

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 ANNUAL FINANCIAL REPORT
 SEPTEMBER 30, 2015
 TABLE OF CONTENTS

	<u>Page</u>
I. <u>INTRODUCTORY SECTION</u>	
Table of Contents	i
II. <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
General Fund	10
Records Modernization Trust	11
10% Fine Fund	12
Court Related Technology	13
Statement of Fiduciary Net Position – Fiduciary Funds	14
Notes to the Special-Purpose Financial Statements	15
Required Supplementary Information:	
Schedule of Funding Progress for the Retiree Health Plan	22
Florida Retirement System Pension Plan	23
Retiree Health Insurance Subsidy Program	24
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 <i>GOVERNMENT AUDITING STANDARDS</i>	26
MANAGEMENT LETTER And MANAGEMENT COMMENTS AND RECOMMENDATIONS	28
INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT AND CLERK OF COURT PERFORMANCE STANDARDS AND BUDGET COMPLIANCE	33



BERMAN HOPKINS WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

INDEPENDENT AUDITOR'S REPORT

The Honorable Scott Ellis
Brevard County Clerk of the Circuit Court
Brevard County, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Clerk of the Circuit Court of Brevard County, Florida ("the Clerk") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's special-purpose 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 special-purpose 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 special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose financial statements.

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

As described in Note 1-B, the special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General, State of Florida*, and present only the financial position of the Clerk at September 30, 2015, and the changes in financial position for the year then ended. They do not purport to, and do not, present fairly the financial position of Brevard County, Florida, as of September 30, 2015, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, and the respective financial position of each major fund information of the Clerk, as of September 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General, Records Modernization Trust, 10% Fine, and Court Related Technology Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 7 to the financial statements, in 2015, the Clerk implemented GASB Statement No. 68, *Accounting for Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* for reporting the Clerk's pension associated with the active employee members of the Florida Retirement System, Health Insurance Subsidy, and the primary activity associated with the pension arrangements reflective for the year ending September 30, 2015.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, schedule of net pension liability, and the schedule of pension contributions, as listed in the table of contents, be presented to supplement the special-purpose financial statements. Such information, although not a part of the special-purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special-purpose 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 special-purpose financial statements, and other knowledge we obtained during our audit of the special-purpose 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 our report dated June 9, 2016, 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.

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



**BREVARD COUNTY
CLERK OF THE CIRCUIT COURT
FUND FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015



BREVARD COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<i>General</i>	<i>Records Modernization Trust</i>
ASSETS		
Cash	\$ 989,690	\$ 133,707
Other receivable	15,602	0
Due from constitutional officers	207,749	0
Due from other governmental units	115,340	0
Prepaid items	656,088	0
Total assets	\$ 1,984,469	\$ 133,707
LIABILITIES AND FUND BALANCES		
Liabilities:		
Vouchers and contracts payable	\$ 36,679	\$ 0
Accrued wages and benefits payable	1,047,815	0
Due to other governmental units	899,975	0
Total liabilities	\$ 1,984,469	\$ 0
Fund balances:		
Restricted:		
Other purposes	\$ 0	\$ 133,707
Total fund balances	\$ 0	\$ 133,707
Total liabilities and fund balances	\$ 1,984,469	\$ 133,707

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

<u>10% Fine Fund</u>	<u>Court Related Technology</u>	<u>Total</u>
\$ 1,869	\$ 66,660	\$ 1,191,926
0	0	15,602
0	0	207,749
0	0	115,340
0	12,441	668,529
<u>\$ 1,869</u>	<u>\$ 79,101</u>	<u>\$ 2,199,146</u>
\$ 0	\$ 18,069	\$ 54,748
0	6,547	1,054,362
0	5,925	905,900
<u>\$ 0</u>	<u>\$ 30,541</u>	<u>\$ 2,015,010</u>
<u>\$ 1,869</u>	<u>\$ 48,560</u>	<u>\$ 184,136</u>
<u>\$ 1,869</u>	<u>\$ 48,560</u>	<u>\$ 184,136</u>
<u>\$ 1,869</u>	<u>\$ 79,101</u>	<u>\$ 2,199,146</u>

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>General</u>	<u>Records Modernization Trust</u>
REVENUES		
Intergovernmental revenues	\$ 5,012,013	\$ 0
Charges for services	11,679,673	320,068
Miscellaneous revenues	250,031	37
Total revenues	<u>\$ 16,941,717</u>	<u>\$ 320,105</u>
EXPENDITURES		
Current:		
General government	\$ 18,972,801	\$ 182,024
Capital outlay	122,578	59,331
Debt service:		
Principal	59,688	0
Total expenditures	<u>\$ 19,155,067</u>	<u>\$ 241,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,213,350)</u>	<u>\$ 78,750</u>
OTHER FINANCING SOURCES		
Transfers from constitutional officers	\$ 2,093,975	\$ 0
Capital related debt issued	119,375	0
Total other financing sources	<u>\$ 2,213,350</u>	<u>\$ 0</u>
Net change in fund balances	\$ 0	\$ 78,750
Fund balances - beginning	0	54,957
Fund balances - ending	<u>\$ 0</u>	<u>\$ 133,707</u>

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

<u>10% Fine Fund</u>	<u>Court Related Technology</u>	<u>Total</u>
\$ 0	\$ 0	\$ 5,012,013
399,168	929,083	13,327,992
105	550	250,723
<u>\$ 399,273</u>	<u>\$ 929,633</u>	<u>\$ 18,590,728</u>
\$ 408,847	\$ 913,980	\$ 20,477,652
36,550	0	218,459
0	0	59,688
<u>\$ 445,397</u>	<u>\$ 913,980</u>	<u>\$ 20,755,799</u>
<u>\$ (46,124)</u>	<u>\$ 15,653</u>	<u>\$ (2,165,071)</u>
\$ 0	\$ 0	\$ 2,093,975
0	0	119,375
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,213,350</u>
\$ (46,124)	\$ 15,653	\$ 48,279
47,993	32,907	135,857
<u>\$ 1,869</u>	<u>\$ 48,560</u>	<u>\$ 184,136</u>

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 6,337,623	\$ 5,828,590	\$ 5,012,013	\$ (816,577)
Charges for services	11,510,525	11,510,525	11,679,673	169,148
Miscellaneous revenues	236,842	236,842	250,031	13,189
Total revenues	<u>\$ 18,084,990</u>	<u>\$ 17,575,957</u>	<u>\$ 16,941,717</u>	<u>\$ (634,240)</u>
EXPENDITURES				
Current:				
General government	\$ 19,564,748	\$ 18,992,250	\$ 18,972,801	\$ 19,449
Capital outlay	0	123,000	122,578	422
Debt service:				
Principal	0	60,000	59,688	312
Total expenditures	<u>\$ 19,564,748</u>	<u>\$ 19,175,250</u>	<u>\$ 19,155,067</u>	<u>\$ 20,183</u>
Deficiency of revenues under expenditures	<u>\$ (1,479,758)</u>	<u>\$ (1,599,293)</u>	<u>\$ (2,213,350)</u>	<u>\$ (614,057)</u>
OTHER FINANCING SOURCES				
Transfers from constitutional officers	\$ 2,093,975	\$ 2,093,975	\$ 2,093,975	\$ 0
Capital related debt issued	0	119,533	119,375	(158)
Total other financing sources	<u>\$ 2,093,975</u>	<u>\$ 2,213,508</u>	<u>\$ 2,213,350</u>	<u>\$ (158)</u>
Net change in fund balances	\$ 614,217	\$ 614,215	\$ 0	\$ (614,215)
Fund balances - beginning	0	0	0	0
Fund balances - ending	<u>\$ 614,217</u>	<u>\$ 614,215</u>	<u>\$ 0</u>	<u>\$ (614,215)</u>

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

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
RECORDS MODERNIZATION TRUST

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 313,500	\$ 313,500	\$ 320,068	\$ 6,568
Miscellaneous revenues	0	0	37	37
Total revenues	<u>\$ 313,500</u>	<u>\$ 313,500</u>	<u>\$ 320,105</u>	<u>\$ 6,605</u>
EXPENDITURES				
General government	\$ 300,000	\$ 182,500	\$ 182,024	\$ 476
Capital outlay	0	59,500	59,331	169
Total expenditures	<u>\$ 300,000</u>	<u>\$ 242,000</u>	<u>\$ 241,355</u>	<u>\$ 645</u>
Excess of revenues over expenditures	<u>\$ 13,500</u>	<u>\$ 71,500</u>	<u>\$ 78,750</u>	<u>\$ 7,250</u>
Net change in fund balances	<u>\$ 13,500</u>	<u>\$ 71,500</u>	<u>\$ 78,750</u>	<u>\$ 7,250</u>
Fund balances - beginning	54,957	54,957	54,957	0
Fund balances - ending	<u>\$ 68,457</u>	<u>\$ 126,457</u>	<u>\$ 133,707</u>	<u>\$ 7,250</u>

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

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
10% FINE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 484,211	\$ 484,211	\$ 399,168	\$ (85,043)
Miscellaneous revenues	0	0	105	105
Total revenues	<u>\$ 484,211</u>	<u>\$ 484,211</u>	<u>\$ 399,273</u>	<u>\$ (84,938)</u>
EXPENDITURES				
General government	\$ 440,000	\$ 409,000	\$ 408,847	\$ 153
Capital outlay	0	37,000	36,550	450
Total expenditures	<u>\$ 440,000</u>	<u>\$ 446,000</u>	<u>\$ 445,397</u>	<u>\$ 603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 44,211</u>	<u>\$ 38,211</u>	<u>\$ (46,124)</u>	<u>\$ (84,335)</u>
Net change in fund balances	\$ 44,211	\$ 38,211	\$ (46,124)	\$ (84,335)
Fund balances - beginning	47,993	47,993	47,993	0
Fund balances - ending	<u>\$ 92,204</u>	<u>\$ 86,204</u>	<u>\$ 1,869</u>	<u>\$ (84,335)</u>

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

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 COURT RELATED TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 947,368	\$ 932,105	\$ 929,083	\$ (3,022)
Miscellaneous revenues	0	0	550	550
Total revenues	<u>\$ 947,368</u>	<u>\$ 932,105</u>	<u>\$ 929,633</u>	<u>\$ (2,472)</u>
EXPENDITURES				
General government	\$ 900,000	\$ 914,500	\$ 913,980	\$ 520
Excess of revenues over expenditures	<u>\$ 47,368</u>	<u>\$ 17,605</u>	<u>\$ 15,653</u>	<u>\$ (1,952)</u>
Net change in fund balances	\$ 47,368	\$ 17,605	\$ 15,653	\$ (1,952)
Fund balances - beginning	32,907	32,907	32,907	0
Fund balances - ending	<u>\$ 80,275</u>	<u>\$ 50,512</u>	<u>\$ 48,560</u>	<u>\$ (1,952)</u>

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

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and equivalents	\$ 15,578,455
Investments in SBA	51,563
Other receivables	<u>333,167</u>
Total assets	<u>\$ 15,963,185</u>
LIABILITIES	
Due to individuals and others	\$ 1,939,234
Due to other governmental units	2,383,587
Escrow and refundable deposits	<u>11,640,364</u>
Total liabilities	<u>\$ 15,963,185</u>

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

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Brevard County Clerk of the Circuit Court is a separately elected official established pursuant to the Constitution of the State of Florida.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days.

The primary revenue sources for governmental funds are intergovernmental revenues, appropriations from the Board of County Commissioners, appropriations from the State of Florida, and charges for services. Primary revenue sources associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues, such as miscellaneous revenues, are considered to be measurable and available only when payment is received.

Expenditures are generally recorded when liabilities are incurred, as under accrual accounting. However, liabilities such as accumulated sick and vacation pay are recorded only when payment is due.

In applying the modified accrual basis of accounting to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are typically two types of intergovernmental revenues. One type requires monies to be expended for the specific purpose of a project before any amounts will be reimbursed to the Clerk, and therefore, the revenues recognized are based upon recorded expenditures. The other provides monies that are generally unrestricted as to purpose of expenditure and are substantially irrevocable (i.e. revocable only for failure to comply with prescribed compliance requirements). These revenues are recognized at the time of receipt or earlier if they meet the availability criterion.

These special-purpose financial statements are fund financial statements that have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes and Chapter 10.550 Rules of the Auditor General. The Clerk of the Circuit Court is reported as part of the primary government of Brevard County, Florida. The Clerk's special-purpose financial statements do not purport to reflect the financial position or results of operations of Brevard County, Florida, taken as a whole.

Governmental funds report fund balances either as non-spendable or spendable. Spendable balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances.

Non-spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and generally items such as long-term amounts of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Spendable Fund Balance:

- **Restricted Fund Balance** – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. As of September 30, 2015, the Clerk has a restricted fund balance of \$184,136 to be used for other purposes.
- **Committed Fund Balance** – Amounts that can be used only for the specific purposes determined by a formal action (ordinance/resolution) of the Clerk. Commitments may be changed or lifted only by the Clerk taking the same formal action (ordinance/resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements are reported in this category only if they are specific and non-recurring.
- **Assigned Fund Balance** – Included spendable fund balance amounts established by the Clerk that are intended to be used for specific purposes and are neither considered restricted or committed.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes with the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Clerk spends restricted amounts first, when both restricted and unrestricted fund balance is available, unless prohibited by legal documents, grant agreements or contracts. Additionally, the Clerk uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes of which amounts in any of the unrestricted fund balance classifications could be used.

The Clerk utilizes the following major funds:

General Fund - The General Fund is the general operating fund of the Clerk. All general revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

Records Modernization Trust Fund - is used to account for service charges collected on recording fees to be used for modernization of the official records system, as set forth in Section 28.24, Florida Statutes.

Court Related Technology - is used to account for court related technology needs of the Clerk as defined in Section 29.008, Florida Statutes.

10% Fine Fund - is used to account for the collection of ten percent of all court-related fines to be used exclusively for additional clerk court-related operational needs and program enhancements, as set forth in Section 28.37, Florida Statutes.

The Clerk also reports the following fund types:

Agency Funds - Agency funds are clearing accounts for assets held by a government as an agent for individuals, private organizations, other governments or other funds. Agency funds are custodial in nature (assets equals liabilities) and do not involve the measurement of results of operations. Accordingly it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position.

Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting.

The Clerk's agency funds serve as a means of accounting for collection of certain fines and fees and distributing them pursuant to Florida Statutes.

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

C. Budget

Refer to Note 1. D. in the County-wide Financial Statements.

D. Capital Assets

Refer to Note 1. F. in the County-wide Financial Statements.

	<u>Oct. 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2015</u>
Governmental Activities:				
Operating machinery and equipment	\$ 4,902,994	\$ 250,169	\$ 407,753	\$ 4,745,410
Less accumulated depreciation	<u>3,978,070</u>	<u>266,833</u>	<u>407,753</u>	<u>3,837,150</u>
Total governmental activities				
capital assets, net	<u>\$ 924,924</u>	<u>\$ (16,664)</u>	<u>\$ 0</u>	<u>\$ 908,260</u>

Capital assets used by the Clerk's operations are recorded in the governmental fund types as expenditures at the time assets are received and a liability is incurred. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Clerk's fund financial statements. Prepaid items purchased by the Clerk of the Circuit Court are recorded as expenditures when consumed.

F. Investments

Refer to Note 1. K. in the County-wide Financial Statements.

G. Accrued Compensated Absences

Refer to Note 1. M. in the County-wide Financial Statements.

The Clerk of the Circuit Court's accrued compensated absences were:

<u>Oct. 1, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept. 30, 2015</u>
\$2,047,137	\$548,314	\$271,067	\$2,324,384

The accrued compensated absence liability due within one year is estimated at \$224,262.

H. Use of Estimates

Refer to Note 1. R. in the County-wide Financial Statements.

2. Cash and Investments

Refer to Notes 4 and 5 in the County-wide Financial Statements.

The total cash amount for the Clerk was \$16,757,656, and deposits with financial institutions were \$18,300,848. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the State Treasurer in accordance with Chapter 280, Florida Statutes.	\$18,300,848
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The Clerk has a Petty Cash Fund of \$12,725.

On September 30, 2015, the Clerk had \$51,563 invested in State Board of Administration's Florida Prime.

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

3. Leases

The Clerk is obligated under noncancelable operating leases for office equipment through November 2017. Total cost for the year ended September 30, 2015, was \$130,345.

The future minimum lease payment is as follows:

Year Ended <u>September 30</u>	<u>Amount</u>
2016	\$ 122,700
2017	57,475
2018	<u>450</u>
Total minimum lease payable	<u>\$ 180,625</u>

4. Risk Management

Refer to Note 19 in the County-wide Financial Statements.

5. Deferred Compensation

Refer to Note 21 in the County-wide Financial Statements.

6. Contingent Liabilities

A promissory note was executed by the former Clerk with HP Financial Services in October of 2012, after losing the primary election in August 2012. The balance of the note at the time the current Clerk ceased making payments was approximately \$5.88 million. The current Clerk asserts that the promissory note is not valid and that services and equipment were not received in consideration of the payment. The former Clerk and CEO of the company, that was the beneficiary of the note, have since been arrested on charges of bribery, bid tampering, and other related conspiracy charges. In addition, the former Clerk has been charged with official misconduct. A claim has been asserted against the Clerk of the Circuit Court for non-payment of the promissory note. In February 2014, a federal magistrate judge recommended the dismissal of HP's claim against the Clerk's office and others on jurisdictional grounds. In April 2014, HP filed an action in state court against the Clerk which remains pending. Mediation has been scheduled for spring 2016 between the parties in an attempt to resolve litigation.

7. Retirement

Florida Retirement System:

Refer to Note 23 in the County-wide Financial Statements.

For the fiscal year ended September 30, 2015, the Clerk's portion of Brevard County's pension expense totaled \$892,939 for the FRS Pension Plan and HIS Plan.

Pension Plan

Refer to Note 23 in the County-wide Financial Statements.

The Clerk's contributions, including employee contributions, to the Pension Plan totaled \$872,344 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Clerk's portion of Brevard County's liability of \$4,621,451 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Clerk's proportion of the net pension liability was based on the Clerk's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

contributions received from all participating employers. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Clerk's proportionate share was .0358 percent, which was a decrease of .0006 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Clerk's portion of Brevard County's pension expense is \$520,035. In addition the Clerk's portion of Brevard County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 487,888	\$ 109,607
Change of assumptions	306,741	0
Net difference between projected and actual earnings on Pension Plan investments	0	1,103,525
Changes in proportion and differences between Clerk Pension Plan contributions and proportionate share of contributions	876,862	75,758
Clerk Pension Plan contributions subsequent to the measurement date	151,833	0
Total	\$ 1,823,324	\$ 1,288,890

The deferred outflows of resources related to the Pension Plan, totaling \$151,833 resulting from the Clerk's portion of Brevard County's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2016	\$ (175,965)
2017	(175,965)
2018	(175,965)
2019	734,477
2020	152,690
Thereafter	23,329

Sensitivity of the Clerk's Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Clerk's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Clerk's proportionate share of the net position liability	\$ 11,975,225	\$ 4,621,451	\$ (1,498,097)

Retiree Health Insurance Subsidy Program

Refer to Note 23 in the County-wide Financial Statements.

The Clerk's contributions to the HIS Plan totaled \$158,159 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Clerk's portion of Brevard County's liability of \$4,219,555 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, with updated procedures performed to

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

determine the liability as of July 1, 2015. The Clerk's proportionate share of the net pension liability was based on the Clerk's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Clerk's proportionate share was .0414 percent, which was a decrease of .0025 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Clerk's portion of Brevard County's pension expense is \$372,904. In addition the Clerk's portion of Brevard County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Change of assumptions	331,969	0
Net difference between projected and actual earnings on HIS Plan investments	2,284	0
Changes in proportion and differences between Clerk HIS Plan contributions and proportionate share of contributions	465,876	192,475
Clerk HIS Plan contributions subsequent to the measurement date	36,993	0
Total	\$ 837,122	\$ 192,475

The deferred outflows of resources related to the HIS Plan, totaling \$36,993, resulting from the Clerk's portion of Brevard County's contributions to the HIS Plan, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2016	\$ 116,360
2017	116,360
2018	116,360
2019	115,895
2020	115,673
Thereafter	27,006

Sensitivity of the Clerk's Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Clerk's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Clerk's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Clerk's proportionate share of the net position liability	\$ 4,807,987	\$ 4,219,555	\$ 3,728,892

Investment Plan

Refer to Note 23 in the County-wide Financial Statements.

The Clerk's Investment Plan pension expense totaled \$124,339 for the fiscal year ended September 30, 2015.

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

8. Other Postemployment Benefits

Refer to Note 24 in the County-wide Financial Statements.

The following table shows the actuarial determined components of the Clerk of Circuit Court employee's portion of Brevard County's obligation as of September 30, 2013, 2014, and 2015 based on the current plan provisions:

	<u>Sept. 30, 2013</u>	<u>Sept. 30, 2014</u>	<u>Sept. 30, 2015</u>
Annual required contribution	\$ 244,877	\$ 168,215	\$ 332,057
Interest on net OPEB contribution	44,822	16,551	16,590
Adjustment to annual required contribution	<u>(80,149)</u>	<u>(63,496)</u>	<u>(63,645)</u>
Annual OPEB cost (expense)	\$ 209,550	\$ 121,270	\$ 285,002
Contributions made	<u>(324,513)</u>	<u>(290,738)</u>	<u>(293,645)</u>
Increase (decrease) in net OPEB obligation	\$ (114,963)	\$ (169,468)	\$ (8,643)
Net OPEB obligation - beginning of year	<u>1,943,382</u>	<u>1,828,419</u>	<u>1,658,951</u>
Net OPEB obligation - end of year	<u>\$ 1,828,419</u>	<u>\$ 1,658,951</u>	<u>\$ 1,650,308</u>

No trust or agency fund has been established for the plan; there were no adjustments to the annual required contribution or interest earnings.

Funded Status and Funding Progress - The contributions made for the fiscal years 2013, 2014, and 2015 were 154.9%, 239.7%, and 103.0%, respectively, of the annual OPEB cost. As of the October 1, 2014 actuarial valuation date, the actuarial accrued liability for benefits was \$6,612,219, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$11,830,043 and the ratio of the UAAL to the covered payroll was 55.9%.

9. Subsequent Event

On March 11, 2016, the Clerk of the Circuit Court agreed to settle a claim asserted against the office for non-payment on a \$6.1 million promissory note. The agreement is to release the Clerk from the remaining balance of the promissory note, while the Clerk has agreed to drop any counterclaims. The Clerk's assertion was that the promissory note was not valid and that the services and equipment were not received in consideration of the payment. Any recoupment of funds by the Clerk's Office will be contingent on resolution of the case between the financing company and private party that directly received the proceeds of the promissory note.

The Brevard County Clerk of the Circuit Court has evaluated subsequent events through June 9, 2016, the date which the financial statements were available for issuance.

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FOR THE RETIREE HEALTH PLAN
 SEPTEMBER 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Projected Unit Credit	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/2007	\$ 0	\$ 10,538,590	\$ 10,538,590	0.0%	\$ 14,703,003	71.7%
10/01/2008	\$ 0	\$ 10,538,590	\$ 10,538,590	0.0%	\$ 13,185,492	79.9%
10/01/2009	\$ 0	\$ 7,059,849	\$ 7,059,849	0.0%	\$ 12,557,778	56.2%
10/01/2010	\$ 0	\$ 7,262,415	\$ 7,262,415	0.0%	\$ 10,287,369	70.6%
10/01/2011	\$ 0	\$ 8,035,161	\$ 8,035,161	0.0%	\$ 8,972,055	89.6%
10/01/2012	\$ 0	\$ 8,327,803	\$ 8,327,803	0.0%	\$ 11,523,974	72.3%
10/01/2013	\$ 0	\$ 6,876,903	\$ 6,876,903	0.0%	\$ 13,251,045	51.9%
10/01/2014	\$ 0	\$ 6,612,219	\$ 6,612,219	0.0%	\$ 11,830,043	55.9%

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 REQUIRED SUPPLEMENTARY INFORMATION
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 SEPTEMBER 30, 2015

SCHEDULE OF THE CLERK'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Fiscal Year	Clerk's Proportion of the Net Pension Liability	Clerk's Proportionate Share of the Net Pension Liability	Clerk's Covered Employee Payroll	Clerk's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.035779878%	\$ 4,621,451	\$ 11,830,043	39.07%	92.00%

SCHEDULE OF THE CLERK'S CONTRIBUTIONS

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 872,344	\$ (872,344)	\$ 0	\$ 11,830,043	7.37%

Information is required to be presented for 10 years. However, until a full 10 year trend is compiled, the County will present information for only those years for which information is available.

*The amounts presented for each fiscal year were determined as of June 30.

BREVARD COUNTY CLERK OF THE CIRCUIT COURT
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 SEPTEMBER 30, 2015

SCHEDULE OF THE CLERK'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Fiscal Year	Clerk's Proportion of the Net Pension Liability	Clerk's Proportionate Share of the Net Pension Liability	Clerk's Covered Employee Payroll	Clerk's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.041374570%	\$ 4,219,555	\$ 11,830,043	35.67%	0.50%

SCHEDULE OF THE CLERK'S CONTRIBUTIONS

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 158,159	\$ (158,159)	\$ 0	\$ 11,830,043	1.34%

Information is required to be presented for 10 years. However, until a full 10 year trend is compiled, the County will present information for only those years for which information is available.

*The amounts presented for each fiscal year were determined as of June 30.

BREVARD COUNTY
CLERK OF THE CIRCUIT COURT

**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***



MANAGEMENT LETTER
And
MANAGEMENT COMMENTS AND RECOMMENDATIONS



**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE
AND CLERK OF COURT PERFORMANCE STANDARDS
AND BUDGET COMPLIANCE**

SEPTEMBER 30, 2015

BERMAN HOPKINS
WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

**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**

To the Honorable Scott Ellis
Brevard County Clerk of Circuit Court
Brevard County, Florida

We have audited, in accordance with the 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 special-purpose financial statements of the Brevard County Clerk of Circuit Court, Florida (the "Clerk"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated June 9, 2016.

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 special-purpose 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 Clerk'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 Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

BERMAN HOPKINS
WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

MANAGEMENT LETTER

Honorable Scott Ellis
Brevard County Clerk of Circuit Court
Brevard County, Florida

Report on the Financial Statements

We have audited the financial statements of the Brevard County Clerk of Circuit Court (the "Clerk"), Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 9, 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 9, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial 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 Brevard County Clerk of Circuit Court's Office was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were 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.

Section 61.181(1)(a), Florida Statutes requires the Clerk to operate a depository unless the depository is otherwise created by special act of the Legislature or unless, prior to June 1, 1985, a different entity was established to perform such functions. In connection with our audit we determined the State Disbursement Unit processes all payments collected and this requirement is not applicable to the Clerk.

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 Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Brevard County Clerk of the Circuit Court
MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2015

Prior Year Comments and Recommendations

13-02 Unrecorded Liabilities - Corrected
Significant Deficiency

Criteria: Expenses related to the fiscal year should be recorded as accounts payable.

Condition: During the testing of accounts payable, we discovered several expenses that were not recorded as accounts payable in the proper fiscal year.

Cause: Journal entries were not made by the finance department to record expenses as accounts payable in the proper fiscal year.

Effect: Expenses and accounts payable were understated.

Recommendation: We recommend that the departments communicate with the finance department and the finance department implement procedures to ensure that expenses are recorded as accounts payable in the proper fiscal year.

Status as of September 30, 2014: During the testing of accounts payable, we discovered several expenses that were not recorded as accounts payable in the proper fiscal year.

Status as of September 30, 2015: The above issue has been corrected.

12-01 Unclaimed property - Corrected

Criteria: According to Florida Statute 717.113 Property Held by Courts and Public Agencies, all intangible property held by any government or government agency that has not been claimed by the owner for more than 1 year after it became payable is presumed unclaimed. According to Florida Statute 717.117 Report of Unclaimed Property, a report of unclaimed property must be filed by the holder before May 1st of each year which applies to the preceding calendar year and then submitted to the State. The organization is required to use due diligence and send written notice to the owner, but only if the address isn't known as being inaccurate. This notice must occur no less than 60 days and no more than 120 days prior to filing the report.

Condition: During the testing of cash, several outstanding checks totaling \$3,308 from the Payroll Account, Child Support Account, and Pooled/Agency accounts that were over two years old and were not reported as unclaimed property.

Cause: Timely review of outstanding checks was not done.

Effect: Noncompliance with the statutes could result in assessed fines and penalties by the State.

Recommendation: We recommend review of the Clerk's policy and State statute for unclaimed property and that all unclaimed property fitting the requirements are included on the Clerk's annual Report of Unclaimed Property to the State.

Brevard County Clerk of the Circuit Court
MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2015

Prior Year Comments and Recommendations (continued)

Status as of September 30, 2013: During the testing of cash, several outstanding checks totaling \$3,851 from the Payroll Account, Child Support Account, AP Account, and Pooled/Agency accounts were over two years old and were not reported as unclaimed property.

Status as of September 30, 2014: During the testing of cash, several outstanding checks totaling \$1,534 from the Payroll Account and Pooled/Agency accounts were over two years old and were not reported as unclaimed property.

Status as of September 30, 2015: The above issue has been corrected.

Brevard County Clerk of the Circuit Court
MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2015

Current Year Comments and Recommendations

For the year ended September 30, 2015, there were no management comments or recommendations.

BERMAN HOPKINS
WRIGHT & LAHAM

CPAs AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT AND CLERK OF COURT
PERFORMANCE STANDARDS AND BUDGETS COMPLIANCE**

To the Honorable Scott Ellis
Brevard County Clerk of the Circuit Court
Brevard County, Florida

We have examined the Brevard County Clerk of the Circuit Court's compliance with Section 218.415 and 28.35, Florida Statutes, regarding the investment of public funds and court performance standards and budgets during the year ended September 30, 2015. Management is responsible for the Brevard County Clerk of the Circuit Court's compliance with those requirements. Our responsibility is to express an opinion on the Brevard County Clerk of the Circuit Court's compliance based on our examination.

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 Brevard County Clerk of the Circuit Court'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 Brevard County Clerk of the Circuit Court's compliance with specified requirements.

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

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

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



TAX COLLECTOR

BREVARD COUNTY TAX COLLECTOR

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
I. <u>INTRODUCTORY SECTION</u>	
Table of Contents	i
II. <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund	8
Statement of Fiduciary Net Position – Fiduciary Funds	9
Notes to the Special-Purpose Financial Statements	10
Required Supplementary Information:	
Schedule of Funding Progress for the Retiree Health Plan	17
Florida Retirement System Pension Plan	18
Retiree Health Insurance Subsidy Program	19
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 <i>GOVERNMENT AUDITING STANDARDS</i>	22
MANAGEMENT LETTER And MANAGEMENT COMMENTS AND RECOMMENDATIONS	24
INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE	27



INDEPENDENT AUDITOR'S REPORT

To The Honorable Lisa Cullen
Brevard County Tax Collector
Brevard County, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Tax Collector of Brevard County, Florida (the "Tax Collector"), as of and for the year ended September 30, 2015, which collectively comprise the Tax Collector's special-purpose 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 special-purpose 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 an opinion on the special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 opinion.

As discussed in Note 1-B, the special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the financial position of the Tax Collector at September 30, 2015, and the changes in financial position for the year then ended. They do not purport to, and do not, present fairly the financial position of Brevard County, Florida, as of September 30, 2015, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2015 and the respective changes in financial position, and, where applicable, respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 6 to the financial statements, in 2015, the Tax Collector implemented GASB Statement No. 68, *Accounting for Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* for reporting the Tax Collector's pension associated with the active employee members of the Florida Retirement System, Health Insurance Subsidy, and the primary activity associated with the pension arrangements reflective for the year ending September 30, 2015.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, schedule of net pension liability, and the schedule of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 our report dated June 9, 2016, on our consideration of the Tax Collector'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 Tax Collector's internal control over financial reporting and compliance.

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



**BREVARD COUNTY
TAX COLLECTOR**

FUND FINANCIAL STATEMENTS

SEPTEMBER 30, 2015



BREVARD COUNTY TAX COLLECTOR
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<i>General</i>
ASSETS	
Cash	\$ 4,144,908
Account receivable	929
Due from other governmental units	6,422
Total assets	\$ 4,152,259
LIABILITIES AND FUND BALANCE	
Liabilities:	
Vouchers and contracts payable	\$ 93,176
Accrued wages and benefits payable	339,255
Due to constitutional officers	3,660,197
Due to other governmental units	59,631
Total liabilities	\$ 4,152,259
Fund balance	\$ 0
Total liabilities and fund balance	\$ 4,152,259

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

BREVARD COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<i>General</i>
REVENUES	
Charges for services	\$ 15,508,535
Miscellaneous revenues	159,268
Total revenues	\$ 15,667,803
EXPENDITURES	
General government	\$ 11,968,592
Excess of revenues over expenditures	\$ 3,699,211
OTHER FINANCING USES	
Transfers to constitutional officers and other governmental units	\$ (3,699,211)
Net change in fund balance	\$ 0
Fund balance- beginning	0
Fund balance - ending	\$ 0

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

BREVARD COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 15,078,900	\$ 15,511,000	\$ 15,508,535	\$ (2,465)
Miscellaneous revenues	88,700	159,050	159,268	218
Total revenues	<u>\$ 15,167,600</u>	<u>\$ 15,670,050</u>	<u>\$ 15,667,803</u>	<u>\$ (2,247)</u>
EXPENDITURES				
General government	<u>\$ 12,256,290</u>	<u>\$ 12,565,469</u>	<u>\$ 11,968,592</u>	<u>\$ 596,877</u>
Excess of revenues over expenditures	<u>\$ 2,911,310</u>	<u>\$ 3,104,581</u>	<u>\$ 3,699,211</u>	<u>\$ 594,630</u>
OTHER FINANCING USES				
Transfers to constitutional officers and other governmental units	<u>\$ (2,911,310)</u>	<u>\$ (3,104,581)</u>	<u>\$ (3,699,211)</u>	<u>\$ (594,630)</u>
Net change in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balance - beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

BREVARD COUNTY TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and equivalents	\$ 9,611,926
Other receivables	352,419
Due from other governmental units	4,391
Total assets	<u>\$ 9,968,736</u>
LIABILITIES	
Due to individuals and others	\$ 1,104,084
Due to other governmental units	2,356,867
Prepaid taxes	6,507,785
Total liabilities	<u>\$ 9,968,736</u>

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

BREVARD COUNTY TAX COLLECTOR
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Brevard County Tax Collector is a separately elected official established pursuant to the Constitution of the State of Florida.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days (ninety days for intergovernmental revenue).

The primary revenue sources for governmental funds are commissions from tax collections, interest earnings, and charges for services. Primary revenue sources associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues, such as miscellaneous revenues, are considered to be measurable and available only when payment is received.

Expenditures are generally recorded when liabilities are incurred, as under accrual accounting. However, liabilities such as insurance, accumulated sick and vacation pay, are recorded only when payment is due.

In applying the modified accrual basis of accounting to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are typically two types of intergovernmental revenues. One type requires monies to be expended for the specific purpose of a project before any amounts will be reimbursed to the Tax Collector, and therefore, the revenues recognized are based upon recorded expenditures. The other provides monies that are generally unrestricted as to purpose of expenditure and are substantially irrevocable (i.e. revocable only for failure to comply with prescribed compliance requirements). These revenues are recognized at the time of receipt or earlier if they meet the availability criterion.

These special-purpose financial statements are fund financial statements that have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes and Chapter 10.550 Rules of the Auditor General. The Tax Collector is reported as part of the primary government of Brevard County, Florida. The Tax Collector's special-purpose financial statements do not purport to reflect the financial position or results of operations of Brevard County, Florida, taken as a whole.

Governmental funds report fund balances either as non-spendable or spendable. Spendable balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances.

Non-spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and generally items such as long-term amounts of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

BREVARD COUNTY TAX COLLECTOR
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Spendable Fund Balance:

- **Restricted Fund Balance** – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Amounts that can be used only for the specific purposes determined by a formal action (ordinance/resolution) of the Tax Collector. Commitments may be changed or lifted only by the Tax Collector taking the same formal action (ordinance/resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements are reported in this category only if they are specific and non-recurring.
- **Assigned Fund Balance** – Included spendable fund balance amounts established by the Tax Collector that are intended to be used for specific purposes and are neither considered restricted or committed.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes with the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Tax Collector spends restricted amounts first, when both restricted and unrestricted fund balance is available, unless prohibited by legal documents, grant agreements or contracts. Additionally, the Tax Collector uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes of which amounts in any of the unrestricted fund balance classifications could be used.

The Tax Collector utilizes the following major fund:

General Fund - The General Fund is the general operating fund of the Tax Collector. All general revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The Tax Collector also reports the following fund type:

Agency Funds - Agency funds are clearing accounts for assets held by a government as an agent for individuals, private organizations, or other governments. Agency funds are custodial in nature (assets equals liabilities) and do not involve the measurement of results of operations. These agency funds are used to account for taxes collected by the Tax Collector on behalf of other governments. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position.

Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting.

C. **Budget**

Refer to Note 1. D. in the County-wide Financial Statements.

BREVARD COUNTY TAX COLLECTOR
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

D. Capital Assets

Refer to Note 1. F. in the County-wide Financial Statements.

	<u>Oct. 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2015</u>
Governmental Activities:				
Operating machinery and equipment	\$ 3,923,341	\$ 217,195	\$ 190,228	\$ 3,950,308
Less accumulated depreciation	<u>2,216,670</u>	<u>306,734</u>	<u>187,716</u>	<u>2,335,688</u>
Total governmental activities capital assets, net	<u>\$ 1,706,671</u>	<u>\$ (89,539)</u>	<u>\$ 2,512</u>	<u>\$ 1,614,620</u>

Capital assets used by the Tax Collector's operations are recorded in the governmental fund types as expenditures at the time assets are received and a liability is incurred. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County.

E. Investments

Refer to Note 1. K. in the County-wide Financial Statements.

F. Accrued Compensated Absences

Refer to Note 1. M. in the County-wide Financial Statements.

The Tax Collector accrued compensated absences were:

<u>Oct. 1, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept. 30, 2015</u>
\$1,202,146	\$47,942	\$89,280	\$1,160,808

The accrued compensated absence due within one year is estimated at \$74,220.

G. Use of Estimates

Refer to Note 1. R. in the County-wide Financial Statements.

2. Cash and Investments

Refer to Notes 4 and 5 in the County-wide Financial Statements.

The total cash amount for the Tax Collector was \$13,756,834, and deposits with financial institutions were \$13,686,564. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the State Treasurer in accordance with Chapter 280, Florida Statutes.	\$13,686,564
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Included in the total cash amount is Petty Cash/Change Funds of \$25,000 which represent both book and market value.

3. Leases

The Tax Collector is obligated under two noncancelable operating leases for office equipment through June 2019. Total cost for the year ended September 30, 2015, was \$45,243.

BREVARD COUNTY TAX COLLECTOR
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

The future minimum lease payment is as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2016	\$ 47,602
2017	47,602
2018	47,602
2019	<u>28,243</u>
Total minimum lease payable	<u>\$ 171,049</u>

The Tax Collector leases two office facilities under noncancelable operating leases. Total costs for the leases were \$274,453 for the year ended September 30, 2015. The future minimum lease payments are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2016	\$ 211,588
2017	158,610
2018	161,797
2019	165,053
2020	168,344
2021 - 2023	<u>465,294</u>
Total minimum lease payable	<u>\$ 1,330,686</u>

4. Risk Management

Refer to Note 19 in the County-wide Financial Statements.

5. Deferred Compensation

Refer to Note 21 in the County-wide Financial Statements.

6. Retirement

Florida Retirement System:

Refer to Note 23 in the County-wide Financial Statements.

For the fiscal year ended September 30, 2015, the Tax Collector's portion of Brevard County's pension expense totaled \$493,029 for the FRS Pension Plan and HIS Plan.

Pension Plan

Refer to Note 23 in the County-wide Financial Statements.

The Tax Collector's contributions, including employee contributions, to the Pension Plan totaled \$486,924 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Tax Collector's portion of Brevard County's liability of \$2,579,597 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Tax Collector's

BREVARD COUNTY TAX COLLECTOR
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

proportion of the net pension liability was based on the Tax Collector's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all participating employers. The Tax Collector's proportionate share of the net pension liability was based on the Tax Collector's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Tax Collector's proportionate share was .0200 percent, which was an increase of .0015 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Tax Collector's portion of Brevard County's pension expense is \$336,811. In addition the Tax Collector's portion of Brevard County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 272,329	\$ 61,180
Change of assumptions	171,216	0
Net difference between projected and actual earnings on Pension Plan investments	0	615,964
Changes in proportion and differences between Tax Collector Pension Plan contributions and proportionate share of contributions	692,899	0
Tax Collector Pension Plan contributions subsequent to the measurement date	109,543	0
Total	\$ 1,245,987	\$ 677,144

The deferred outflows of resources related to the Pension Plan, totaling \$109,543 resulting from the Tax Collector's portion of Brevard County's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2016	\$ (51,682)
2017	(51,682)
2018	(51,682)
2019	456,508
2020	131,127
Thereafter	26,711

Sensitivity of the Tax Collector's Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Tax Collector's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Tax Collector's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Tax Collector's proportionate share of the net position liability	\$ 6,684,318	\$ 2,579,597	\$ (836,206)

Retiree Health Insurance Subsidy Program

Refer to Note 23 in the County-wide Financial Statements.

The Tax Collector's contributions to the HIS Plan totaled \$ 73,352 for the fiscal year ended September 30, 2015.

BREVARD COUNTY TAX COLLECTOR
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Tax Collector’s portion of Brevard County’s liability of \$1,956,968 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, with updated procedures performed to determine the liability as of July 1, 2015. The Tax Collector’s proportionate share of the net pension liability was based on the Tax Collector’s 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Tax Collector’s proportionate share was .0192 percent, which was an increase of .0003 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Tax Collector’s portion of Brevard County’s pension expense is \$156,218. In addition the Tax Collector’s portion of Brevard County’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Change of assumptions	153,962	0
Net difference between projected and actual earnings on HIS Plan investments	1,059	0
Changes in proportion and differences between Tax Collector HIS Plan contributions and proportionate share of contributions	58,386	0
Tax Collector HIS Plan contributions subsequent to the measurement date	22,922	0
Total	\$ 236,329	\$ 0

The deferred outflows of resources related to the HIS Plan, totaling \$22,922, resulting from the Tax Collector’s portion of Brevard County’s contributions to the HIS Plan, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2016	\$ 37,236
2017	37,236
2018	37,236
2019	37,021
2020	36,918
Thereafter	27,760

Sensitivity of the Tax Collector’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Tax Collector’s proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Tax Collector’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Tax Collector's proportionate share of the net position liability	\$ 2,229,874	\$ 1,956,968	\$ 1,729,405

BREVARD COUNTY TAX COLLECTOR
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Investment Plan

Refer to Note 23 in the County-wide Financial Statements.

The Tax Collector's Investment Plan pension expense totaled \$73,078 for the fiscal year ended September 30, 2015.

7. Other Postemployment Benefits

Refer to Note 24 in the County-wide Financial Statements.

The following table shows the actuarial determined components of the Tax Collector employee's portion of Brevard County's obligation as of September 30, 2013, 2014, and 2015 based on the current plan provisions:

	<u>Sept. 30, 2013</u>	<u>Sept. 30, 2014</u>	<u>Sept. 30, 2015</u>
Annual required contribution	\$ 250,459	\$ 96,254	\$ 94,185
Interest on net OPEB contribution	19,154	10,172	9,587
Adjustment to annual required contribution	<u>(34,250)</u>	<u>(39,025)</u>	<u>(36,782)</u>
Annual OPEB cost (expense)	\$ 235,363	\$ 67,401	\$ 66,990
Contributions made	<u>(175,834)</u>	<u>(125,874)</u>	<u>(127,133)</u>
Increase (decrease) in net OPEB obligation	\$ 59,529	\$ (58,473)	\$ (60,143)
Net OPEB obligation - beginning of year	<u>957,694</u>	<u>1,017,223</u>	<u>958,750</u>
Net OPEB obligation - end of year	<u>\$ 1,017,223</u>	<u>\$ 958,750</u>	<u>\$ 898,607</u>

No trust or agency fund has been established for the plan; there were no adjustments to the annual required contribution or interest earnings.

Funded Status and Funding Progress - The contributions made for the 2013, 2014, and 2015 fiscal years were 74.7%, 186.8%, and 189.8% respectively, of the annual OPEB cost. As of the October 1, 2014 actuarial valuation date, the actuarial accrued liability for benefits was \$1,551,860, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$5,836,811 and the ratio of the UAAL to the covered payroll was 26.6%.

8. Subsequent Event

The Brevard County Tax Collector has evaluated subsequent events through June 9, 2016, the date which the financial statements were issued.

BREVARD COUNTY TAX COLLECTOR
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FOR THE RETIREE HEALTH PLAN
 SEPTEMBER 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Projected Unit Credit	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/2007	\$ 0	\$ 5,106,884	\$ 5,106,884	0.0%	\$ 4,976,103	102.6%
10/01/2008	\$ 0	\$ 5,106,884	\$ 5,106,884	0.0%	\$ 4,713,448	108.3%
10/01/2009	\$ 0	\$ 3,724,499	\$ 3,724,499	0.0%	\$ 4,941,339	75.3%
10/01/2010	\$ 0	\$ 3,796,616	\$ 3,796,616	0.0%	\$ 5,092,010	74.6%
10/01/2011	\$ 0	\$ 4,288,364	\$ 4,288,364	0.0%	\$ 5,236,137	81.9%
10/01/2012	\$ 0	\$ 4,292,073	\$ 4,292,073	0.0%	\$ 5,326,237	80.6%
10/01/2013	\$ 0	\$ 1,613,980	\$ 1,613,980	0.0%	\$ 5,745,570	28.1%
10/01/2014	\$ 0	\$ 1,551,860	\$ 1,551,860	0.0%	\$ 5,836,811	26.6%

BREVARD COUNTY TAX COLLECTOR
 REQUIRED SUPPLEMENTARY INFORMATION
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 SEPTEMBER 30, 2015

SCHEDULE OF THE TAX COLLECTOR'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Fiscal Year	Tax Collector's Proportion of the Net Pension Liability	Tax Collector's Proportionate Share of the Net Pension Liability	Tax Collector's Covered Employee Payroll	Tax Collector's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.019971573%	\$ 2,579,597	\$ 5,836,811	44.20%	92.00%

SCHEDULE OF THE TAX COLLECTOR'S CONTRIBUTIONS

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 486,924	\$ (486,924)	\$ 0	\$ 5,836,811	8.34%

Information is required to be presented for 10 years. However, until a full 10 year trend is compiled, the County will present information for only those years for which information is available.

*The amounts presented for each fiscal year were determined as of June 30.

BREVARD COUNTY TAX COLLECTOR
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 SEPTEMBER 30, 2015

SCHEDULE OF THE TAX COLLECTOR'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Fiscal Year	Tax Collector's Proportion of the Net Pension Liability	Tax Collector's Proportionate Share of the Net Pension Liability	Tax Collector's Covered Employee Payroll	Tax Collector's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.019188921%	\$ 1,956,968	\$ 5,836,811	33.53%	0.50%

SCHEDULE OF THE TAX COLLECTOR'S CONTRIBUTIONS

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 73,352	\$ (73,352)	\$ 0	\$ 5,836,811	1.26%

Information is required to be presented for 10 years. However, until a full 10 year trend is compiled, the County will present information for only those years for which information is available.

*The amounts presented for each fiscal year were determined as of June 30.



BREVARD COUNTY
TAX COLLECTOR

**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***



MANAGEMENT LETTER
And
MANAGEMENT COMMENTS AND RECOMMENDATIONS



INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

SEPTEMBER 30, 2015

BERMAN HOPKINS
WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

**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**

To The Honorable Lisa Cullen
Brevard County Tax Collector
Brevard County, Florida

We have audited, in accordance with the 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 special-purpose financial statements of the Tax Collector of Brevard County, Florida (the "Tax Collector"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector's special-purpose financial statements and have issued our report thereon dated June 9, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector'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 Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector'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 Tax Collector's special-purpose 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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

BERMAN HOPKINS WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

MANAGEMENT LETTER

The Honorable Lisa Cullen
Brevard County Tax Collector
Brevard County, Florida

Report on the Financial Statements

We have audited the special-purpose financial statements of the Brevard County Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 9, 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 9, 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 Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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

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 Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Brevard County Tax Collector

MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2015

For the years ended September 30, 2014 and September 30, 2015, there were no management comments or recommendations.

BERMAN HOPKINS
WRIGHT LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

The Honorable Lisa Cullen
Brevard County Tax Collector
Brevard County, Florida

We have examined the Brevard County Tax Collector's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Brevard County Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Brevard County Tax Collector's compliance based on our examination.

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 Brevard County Tax Collector'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 Brevard County Tax Collector's compliance with specified requirements.

In our opinion, Brevard County Tax Collector's complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

June 9, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



PROPERTY APPRAISER

BREVARD COUNTY PROPERTY APPRAISER

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

TABLE OF CONTENTS

Page

I. INTRODUCTORY SECTION
Table of Contents

II. FINANCIAL SECTION

1 Independent Auditor's Report

Fund Financial Statements:

6 Balance Sheet - Governmental Funds

7 Statement of Revenues, Expenditures, and Changes in

Fund Balance - Governmental Funds

7 Statement of Revenues, Expenditures, and Changes in Fund

8 Balance - Budget and Actual

8 General Fund

9 Notes to the Special-Purpose Financial Statements

Required Supplementary Information

16 Schedule of Funding Progress for the Retiree Health Plan

17 Florida Retirement System Pension Plan

18 Retiree Health Insurance Subsidy Program

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER

FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

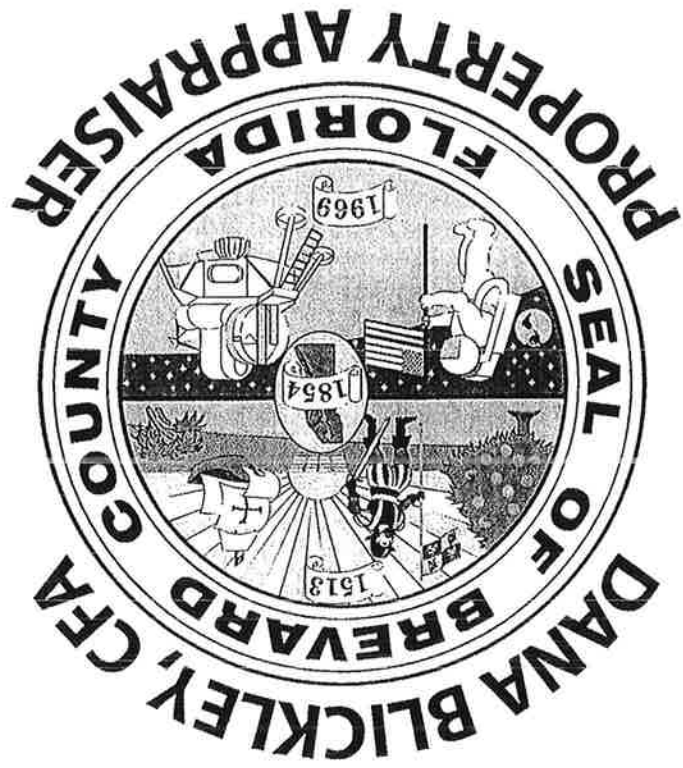
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN

ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

MANAGEMENT LETTER

And MANAGEMENT COMMENTS AND RECOMMENDATIONS

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE



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

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.

Our responsibility is to express an opinion on the special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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.

Auditor's Responsibility

Management is responsible for the preparation and fair presentation of these special-purpose 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.

Management's Responsibility for the Financial Statements

We have audited the accompanying special-purpose financial statements of the Property Appraiser of Brevard County, Florida (the "Property Appraiser"), as of and for the year ended September 30, 2015, which collectively comprise the Property Appraiser's special-purpose financial statements as listed in the table of contents.

Report on the Financial Statements

To the Honorable Dana Blickey
Brevard County Property Appraiser
Brevard County, Florida

INDEPENDENT AUDITOR'S REPORT

**BERMAN HOPKINS
WRIGHT & LAMHAM
CPAS AND ASSOCIATES, LLP**

www.bermanhopkins.com

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

255 S. Orange Ave., Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, schedule of net pension liability, and the schedule of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Required Supplementary Information

Other Matters

As described in Note 8 to the financial statements, in 2015, the Property Appraiser implemented GASB Statement No. 68, *Accounting for Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* for reporting the Property Appraiser's pension associated with the active employee members of the Florida Retirement System, Health Insurance Subsidy, and the primary activity associated with the pension arrangements reflective for the year ending September 30, 2015.

Emphasis of Matters

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2015 and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion

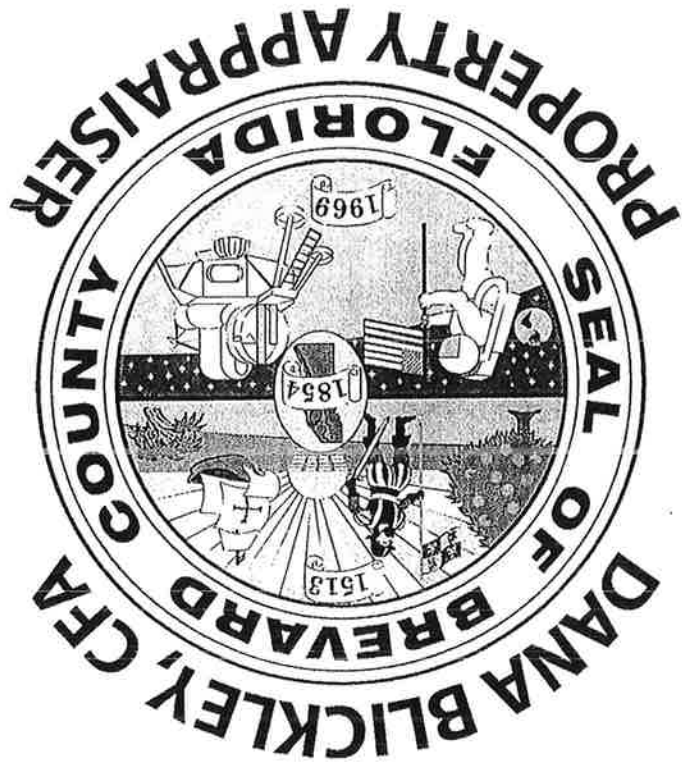
As discussed in Note 1-B, the special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General*, State of Florida, and present only the financial position of the Property Appraiser at September 30, 2015, and the changes in financial position for the year then ended. They do not purport to, and do not, present fairly the financial position of Brevard County, Florida, as of September 30, 2015, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, on our consideration of the Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.

June 10, 2016
Melbourne, Florida

Berman Hopkins Wright & Latham
CPAs and Associates, LLP





BREVARD COUNTY
PROPERTY APPRAISER
FUND FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

BREVARD COUNTY PROPERTY APPRAISER
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2015

<i>General</i>	
	\$ 819,421
	84,706
	<u>\$ 904,127</u>
ASSETS	
Cash	
Prepaid expenses	
Total assets	
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 57,582
Accrued wages and benefits payable	156,929
Due to constitutional officers	15,444
Due to other governmental units	337
Unearned revenue	673,835
Total liabilities	<u>\$ 904,127</u>
Fund balance	\$ 0
Total liabilities and fund balance	<u>\$ 904,127</u>

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

BREWARD COUNTY PROPERTY APPRAISER
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

<i>General</i>	
REVENUES	\$ 292,537
Charges for services	
EXPENDITURES	
General government	\$ 8,736,604
Deficiency of revenues under expenditures	\$ (8,444,067)
OTHER FINANCING SOURCES AND (USES)	
Transfers from constitutional officers and other governmental units	\$ 8,459,848
Transfers to constitutional officers and other governmental units	(15,781)
Total other financing sources and (uses)	\$ 8,444,067
Net change in fund balance	\$ 0
Fund balance - beginning	0
Fund balance - ending	\$ 0

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

BREVARD COUNTY PROPERTY APPRAISER

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

REVENUES	Budgeted Amounts		Actual Amount	Variance with final budget - Positive (Negative)
	Original	Final		
Charges for services	\$ 184,493	\$ 184,493	\$ 292,537	\$ 108,044
EXPENDITURES				
General government	\$ 8,643,681	\$ 8,628,560	\$ 8,736,604	\$ (108,044)
Deficiency of revenues				
under expenditures	\$ (8,459,188)	\$ (8,444,067)	\$ (8,444,067)	\$ 0
OTHER FINANCING SOURCES				
AND (USES)				
Transfers from constitutional	\$ 8,459,188	\$ 8,459,848	\$ 8,459,848	\$ 0
officers and other governmental units				
Transfers to constitutional	\$ 0	\$ 0	\$ (15,781)	\$ (15,781)
officers and other governmental units				
Total other financing sources	\$ 8,459,188	\$ 8,459,848	\$ 8,444,067	\$ (15,781)
and (uses)				
Net change in fund balance	\$ 0	\$ 15,781	\$ 0	\$ (15,781)
Fund balance - beginning	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance - ending	\$ 0	\$ 15,781	\$ 0	\$ (15,781)

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

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Brevard County Property Appraiser is a separately elected official established pursuant to the Constitution of the State of Florida.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days.

The primary revenue sources for governmental funds are charges for services to the Board of County Commissioners and other taxing districts. Primary revenue sources associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues, such as miscellaneous revenues, are considered to be measurable and available only when payment is received.

Expenditures are generally recorded when liabilities are incurred, as under accrual accounting. However, liabilities such as accumulated sick and vacation pay, insurance and similar items, are recorded only when payment is due.

In applying the modified accrual basis of accounting to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are typically two types of intergovernmental revenues. One type requires monies to be expended for the specific purpose of a project before any amounts will be reimbursed to the Property Appraiser, and therefore, the revenues recognized are based upon recorded expenditures. The other provides monies that are generally unrestricted as to purpose of expenditure and are substantially irrevocable (i.e. revocable only for failure to comply with prescribed compliance requirements). These revenues are recognized at the time of receipt or earlier if they meet the availability criterion.

These special-purpose financial statements are fund financial statements that have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes and Chapter 10.50 Rules of the Auditor General. The Property Appraiser is reported as part of the primary government of Brevard County, Florida. The Property Appraiser's special-purpose financial statements do not purport to reflect the financial position or results of operations of Brevard County, Florida, taken as a whole.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Brevard County Property Appraiser is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not long-term amounts of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

BREWARD COUNTY PROPERTY APPRAISER
 NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

Spendable Fund Balance:

- **Restricted Fund Balance** – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Amounts that can be used only for the specific purposes determined by a formal action (ordinance/resolution) of the Property Appraiser. Commitments may be changed or lifted only by the Property Appraiser taking the same formal action (ordinance/resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements are reported in this category only if they are specific and non-recurring.
- **Assigned Fund Balance** – Included spendable fund balance amounts established by the Property Appraiser that are intended to be used for specific purposes and are neither considered restricted or committed.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes with the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Property Appraiser spends restricted amounts first, when both restricted and unrestricted fund balance is available, unless prohibited by legal documents, grant agreements or contracts. Additionally, the Property Appraiser uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes of which amounts in any of the unrestricted fund balance classifications could be used.

The Property Appraiser utilizes the following fund type:

General Fund - The General Fund is the general operating fund of the Property Appraiser. All general revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

C. Budget

Refer to Note I. D. in the County-wide Financial Statements.

D. Capital Assets

Refer to Note I. F. in the County-wide Financial Statements. Capital asset activity for the year ended September 30, 2015, was as follows:

	Oct. 1, 2014	Increases	Decreases	Sept. 30, 2015
Governmental Activities:				
Operating machinery and equipment	\$ 2,111,877	\$ 328,996	\$ 65,260	\$ 2,375,613
Less accumulated depreciation	995,784	272,252	65,260	1,202,776
Total governmental activities	\$ 1,116,093	\$ 56,744	\$ 0	\$ 1,172,837
capital assets, net				

BREVARD COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Property Appraiser's fund financial statements. Prepaid items purchased by the Property Appraiser are recorded as expenditures when consumed.

F. Investments

Refer to Note 1. K. in the County-wide Financial Statements.

G. Accrued Compensated Absences

Refer to Note 1. M. in the County-wide Financial Statements.

The Property Appraiser accrued compensated absences were:

	Oct. 1, 2014	Increase	Decrease
	\$816,714	\$702,364	\$681,966
			<u>Sept. 30, 2015</u>
			\$837,112

Accrued compensated absence liability due within one year is estimated at \$71,597.

H. Unearned Revenue

Unearned revenues are reported in the fund financial statements when resources are received by the Brevard County Property Appraiser before it has incurred qualifying expenditures. In subsequent periods when the qualified expenditures occur, the liability for unearned revenue is removed and revenue is recognized. Unearned revenues consist of indirect revenues received for qualified expenditures that occurred after year end, totaling \$673,835.

I. Use of Estimates

Refer to Note 1. R. in the County-wide Financial Statements.

2. Comparison of Expenditures to Appropriations

Expenditures exceed appropriations because the \$108,044 was spent from a nonbudgeted reimbursement for expenses paid by the Board of County Commissioners to support the property data program.

The Property Appraiser receives funding from the Board of County Commissioners to provide field data collections in support of County programs. During the year, actual revenue for mapping services totaled \$354,497 and is included in charges for services. The Florida Department of Revenue does not require that mapping services revenues or expenditures be budgeted.

3. Cash and Investments

Refer to Notes 4 and 5 in the County-wide Financial Statements.

The total cash amount for the Property Appraiser was \$819,421, and deposits with financial institutions were \$953,864. The bank balance is categorized as follows:

Amount insured by FDIC or collateralized with securities held by the State Treasurer in accordance with Chapter 280, Florida Statutes.

\$953,864

4. Commitments

The Property Appraiser's office contracts for aerial photography that is used in the assessment of various property values as well as other purposes within the County. The prior contract expired in fiscal year 2014 and a new contract was established for a six year period, with the first scheduled flight and payment in fiscal year 2015. These outstanding services are valued at approximately \$879,868 for the contract period.

BREVARD COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

5. Leases

The Property Appraiser is obligated under operating lease agreements for office equipment through fiscal year 2020 and for vehicles through fiscal year 2017. The copier lease agreements terminated in June 2015 and were replaced with a single consolidated lease for a new five year term. The current postage equipment lease expires in March 2016 and a new postage equipment vendor was selected effective October 1, 2015 for a five year period and includes a concession equivalent to the final six months of the current lease. A vehicle operating lease agreement was initiated effective October 8, 2013, with a 36 month term. Total cost for the lease agreements was \$59,754 for the year ended September 30, 2015. The future minimum lease payments are as follows:

Year Ended	September 30	Amount
2016	\$	49,296
2017		23,148
2018		22,647
2019		22,647
2020		18,959
	\$	<u>136,697</u>

6. Risk Management

Refer to Note 19 in the County-wide Financial Statements.

7. Deferred Compensation

Refer to Note 21 in the County-wide Financial Statements.

8. Retirement

Florida Retirement System:

Refer to Note 23 in the County-wide Financial Statements.

For the fiscal year ended September 30, 2015, the Property Appraiser's portion of Brevard County's pension expense totaled \$381,432 for the FRS Pension Plan and HIS Plan.

Pension Plan

Refer to Note 23 in the County-wide Financial Statements.

The Property Appraiser's contributions, including employee contributions, to the Pension Plan totaled \$452,829 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Property Appraiser's portion of Brevard County's liability of \$2,398,973 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Property Appraiser's proportion of the net pension liability was based on the Property Appraiser's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all participating employers. The Property Appraiser's proportionate share of the net pension liability was based on the Property Appraiser's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Property Appraiser's proportionate share was .0186 percent, which was an increase of .0004 percent from its proportionate share measured as of June 30, 2014.

**BREWARD COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

For the fiscal year ended September 30, 2015, the Property Appraiser's portion of Brevard County's pension expense is \$270,174. In addition the Property Appraiser's portion of Brevard County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	\$ 253,260	\$ 56,896
Deferred Inflows of Resources	\$ 159,228	0
Changes in proportion and differences between Property Appraiser Pension Plan investments	0	572,835
Net difference between projected and actual earnings on Pension Plan investments	0	0
Changes in proportion and differences between Property Appraiser Pension Plan contributions and proportionate share of contributions	434,664	0
Property Appraiser Pension Plan contributions subsequent to the measurement date	93,837	0
Total	\$ 940,989	\$ 629,731

The deferred outflows of resources related to the Pension Plan, totaling \$93,837 resulting from the Property Appraiser's portion of Brevard County's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	September 30	Amount
2016	\$	(91,116)
2017		(91,116)
2018		(91,116)
2019		381,490
2020		91,816
Thereafter		17,463

Sensitivity of the Property Appraiser's Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Property Appraiser's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Property Appraiser's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

Current	1% Decrease	Discount Rate	1% Increase
(6.65%)	(7.65%)	(8.65%)	
\$ 6,216,281	\$ 2,398,973	\$ (777,655)	
Property Appraiser's proportionate share of the net position liability			

Retiree Health Insurance Subsidy Program

Refer to Note 23 in the County-wide Financial Statements.

The Property Appraiser's contributions to the HIS Plan totaled \$64,908 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2015, the Property Appraiser's portion of Brevard County's liability of \$1,731,686 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, with updated procedures performed to determine the liability as of July 1, 2015. The Property Appraiser's proportionate share of the net pension liability was based on the Property Appraiser's 2014-15 fiscal year contributions relative to the

**BREWARD COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Property Appraiser's proportionate share was .0170 percent, which was a decrease of .0002 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Property Appraiser's portion of Brevard County's deferred pension expense is \$111,258. In addition the Property Appraiser's portion of Brevard County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Change of assumptions	136,239	0
Net difference between projected and actual earnings on HIS Plan investments	937	0
Changes in proportion and differences between Property Appraiser HIS Plan contributions and proportionate share of contributions	0	95,143
Property Appraiser HIS Plan contributions subsequent to the measurement date	18,906	0
Total	\$ 156,082	\$ 95,143

The deferred outflows of resources related to the HIS Plan, totaling \$18,906, resulting from the Property Appraiser's portion of Brevard County's contributions to the HIS Plan, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending	September 30	Amount
2016	\$ 5,974	5,974
2017	5,974	5,974
2018	5,974	5,974
2019	5,783	5,783
2020	5,692	5,692
Thereafter	12,636	12,636

Sensitivity of the Property Appraiser's Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Property Appraiser's proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Property Appraiser's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

Current	1% Decrease	Discount Rate	1% Increase
Property Appraiser's proportionate share of the net position liability	\$ 1,973,176	\$ 1,731,686	\$ 1,530,320

Investment Plan

Refer to Note 23 in the County-wide Financial Statements.

The Property Appraiser's Investment Plan pension expense totaled \$64,714 for the fiscal year ended September 30, 2015.

BREVARD COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

9. Other Postemployment Benefits

Refer to Note 24 in the County-wide Financial Statements.

The following table shows the actuarial determined components of the Property Appraiser employee's portion of Brevard County's obligation as of September 30, 2013, 2014, and 2015 based on the current plan provisions:

	Sept. 30, 2013	Sept. 30, 2014	Sept. 30, 2015
Annual required contribution	\$ 218,009	\$ 100,953	\$ 98,491
Interest on net OPFB contribution	17,079	8,917	8,000
Adjustment to annual required contribution	(30,539)	(34,211)	(30,691)
Annual OPFB cost (expense)	\$ 204,549	\$ 75,659	\$ 75,800
Contributions made	(166,757)	(167,406)	(169,080)
Increase (decrease) in net OPFB obligation	\$ 37,792	\$ (91,747)	\$ (93,280)
Net OPFB obligation - beginning of year	853,940	891,732	799,985
Net OPFB obligation - end of year	\$ 891,732	\$ 799,985	\$ 706,705

No trust or agency fund has been established by Brevard County for the plan; there were no adjustments to the annual required contribution or interest earnings.

Funded Status and Funding Progress - The contributions made for the 2013, 2014 and 2015 fiscal years were 81.5%, 221.3% and 223.1%, respectively, of the annual OPFB cost. As of the October 1, 2014 actuarial valuation date the actuarial accrued liability for benefits was \$1,776,024, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPFB plan was \$5,060,066 and the ratio of Unfunded Actuarial Accrued Liability ("UAL") to the covered payroll was 35.1%.

10. Subsequent Events

The Property Appraiser has evaluated subsequent events through June 10, 2016, the date which the financial statements were available for issuance, and has determined that no material events occurred that would require additional disclosure in the financial statements.

BREWARD COUNTY PROPERTY APPRAISER
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FOR THE RETIREE HEALTH PLAN
 SEPTEMBER 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability - Projected Unit Credit	Unfunded AAL	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll
10/01/2007	\$ 0	\$ 4,596,934	\$ 4,596,934	0.0%	\$ 6,550,388	70.2%
10/01/2008	\$ 0	\$ 4,596,934	\$ 4,596,934	0.0%	\$ 6,512,555	70.6%
10/01/2009	\$ 0	\$ 3,473,328	\$ 3,473,328	0.0%	\$ 6,159,827	56.4%
10/01/2010	\$ 0	\$ 3,535,957	\$ 3,535,957	0.0%	\$ 5,595,342	63.2%
10/01/2011	\$ 0	\$ 3,893,727	\$ 3,893,727	0.0%	\$ 5,479,568	71.1%
10/01/2012	\$ 0	\$ 3,881,404	\$ 3,881,404	0.0%	\$ 5,107,889	76.0%
10/01/2013	\$ 0	\$ 1,847,117	\$ 1,847,117	0.0%	\$ 5,161,203	35.8%
10/01/2014	\$ 0	\$ 1,776,024	\$ 1,776,024	0.0%	\$ 5,060,066	35.1%

BREWARD COUNTY PROPERTY APPRAISER
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 SEPTEMBER 30, 2015

SCHEDULE OF THE PROPERTY APPRAISER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Fiscal Year	Property Appraiser's Proportion of the Net Pension Liability	Property Appraiser's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Property Appraiser's Covered Employee Payroll	Property Appraiser's Covered Employee Payroll	Property Appraiser's Proportionate Share of the Net Pension Liability	Fiscal Year
2015	0.0169799355%	34.22%	\$ 5,060,066	\$ 1,731,686	0.50%	2015

SCHEDULE OF THE PROPERTY APPRAISER'S CONTRIBUTIONS

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll	Fiscal Year
2015	\$ 64,908	\$ (64,908)	\$ 0	\$ 5,060,066	1.28%	2015

Information is required to be presented for 10 years. However, until a full 10 year trend is compiled, the County will present information for only those years for which information is available.
 *The amounts presented for each fiscal year were determined as of June 30.

SEPTEMBER 30, 2015

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE



MANAGEMENT COMMENTS AND RECOMMENDATIONS

And

MANAGEMENT LETTER



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

PROPERTY APPRAISER

BREVARD COUNTY

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.

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.

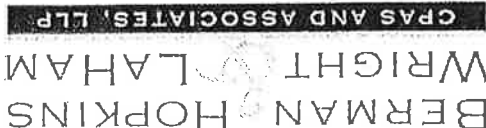
In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial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

Internal Control Over Financial Reporting

We have audited, in accordance with the 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 special-purpose financial statements of the Property Appraiser of Brevard County, Florida (the "Property Appraiser"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated June 10, 2016.

To the Honorable Dana Blickey
Brevard County Property Appraiser
Brevard County, Florida

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



www.bermanhopkins.com

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

255 S. Orange Ave., Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's special-purpose 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 Property Appraiser'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 Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Berman Hopkins Wright & LaFram
CPAs and Associates, LLP*

June 10, 2016
Melbourne, Florida

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 Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

Official Title and Legal Authority

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.

Prior Audit Findings

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 10, 2016, should be considered in conjunction with this management letter.

Other Reports and Schedule

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.

Auditor's Responsibility

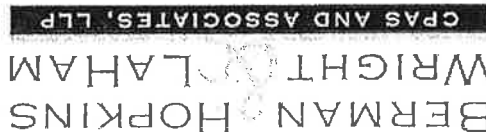
We have audited the special-purpose financial statements of the Property Appraiser of Brevard County, Florida (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 10, 2016.

Report on the Financial Statements

The Honorable Dana Blickey
Brevard County Property Appraiser
Brevard County, Florida

MANAGEMENT LETTER

www.bermanhopkins.com



255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

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

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 Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Berman Hopkins Wright & Latham
CPA and Associates, LLP

June 10, 2016
Melbourne, Florida

Brevard County Property Appraiser

MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2015

For the years ended September 30, 2014 and September 30, 2015, there were no management comments or recommendations.

*Berman Hopkins Wright & Laham
CPAs and Associates, LLP*

June 10, 2016
Melbourne, Florida

In our opinion, Brevard County Property Appraiser's complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015. This report is intended solely for the information and use of the Brevard County Property Appraiser's and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

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 Brevard County Property Appraiser'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 Brevard County Property Appraiser's compliance with specified requirements.

We have examined the Brevard County Property Appraiser's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Brevard County Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Brevard County Property Appraiser's compliance based on our examination.

To the Honorable Dana Blickey
Brevard County Property Appraiser
Brevard County, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

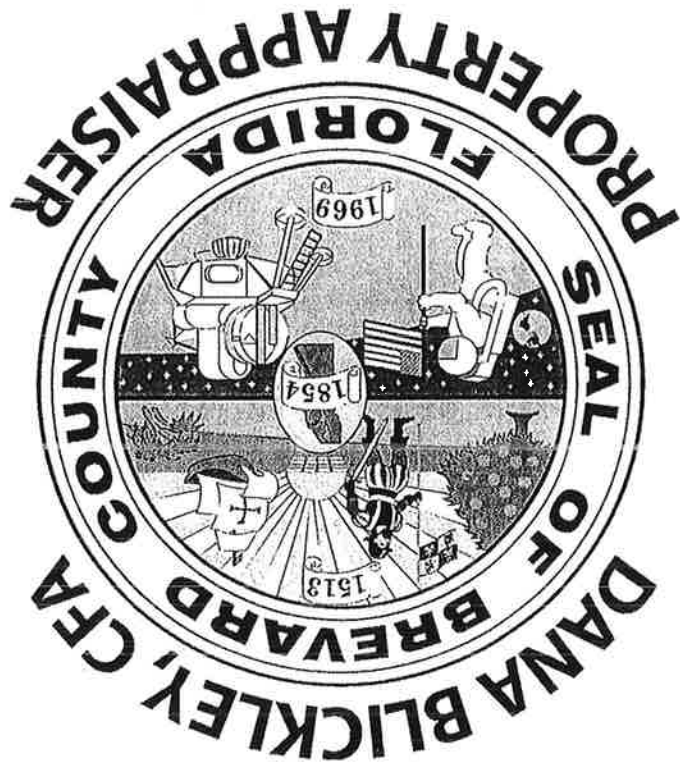
BERMAN HOPKINS
WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

www.bermanhopkins.com

255 S. Orange Ave., Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
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SUPERVISOR OF ELECTIONS

BREVARD COUNTY SUPERVISOR OF ELECTIONS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
I. <u>INTRODUCTORY SECTION</u>	
Table of Contents	i
II. <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund	8
Notes to the Special-Purpose Financial Statements	9
Required Supplementary Information:	
Schedule of Funding Progress for the Retiree Health Plan	16
Florida Retirement System Pension Plan	17
Retiree Health Insurance Subsidy Program	18
 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 <i>GOVERNMENT AUDITING STANDARDS</i>	 20
 MANAGEMENT LETTER And MANAGEMENT COMMENTS AND RECOMMENDATIONS	 22
 INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE	 26



BERMAN HOPKINS
WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

INDEPENDENT AUDITOR'S REPORT

The Honorable Lori Scott
Brevard County Supervisor of Elections
Brevard County, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Brevard County Supervisor of Elections, Florida (the "Supervisor"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor's basic 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 special-purpose 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 special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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.

As described in Note 1-B, the special-purpose financial statements referred to above have been prepared for the purpose of complying with, and on the basis of accounting practices specified by, the *Rules of the Auditor General, State of Florida*, and present only the financial position of the Supervisor at September 30, 2015, and the changes in financial position for the year then ended. They do not purport to, and do not, present fairly the financial position of Brevard County, Florida, as of September 30, 2015, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor as of September 30, 2015, and the respective changes in financial position and respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 6 to the financial statements, in 2015, the Supervisor implemented GASB Statement No. 68, *Accounting for Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* for reporting the Supervisor's pension associated with the active employee members of the Florida Retirement System, Health Insurance Subsidy, and the primary activity associated with the pension arrangements reflective for the year ending September 30, 2015.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of funding progress, schedule of net pension liability, and the schedule of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the special-purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 special-purpose financial statements, and other knowledge we obtained during our audit of the special-purpose 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 our report dated June 14, 2016, on our consideration of the Supervisor'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 Supervisor's internal control over financial reporting and compliance.

June 14, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



**BREVARD COUNTY
SUPERVISOR OF ELECTIONS**

FUND FINANCIAL STATEMENTS

SEPTEMBER 30, 2015



BREVARD COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<i>General</i>
ASSETS	
Cash	\$ 537,117
Prepaid expenses	126,623
Total assets	\$ 663,740
LIABILITIES AND FUND BALANCE	
Liabilities:	
Vouchers and contracts payable	\$ 437,292
Other current liabilities	4,032
Unearned revenue	95,793
Total liabilities	\$ 537,117
Fund balance	
Non-spendable:	
Prepaid items	\$ 126,623
Total liabilities and fund balance	\$ 663,740

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

BREVARD COUNTY SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<i>General</i>
REVENUES	
Intergovernmental revenues	\$ 90,986
Charges for services	21,320
Miscellaneous revenues	988
Total revenues	\$ 113,294
EXPENDITURES	
Current:	
General government	\$ 4,026,151
Debt service:	
Principal	39,887
Interest	7,202
Total expenditures	\$ 4,073,240
Deficiency of revenues under expenditures	\$ (3,959,946)
OTHER FINANCING SOURCES	
Transfers from constitutional officers	\$ 3,959,946
Net change in fund balance	\$ 0
Fund balance - beginning	143,611
Decrease in non-spendable	(16,988)
Fund balance - ending	\$ 126,623

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

BREVARD COUNTY SUPERVISOR OF ELECTIONS
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<i>Budgeted Amounts</i>		<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental revenues	\$ 67,348	96,007	\$ 90,986	\$ (5,021)
Charges for services	18,000	18,000	21,320	3,320
Miscellaneous revenues	500	500	988	488
Total revenues	<u>\$ 85,848</u>	<u>\$ 114,507</u>	<u>\$ 113,294</u>	<u>\$ (1,213)</u>
EXPENDITURES				
Current:				
General government	\$ 4,260,503	\$ 4,240,640	\$ 4,026,151	\$ 214,489
Debt service:				
Principal	0	39,887	39,887	0
Interest	0	7,202	7,202	0
Total expenditures	<u>\$ 4,260,503</u>	<u>\$ 4,287,729</u>	<u>\$ 4,073,240</u>	<u>\$ 214,489</u>
Deficiency of revenues under expenditures	<u>\$ (4,174,655)</u>	<u>\$ (4,173,222)</u>	<u>\$ (3,959,946)</u>	<u>\$ 213,276</u>
OTHER FINANCING SOURCES				
Transfers from constitutional officers	\$ 4,178,947	\$ 4,178,947	\$ 3,959,946	\$ (219,001)
Net change in fund balance	\$ 4,292	\$ 5,725	\$ 0	\$ (5,725)
Fund balance - beginning	143,611	143,611	143,611	0
Decrease in non-spendable	0	0	(16,988)	(16,988)
Fund balance - ending	<u>\$ 147,903</u>	<u>\$ 149,336</u>	<u>\$ 126,623</u>	<u>\$ (22,713)</u>

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

BREVARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Brevard County Supervisor of Elections is a separately elected official established pursuant to the Constitution of the State of Florida.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days (ninety days for intergovernmental revenue).

The primary revenue sources for governmental funds are appropriations from the Board of County Commissioners and charges for services. Primary revenue sources associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues, such as miscellaneous revenues, are considered to be measurable and available only when payment is received.

Expenditures are generally recorded when liabilities are incurred, as under accrual accounting. However, liabilities such as accumulated sick and vacation pay, are recorded only when payment is due.

In applying the modified accrual basis of accounting to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are typically two types of intergovernmental revenues. One type requires monies to be expended for the specific purpose of a project before any amounts will be reimbursed to the Supervisor of Elections, and therefore, the revenues recognized are based upon recorded expenditures. The other provides monies that are generally unrestricted as to purpose of expenditure and are substantially irrevocable (i.e. revocable only for failure to comply with prescribed compliance requirements). These revenues are recognized at the time of receipt or earlier if they meet the availability criterion.

These special-purpose financial statements are fund financial statements that have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes and Chapter 10.550 Rules of the Auditor General. The Supervisor of Elections is reported as part of the primary government of Brevard County, Florida. The Supervisor of Elections' special-purpose financial statements do not purport to reflect the financial position or results of operations of Brevard County, Florida, taken as a whole.

Governmental funds report fund balances either as non-spendable or spendable. Spendable balances are further classified as restricted, committed, assigned or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances.

Non-spendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and generally items such as long-term amounts of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact. As of September 30, 2015, the Supervisor of Elections has \$126,623 of a non-spendable fund balance which represents prepaid items.

BREVARD COUNTY SUPERVISOR OF ELECTIONS
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

Spendable Fund Balance:

- **Restricted Fund Balance** – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Amounts that can be used only for the specific purposes determined by a formal action (ordinance/resolution) of the Supervisor of Elections. Commitments may be changed or lifted only by the Supervisor of Elections taking the same formal action (ordinance/resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements are reported in this category only if they are specific and non-recurring.
- **Assigned Fund Balance** – Included spendable fund balance amounts established by the Supervisor of Elections that are intended to be used for specific purposes and are neither considered restricted or committed.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is spendable and that has not been restricted, committed, or assigned to specific purposes with the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Supervisor of Elections spends restricted amounts first, when both restricted and unrestricted fund balance is available, unless prohibited by legal documents, grant agreements or contracts. Additionally, the Supervisor of Elections uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes of which amounts in any of the unrestricted fund balance classifications could be used.

The Supervisor of Elections utilizes the following fund type:

General Fund – The General Fund is the general operating fund of the Supervisor of Elections. All general revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

C. Budget

Refer to Note 1. D. in the County-wide Financial Statements.

D. Capital Assets

Refer to Note 1. F. in the County-wide Financial Statements.

	<u>Oct. 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2015</u>
Governmental Activities:				
Operating machinery and equipment	\$ 4,686,505	\$ 401,361	\$ 88,885	\$ 4,998,981
Less accumulated depreciation	<u>872,901</u>	<u>530,912</u>	<u>33,355</u>	<u>1,370,458</u>
Total governmental activities capital assets, net	<u>\$ 3,813,604</u>	<u>\$ (129,551)</u>	<u>\$ 55,530</u>	<u>\$ 3,628,523</u>

Capital assets used by the Supervisor of Elections' operations are recorded in the governmental fund types as expenditures at the time assets are received and a liability is incurred. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County.

E. Prepaid Items

Refer to Note 1. I. in the County-wide Financial Statements.

BREVARD COUNTY SUPERVISOR OF ELECTIONS
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

F. Investments

Refer to Note 1. K. in the County-wide Financial Statements.

G. Accrued Compensated Absences

Refer to Note 1. M. in the County-wide Financial Statements.

The Supervisor of Elections' accrued compensated absences were:

<u>Oct 1, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept 30, 2015</u>
\$167,772	\$0	\$24,907	\$142,865

The accrued compensated absence due within one year is estimated at \$37,390.

H. Use of Estimates

Refer to Note 1. R. in the County-wide Financial Statements.

2. Cash and Investments

Refer to Notes 4 and 5 in the County-wide Financial Statements.

Cash in the amount of \$537,117 represents the allocated amount of the pooled cash of the Brevard County Board of County Commissioners in the amount of \$533,085 and a Supervisor of Elections' Candidate Qualifying account in the amount of \$4,032.

Amount insured by the FDIC or collateralized with securities held by
 the State Treasurer in accordance with Chapter 280, Florida Statutes. \$537,117

3. Leases

A. The Supervisor of Elections entered into a capital lease arrangement for the purpose of acquiring operating equipment. The future minimum lease payments at September 30, 2015 are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2016	\$ 47,089
2017	<u>47,089</u>
Total minimum lease payable	\$ 94,178
Less amount representing interest	<u>7,202</u>
Present value of minimum lease payments	<u>\$ 86,976</u>

The assets currently being acquired through capital leases are as follows:

Machinery and equipment	<u>\$ 176,650</u>
Accumulated depreciation	<u>\$ 51,532</u>

B. The Supervisor of Elections leased office space from the Brevard County Board of County Commissioners. The amount of rent that was charged was determined by a Cost Allocation Plan (CAP) developed by a consultant for the Brevard County Budget Office for fiscal year 2015. The CAP distributed costs for Facilities building services and building maintenance based on fiscal year 2014 actual results. The total cost for the year ended September 30, 2015 was \$12,130.

BREVARD COUNTY SUPERVISOR OF ELECTIONS
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

The Supervisor of Elections leases office equipment under noncancelable operating leases and cancelable operating leases. Total payments for the noncancelable operating leases and cancelable operating leases were \$10,533 and \$9,864, respectively, for the year ended September 30, 2015. The future minimum lease payments for noncancelable operating leases are as follows:

Year Ended	Amount
<u>September 30</u>	
2016	\$ 7,415
2017	7,415
2018	<u>7,415</u>
Total minimum lease payable	<u>\$ 22,245</u>

4. Risk Management

Refer to Note 19 in the County-wide Financial Statements.

5. Deferred Compensation

Refer to Note 21 in the County-wide Financial Statements.

6. Retirement

Florida Retirement System:

Refer to Note 23 in the County-wide Financial Statements.

For the fiscal year ended September 30, 2015, the Supervisor of Elections' portion of Brevard County's pension expense totaled \$52,438 for the FRS Pension Plan and HIS Plan.

Pension Plan

Refer to Note 23 in the County-wide Financial Statements.

The Supervisor of Elections' contributions, including employee contributions, to the Pension Plan totaled \$108,789 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Supervisor of Elections' portion of Brevard County's liability of \$576,336 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Supervisor of Elections' proportion of the net pension liability was based on the Supervisor of Elections' contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all participating employers. The Supervisor of Elections' proportionate share of the net pension liability was based on the Supervisor of Elections' 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Supervisor of Elections' proportionate share was .0045 percent, which was a decrease of .0002 percent from its proportionate share measured as of June 30, 2014.

For the fiscal year ended September 30, 2015, the Supervisor of Elections' portion of Brevard County's pension expense is \$25,905. In addition the Supervisor of Elections' portion of Brevard County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BREVARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 60,844	\$ 13,669
Change of assumptions	38,253	0
Net difference between projected and actual earnings on Pension Plan investments	0	137,619
Changes in proportion and differences between Supervisor of Elections Pension Plan contributions and proportionate share of contributions	0	71,408
Supervisor of Elections Pension Plan contributions subsequent to the measurement date	24,818	0
Total	<u>\$ 123,915</u>	<u>\$ 222,696</u>

The deferred outflows of resources related to the Pension Plan, totaling \$24,818 resulting from the Supervisor of Elections' portion of Brevard County's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<u>Amount</u>
2016	\$ (60,893)
2017	(60,893)
2018	(60,893)
2019	52,648
2020	4,672
Thereafter	1,760

Sensitivity of the Supervisor of Elections' Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Supervisor of Elections' proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the Supervisor of Elections' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.65%) or one percentage point higher (8.65%) than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
Supervisor of Elections' proportionate share of the net position liability	\$ 3,217,980	\$ 1,241,875	\$ (402,568)

Retiree Health Insurance Subsidy Program

Refer to Note 23 in the County-wide Financial Statements.

The Supervisor of Elections' contributions to the HIS Plan totaled \$14,522 for the fiscal year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2015, the Supervisor of Elections' portion of Brevard County's liability of \$387,447 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, with updated procedures performed to determine the liability as of July 1, 2015. The Supervisor of Elections' proportionate share of the net pension liability was based on the Supervisor of Elections' 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all participating members. At June 30, 2015, the Supervisor of Elections' proportionate share was .0038 percent, which was a decrease of .0002 percent from its proportionate share measured as of June 30, 2014.

BREVARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

For the fiscal year ended September 30, 2015, the Supervisor of Elections' portion of Brevard County's pension expense is \$26,533. In addition the Supervisor of Elections' portion of Brevard County's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Change of assumptions	30,482	0
Net difference between projected and actual earnings on		
HIS Plan investments	0	116
Changes in proportion and differences between Supervisor of Elections		
HIS Plan contributions and proportionate share of contributions	0	13,843
Supervisor of Elections HIS Plan contributions subsequent to the measurement date	4,328	0
Total	\$ 34,810	\$ 13,959

The deferred outflows of resources related to the HIS Plan, totaling \$4,328, resulting from the Supervisor of Elections' portion of Brevard County's contributions to the HIS Plan, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2016	\$ 2,977
2017	2,977
2018	2,977
2019	2,934
2020	2,913
Thereafter	1,745

Sensitivity of the Supervisor of Elections' Proportionate Share of the Net Position Liability to Changes in the Discount Rate- The following represents the Supervisor of Elections' proportionate share of the net pension liability calculated using the discount rate of 3.80%, as well as what the Supervisor of Elections' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.80%) or one percentage point higher (4.80%) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Supervisor of Elections's proportionate share of the net position liability	\$ 832,797	\$ 730,874	\$ 645,886

Investment Plan

Refer to Note 23 in the County-wide Financial Statements.

The Supervisor of Elections' Investment Plan pension expense totaled \$16,129 for the fiscal year ended September 30, 2015.

7. Other Postemployment Benefits

Refer to Note 24 in the County-wide Financial Statements.

The following table shows the actuarial determined components of the Supervisor of Elections employee's portion of Brevard County's obligation as of September 30, 2013, 2014, and 2015 based on the current plan provisions:

BREVARD COUNTY SUPERVISOR OF ELECTIONS
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

	<u>Sept. 30, 2013</u>	<u>Sept. 30, 2014</u>	<u>Sept. 30, 2015</u>
Annual required contribution	\$ 45,589	\$ 20,485	\$ 23,311
Interest on net OPEB contribution	9,724	4,527	4,375
Adjustment to annual required contribution	<u>(6,279)</u>	<u>(6,233)</u>	<u>(6,788)</u>
Annual OPEB cost (expense)	\$ 49,034	\$ 18,779	\$ 20,898
Contributions made	<u>(31,796)</u>	<u>(26,408)</u>	<u>(31,060)</u>
Increase (decrease) in net OPEB obligation	\$ 17,238	\$ (7,629)	\$ (10,162)
Net OPEB obligation - beginning of year	<u>209,121</u>	<u>226,359</u>	<u>218,730</u>
Net OPEB obligation - end of year	<u>\$ 226,359</u>	<u>\$ 218,730</u>	<u>\$ 208,568</u>

No trust or agency fund has been established for the plan; there were no adjustments to the annual required contribution or interest earnings.

Funded Status and Funding Progress - The contributions made for the 2013, 2014, and 2015 fiscal years were 64.8%, 140.6%, and 148.6%, respectively, of the annual OPEB cost. As of the October 1, 2014 actuarial valuation date, the actuarial accrued liability for benefits was \$400,280, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$1,199,518 and the ratio of the UAAL to the covered payroll was 33.4%.

8. Subsequent Event

The Brevard County Supervisor of Elections has evaluated subsequent events through June 14, 2016, the date which the financial statements were available for issuance.

BREVARD COUNTY SUPERVISOR OF ELECTIONS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FOR THE RETIREE HEALTH PLAN
 SEPTEMBER 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Projected Unit Credit	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/2007	\$ 0	\$ 1,159,241	\$ 1,159,241	0.0%	\$ 1,748,973	66.3%
10/01/2008	\$ 0	\$ 1,159,241	\$ 1,159,241	0.0%	\$ 1,589,076	73.0%
10/01/2009	\$ 0	\$ 718,480	\$ 718,480	0.0%	\$ 1,337,196	53.7%
10/01/2010	\$ 0	\$ 782,931	\$ 782,931	0.0%	\$ 1,250,210	62.6%
10/01/2011	\$ 0	\$ 856,020	\$ 856,020	0.0%	\$ 1,177,342	72.7%
10/01/2012	\$ 0	\$ 786,498	\$ 786,498	0.0%	\$ 1,175,850	66.9%
10/01/2013	\$ 0	\$ 357,498	\$ 357,498	0.0%	\$ 1,105,859	32.3%
10/01/2014	\$ 0	\$ 400,280	\$ 400,280	0.0%	\$ 1,199,518	33.4%

BREVARD COUNTY SUPERVISOR OF ELECTIONS
 REQUIRED SUPPLEMENTARY INFORMATION
 FLORIDA RETIREMENT SYSTEM PENSION PLAN
 SEPTEMBER 30, 2015

SCHEDULE OF THE SUPERVISOR OF ELECTIONS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Fiscal Year	Supervisor of Elections' Proportion of the Net Pension Liability	Supervisor of Elections' Proportionate Share of the Net Pension Liability	Supervisor of Elections' Covered Employee Payroll	Supervisor of Elections' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.004462067%	\$ 576,336	\$ 1,199,518	48.05%	92.00%

SCHEDULE OF THE SUPERVISOR OF ELECTIONS' CONTRIBUTIONS

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 108,789	\$ (108,789)	\$ 0	\$ 1,199,518	9.07%

Information is required to be presented for 10 years. However, until a full 10 year trend is compiled, the County will present information for only those years for which information is available.

*The amounts presented for each fiscal year were determined as of June 30.

BREVARD COUNTY SUPERVISOR OF ELECTIONS
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 SEPTEMBER 30, 2015

SCHEDULE OF THE SUPERVISOR OF ELECTIONS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

*Fiscal Year	Supervisor of Elections' Proportion of the Net Pension Liability	Supervisor of Elections' Proportionate Share of the Net Pension Liability	Supervisor of Elections' Covered Employee Payroll	Supervisor of Elections' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.003799084%	\$ 387,447	\$ 1,199,518	32.30%	0.50%

SCHEDULE OF THE SUPERVISOR OF ELECTIONS' CONTRIBUTIONS

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 14,522	(14,522)	\$ 0	\$ 1,199,518	1.21%

Information is required to be presented for 10 years. However, until a full 10 year trend is compiled, the County will present information for only those years for which information is available.

*The amounts presented for each fiscal year were determined as of June 30.

BREVARD COUNTY
SUPERVISOR OF ELECTIONS

**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***



MANAGEMENT LETTER
And
MANAGEMENT COMMENTS AND RECOMMENDATIONS



INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

SEPTEMBER 30, 2015

**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 Lori Scott
Brevard County Supervisor of Elections
Brevard County, Florida

We have audited, in accordance with the 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 special-purpose financial statements of the Brevard County Supervisor of Elections (the "Supervisor"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor's basic financial statements, and have issued our report thereon dated June 14, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor'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 special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor'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 Supervisor's special-purpose 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 Supervisor'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 Supervisor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 14, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

BERMAN HOPKINS
WRIGHT LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

MANAGEMENT LETTER

The Honorable Lori Scott
Brevard County Supervisor of Elections
Brevard County, Florida

Report on the Financial Statements

We have audited the special-purpose financial statements of the Supervisor of Elections of Brevard County, Florida (the "Supervisor"), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 14, 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 and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 14, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial 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 Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

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

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 Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

June 14, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Brevard County Supervisor of Elections
MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2015

Prior Year Comments and Recommendations

14-001 Budget over expenditure - Corrected
Noncompliance

Criteria: Section 166.241(4)(c) of the Florida Statutes requires that the governing body of each municipality at any time within a fiscal year or within 60 days following the end of the fiscal year may amend a budget for that year but must regulate expenditures of the municipality, and an officer of the municipal government may not expend or contract for expenditures in and fiscal year except pursuant to the adopted budget. Just in case, the budget should be amended if management believes expenditures will exceed actual appropriations.

Condition: During fiscal year 2014, actual expenditures exceeded final budgeted appropriations of the general fund by \$149,518.

Cause: The budget was not amended to include the capital asset purchase.

Effect: The Supervisor of Elections over expended the approved budgeted.

Recommendations: We recommend that the Supervisor of Election amend their budget regularly as known unbudgeted expenditures are identified.

Status as of September 30, 2015: The above issue has been corrected.

Brevard County Supervisor of Elections
MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2015

Current Year Comments and Recommendations

For the year ended September 30, 2015, there were no management comments or recommendations.

BERMAN HOPKINS
WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

www.bermanhopkins.com

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE

To the Honorable Lori Scott
Brevard County Supervisor of elections
Brevard County, Florida

We have examined the Brevard County Supervisor of Election's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2015. Management is responsible for the Brevard County Supervisor of Election's compliance with those requirements. Our responsibility is to express an opinion on the Brevard County Supervisor of Election's compliance based on our examination.

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 Brevard County Supervisor of Election'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 Brevard County Supervisor of Election's compliance with specified requirements.

In our opinion, the Brevard County Supervisor of Election's complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

June 14, 2016
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP