

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY
COURTS**

FINANCIAL STATEMENTS

For the Year Ended September 30, 2015

And Reports of Independent Auditor

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
TABLE OF CONTENTS**

REPORT OF INDEPENDENT AUDITOR 1 - 3

FINANCIAL STATEMENTS:

Balance Sheet - Governmental Funds 4
Statement of Revenues, Expenditures and Changes in
Fund Balance - Governmental Funds 5
Statement of Fiduciary Net Position - Fiduciary Funds 6
Statement of Changes in Fiduciary Net Position -
Other Postemployment Benefits Trust Fund 7
Notes to Financial Statements 8 - 16

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund 17
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Public Records Modernization Trust Fund 18
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Mortgage Foreclosure Education Trust Fund 19

OTHER SUPPLEMENTARY INFORMATION:

Agency Fund Descriptions 20
Combining Statement of Changes in Assets and Liabilities - Agency Funds 21 - 22

SUPPLEMENTARY REPORTS:

Report of Independent Auditor 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* 23 - 24
Independent Auditor's Management Letter 25 - 26
Report of Independent Accountant on Compliance with Local Government Investment Policies,
Article V Requirements and Depository Requirements of Sections 218.415, 28.35, 28.36 and
61.181, Florida Statutes 27

Report of Independent Auditor

To the Honorable Tiffany Moore Russell,
Clerk of the Circuit and County Courts of Orange County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Orange County, Florida Clerk of the Circuit and County Courts (the "Clerk") as of and for the year ended September 30, 2015, and the related notes to the financial statements, as listed in the table of contents. We also have audited the Other Postemployment Benefits Trust Fund, as displayed in the Clerk's financial statements, and the financial statements of each of the Clerk's agency funds as of and for the year ended September 30, 2015, presented as other supplementary information in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk, as well as of the Other Postemployment Benefits Trust Fund, as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each agency fund of the Clerk as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 17 through 19 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 5, 2016 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* in considering the Clerk's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
February 5, 2016

FINANCIAL STATEMENTS

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Major Funds			Totals
	General	Public	Foreclosure	
	Fund	Records Modernization	Education	
ASSETS				
Cash and cash equivalents	\$ 5,895,722	\$ 3,212,592	\$ 26,161	\$ 9,134,475
Due from Board of County Commissioners	1,260	-	-	1,260
Due from General Fund	-	25,662	-	25,662
Due from other governmental agencies	240,193	228,729	-	468,922
Total assets	\$ 6,137,175	\$ 3,466,983	\$ 26,161	\$ 9,630,319
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 735,173	\$ 7,948	\$ -	\$ 743,121
Due to individuals	1,435,585	-	-	1,435,585
Due to Board of County Commissioners	217,454	-	-	217,454
Due to other governmental agencies	3,623,301	-	-	3,623,301
Due to Public Records Modernization Fund	25,662	-	-	25,662
Due to OPEB Trust Fund	100,000	-	-	100,000
Total liabilities	6,137,175	7,948	-	6,145,123
Fund balance	-	3,459,035	26,161	3,485,196
Total liabilities and fund balance	\$ 6,137,175	\$ 3,466,983	\$ 26,161	\$ 9,630,319

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2015

	Major Funds			Totals
	General	Public	Mortgage	
	Fund	Records	Foreclosure	
	Modernization	Education		
Revenues				
Court-related:				
Intergovernmental:	\$ 162,557	\$ -	\$ -	\$ 162,557
Charges for services:				
Filing fees	\$ 9,678,748	\$ -	\$ -	\$ 9,678,748
Service charges	7,186,810	-	-	7,186,810
Court costs	6,688,682	-	-	6,688,682
Fines and Forfeitures	7,645,840	1,704,800	-	9,350,640
Interest income	31,286	-	-	31,286
Non-court-related:				
Charges for services:				
Marriage and passport	1,431,258	-	-	1,431,258
Recording fees from Comptroller	-	2,717,724	-	2,717,724
Other	-	18,900	15,721	34,621
Intergovernmental:				
County funded items	120,900	-	-	120,900
Child support federal reimbursement	1,397,594	-	-	1,397,594
Interest income	76	-	-	76
Total revenues	34,343,751	4,441,424	15,721	38,800,896
Expenditures				
Court-related:				
Current:				
General government:				
Salaries and benefits	23,902,074	-	-	23,902,074
Operating	2,986,318	-	-	2,986,318
Capital outlay	147,492	-	-	147,492
Distribution of excess fees	4,358,039	-	-	4,358,039
Non-court-related:				
Current:				
General government:				
Salaries and benefits	891,523	1,969,027	-	2,860,550
Operating	1,204,068	2,455,486	20,996	3,680,550
Capital outlay	854,237	40,087	-	894,324
Total expenditures	34,343,751	4,464,600	20,996	38,829,347
Excess of revenues under expenditures	-	(23,176)	(5,275)	(28,451)
Fund balance, beginning of year	-	3,482,211	31,436	3,513,647
Fund balance, end of year	\$ -	\$ 3,459,035	\$ 26,161	\$ 3,485,196

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2015

	Other Postemployment Benefits Trust	Agency
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 6,168,801	\$ 47,680,108
Due from General Fund	\$ 100,000	
Due from individuals	<u> -</u>	<u> 6,672</u>
Total assets	<u><u>\$ 6,268,801</u></u>	<u><u>\$ 47,686,780</u></u>
LIABILITIES		
Due to individuals	\$ -	\$ 43,812,909
Due to Board of County Commissioners	-	909,690
Due to other governmental agencies	<u> -</u>	<u> 2,964,181</u>
Total liabilities	<u><u>\$ -</u></u>	<u><u>\$ 47,686,780</u></u>
Net Position		
Held in trust for other postemployment benefits	<u> 6,268,801</u>	
Total net position	<u><u>\$ 6,268,801</u></u>	

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
OTHER POSTEMPLOYMENT BENEFITS TRUST FUND

YEAR ENDED SEPTEMBER 30, 2015

Additions	
Employer contributions	\$ 350,000
Net investment income	<u>4,901</u>
Total additions	354,901
Net position, beginning of year	<u>5,913,900</u>
Net position, end of year	<u><u>\$ 6,268,801</u></u>

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 1 – Summary of significant accounting policies

Reporting entity – The Orange County, Florida Clerk of the Circuit and County Courts (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 Orange County, Florida (the “County”) taken as a whole. The financial statements of the Clerk have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (“GASB”).

Entity status for financial reporting purposes is governed by GASB Statement No. 14, as amended. Although the Clerk’s office is operationally autonomous and legally separate from the Board, it does not hold sufficient corporate powers of its own to be considered a separate entity for financial reporting purposes. Therefore, under GASB guidelines, the Clerk is reported as a part of the primary government of the County.

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

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk.

Special revenue funds – The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The Public Records Modernization Trust Fund, which was established pursuant to an act of the 1987 Florida Legislature, receives 25% of the additional recording fees which are collected by the Orange County, Florida Comptroller’s office, a Constitutional officer, and are earmarked for the modernization of recording service operations. Effective July 1, 2004, this fund also receives \$1.90 of the additional recording fees which are collected by the Orange County, Florida Comptroller’s office, and are earmarked for the Clerk’s technology needs. Effective July 1, 2009, this fund also receives 10% of all fine monies collected by the Clerk to be used for any court-related purpose. The Mortgage Foreclosure Education Trust Fund, established July 1, 2006 under House Bill 65 and Section 45.035(2)a, Florida Statutes, entitles the Clerk to collect a \$28 service charge on any surplus resulting from a mortgage foreclosure sale. Proceeds from this service charge may only be used for purposes of educating the public as to the rights of homeowners regarding foreclosure proceedings.

Fiduciary funds – Fiduciary funds of the Clerk include an Other Postemployment Benefits Trust Fund, which is used to account for the receipt and disbursement of assets held in trust for participants of the Clerk’s other postemployment benefit plan, and agency funds, which are used to account for assets held by the Clerk as agent.

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 1 – Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation – The Clerk’s financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General* (the “Rules”), which require the Clerk to only present fund financial statements.

The General Fund and special revenue funds are governmental funds which use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers amounts collected on grants within 120 days after year-end, and amounts collected on all other government funds within 60 days after year-end, to be available and thus recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Clerk reports the General Fund, the Public Records Modernization Trust Fund, and the Mortgage Foreclosure Education Trust Fund as major governmental funds. Agency funds are custodial in nature and do not involve measurement of results of operations; related assets and liabilities are measured on the accrual basis of accounting. The Other Postemployment Benefits Trust Fund uses a flow of economic resources measurement focus to determine net position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, this fund is maintained on the accrual basis of accounting. Additions are recognized when earned and deductions are recognized when incurred.

Effective July 1, 2004, as a result of Revision 7 to Article V of the Constitution of the State of Florida, the passage of Senate Bill 2962 and the revision of numerous Sections of Florida Statutes (collectively, Article V), the Clerk became an entirely fee-based Constitutional Officer.

Effective July 1, 2009, as a result of the passage of Senate Bills 2108 and 1718, the Clerk became part of the state appropriation process, wherein the Clerk receives a predetermined share of a statewide appropriation to all State of Florida Clerks of Court. This appropriation is accounted for as intergovernmental revenue.

Effective July 1, 2013, as a result of the passage of Senate Bill 1512, the Clerk returned to being an entirely fee-based Constitutional Officer. In accordance with this Bill, fee revenue began being recognized effective June 1, 2013.

The Clerk’s operations are segregated between court-related and non-court-related activities as defined in Article V. Any excess of court-related revenue over court-related expenditures as of September 30 each year is paid to the State of Florida Department of Revenue Clerks’ Trust Fund (“DOR”). Any excess of non-court-related revenue over non-court-related expenditures is reflected as a liability to the Orange County Board of County Commissioners (the “Board”).

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 1 – Summary of significant accounting policies (continued)

Fund balance presentation – All fund balances of the governmental funds are classified as restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Budgetary requirements – Expenditures are controlled by appropriations in accordance with the budgetary requirements set forth in the Florida Statutes. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

The Florida Clerks of Court Operations Corporation (“CCOC”) approved the budget for the Clerk’s court-related activities for the twelve months ended September 30, 2015. The Clerk is not required to submit its non-court-related activities budget for approval. These budgets collectively comprise the Clerk’s General Fund budget. The Clerk is not required to submit its special revenue funds budgets for approval. The Clerk increased its court-related and non-court-related budgets in the amount of \$162,557 and \$348,000, respectively, through a budget amendment.

Cash and cash equivalents – The Clerk’s cash and cash equivalents consist of demand deposits insured by the Federal Deposit Insurance Corporation or covered by the State of Florida collateral pool, and cash on hand for operations.

Capital assets – Tangible personal property used by the Clerk’s operations is recorded in the General Fund as an expenditure at the time assets are received and a liability is incurred. Purchased assets are recorded at historical cost in the government-wide financial statements of the County.

In addition, the Board provides administrative office space used by the Clerk at no charge. The Board incurred \$165,773 for lease costs in connection with the office space during fiscal 2015.

Compensated absences – The Clerk permits employees to accumulate earned but unused vacation and sick pay benefits. The Clerk is not legally required to and does not accumulate expendable available financial resources to liquidate this obligation. The obligation for compensated absences is accrued in the government-wide financial statements of the County. A summary of activity for the Clerk’s compensated absences obligation is as follows:

Beginning Balance	\$	2,104,590
Earned		2,051,001
Used		(1,704,471)
Ending Balance	\$	<u>2,451,120</u>

Use of estimates – The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 2 – Deposits and investments

Cash – Cash accounts are maintained in demand deposits, which are insured by the Federal Deposit Insurance Corporation or covered by the State of Florida collateral pool, a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

Investments – The Clerk follows Florida Statutes for its investment policy, which authorizes investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, and obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government.

The Clerk’s deposits and investments include \$62,955,084 in interest-bearing and non-interest bearing demand deposits at September 30, 2015 which are insured by the Federal Deposit Insurance Corporation or covered by the State of Florida collateral pool, a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. Cash on hand amounted to \$28,300.

Note 3 – Interfund receivables and payables

Interfund receivables and payables at September 30, 2015 consist of the following:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 125,662
Public Records Modernization Trust Fund	25,662	-
Other Postemployment Benefit Trust Fund	100,000	-
	<u>\$ 125,662</u>	<u>\$ 125,662</u>

The amounts due to the Public Records Modernization Fund are related to unreimbursed revenue earned and expenditures made for costs that are reimbursable by the General Fund. The amounts due to the Other Postemployment Benefit Trust Fund are related to a contribution from the General Fund into the Trust Fund that was not completed by year end.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 4 – Retirement system

Plan description – The Clerk’s employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration.

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. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida Legislature.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

Funding Policy – All enrolled members of the FRS Pension Plan are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates. The employer contribution rates by job class for the periods from October 1, 2014 through June 30, 2015 and July 1, 2015 through September 30, 2015, respectively, were as follows: regular- 7.37% and 7.26%; county elected officers- 43.24% and 42.27%; senior management- 21.14% and 21.43%; and DROP participants- 12.28% and 12.88%. During the fiscal year ended September 30, 2015, the Clerk contributed to the plan an amount equal to 8.43% of covered payroll

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by the Florida Legislature, based on a percentage of gross compensation for all active FRS members.

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 4 – Retirement system (continued)

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (DROP). This program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

The Clerk recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the defined contribution plan, amounting to \$1,134,383, \$270,085 and \$281,372, respectively, for the fiscal year ended September 30, 2015. The Clerk's payments for the Pension Plan and the HIS Plan after June 30, 2015, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$250,157 and \$77,166, respectively. The Clerk is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the state of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may be viewed on the Florida Department of Management Services website located at www.dms.myflorida.com/workforce_operations/retirement/publications.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 5 – Insurance coverage

Orange County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. The Clerk participated in the County's self-insurance program during fiscal year 2015 at a cost of \$153,777. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2015.

Additionally, Orange County maintains a self-insured plan for employee medical benefits. The plan covers all regular employees and certain retirees and former employees of the County and their eligible dependents, with coverage of claims up to \$700,000 per individual per year. The County has purchased an insurance policy to cover claims in excess of this amount, up to an additional \$2 million per individual per year. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited. The Clerk participated in the County's employee medical benefits plan during the fiscal year 2015 at a cost of \$3,785,425.

Note 6 – Other Postemployment Benefit (OPEB) Plan

Plan description – The Clerk offers a single-employer defined benefit plan ("OPEB plan") that subsidizes the cost of health care for its retirees and eligible dependents. Retirees with at least 10 years of service under the Clerk who are receiving benefits from the FRS are eligible to receive a monthly benefit of five dollars per year of service up to a maximum of \$150 per month. Additionally, Clerk employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan at the same group rate as for active employees.

In June 2009, the Clerk established the Orange County Clerk of the Circuit and County Courts Retiree Health Insurance Subsidy Trust ("Trust"), a qualifying trust, and began funding its OPEB Plan obligation. Separate stand-alone financial statements for the Trust are not prepared.

At October 1, 2015, the date of the latest actuarial valuation, plan participation consisted of:

Active Employees	443
Inactive Participants	<u>136</u>
Total	<u>579</u>

Funding policy – The Clerk funds its OPEB obligations on a pay-as-you-go basis, and has the authority to establish and amend its funding policy. For the fiscal year 2015 the Clerk has contributed \$350,000 and in the prior years a total of \$5,940,000 for a total amount contributed of \$6,290,000. This Trust is to be used to fund current subsidy payments to participants for upcoming fiscal years.

Annual OPEB cost and net OPEB obligation – The Clerk engaged an actuarial firm to determine the estimated obligation associated with postemployment health insurance benefits as of September 30, 2015 and September 30, 2016, as well as the actuarially required contribution (ARC) for funding this obligation. Based on this report, including assumptions that the ARC is funded and has an average return on investment of 3.5%, the ARC for the Clerk's office in fiscal year 2015 was \$449,046.

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 6 – Other Postemployment Benefit (OPEB) Plan (continued)

The annual cost (expense) of the OPEB plan is calculated based on the ARC. The Clerk’s annual OPEB cost, contributions made, and net OPEB asset for 2015 are as follows:

Net OPEB (asset) as of September 30, 2014		\$	(3,290,855)
ARC for the fiscal year	\$	449,046	
Interest on OPEB asset		(115,180)	
Adjustment to ARC		109,695	
Annual OPEB cost for the fiscal year			443,561
Contributions made during the fiscal year			(654,781)
Net OPEB (asset) as of September 30, 2015			<u>\$ (3,502,075)</u>

The Clerk’s annual OPEB cost (AOC), OPEB contributions net of amounts received from retirees, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset (NOA) as of September 30, 2015 and the two preceding years were as follows:

Fiscal Year	AOC	Net Contribution	Percent of AOC Contributed	(NOA)
September 30, 2015	\$ 443,561	\$ 654,781	148%	\$ (3,502,075)
September 30, 2014	\$ 602,430	\$ 3,018,114	501%	\$ (3,290,885)
September 30, 2013	\$ 554,378	\$ 3,162,372	570%	\$ (875,171)

Funded status and funding progress – The following table shows the funded status of the plan as of September 30, 2015, the most recent actuarial valuation date, and the two preceding actuarial valuation dates:

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
09/30/2015	\$ 6,268,801	\$ 7,494,561	\$ 1,225,760	83.6%	\$ 19,989,642	6.1%
09/30/2014	\$ 5,913,900	\$ 6,540,383	\$ 626,483	90.4%	\$ 19,334,261	3.2%
09/30/2013	\$ 3,169,170	\$ 8,961,748	\$ 5,792,578	35.4%	\$ 20,057,017	28.9%

The above schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

The Clerk recognizes OPEB expenditures as amounts are funded. The amount of the ARC in excess of contributions funded is a long-term obligation and, accordingly, is presented on the government-wide statement of net assets in the County’s Comprehensive Annual Financial Report.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 6 – Other Postemployment Benefit (OPEB) Plan (continued)

Actuarial methods and assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan (the plan as understood by the employer and the plan members) in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial methods are:

Actuarial cost method	Entry Age actuarial cost method
Amortization method	Level percentage of payroll projected to grow 3.5% per year
Amortization period (closed)	30 years
Asset valuation method	Fair value

The actuarial assumptions are:

Investment rate of return	3.5%
Projected annual salaries increase	4.5%
Healthcare cost trend rate	Increase of 8.0% for the 2015 fiscal year, grading to an ultimate rate of 5.0% for the 2023 fiscal year

Note 7 – Lease commitments

Operating leases – The Clerk leases various office equipment under arrangements accounted for as operating leases. Total lease expenditures were \$238,646 for the year ended September 30, 2015. The following is a schedule of minimum future rent obligations under non-cancelable leases with terms in excess of one year:

2016	\$	179,451
2017		86,751
2018		18,431
2019		476
Total	\$	<u>285,109</u>

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Court-related:				
Intergovernmental	\$ -	\$ 162,557	\$ 162,557	\$ -
Charges for services:				
Filing fees	\$ 9,000,000	\$ 9,250,000	\$ 9,678,748	\$ 428,748
Service charges	7,200,000	7,500,000	7,186,810	(313,190)
Court costs	6,600,000	6,500,000	6,688,682	188,682
Fines and forfeitures	7,150,000	7,700,000	7,645,840	(54,160)
Interest Income	50,000	50,000	31,286	(18,714)
Non-court-related:				
Charges for services:				
Marriage and passport	1,204,000	1,402,000	1,431,258	29,258
Intergovernmental:				
County funded items	120,900	120,900	120,900	-
Child support federal reimbursement	1,300,000	1,450,000	1,397,594	(52,406)
Interest income	100	100	76	(24)
Total revenues	<u>32,625,000</u>	<u>34,135,557</u>	<u>34,343,751</u>	<u>208,194</u>
Expenditures				
Court-related:				
Current:				
General government:				
Salaries and benefits	25,609,000	23,830,924	23,902,074	(71,150)
Operating	2,629,897	3,194,918	2,986,318	208,600
Capital outlay	-	11,646	147,492	(135,846)
Distribution of excess fees	1,761,103	4,125,069	4,358,039	(232,970)
Non-court-related:				
Current:				
General government:				
Salaries and benefits	1,000,000	1,000,000	891,523	108,477
Operating	1,625,000	1,052,900	1,204,068	(151,168)
Capital outlay	-	920,100	854,237	65,863
Total expenditures	<u>32,625,000</u>	<u>34,135,557</u>	<u>34,343,751</u>	<u>(208,194)</u>
Excess of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION TRUST FUND

YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Charges for services:				
Recording fees from Comptroller	\$ 2,400,000	\$ 2,400,000	\$ 2,717,724	\$ 317,724
Other	10,000	10,000	18,900	8,900
Fines	1,700,000	1,700,000	1,704,800	4,800
Total revenues	<u>4,110,000</u>	<u>4,110,000</u>	<u>4,441,424</u>	<u>331,424</u>
Expenditures				
Current:				
General government:				
Salaries and benefits	1,975,000	1,975,000	1,969,027	5,973
Operating	2,835,000	2,785,000	2,455,486	329,514
Capital outlay	500,000	500,000	40,087	459,913
Total expenditures	<u>5,310,000</u>	<u>5,260,000</u>	<u>4,464,600</u>	<u>795,400</u>
Excess of revenues over (under) expenditures	(1,200,000)	(1,150,000)	(23,176)	1,126,824
Fund balance, beginning of year	<u>3,482,211</u>	<u>3,482,211</u>	<u>3,482,211</u>	-
Fund balance, end of year	<u>\$ 2,282,211</u>	<u>\$ 2,332,211</u>	<u>\$ 3,459,035</u>	<u>\$ 1,126,824</u>

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 MORTGAGE FORECLOSURE EDUCATION TRUST FUND

YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Charges for services	\$ 10,000	\$ 10,000	\$ 15,721	\$ 5,721
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>15,721</u>	<u>5,721</u>
Expenditures				
Current:				
General government:				
Operating	<u>35,000</u>	<u>35,000</u>	<u>20,996</u>	<u>14,004</u>
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>20,996</u>	<u>14,004</u>
Excess of revenues over (under) expenditures	(25,000)	(25,000)	(5,275)	19,725
Fund balance, beginning of year	<u>31,436</u>	<u>31,436</u>	<u>31,436</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,436</u>	<u>\$ 6,436</u>	<u>\$ 26,161</u>	<u>\$ 19,725</u>

OTHER SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
AGENCY FUND DESCRIPTIONS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

The Combining Statement of Changes in Assets and Liabilities - All Agency Funds is presented on the following pages. The purpose of each fund shown on this statement is described below.

Domestic Relations Fund – This fund supports the collection and disbursement of child support and alimony payments.

Registry of the Court Fund – This fund is maintained for civil actions, which result in the court ordering the Clerk to collect and disburse funds in a specific manner. The court orders are a result of civil actions initiated by individuals or organizations.

Agency Fines Fund – This fund is used for the collection, disbursement, and maintenance of funds resulting from various illegal acts. These actions may involve traffic, felony, misdemeanor, ordinance, or juvenile violations, as well as other illegal actions.

Witness Payroll Fund – This fund is maintained to support the payment of witnesses for the County and Circuit Courts.

Other Agency Funds – This fund supports the collection and disbursement of funds resulting from mortgage foreclosure actions, the filing of civil action cases, and the issuance of marriage licenses as well as other civil actions. Other civil actions may result in the court ordering the clerk to manage the funds in a specific manner. The funds are disbursed to governmental agencies, private and nonprofit organizations, and individuals.

Criminal Cash Bond Fund – This fund is maintained for the collection and disbursement of funds resulting from cash posted to release individuals charged with criminal activities from jail.

Online Foreclosure Sales Fund – This fund is maintained for the collection and disbursement of funds resulting from mortgage foreclosure actions that occur using the Clerk's online foreclosure sales website. The funds are disbursed to individuals and private and nonprofit organizations.

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2015

<u>Domestic Relations</u>	Balance 09/30/2014	Additions	Deductions	Balance 09/30/2015
ASSETS				
Cash and cash equivalents	\$ (5,821)	\$ 2,526,429	\$ 2,527,280	\$ (6,672)
Due from individuals	5,821	851	-	6,672
Total assets	<u>\$ -</u>	<u>\$ 2,527,280</u>	<u>\$ 2,527,280</u>	<u>\$ -</u>
LIABILITIES				
Due to individuals	<u>\$ -</u>	<u>\$ 2,527,280</u>	<u>\$ 2,527,280</u>	<u>\$ -</u>
 <u>Registry of the Court</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 21,570,269</u>	<u>\$ 52,091,271</u>	<u>\$ 53,563,730</u>	<u>\$ 20,097,810</u>
LIABILITIES				
Due to individuals	<u>\$ 21,570,269</u>	<u>\$ 52,091,271</u>	<u>\$ 53,563,730</u>	<u>\$ 20,097,810</u>
 <u>Agency Fines</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 4,178,011</u>	<u>\$ 38,041,312</u>	<u>\$ 37,876,878</u>	<u>\$ 4,342,445</u>
LIABILITIES				
Due to individuals	\$ 1,336,523	\$ 1,983,289	\$ 1,941,610	\$ 1,378,202
Due to Board of County Commissioners	858,705	10,950,152	10,899,167	909,690
Due to other governmental agencies	<u>1,982,783</u>	<u>25,107,871</u>	<u>25,036,101</u>	<u>2,054,553</u>
Total liabilities	<u>\$ 4,178,011</u>	<u>\$ 38,041,312</u>	<u>\$ 37,876,878</u>	<u>\$ 4,342,445</u>
 <u>Witness Payroll</u>				
ASSETS				
Cash and cash equivalents	<u>\$ 59,039</u>	<u>\$ 230,218</u>	<u>\$ 258,436</u>	<u>\$ 30,821</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 59,039</u>	<u>\$ 230,218</u>	<u>\$ 258,436</u>	<u>\$ 30,821</u>

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS, CONTINUED

YEAR ENDED SEPTEMBER 30, 2015

<u>Other Agency Funds</u>	Balance 09/30/2014	Additions	Deductions	Balance 09/30/2015
ASSETS				
Cash and cash equivalents	\$ 2,231,338	\$ 12,250,080	\$ 12,412,408	\$ 2,069,010
LIABILITIES				
Due to individuals	\$ 1,166,712	\$ 686,084	\$ 662,593	\$ 1,190,203
Due to other governmental agencies	1,064,626	11,563,996	11,749,815	878,807
Total liabilities	\$ 2,231,338	\$ 12,250,080	\$ 12,412,408	\$ 2,069,010
<u>Criminal Cash Bond</u>				
ASSETS				
Cash and cash equivalents	\$ 1,512,289	\$ 2,446,998	\$ 2,799,600	\$ 1,159,687
LIABILITIES				
Due to individuals	\$ 1,512,289	\$ 2,446,998	\$ 2,799,600	\$ 1,159,687
<u>Online Foreclosure Sales</u>				
ASSETS				
Cash and cash equivalents	\$ 23,744,852	\$ 296,837,329	\$ 300,595,174	\$ 19,987,007
LIABILITIES				
Due to individuals	\$ 23,744,852	\$ 296,837,329	\$ 300,595,174	\$ 19,987,007
Due to other governmental agencies	-	-	-	-
Total liabilities	\$ 23,744,852	\$ 296,837,329	\$ 300,595,174	\$ 19,987,007
<u>Total Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 53,289,977	\$ 404,423,637	\$ 410,033,506	\$ 47,680,108
Due from individuals	5,821	851	-	6,672
Total assets	\$ 53,295,798	\$ 404,424,488	\$ 410,033,506	\$ 47,686,780
LIABILITIES				
Due to individuals	\$ 49,330,645	\$ 356,572,251	\$ 362,089,987	\$ 43,812,909
Due to Board of County Commissioners	858,705	10,950,152	10,899,167	909,690
Due to other governmental agencies	3,106,448	36,902,085	37,044,352	2,964,181
Total liabilities	\$ 53,295,798	\$ 404,424,488	\$ 410,033,506	\$ 47,686,780

SUPPLEMENTARY REPORTS

**Report of Independent Auditor 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 Tiffany Moore Russell,
Clerk of the Circuit and County Courts of Orange County, Florida:

We have audited, 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, the financial statements of each major fund and the aggregate remaining fund information of the Orange County, Florida Clerk of the Circuit and County Courts (the "Clerk") as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated February 5, 2016 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. We also have audited the Other Postemployment Benefits Trust Fund, as displayed in the Clerk's financial statements, and the financial statements of each of the Clerk's agency funds, presented as supplementary information as of and for the year ended September 30, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cheryl Behrman LLP".

Orlando, Florida
February 5, 2016

Independent Auditor's Management Letter

To the Honorable Tiffany Moore Russell,
Clerk of the Circuit and County Courts of Orange County, Florida:

Report on the Financial Statements

We have audited the financial statements of the Orange County, Florida Clerk of the Circuit and County Courts (the "Clerk") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated February 5, 2016.

Auditor's Responsibility

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

Other Reports

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountant on Compliance with Local Government Investment Policies, Article V Requirements and Depository Requirements of Sections 218.415, 28.35, 28.36 and 61.181, Florida Statutes, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 5, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Clerk is a separately elected county official established pursuant to the Constitution of the State of Florida. There are no component units related to the Clerk.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cheryl Behrman LLP". The signature is written in a cursive style.

Orlando, Florida
February 5, 2016

**Report of Independent Accountant on Compliance
With Local Government Investment Policies, Article V Requirements
and Depository Requirements of Sections 218.415, 28.35, 28.36 and 61.181, Florida Statutes**

To the Honorable Tiffany Moore Russell,
Clerk of the Circuit and County Courts of Orange County, Florida:

Report on Compliance

We have examined the Orange County, Florida Clerk of the Circuit and County Courts' (the "Clerk's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and depository requirements for alimony transactions, support, maintenance and support payments of Section 61.181, Florida Statutes, during the year ended September 30, 2015. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Scope

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

Opinion

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



Orlando, Florida
February 5, 2016