

Special-Purpose Financial Statements

Clerk of the Circuit Court  
Leon County, Florida

*Year ended September 30, 2005*  
*Independent Auditors' Report*

Thomas Howell Ferguson P.A.  
and  
Law, Redd, Crona & Munroe P.A.

Clerk of the Circuit Court  
Leon County, Florida

Special-Purpose Financial Statements

Year ended September 30, 2005

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## Independent Auditors' Report

The Honorable Clerk of the Circuit Court  
Leon County, Florida

We have audited the accompanying special-purpose financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clerk of the Circuit Court of Leon County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2005, as shown on pages 3 through 8. These special-purpose financial statements are the responsibility of the Clerk's management. Our responsibility is to express an opinion on these special-purpose 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*, and any amendments thereto, 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 special-purpose financial statements, 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 discussed in Note 1, the accompanying special-purpose financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes* and Section 10.557(5), *Rules of the Auditor General for Local Governmental Entity Audits*, and are intended to present the financial position, and the changes in financial position, where applicable, of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information that is attributable to the transaction of the Clerk. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2005, and the changes in its financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clerk as of September 30, 2005, and the respective changes in the financial position, where applicable, thereof and 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 November 23, 2005, on our consideration of the Clerk's internal control over financial reporting and our tests of his compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, 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.

*Thomas Howell Ferguson P.A.*

*Law, Redd, Crona & Munroe, P.A.*

November 23, 2005

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Clerk of the Circuit Court  
Leon County, Florida

Balance Sheet - Governmental Funds

September 30, 2005

	General Fund	Article V Court Operating Fund	Records Modernization Fund	Total Governmental Funds
<b>Assets</b>				
Assets:				
Cash (Note 2)	\$ 2,047,091	\$ 287,372	\$ 423,942	\$ 2,758,405
Investments (Note 2)	25,628	3,765	1,043,229	1,072,622
Receivables (net of allowances for uncollectibles):				
Accounts receivable	25,614	728	-	26,342
Intergovernmental	54,931	65,758	-	120,689
Due from other funds (Note 7)	155	6,602	-	6,757
Due from other county units	7,243	-	-	7,243
Inventories	51,263	2,899	-	54,162
Other assets	247	-	-	247
<b>Total assets</b>	<b>\$ 2,212,172</b>	<b>\$ 367,124</b>	<b>\$ 1,467,171</b>	<b>\$ 4,046,467</b>
<b>Liabilities and fund equity</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 195,669	\$ 7,220	\$ 700	\$ 203,589
Due to other funds (Note 7)	52	66	-	118
Due to other county units	1,865,608	3,763	-	1,869,371
Due to other governments	105,985	215,911	-	321,896
Deposits	44,858	-	-	44,858
Deferred revenue	-	140,164	-	140,164
<b>Total liabilities</b>	<b>2,212,172</b>	<b>367,124</b>	<b>700</b>	<b>2,579,996</b>
Fund equity				
Reserved for records modernization	-	-	1,466,471	1,466,471
<b>Total liabilities and fund equity</b>	<b>\$ 2,212,172</b>	<b>\$ 367,124</b>	<b>\$ 1,467,171</b>	<b>\$ 4,046,467</b>

*The accompanying notes are an integral part of the special-purpose financial statements.*

Clerk of the Circuit Court  
Leon County, Florida

Statement of Revenues, Expenditures and Changes in Fund  
Balance - Governmental Funds

Fiscal year ended September 30, 2005

	General Fund	Article V Court Operating Fund	Records Modernization Fund	Total Governmental Funds
<b>Revenues:</b>				
Charges for services	\$ 2,248,132	\$ 6,445,520	\$ 962,247	\$ 9,655,899
Intergovernmental	36,511	434,451	-	470,962
Interest	115,007	-	17,236	132,243
Miscellaneous	5,050	2,659	-	7,709
Total revenues	2,404,700	6,882,630	979,483	10,266,813
<b>Expenditures:</b>				
Current:				
General government:				
Judicial	246,483	4,857,401	553,837	5,657,721
Financial and administrative	1,253,889	1,669,154	-	2,923,043
Other general government	608,680	-	255,022	863,702
Total expenditures	2,109,052	6,526,555	808,859	9,444,466
Excess (deficiency) of revenues over (under) expenditures	295,648	356,075	170,624	822,347
Other financing sources (uses) including transfers:				
Operating transfers in	1,569,962	-	-	1,569,962
Operating transfers out	(1,865,610)	-	-	(1,865,610)
Remittance to the Florida Department of Revenue	-	(356,075)	-	(356,075)
Total other financing sources (uses)	(295,648)	(356,075)	-	(651,723)
Net change in fund balances	-	-	170,624	170,624
Fund balance at beginning of year	-	-	1,295,847	1,295,847
Fund balance at end of year	\$ -	\$ -	\$ 1,466,471	\$ 1,466,471

*The accompanying notes are an integral part of the special-purpose financial statements.*

Clerk of the Circuit Court  
Leon County, Florida

Statement of Fiduciary Net Assets - Agency Funds

September 30, 2005

**Assets:**

Cash (Note 2)	\$ 8,290,038
Investments (Note 2)	524,647
Receivables (net of allowances for uncollectibles):	
Accounts receivable	736
Due from other funds (Note 7)	118
Total assets and other debits	<u>\$ 8,815,539</u>

**Liabilities:**

Accounts payable	\$ 35,023
Due to other funds (Note 7)	6,757
Due to other county units	402,616
Due to other governments	901,517
Deposits	7,469,625
Total liabilities	<u>\$ 8,815,538</u>

*The accompanying notes are an integral part of the special-purpose financial statements.*



Clerk of the Circuit Court  
Leon County, Florida

Budgetary Comparison Statement  
General Fund

Year ended September 30, 2005

	<u>Budget Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 1,805,657	\$ 1,859,777	\$ 2,248,132	\$ 388,355
Intergovernmental	20,000	20,000	36,511	16,511
Interest	27,129	27,129	115,007	87,878
Miscellaneous	-	-	5,050	5,050
<b>Total revenues</b>	<b>1,852,786</b>	<b>1,906,906</b>	<b>2,404,700</b>	<b>497,794</b>
<b>Expenditures</b>				
Current:				
General government:				
Judicial	292,399	343,570	246,483	97,087
Financial and administrative	2,008,998	1,964,784	1,253,889	710,895
Other general government	576,814	642,670	608,680	33,990
<b>Total expenditures</b>	<b>2,878,211</b>	<b>2,951,024</b>	<b>2,109,052</b>	<b>841,972</b>
Excess (deficiency) of revenues over (under) expenditures	(1,025,425)	(1,044,118)	295,648	1,339,766
Other financing sources (uses):				
Operating transfers in	1,551,269	1,569,962	1,569,962	-
Operating transfers out	(525,844)	(525,844)	(1,865,610)	(1,339,766)
<b>Total other financing sources (uses)</b>	<b>1,025,425</b>	<b>1,044,118</b>	<b>(295,648)</b>	<b>(1,339,766)</b>
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	-	-	-	-
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The accompanying notes are an integral part of the special-purpose financial statements.*

Clerk of the Circuit Court  
Leon County, Florida

Budgetary Comparison Statement  
Article V Court Operating Fund

Year ended September 30, 2005

	<u>Budget Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 6,432,534	\$ 6,439,239	\$ 6,445,520	\$ 6,281
Intergovernmental	404,510	434,451	434,451	-
Miscellaneous	39,316	2,659	2,659	-
Total revenues	<u>6,876,360</u>	<u>6,876,349</u>	<u>6,882,630</u>	<u>6,281</u>
<b>Expenditures</b>				
Current:				
General government:				
Judicial	5,439,433	5,207,195	4,857,401	349,794
Financial and administrative	1,455,610	1,669,154	1,669,154	-
Total expenditures	<u>6,895,043</u>	<u>6,876,349</u>	<u>6,526,555</u>	<u>349,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,683)</u>	-	<u>356,075</u>	<u>(356,075)</u>
Other financing sources (uses) including transfers:				
Operating transfers in	18,683	-	-	-
Remittance to the Florida Department of Revenue	-	-	(356,075)	356,075
Total other financing sources (uses)	<u>18,683</u>	<u>-</u>	<u>(356,075)</u>	<u>356,075</u>
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*The accompanying notes are an integral part of the special-purpose financial statements.*

Clerk of the Circuit Court  
Leon County, Florida

Budgetary Comparison Statement  
Records Modernization Fund

Year ended September 30, 2005

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for services	\$ 893,417	\$ 893,417	\$ 962,247	\$ 68,830
Interest	3,059	3,059	17,236	14,177
Miscellaneous	18,703	83,810	-	(83,810)
Total revenues	915,179	980,286	979,483	(803)
<b>Expenditures</b>				
Current:				
Judicial	645,379	675,486	553,837	121,649
Other general government	269,800	304,800	255,022	49,778
Total expenditures	915,179	980,286	808,859	171,427
Excess (deficiency) of revenues over (under) expenditures	-	-	170,624	170,624
Other financing sources (uses) including transfers:				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	170,624	170,624
Fund balance at beginning of year	1,295,847	1,295,847	1,295,847	-
Fund balance at end of year	<u>\$ 1,295,847</u>	<u>\$ 1,295,847</u>	<u>\$ 1,466,471</u>	<u>\$ 170,624</u>

*The accompanying notes are an integral part of the special-purpose financial statements.*

Clerk of the Circuit Court  
Leon County, Florida

Notes to Special-Purpose Financial Statements

September 30, 2005

**1. Summary of Significant Accounting Policies**

**Reporting Entity**

The Clerk of the Circuit Court (the Clerk) is an elected Constitutional Officer of Leon County, Florida, pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk is a separate constitutional officer as provided by Chapter 218 of Florida Statutes. Leon County is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and Florida Statutes. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Clerk is considered to be a part of the primary government of Leon County and is included in the Leon County county-wide financial statements. The financial statements contained herein represent the financial transactions of the Clerk only.

The Leon County Board of County Commissioners (the Board) funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers except for the Tax Collector and only the obligations specified under Chapter 29 in the Florida Statutes for the Clerk of Court. The Tax Collector and Clerk are considered fee officers. The payments by the Board to fund the operations of the Constitutional Officers are recorded as operating transfers out on the financial statements of the Board and as operating transfers in on the financial statements of the Constitutional Officers. Repayments to the Board are recorded as operating transfers out on the financial statements of the Constitutional Officers and as operating transfers in on the financial statements of the Board.

The accounting policies of the Clerk conform to accounting principles generally accepted in the United States of America, as applicable to governments.

**Basis of Presentation**

The special-purpose financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida.

Clerk of the Circuit Court  
Leon County, Florida

Notes to Special-Purpose Financial Statements

**1. Summary of Significant Accounting Policies (continued)**

**Description of Funds**

The accounting records of the Clerk are organized for reporting purposes on the basis of governmental and fiduciary funds.

*Governmental Fund Type*

- General Fund — The General Fund is the general operating fund of the Clerk. This fund is used to account for all financial transactions not required to be accounted for in another fund.
- Article V Court Operating Fund — This fund is used to account for specific governmental revenue sources (other than major capital projects) that are legally restricted through Article V of the Florida Constitution to expenditures for court operations.
- Records Modernization Fund — This fund is used to account for specific governmental revenue sources (other than major capital projects) that are legally restricted to expenditures for records modernization.

*Fiduciary Fund Type*

- Agency Funds — To account for the assets held by the Clerk as an agent for individuals, private organizations and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the fund financial statements and relates to the timing of the measurements made.

The accompanying financial statements have been prepared using the modified accrual basis of accounting for all Governmental Funds and Fiduciary Funds (Agency Funds). Accordingly, revenues are recognized when measurable and available to pay liabilities of the current period and expenditures are generally recorded when the liability is incurred and/or will be paid from expendable available financial resources.

Clerk of the Circuit Court  
Leon County, Florida

Notes to Special-Purpose Financial Statements

**1. Summary of Significant Accounting Policies (continued)**

**Basis of Accounting (continued)**

The Clerk considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. The following revenues are considered to be susceptible to accrual: charges for services and interest earned.

**Budgets and Budgetary Accounting**

Expenditures, other than those for certain agency funds, are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Clerk. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

The budgeted revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Florida Statutes Chapter 218.35 governs the preparation, adoption and administration of the Clerk's annual budget. The Clerk establishes an annual budget for his office which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The Clerk prepares his budget in three parts:

- A. The budget relating to the requirements of the Clerk as the Ex Officio Clerk to the Board, County Auditor, County Recorder, and Custodian or Treasurer of all County funds and other County-related duties, and for Chapter 29 obligations;
- B. The budget relating to the State court system, which is filed with the Clerk of Courts Operations Corporation (CCOC) by August 15 preceding the fiscal year of the budget, in the format required by the CCOC. Section 28.36, Florida Statutes, defines the maximum annual budget permitted; and
- C. The budget for all other operations.

The annual budgetary data reported for the governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States and represent the Clerk's adopted budget, the original appropriation ordinance, and budget amendments approved by the Clerk or as adopted by the Board.

Clerk of the Circuit Court  
Leon County, Florida

Notes to Special-Purpose Financial Statements

**1. Summary of Significant Accounting Policies (continued)**

**Investments**

Investments are administered by the Florida State Board of Administration or consist of certificates of deposit when directed by court order. In accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments of the Clerk are reported at amortized cost, which approximates fair value.

**Inventories**

Inventories consist of expendable office supplies. The office supplies are valued at the average unit cost and are accounted for under the consumption method whereby the cost is recorded as an expenditure at the time of issuance to the user department.

**Capital Assets**

Capital assets purchased in the governmental fund type are recorded as expenditures (capital outlay) at the time of purchase. Such assets are reported as capital assets in the Statement of Net Assets as part of the basic financial statements for Leon County.

**Liability for Compensated Absences**

The Clerk accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Clerk does not, nor is he legally required to, accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental funds. However, the current and long-term portion of the liability for compensated absences is reported at the County-wide financial statement level.

**Use of Estimates**

The preparation of the fund financial statements is in conformity with accounting practices prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the fund financial statements. Actual results could differ from estimates.

Clerk of the Circuit Court  
Leon County, Florida

Notes to Special-Purpose Financial Statements

**1. Summary of Significant Accounting Policies (continued)**

**Distribution of Excess Revenues**

Florida Statutes require that the Clerk distribute any excess of revenues over expenditures within the General Fund to the Board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying fund financial statements as "other financing uses." Beginning July 1, 2004, excess monies from the new Article V Court Operating Special Revenue Fund will be distributed to the Florida Department of Revenue by January 31.

**2. Cash and Investments**

**Cash**

Cash consists of cash on hand and bank balances. At September 30, 2005, the carrying amount of the Clerk's deposits (including agency funds) was \$11,048,443, and bank balances were \$9,090,972. Deposits in excess of federal depository insurance are covered by deposits held in banks that are members of the State of Florida's Collateral Pool.

**Investments**

*Credit Risk*

The Clerk's investment practices are governed by Section 218.415 (17), Florida Statutes. Investments authorized by Section 218.415 (17), Florida Statutes include:

- 1) The Local Government Surplus Funds Trust Fund administered by the State Board of Administration;
- 2) Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency;
- 3) Interest bearing time deposits or savings accounts in qualified public depositories; and
- 4) Direct obligations of the United States Treasury.

At September 30, 2005, all of the Clerk's investments were deposited with the Local Government Surplus Funds Trust Fund (LGSF) administered by the Florida State Board of Administration (SBA). The LGSF is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for an SEC Rule 2a-7 fund. The LGSF is governed by Chapter 19-7 of the *Florida Administrative Code*, which identifies the Rules of the SBA.



Clerk of the Circuit Court  
Leon County, Florida

Notes to Special-Purpose Financial Statements

**2. Cash and Investments (continued)**

**Investments (continued)**

These rules provide guidance and establish the general operating procedures for the administration of the LGSF. Additionally, the Florida Office of the Auditor General performs the operational audit of the activities and investments of the SBA. The Clerk's fair value of their position in the pool of \$1,597,269 approximates the value of the pool shares. Investments with SBA are not evidenced by securities that exist in physical or book entry form. The LGSF is not rated by statistical rating organizations.

**3. Compensated Absences**

As discussed in Note 1, the liability associated with compensated absences is reported on the County-wide financial statement level. A summary of the Clerk's liability for compensated absences included at the County-wide financial statement level is as follows:

	<b>Balance October 1, 2004</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2005</b>
Liability for compensated absences	\$ 746,803	\$ 513,597	\$ 546,082	\$ 714,318

**4. Risk Management**

The Clerk participates in the Leon County Insurance Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third-party administrator. The Clerk makes payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2005, was \$25,018. Excess payments are recorded as a designation of retained earnings for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding \$350,000.

**5. Employees' Retirement Plan**

All full-time employees of the Clerk are eligible to participate in the Florida Retirement System (the System), a cost-sharing multiple-employer defined benefit public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement.

Clerk of the Circuit Court  
Leon County, Florida

Notes to Special-Purpose Financial Statements

**5. Employees' Retirement Plan (continued)**

Information as to benefits, contribution rates and vesting requirements by membership category is provided in the County-wide financial statements of Leon County, Florida.

Participating employer contributions are based upon actuarially determined state-wide rates established by the State of Florida, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. No employee contributions are required. The contributions required for the fiscal years ended September 30, 2005, 2004, and 2003 were \$471,805, \$445,183, and \$430,674, respectively, which is equal to the required contribution for each year.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, P. O. Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-5706.

**6. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Clerk had no outstanding encumbrances at September 30, 2005.

**7. Other Required Individual Fund Disclosures**

Individual fund interfund receivable and payable balances at September 30, 2005 were:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 151	\$ 52
Article V Court Operating Fund	6,602	66
Agency Funds:		
Child Support	118	6,757
Total	<u>\$ 6,875</u>	<u>\$ 6,875</u>

Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Special-Purpose Financial Statements  
Performed in Accordance with *Government Auditing Standards*

*September 30, 2005*

Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of  
Special-Purpose Financial Statements Performed in  
Accordance with *Government Auditing Standards*

The Honorable Clerk of the Circuit Court  
Leon County, Florida

We have audited the special-purpose financial statements of the Clerk of the Circuit Court of Leon County, Florida, as of and for the fiscal year ended September 30, 2005, and have issued our report thereon dated November 23, 2005. 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 of the Circuit Court of Leon County, Florida'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 over financial reporting 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 of the Circuit Court of Leon County, Florida's special-purpose 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 that are required to be reported under *Government Auditing Standards*.

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We noted other matters pursuant to the *Rules of the Auditor General*, Chapter 10.550 that we have reported to the management of the Clerk of the Circuit Court in a separate letter dated November 23, 2005.

This report is intended solely for the information and use of management of the Clerk of the Circuit Court of Leon County 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.

*Thomas Howell Ferguson P.A.*      *Law, Redd, Crona & Munroe, P.A.*

November 23, 2005

Management Letter

*September 30, 2005*

## Management Letter

To the Honorable Clerk of the Circuit Court  
Leon County, Florida

We have audited the special-purpose financial statements of the Clerk of the Circuit Court of Leon County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2005, and have issued our report thereon dated November 23, 2005.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Compliance and Internal Control over Financial Reporting, Disclosures in that report, which is dated November 23, 2005, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*. The comments which follow are reported pursuant to the provisions of Chapter 10.550, *Rules of the Auditor General* which govern the conduct of the local government entity audits performed in the State of Florida and require disclosure of certain findings even though they may not materially affect the financial statements.

The *Rules of the Auditor General* (Section 10.544(1)(h)1.) require that we address in the management letter, if not already addressed in the auditors' report on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. We reported no findings or recommendations 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 the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Clerk complied with Section 218.415, Florida Statutes.

The *Rules of the Auditor General* (Section 10.554(a)(h)4.) require disclosure of any recommendations to improve the local governmental entity's financial management, accounting procedures and internal controls and any of the following matters if not already addressed in the auditors' report on compliance and internal control: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred and were discovered during the audit; (2) improper or illegal expenditures discovered within the scope of the audit

that may not materially affect the financial statements; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed none of these matters.

The *Rules of the Auditor General* (Section 10.554(1)(h)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the fund financial statements. The name or official title and legal authority for the primary government of the reporting entity is disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Clerk has no component units.

As required by the *Rules of the Auditor General* (Section 10.554(1)(h)7.), the scope of our audit included a review of the provisions of Section 28.36, Florida Statutes, regarding compliance with the budget certified by the Clerks of Court Operations Corporation and compliance with performance standards developed and certified pursuant to Section 28.35, Florida Statutes. In connection with our audit, we noted no instances of noncompliance with Section 28.35, Florida Statutes.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.554(1)(h).

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This report is intended solely for the information and use of the Clerk of the Circuit Court of Leon County, Florida and management, others within the organization 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.

*Thomas Howell Ferguson P.A.*

*Kaw, Redd, Brown & Munroe, P.A.*

November 23, 2005