\$ 24,814</u>	<u>\$ 489</u>	<u>\$ 109,323</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2010  
Clay County Clerk of the Circuit Court**

	BCC TECHNOLOGY FUND	CGD SUPPLEMENTARY FEE	TEEN COURT	CLAY COUNTY ARCHIVES	TOTAL
<u>REVENUES</u>					
Charges for Services	\$ -	\$ 480	\$ -	\$ -	\$ 480
Miscellaneous Revenue	24,080	31	7,960	1,996	34,067
<b>TOTAL REVENUES</b>	<b>24,080</b>	<b>511</b>	<b>7,960</b>	<b>1,996</b>	<b>34,547</b>
<u>EXPENDITURES</u>					
General Government:					
Operating Expenditures	-	-	-	1,507	1,507
Court Related:					
Personal Services	67,839	-	-	-	67,839
Operating Expenditures	189,574	219	4,977	-	194,770
Capital Outlay	33,615	-	-	-	33,615
<b>TOTAL EXPENDITURES</b>	<b>291,028</b>	<b>219</b>	<b>4,977</b>	<b>1,507</b>	<b>297,731</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(266,948)</b>	<b>292</b>	<b>2,983</b>	<b>489</b>	<b>(263,184)</b>
<u>OTHER FINANCING SOURCES (USES)</u>					
Appropriation from Board of County Commissioners					
	323,500	-	-	-	323,500
Reversion to Board of County Commissioners					
	(56,552)	-	-	-	(56,552)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>266,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>266,948</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>292</b>	<b>2,983</b>	<b>489</b>	<b>3,764</b>
<b>FUND BALANCES – October 1, 2009</b>	<b>-</b>	<b>3,418</b>	<b>21,831</b>	<b>-</b>	<b>25,249</b>
<b>FUND BALANCES – September 30, 2010</b>	<b>\$ -</b>	<b>\$ 3,710</b>	<b>\$ 24,814</b>	<b>\$ 489</b>	<b>\$ 29,013</b>

## **FIDUCIARY FUNDS – AGENCY FUNDS**

**General Trust** – A central clearing account for all monies received, and the receipt and disbursement of fines and services charges.

**Central Government Depository** – To account for the collection and disbursement of court-ordered alimony, child support payments and juvenile restitution.

**Registry of Court** – To account for the collection and disbursement of deposits required by the Circuit and County Court legal actions.

**Jury Witness** – To account for the receipt and disbursement of the jury witness fund required by the Court.

**Combining Statement of Fiduciary Net Assets  
Agency Funds  
September 30, 2010  
Clay County Clerk of the Circuit Court**

	GENERAL TRUST FUND	CENTRAL GOVERNMENT DEPOSITORY (CGD) FUND	REGISTRY OF COURT FUND	JURY WITNESS FUND	TOTAL
<b><u>ASSETS</u></b>					
Equity in Pooled Cash	\$ 1,776,108	\$ 8,179	\$ -	\$ -	\$ 1,784,287
Cash and Equivalents	3,910	-	1,272,100	1,859	1,277,869
Receivables	633	1,500	-	-	2,133
	<u>1,780,651</u>	<u>9,679</u>	<u>1,272,100</u>	<u>1,859</u>	<u>3,064,289</u>
<b><u>LIABILITIES</u></b>					
Assets Held for Others	1,587,892	9,665	1,272,100	1,859	2,871,516
Due to Other Funds	47,952	14	-	-	47,966
Due to Other County Agencies	144,807	-	-	-	144,807
	<u>1,780,651</u>	<u>9,679</u>	<u>1,272,100</u>	<u>1,859</u>	<u>3,064,289</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADDITIONAL ELEMENTS REQUIRED BY THE  
RULES OF THE AUDITOR GENERAL**

## Management Letter

The Honorable James B. Jett  
Clerk of the Circuit Court  
Clay County, Florida

We have audited the financial statements of the Clay County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated January 27, 2011.

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

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. Prior-year finding 09-2 has been corrected; a condition listed in prior-year finding 09-1 is once again reported as finding 10-1 in the accompanying Schedule of Findings.

### Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

### Sections 28.35 and 28.36, Florida Statutes

The Rules of the Auditor General require that statements be included in the management letter as to whether the Office complied with the requirements of Sections 28.35 and 28.36, Florida Statutes. Our audit of the financial statements disclosed no reportable instances of noncompliance with the budget procedures specified in Section 28.36, Florida Statutes, and no reportable instances of noncompliance with the performance standards developed and certified pursuant to Section 28.35.

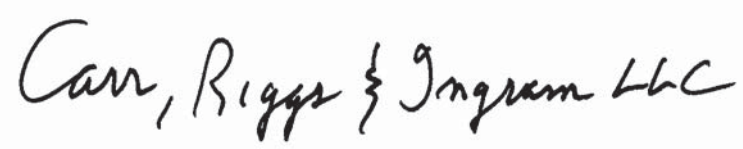
### Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The Honorable James B. Jett  
Clerk of the Circuit Court  
Clay County, Florida  
Page 2

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive style with a large initial 'C' and a stylized ampersand.

January 27, 2011  
Gainesville, Florida

The Honorable James B. Jett  
Clerk of the Circuit Court  
Clay County, Florida

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Clay County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2010, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated January 27, 2011. Our report on the financial statements included a paragraph explaining that the Office is an integral part of Clay County, the primary government for financial reporting purposes. 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.

### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

#### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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 deficiency described in the accompanying Schedule of Findings as item 10-2 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings as item 10-1 to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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*.

The Office's response to the findings identified in our audit accompanies this report. We did not audit the Office's response and, accordingly, we express no opinion on it.

#### **Communication with Those Charged with Governance**

Professional standards require that we provide you with the following information related to our audit.

#### Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

#### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. As a result of audit procedures, we noted material misstatements related to cash and fund balance. Our proposed adjustments were accepted by management. Additionally, other misstatements detected as a result of audit procedures and uncorrected by management were not considered material either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

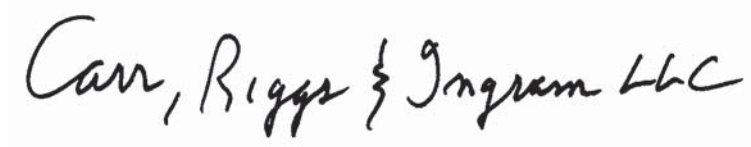
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter.

The Honorable James B. Jett  
Clerk of the Circuit Court  
Clay County, Florida  
Page 4

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

January 27, 2011  
Gainesville, Florida

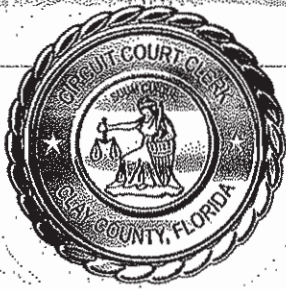
**Schedule of Findings  
September 30, 2010  
Clay County Clerk of the Circuit Court**

10-1 *Finding* – We noted that the Registry Fund has several cases with amounts that have been outstanding for more than five years.

*Recommendation* – The Office should continue to research all items and ensure that moneys are disbursed pursuant to Section 43.19(1), Florida Statutes.

10-2 *Finding* – As part of the audit process, we proposed material adjustments to the Office's financial statements. It was also necessary for us to assist with the preparation of your financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

*Recommendation* – We recommend that you consider and evaluate the cost and benefits of improving internal controls relative to the financial reporting process.



## JAMES B. JETT

Clay County Clerk of the Circuit Court, 825 North Orange Avenue, Post Office Box 698, Green Cove Springs, Florida, 32043-0698

OFFICE (904) 284/269-6317  
FAX (904) 284/269-6390  
EMAIL [Jett1@clayclerk.com](mailto:Jett1@clayclerk.com)  
WEB [clayclerk.com](http://clayclerk.com)

January 27, 2011

Mr. David W. Martin, CPA  
Auditor General  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Auditor General Martin:

Pursuant to the provisions of Section 218.39(6) Florida Statutes, the following is a statement in response to the audit of our office conducted by Carr, Riggs and Ingram LLC for the period of October 1, 2009 through September 30, 2010 and for the State budget period of July 1, 2009 through June 30, 2010.

The results of the tests performed during the audit indicated that, with respect to the items tested, the Office of the Clerk of the Circuit Court, Clay County, Florida complied in all material respects, with laws and regulations, with two exceptions. The audit disclosed the following findings:

10-1 Finding

Registry Fund: We will continue to research all Items and ensure that moneys are disbursed pursuant to Section 43.19(1), Florida Statutes. We have implement a procedure that will require this fund to be monitored more often and in a timely manner.

10-2 Finding

Financial Statement Adjustments: The material adjustments were immediately made to the Office's financial statements. In our effort to improve internal controls relative to the financial reporting process, we have implemented a procedure that would more efficiently ensure that all material adjustments are properly applied.

Sincerely,

James B. Jett  
Clerk of the Circuit Court