

**PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**FINANCIAL STATEMENTS**  
Year Ended September 30, 2017  
*(With Summarized Financial Information  
for the Year Ended September 30, 2016)*

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER

FINANCIAL STATEMENTS,  
Year Ended September 30, 2017  
*(With Summarized Financial Information  
for the year ended September 30, 2016)*

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Ken Burke  
Clerk of the Circuit Court and Comptroller  
Pinellas 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 Pinellas County, Florida Clerk of the Circuit Court and Comptroller (the "Clerk"), a component unit of Pinellas County, Florida (the "County"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements were prepared for the purpose of complying with the financial reporting provisions of Section 218.39, *Florida Statutes*, and Chapter 10.557(3), *Rules of the Auditor General*. The financial statements present only each major fund and the aggregate remaining fund information and do not purport to, and do not, present fairly the financial position of the Clerk, as of September 30, 2017, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Report on Summarized Comparative Information*

We have previously audited the Clerk's 2016 financial statements, and we expressed unmodified audit opinions on the respective financial statements of each major fund and the aggregate remaining fund information in our report dated December 22, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 16–18 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The statement of changes in assets and liabilities – agency fund on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements.

The statement of changes in assets and liabilities – agency fund on page 20 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of changes in assets and liabilities – agency fund on page 20 is fairly stated, in all material responses, in relation to the financial statements as a whole.

**Restriction on Use**

Our report is intended solely for the information and use of the Clerk, the Board of County Commissioners of Pinellas County, Florida, 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.



Crowe Horwath LLP

Tampa, Florida  
December 21, 2017

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2017

*(With Summarized Financial Information for the Year Ended September 30, 2016)*

	General	Court	Public Records	Totals	
	Fund	Fund	Modernization	2017	2016
<b>ASSETS</b>					
Cash	\$ 1,889,472	\$ 3,170,953	\$ 5,521,382	\$ 10,581,807	\$ 12,823,529
Investments	-	71	-	71	70
Due from Pinellas County, Florida					
Constitutional officers	33,174	-	-	33,174	63,717
Due from Pinellas County, Florida					
Board of County Commissioners	30,445	16,127	-	46,572	48,595
Due from State of Florida	171,859	-	-	171,859	148,272
Due from other governments	5,008	-	-	5,008	15,067
Accounts receivable	3,491	3,244	5,366	12,101	3,038
Prepaid items	353,418	-	478,927	832,345	494,924
	<u>353,418</u>	<u>-</u>	<u>478,927</u>	<u>832,345</u>	<u>494,924</u>
Total assets	<u>\$ 2,486,867</u>	<u>\$ 3,190,395</u>	<u>\$ 6,005,675</u>	<u>\$ 11,682,937</u>	<u>\$ 13,597,212</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 758,163	\$ 54,648	\$ 427,233	\$ 1,240,044	\$ 1,345,953
Accrued liabilities	751,242	803,408	31,256	1,585,906	1,568,579
Due to Pinellas County, Florida					
Board of County Commissioners	592,699	26,213	-	618,912	704,895
Due to other governments	202	1,206,831	-	1,207,033	2,741,560
Deposits	31,143	588,809	-	619,952	1,627,611
Total liabilities	<u>2,133,449</u>	<u>2,679,909</u>	<u>458,489</u>	<u>5,271,847</u>	<u>7,988,598</u>
Fund balances:					
Nonspendable:					
Prepaid items	353,418	-	478,927	832,345	494,924
Spendable:					
Restricted	-	510,486	5,068,259	5,578,745	5,113,690
Total fund balances	<u>353,418</u>	<u>510,486</u>	<u>5,547,186</u>	<u>6,411,090</u>	<u>5,608,614</u>
Total liabilities and fund balances	<u>\$ 2,486,867</u>	<u>\$ 3,190,395</u>	<u>\$ 6,005,675</u>	<u>\$ 11,682,937</u>	<u>\$ 13,597,212</u>

See accompanying notes to financial statements.

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended September 30, 2017

*(With Summarized Financial Information for the Year Ended September 30, 2016)*

	General Fund	Court Fund	Public Records Modernization Fund	Totals	
				2017	2016
<b>Revenues:</b>					
Charges for services	\$ 5,867,182	\$ 15,522,396	\$ 2,171,349	\$ 23,560,927	\$ 23,934,135
Intergovernmental	775,910	670,564	-	1,446,474	1,741,553
Fines and forfeitures	-	4,880,857	803,300	5,684,157	4,790,573
Interest income	13,255	15,465	26,560	55,280	11,875
Miscellaneous revenue	9,243	580,084	5,858	595,185	647,703
Total revenues	<u>6,665,590</u>	<u>21,669,366</u>	<u>3,007,067</u>	<u>31,342,023</u>	<u>31,125,839</u>
<b>Expenditures:</b>					
General government:					
Salaries and benefits	14,357,198	20,413,635	1,275,574	36,046,407	35,461,916
Operating expenditures	2,643,356	671,186	534,938	3,849,480	4,059,769
Capital outlay	545,845	-	360,892	906,737	627,514
Distribution of excess court revenue to the State	-	584,545	-	584,545	584,545
Total expenditures	<u>17,546,399</u>	<u>21,669,366</u>	<u>2,171,404</u>	<u>41,387,169</u>	<u>40,733,744</u>
Excess (deficiency) of revenues over (under) expenditures	(10,880,809)	-	835,663	(10,045,146)	(9,607,905)
<b>Other financing sources (uses):</b>					
Transfers in:					
Pinellas County, Florida Board of County Commissioners appropriations	10,946,630	-	-	10,946,630	10,664,670
Transfers out:					
Distribution of excess appropriations to Pinellas County, Florida Board of County Commissioners	(99,008)	-	-	(99,008)	(44,697)
Total other financing sources (uses)	<u>10,847,622</u>	<u>-</u>	<u>-</u>	<u>10,847,622</u>	<u>10,619,973</u>
Net change in fund balances	(33,187)	-	835,663	802,476	1,012,068
Fund balances – beginning of year	<u>386,605</u>	<u>510,486</u>	<u>4,711,523</u>	<u>5,608,614</u>	<u>4,596,546</u>
Fund balances – end of year	<u>\$ 353,418</u>	<u>\$ 510,486</u>	<u>\$ 5,547,186</u>	<u>\$ 6,411,090</u>	<u>\$ 5,608,614</u>

See accompanying notes to financial statements.

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
BALANCE SHEET – AGENCY FUND  
September 30, 2017  
*(With Summarized Financial Information for the Year Ended September 30, 2016)*

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 52,566,295	\$ 54,172,255
Investments	104	103
Due from other governments	<u>11,586</u>	<u>13,923</u>
 Total assets	 <u>\$ 52,577,985</u>	 <u>\$ 54,186,281</u>
 <b>LIABILITIES</b>		
Due to other governments	\$ 14,585,988	\$ 13,275,968
Deposits	<u>37,991,997</u>	<u>40,910,313</u>
 Total liabilities	 <u>\$ 52,577,985</u>	 <u>\$ 54,186,281</u>

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See accompanying notes to financial statements.

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017  
(With Summarized Financial Information for the Year Ended September 30, 2016)

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

Reporting Entity: The Pinellas County, Florida, Clerk of the Circuit Court and Comptroller (Clerk) is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to Section 129, Florida Statutes, the Clerk's budget for the General Fund is submitted to the Pinellas County, Florida, Board of County Commissioners (Board) for approval. The Public Records Modernization Fund budget is approved by the Clerk. Additionally, the Court Fund budget is submitted to the Clerk of Court Operations Corporation of the State of Florida for approval. The restricted fund balances represent resources for use by the Court Fund and Public Records Modernization Fund and are restricted by specific state statutes. In addition, for financial reporting purposes, the Clerk is included in Pinellas County, Florida's (the "County") basic financial statements as a blended component unit of the County.

Measurement Focus, Basis of Accounting, and Basis of Presentation: These financial statements include the general fund, special revenue funds, and agency fund of the Clerk. The accompanying financial statements were prepared for the purposes of complying with Section 218.39, *Florida Statutes*, and Chapter 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. Certain prior-year financial statement amounts have been reclassified to conform to the current year's presentation.

Chapter 10.556(4), *Rules of the Auditor General for Local Governmental Entity Audits*, requires the Clerk's financial statements to present only fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures, including a management's discussion and analysis, these financial statements do not constitute a complete presentation of the financial position of the Clerk as of September 30, 2017, and the changes in its financial position for the year then ended, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with U.S. generally accepted accounting principles.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available to finance current liabilities of the fiscal year).

For this purpose, the Clerk considers revenues to be available if they are collected within 60 days after the end of the current period. Charges for services, interest income, and other revenue are recognized as they are earned and become measurable and available to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured. The appropriations from the Board are the primary source of funds considered to be susceptible to accrual. Capital outlays expended in the governmental funds are capitalized in the basic financial statements of the Board rather than in the governmental funds of the Clerk.

The Clerk utilizes the following major governmental funds.

*General Fund* – The General Fund is a major fund used to account for all revenues and expenditures applicable to the general operations of the Clerk, which are not accounted for in another fund. All operating revenue, which is not specifically restricted or designated as to use, is recorded in the General Fund.

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(Continued)

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017  
(With Summarized Financial Information for the Year Ended September 30, 2016)

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

*Court Fund* – This major special revenue fund is used to account for court-related functions as mandated by Section 28.37, *Florida Statutes*.

*Public Records Modernization Fund* – This major special revenue fund is mandated by 1) Section 28.24(12)(d), *Florida Statutes*, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the Clerk, 2) Section 28.37 *Florida Statutes*, to be held in trust by the Clerk and used exclusively for additional Clerk court-related operational needs and program enhancements through June 15, 2017 as amended by Senate Bill 2506, and 3) Section 28.24 (12)(e), *Florida Statutes*, to be held in trust by the Clerk and used exclusively for court-related technology needs.

The Clerk's General Fund activity is funded through service charges for recording instruments and documents into the official records and through transfers in from the Board. Section 218.36(1), *Florida Statutes*, provides that the amount by which revenues and transfers exceed annual expenditures be remitted to the Board within 31 days following the fiscal year for which the funding was provided. The amount of this distribution is recorded as a liability and as a transfer out (other financing use) in the accompanying financial statements.

The Court Fund activity is funded by fees authorized by *Florida Statutes* for maintaining the County and Circuit Court records and collecting the fines and fees assessed by the courts. The court-related fees are retained by the Clerk and to be used exclusively for funding court-related operations of the Clerk of the Circuit Court. The excess of revenues collected over expenditures as of the end of the fiscal year are required to be returned to the State for deposit in its General Revenue Fund. Effective June 16, 2017, pursuant to Senate Bill 2506, 10% percent of all court-related fines collected by the Clerk, except for penalties or fines distributed to counties, are to be used exclusively for Clerk court-related functions, as provided in s.28.35 (3) (a).

The Public Records Modernization Fund is funded by a portion of recording fees and an additional amount is collected pursuant to Section 28.24(12)(e), *Florida Statutes*, and used exclusively for funding court-related technology needs. Through June 15, 2017, 10% of all court-related fines collected by the Clerk were deposited into this fund to be used exclusively for additional Clerk court-related operational needs and program enhancements. Effective June 16, 2017, pursuant to Senate Bill 2506, these fines are accounted for in the Clerk's Court Fund.

Additionally, the Clerk reports the following fund type:

*Fiduciary Funds – Agency Fund* – This fund is used to account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations or have a measurement focus.

Cash and Cash Equivalents: Cash and cash equivalents are defined for financial reporting purposes as any liquid investment with original maturities of three months or less.

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(Continued)

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2017  
 (With Summarized Financial Information for the Year Ended September 30, 2016)

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

Investments: Investments are carried at fair value. The Clerk invested funds during the fiscal year with the Local Government Surplus Funds Trust Fund, which is carried at amortized cost. The fair value of the Clerk's position in the trust is the same as the value of the trust shares. The Local Government Surplus Funds Trust Fund met the criteria to be a "2a7-like" pool, as defined in GASB 31, *Certain Investments and External Investment Pools*, and is permitted to report investments at amortized cost. A 2a7-like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the regulations set forth in the SEC's Rule 2a7 of the Investment Company Act of 1940, which comprises the rules governing money market funds.

Thus, this pool operates essentially as a money market fund and is not categorized as to custodial risk according to the criteria set forth in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Prepaid Items: Certain payments to vendors reflect costs related to future periods and are reported as prepaid items in the fund financial statements.

Compensated Absences: All full-time employees of the Clerk are entitled to annual vacation and sick leave with pay. The employees are generally allowed to accumulate vacation leave up to a maximum of three years' leave. Prior to December 24, 1994, sick leave was accumulated with no maximum. Beginning December 24, 1994, employees no longer accrue sick leave. Upon termination, the employee is paid for up to one-half of accumulated sick leave, depending on length of service, and all of the accumulated vacation. Vacation and sick leave payments are included in operating costs when the payments are made to the employees. The Clerk does not and is not legally required to accumulate financial resources for these unmatured obligations. Accordingly, the liability for compensated absences is not reported in the governmental funds of the Clerk but rather is reported in the basic financial statements of the Board.

Use of Estimates: The preparation of these financial statements is in conformity with Section 218.39, *Florida Statutes*, and Chapter 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*, and requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from the required estimates.

Financial Information for 2016: The financial statements include certain prior-year summarized comparative information in total but not by major fund. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Clerk's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

**NOTE 2 - CASH AND INVESTMENTS**

As of September 30, 2017 and 2016, the carrying value of the Clerk's cash and investments was as follows:

<u>Type</u>	<u>2017</u>	<u>2016</u>	<u>Credit Rating</u>
Cash on hand	\$ 48,500	\$ 48,500	N/A
Demand deposits	63,099,602	66,947,284	N/A
Local Government Surplus Funds Trust Fund:			
Florida PRIME	175	173	AAAm
Total cash and investments	<u>\$ 63,148,277</u>	<u>\$ 66,995,957</u>	

(Continued)

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017  
(With Summarized Financial Information for the Year Ended September 30, 2016)

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**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Financial Statement Presentation

Governmental funds	\$ 10,581,878	\$ 12,823,599
Agency funds	<u>52,566,399</u>	<u>54,172,358</u>
	<u>\$ 63,148,277</u>	<u>\$ 66,995,957</u>

Custodial Credit Risk: At September 30, 2017, the Clerk's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Section 280, *Florida Statutes*. Under this Section, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit Risk: The Clerk's investment policy is guided by 1) Section 219.075, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds, and 2) Sections 219.075 and 218.415, *Florida Statutes*, authorizing investments in the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized statistical rating organization; interest-bearing time deposits or savings accounts in qualified public depositories, as defined in section 280.02, *Florida Statutes*; or direct obligations of the United States Treasury.

At September 30, 2017, the Clerk's investments were with the Local Government Surplus Funds Trust Fund administered by the State Board of Administration. Standard & Poor's issued an AAAM rating on Florida PRIME, which is the highest rating category for a government investment pool fund.

**NOTE 3 - ACCOUNTS PAYABLE AND OTHER LIABILITIES**

Accounts payable in the governmental funds result from transactions with various vendors. Funds due to Pinellas County are amounts due to the Board and other constitutional officers. Other due to amounts are amounts due to governmental entities other than the County. Deposits are funds held in trust that are due to the citizenry or their authorized representatives.

**NOTE 4 - CAPITAL ASSETS**

Capital assets used in governmental fund type operations are capitalized in the basic financial statements of the Board rather than in the governmental funds of the Clerk. Upon acquisition, such assets are recorded as expenditures in the governmental funds of the Clerk and capitalized at cost in the basic financial statements of the Board. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value at the date of donation. The Clerk maintains custodial responsibility for the capital assets used by the office. No depreciation has been provided on capital assets in these financial statements. However, depreciation expense on these assets is recorded in the basic financial statements of the Board.

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(Continued)

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2017  
 (With Summarized Financial Information for the Year Ended September 30, 2016)

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**NOTE 5 - FUND BALANCES**

The Clerk accounts for its fund balances pursuant to GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with this statement, fund balances are classified as either spendable or nonspendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the use of funds. The Clerk's fund balances are categorized as follows:

Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form or legally or contractually required to be maintained intact. The Clerk's prepaid items that are not in spendable form fall into this category.

Restricted fund balances are spendable fund balances that are constrained for specific purposes, which are externally imposed by laws or regulations. The fund balances of the Court and Public Records Modernization Funds can only be used for purposes as authorized by Florida Statutes.

The fund balance categories shown on the Balance Sheet-Governmental Funds are as follows at September 30, 2017:

	General Fund	Court Fund	Public Records Modernization Fund	Total
Nonspendable	\$ 353,418	\$ -	\$ 478,927	\$ 832,345
Spendable – restricted	<u>-</u>	<u>510,486</u>	<u>5,068,259</u>	<u>5,578,745</u>
	<u>\$ 353,418</u>	<u>\$ 510,486</u>	<u>\$ 5,547,186</u>	<u>\$ 6,411,090</u>

**NOTE 6 - ACCUMULATED COMPENSATED ABSENCES**

The following is a summary of changes in general long-term liabilities, which are reflected in the basic financial statements of the Board of County Commissioners:

	October 1, 2016	Additions	Retirements	September 30, 2017	Due within One year
Accrued compensated absences	<u>\$2,211,940</u>	<u>\$2,286,340</u>	<u>\$ 2,273,078</u>	<u>\$2,225,202</u>	<u>\$2,225,202</u>
	October 1, 2015	Additions	Retirements	September 30, 2016	Due within One year
Accrued compensated absences	<u>\$2,345,960</u>	<u>\$2,271,537</u>	<u>\$ 2,405,557</u>	<u>\$2,211,940</u>	<u>\$2,211,940</u>

These long-term liabilities are not reported in the financial statements of the Clerk, since they have not matured.

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(Continued)

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017  
*(With Summarized Financial Information for the Year Ended September 30, 2016)*

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**NOTE 7 - EMPLOYEE RETIREMENT PLAN**

Substantially all full-time employees of the Clerk are eligible to participate in the State of Florida Retirement System (System), a cost-sharing, multiple-employer plan administered by the State of Florida, Division of Retirement for all state, and participating county, district school board, community college, and university employees. The System offers eligible employees participation in either a defined benefit plan (Pension) or an alternative defined contribution plan (Investment Plan). Contribution rates are established statewide for all participating governmental units. Accordingly, the actuarial information and related disclosures attributable to the Clerk's employees are not determinable. Employees participating in the Pension Plan who retire at or after age 62 with 6 years of credited service, or with 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% for regular employees, 2.0% for senior management, and 3.0% for county elected officials for each year of credited service times their average final compensation. Average final compensation is the employee's average of the five highest fiscal years of salary earned during credited service. Vested employees may retire before age 62 and receive benefits that are reduced 5% for each year prior to normal retirement age. Employees participating in the Investment Plan are vested after one year of service with no age requirements. The System also provides death and disability benefits. Benefits are established by Section 121, *Florida Statutes* and Chapter 22B, *Florida Administrative Code*.

Effective July 1, 2011, employees participating in the System are required to contribute 3 percent of their eligible earnings on a pre-tax basis to the plan. Employees initially enrolled on or after July 1, 2011 become vested after 8 years of service instead of 6. Benefits are computed using the average of their highest 8 years of earnings instead of their highest 5 years. Normal retirement is based on 35 years of service regardless of age or at age 65 and vested for all classes except Special Risk Class members who must have 30 years of service regardless of age, or at age 60 and vested.

Effective July 1, 2017, rehired employees who retired from an FRS covered employer under the Investment Plan or the Senior Management Service Optional Annuity Plan, and did not take a voluntary distribution, were re-enrolled in their respective plan.

The Deferred Retirement Option Program (DROP) is a program that provides an alternative method for payment of retirement benefits for a specified and limited period for members of the System, effective July 1, 1998. Under this program, the employee may retire and have their benefits accumulate in the Florida Retirement System Trust Fund, earning interest, while continuing to work for a System employer. The participation in the program does not change conditions of employment. When the DROP period ends, maximum of 60 months, employment must be terminated. At the time of termination of employment, the employee will receive payment of the accumulated DROP benefits and begin receiving their monthly retirement benefit (in the same amount determined at retirement adjusted, if applicable, by annual cost of living increases).

The System publishes an annual report that provides 10-year historical trend information about progress made in accumulating sufficient assets to pay benefits when due. This report may be obtained by writing to Division of Retirement, Research and Education Section, 1317 Winewood Boulevard, Building 8, Tallahassee, Florida 32399-1560, or by calling (877) 377-1737 or by accessing their internet site at:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications/annual\\_reports](http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports)

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(Continued)

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2017  
 (With Summarized Financial Information for the Year Ended September 30, 2016)

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**NOTE 7 - EMPLOYEE RETIREMENT PLAN** (Continued)

The Clerk is required to contribute an actuarially determined rate. The contribution requirements of the Clerk are established and may be amended by the State of Florida. The contribution rates are established by fiscal year, beginning each July 1. The contribution rates by job class were as follows:

	October 2015 through <u>June 2016</u>	July 2016 through <u>June 2017</u>	July 2017 through <u>September 2017</u>
Elected County Officers	42.27%	42.47%	45.50%
Senior Management	21.43%	21.77%	22.71%
Regular	7.26%	7.52%	7.92%
DROP	12.88%	12.99%	13.26%

The Clerk's contributions to the plan for the years ended September 30, 2017 and 2016 were \$2,046,020 and \$1,960,323, respectively, equal to the required contributions for each year. This represents 8.91% and 8.55% of covered payroll, respectively. The Clerk's portion of the net pension liability and the associated footnotes are not reported in the financial statements of the Clerk, but are reported in the basic financial statements of the County.

**NOTE 8 - OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) PLAN**

Plan Description: The Clerk participates in a single-employer defined benefit healthcare plan that covers eligible retirees and their dependents of the Board of County Commissioners, all Constitutional Officers with the exception of the Sheriff, and the Planning Council and their dependents. The Board administers the plan and establishes the benefits. The healthcare plan does not issue a stand-alone financial report; however, additional actuarial information regarding the plan as a whole is disclosed in the notes to the financial statements of Pinellas County.

The County pays a percentage of the premium for medical and dental insurance for the former employees with at least 10 years of service who retired prior to October 1, 2004, equivalent to that paid for active employees. For non-Medicare eligible retirees, employees enrolled in DROP and those within 5 years of normal FRS retirement prior to October 1, 2004, with 10 years of service, the County will continue funding at the same level as active employees. For employees not part of the previously mentioned groups who retire on or after October 1, 2004, a health insurance subsidy based on length of service will be provided. The subsidy will range from 25% of the premium for 10 years of service, increasing by 3.33% per year of service to 75% for 25 years or more, calculated on the single premium of the lowest cost plan.

Funding Policy: The contribution requirements of the plan members and the employers are established and may be amended by the County. The plans are financed on a pay-as-you-go basis. Participating agencies contribute an additional amount per each active employee to fund retiree health care. The Clerk contributed \$1,786,065 to the plan during the fiscal year to fund OPEB benefits.

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(Continued)

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2017  
 (With Summarized Financial Information for the Year Ended September 30, 2016)

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**NOTE 8 - OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS (OPEB) PLAN** (Continued)

The annual other postemployment benefit cost for both plans is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. An actuarial valuation on the plan as a whole was performed as of October 1, 2016. The notes to the financial statements and required supplemental information of the County disclose additional information regarding the OPEB plan as a whole.

**NOTE 9 - RELATED-PARTY TRANSACTIONS**

The Clerk of the Circuit Court and Comptroller incurred costs and charges from the Board of County Commissioners during the fiscal years ended September 30, 2017 and 2016 for various services as follows:

	<u>2017</u>	<u>2016</u>
Health insurance	\$ 9,214,760	\$ 8,437,456
Risk financing	-	41,260
Information technology	35,318	100,919
Fleet	<u>33,600</u>	<u>38,515</u>
 Total charges	 <u>\$ 9,283,678</u>	 <u>\$ 8,618,150</u>

During 2017 and 2016, the Board provided funding to the Clerk that amounted to \$10,946,630 and \$10,664,670, respectively. At September 30, 2017 and 2016, the Clerk had a receivable due from other county constitutional officers of \$33,174 and \$63,717, respectively, and a receivable due from the Board of County Commissioners of \$46,572 and \$48,595, respectively. Additionally, at September 30, 2017 and 2016, the Clerk had amounts due to the Board as follows:

	<u>2017</u>	<u>2016</u>
Distribution of excess appropriations	\$ 99,008	\$ 44,697
Amounts due for various services	<u>44,990</u>	<u>29,030</u>
Government funds payable to Board	143,998	73,727
Amounts held on behalf of the Board	<u>474,914</u>	<u>631,168</u>
 Total due to Board of County Commissioners	 <u>\$ 618,912</u>	 <u>\$ 704,895</u>

**NOTE 10 - RISK MANAGEMENT**

The County is exposed to various risks of loss, including, but not limited to, general liability, property and casualty, auto and physical damage, and workers' compensation. The County is substantially self-insured and accounts for and finances its risks of uninsured loss through an internal service fund. All liabilities associated with these self-insured risks are reported in the basic financial statements of the Board. During the fiscal years ended September 30, 2017 and 2016 the Clerk was charged \$0 and \$41,260, respectively, by the County for participation in the risk management program.

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(Continued)

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017  
(With Summarized Financial Information for the Year Ended September 30, 2016)

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**NOTE 10 - RISK MANAGEMENT (Continued)**

Under this self-insured program, the County provided coverage for up to \$1.5 million per claim for workers' compensation prior to March 1, 2013. From March 1, 2013 forward the County provided coverage for up to \$2.0 million per accident. Coverage is provided to meet the statutory requirements of Section 440, *Florida Statutes*. The County has also purchased excess coverage for up to \$15 million per occurrence or claim with a \$30 million aggregate for various liability claims under the self-insured risk management program prior to March 1, 2013. From March 1, 2013 forward, the excess coverage is \$15 million per occurrence or claim and in the aggregate. As of March 31, 2015, the self-insured retention funded by the Risk Fund became \$1 million. Negligence claims in excess of the statutory limits set in Section 768.28, *Florida Statutes*, which provide for limited sovereign immunity of \$200,000/\$300,000 per occurrence can only be recovered through a "claims bill" passed as an act of the State Legislature. The excess liability coverage carried by the County would cover damages awarded in the event of a "claims bill," as well as several types of claims that are presented under Federal Law that may not be subject to Florida Statute 768.28.

Effective July 1, 2011, the Clerk acquired outside insurance coverage for worker's compensation claims only. All claims incurred prior to July 1, 2011 for worker's compensation are still covered by the County's risk management program. There have been no other significant changes in insurance coverage in the last year. Settled claims have not exceeded commercial coverage in any of the last three years.

The County is also self-insured for medical and dental claims covering all of its employees and their eligible dependents. As required by Section 112.0801, *Florida Statutes*, retirees and their eligible dependents are provided the same health care coverage as is offered to active employees at the same premium cost (borne by the retiree) applicable to active employees. No excess insurance coverage has been acquired for these claims. An actuarial valuation is performed each year to estimate the amounts needed to pay prior and future claims and to establish reserves.

**NOTE 11 - CLAIMS AND CONTINGENCIES**

Litigation: The Clerk is involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operation. In the opinion of the Clerk and legal counsel, the range of potential recoveries or liabilities will not materially affect the financial statements of the Clerk.

Grants: Grant funds received by the Clerk are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of the Clerk. In the opinion of management, disallowed costs, if any, would be immaterial to the financial statements of the Clerk.

**REQUIRED SUPPLEMENTARY INFORMATION**

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
 Year ended September 30, 2017

	Budget		Actual	Variance with Final Budget – Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 5,418,800	\$ 5,718,800	\$ 5,867,182	\$ 148,382
Intergovernmental revenue	800,000	800,000	775,910	(24,090)
Interest income	500	500	13,255	12,755
Miscellaneous revenue	700	700	9,243	8,543
Total revenues	<u>6,220,000</u>	<u>6,520,000</u>	<u>6,665,590</u>	<u>145,590</u>
<b>Expenditures:</b>				
General government:				
Salaries and benefits	15,051,130	14,425,791	14,357,198	68,593
Operating expenditures	2,026,820	2,770,097	2,643,356	126,741
Capital outlay	88,680	554,442	545,845	8,597
Total expenditures	<u>17,166,630</u>	<u>17,750,330</u>	<u>17,546,399</u>	<u>203,931</u>
Excess (deficiency) of revenues over (under) expenditures	(10,946,630)	(11,230,330)	(10,880,809)	349,521
<b>Other financing sources (uses):</b>				
Transfers in:				
Pinellas County, Florida Board of County Commissioners appropriations	10,946,630	10,946,630	10,946,630	-
Transfers out:				
Distribution of excess appropriations to Pinellas County, Florida Board of County Commissioners	-	-	(99,008)	(99,008)
Total other financing sources	<u>10,946,630</u>	<u>10,946,630</u>	<u>10,847,622</u>	<u>(99,008)</u>
Net change in fund balances	-	(283,700)	(33,187)	250,513
Fund balances – beginning of year	-	283,700	386,605	102,905
Fund balances – end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,418</u>	<u>\$ 353,418</u>

See accompanying note to required supplementary information.

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – COURT FUND  
 Year ended September 30, 2017

	Budget		Actual	Variance with Final Budget – Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 15,658,840	\$ 15,658,840	\$ 15,522,396	\$ (136,444)
Intergovernmental	211,365	211,365	670,564	459,199
Fines and forfeitures	5,137,160	5,303,860	4,880,857	(423,003)
Interest income	-	-	15,465	15,465
Miscellaneous revenue	-	-	580,084	580,084
Total revenues	<u>21,007,365</u>	<u>21,174,065</u>	<u>21,669,366</u>	<u>495,301</u>
<b>Expenditures:</b>				
General government:				
Salaries and benefits	20,515,016	20,734,507	20,413,635	320,872
Operating expenditures	1,002,835	950,044	671,186	278,858
Distribution of excess court revenue to the State	-	-	584,545	(584,545)
Total expenditures	<u>21,517,851</u>	<u>21,684,551</u>	<u>21,669,366</u>	<u>15,185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(510,486)</u>	<u>(510,486)</u>	<u>-</u>	<u>510,486</u>
Net change in fund balances	(510,486)	(510,486)	-	510,486
Fund balances – beginning of year	<u>510,486</u>	<u>510,486</u>	<u>510,486</u>	<u>-</u>
Fund balances – end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,486</u>	<u>\$ 510,486</u>

See accompanying note to required supplementary information.

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE–BUDGET AND ACTUAL–PUBLIC RECORDS MODERNIZATION FUND  
 Year ended September 30, 2017

	Budget		Actual	Variance with Final Budget – Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,997,400	\$ 1,997,400	\$ 2,171,349	\$ 173,949
Fines and forfeitures	970,000	803,300	803,300	-
Interest income	-	-	26,560	26,560
Miscellaneous revenues	-	-	5,858	5,858
Total revenues	<u>2,967,400</u>	<u>2,800,700</u>	<u>3,007,067</u>	<u>206,367</u>
<b>Expenditures:</b>				
General government:				
Salaries and benefits	1,810,000	1,633,650	1,275,574	358,076
Operating expenditures	1,772,180	1,634,653	534,938	1,099,715
Capital outlay	390,000	677,177	360,892	316,285
Total expenditures	<u>3,972,180</u>	<u>3,945,480</u>	<u>2,171,404</u>	<u>1,774,076</u>
Excess (deficiency) of revenues over (under) expenditures	(1,004,780)	(1,144,780)	835,663	1,980,443
<b>Other financing sources (uses):</b>				
Reserves	(2,795,220)	(2,655,220)	-	2,655,220
Total other financing sources (uses)	<u>(2,795,220)</u>	<u>(2,655,220)</u>	<u>-</u>	<u>2,655,220</u>
Net change in fund balances	(3,800,000)	(3,800,000)	835,663	4,635,663
Fund balances – beginning of year	<u>3,800,000</u>	<u>3,800,000</u>	<u>4,711,523</u>	<u>911,523</u>
Fund balances – end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,547,186</u>	<u>\$ 5,547,186</u>

See accompanying note to required supplementary information.

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2017

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**NOTE 1 - BUDGETARY PROCESS**

*Florida Statutes* Sections 129.021 and 129.03 govern the preparation, adoption, and administration of the Clerk's annual budget. The budget of the Clerk (to the extent of his function as ex-official Clerk to the Board) is prepared for the general fund, which is submitted to and approved by the Board. The Clerk also prepares the budget related to his recording function based on anticipated fees.

Pursuant to Section 28.36, *Florida Statutes*, a balanced court-related budget shall be prepared on or before June 1 and submitted to the Clerk of Court Operations Corporation (Corporation) of the State of Florida. If the Clerk estimates that projected revenues are insufficient to meet anticipated expenditures, the Clerk is required to report the revenue deficit to the Corporation. Once the Corporation verifies the revenue deficit, the Clerk can increase fees up to the maximum amounts specified by law to resolve the deficit. If a revenue deficit is still projected, a request can be submitted to release funds from the Department of Revenue Clerks of Court Trust Fund.

Budgets for the General Fund, Court Fund and Public Records Modernization Fund are prepared on a basis consistent with accounting principles generally accepted in the United States of America. The annual budget serves as the legal authorization for expenditures. Any subsequent amendments to the Clerk's budget funded by the Board must be approved by the Board, and any subsequent amendments of the Court Fund budget must be approved by the Corporation. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at year-end. Budgetary control is maintained at each respective fund level. Budgetary changes within each respective fund are made at the discretion of the Clerk.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable to the fiscal year, whenever legally authorized.

**SUPPLEMENTARY INFORMATION**

PINELLAS COUNTY, FLORIDA  
 CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUND  
 Year ended September 30, 2017

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	Balance September 30, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2017</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 54,172,255	\$ 52,566,296	\$ 54,172,256	\$ 52,566,295
Investments	103	104	103	104
Accounts receivable	-	-	-	-
Due from other governments	<u>13,923</u>	<u>11,586</u>	<u>13,923</u>	<u>11,586</u>
 Total assets	 <u>\$ 54,186,281</u>	 <u>\$ 52,577,986</u>	 <u>\$ 54,186,282</u>	 <u>\$ 52,577,985</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 13,275,968	\$ 14,585,989	\$ 13,275,969	\$ 14,585,988
Deposits	<u>40,910,313</u>	<u>37,991,997</u>	<u>40,910,313</u>	<u>37,991,997</u>
 Total liabilities	 <u>\$ 54,186,281</u>	 <u>\$ 52,577,986</u>	 <u>\$ 54,186,282</u>	 <u>\$ 52,577,985</u>

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## **OTHER REPORTS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Ken Burke  
Clerk of the Circuit Court and Comptroller  
Pinellas 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 Pinellas County, Florida Clerk of the Circuit Court and Comptroller (the "Clerk"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2017. As discussed in Note 1, the financial statements were prepared for the purpose of complying with the financial reporting provisions of Section 218.39, *Florida Statutes*, and Chapter 10.557(3), *Rules of the Auditor General*. The financial statements present only each major fund and the aggregate remaining fund information and do not purport to, and do not, present fairly the financial position of the Clerk, as of September 30, 2017, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**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.

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(Continued)

## 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 over financial reporting 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.



Crowe Horwath LLP

Tampa, Florida  
December 21, 2017

PINELLAS COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended September 30, 2016

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted	No

**SECTION II - CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

No such items to report.

**SECTION III - PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

No such items.

MANAGEMENT LETTER ON INTERNAL CONTROL  
AND STATE REPORTING REQUIREMENTS

The Honorable Ken Burke  
Clerk of the Circuit Court and Comptroller  
Pinellas County, Florida

**Report on the Financial Statements**

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Pinellas County, Florida Clerk of the Circuit Court and Comptroller (the "Clerk"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2017. As discussed in Note 1, the financial statements were prepared for the purpose of complying with the financial reporting provisions of Section 218.39, *Florida Statutes*, and Chapter 10.557(3), *Rules of the Auditor General*. The financial statements present only each major fund and the aggregate remaining fund information and do not purport to, and do not, present fairly the financial position of the Clerk, as of September 30, 2017, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**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 Report Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 21, 2017, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**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 reporting entity is disclosed in Note 1 to the financial statements.

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(Continued)

## **Financial Management**

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.

## **Additional Matters**

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

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Auditor General of the State of Florida, the Clerk, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe Horwath LLP

Tampa, Florida  
December 21, 2017

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTION 218.415, FLORIDA STATUTES**

The Honorable Ken Burke  
Clerk of the Circuit Court and Comptroller  
Pinellas County, Florida

We have examined the Pinellas County, Florida Clerk of the Circuit Court and Comptroller's (the "Clerk") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended September 30, 2017. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the investment of public funds is in accordance with Section 218.425, *Florida Statutes*, in all material respects. An examination involves performing procedures to obtain evidence about investment of public funds. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of investment of public funds, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

  
Crowe Horwath LLP

Tampa, Florida  
December 21, 2017

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTIONS 28.35 AND 28.36, FLORIDA STATUTES**

The Honorable Ken Burke  
Clerk of the Circuit Court and Comptroller  
Pinellas County, Florida

We have examined the Pinellas County, Florida Clerk of the Circuit Court and Comptroller's (the "Clerk") compliance with Sections 28.35 and 28.36, *Florida Statutes*, concerning the Clerk of Courts performance standards and budgets during the year ended September 30, 2017. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk's performance measures and budget procedures are in accordance with Sections 28.35 and 28.36, *Florida Statutes*, in all material respects. An examination involves performing procedures to obtain evidence about performance measures and budget procedures. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of performance measures and budget procedures, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

  
Crowe Horwath LLP

Tampa, Florida  
December 21, 2017

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTION 61.181, *FLORIDA STATUTES***

The Honorable Ken Burke  
Clerk of the Circuit Court and Comptroller  
Pinellas County, Florida

We have examined the Pinellas County, Florida Clerk of the Circuit Court and Comptroller's (the "Clerk") compliance with Section 61.181, *Florida Statutes*, concerning the alimony and child support depository during the year ended September 30, 2017. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the alimony and child support depository transactions are in accordance with Section 61.181, *Florida Statutes*, in all material respects. An examination involves performing procedures to obtain evidence about the alimony and child support depository transactions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the alimony and child support depository transactions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

  
Crowe Horwath LLP

Tampa, Florida  
December 21, 2017