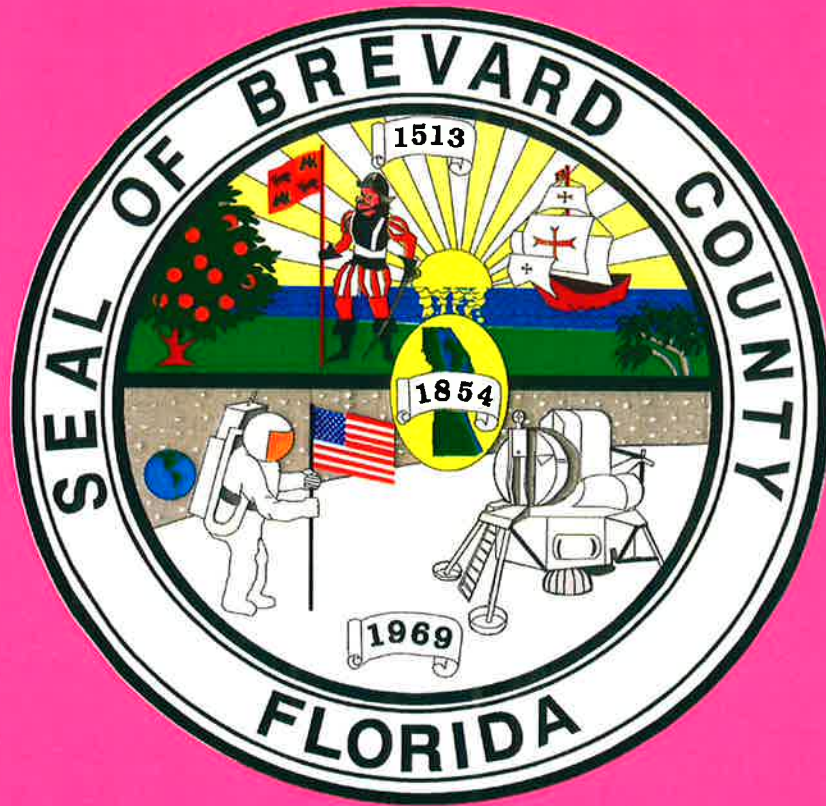


14.2

# ANNUAL FINANCIAL AUDITS



***BREVARD COUNTY  
SHERIFF  
CLERK OF THE CIRCUIT COURT  
TAX COLLECTOR  
PROPERTY APPRAISER  
SUPERVISOR OF ELECTIONS***

**Brevard County, Florida**  
For the Year Ended September 30, 2014

**SHERIFF**

BREVARD COUNTY SHERIFF

SEPTEMBER 30, 2014

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Wayne Ivey  
Brevard County Sheriff's Office  
Brevard County, Florida

**Report on the Financial Statements**

We have audited the accompanying special-purpose financial statements of the Brevard County Sheriff's Office (the "Sheriff"), Florida as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff'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 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 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 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 Sheriff at September 30, 2014, 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, 2014, 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 each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2014, and the respective changes in financial position and respective budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of funding progress for the retiree health plan, as listed in the table of contents be presented to supplement the special-purpose 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 Information*

Our audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2015, on our consideration of the Sheriff'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 Sheriff's internal control over financial reporting and compliance.

May 20, 2015  
Melbourne, Florida

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



**BREVARD COUNTY**

**SHERIFF**

**FUND FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2014**



BREVARD COUNTY SHERIFF  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<u>General</u>	<u>Special Law Enforcement District</u>
<b>ASSETS</b>		
Cash	\$ 5,318,691	\$ 2,559,251
Accounts receivable	153,020	0
Due from other funds	0	0
Due from constitutional officers	177,031	115,554
Due from other governmental units	106,129	46,950
Inventory of supplies	892,699	0
Prepaid items	68,869	0
Total assets	<u>\$ 6,716,439</u>	<u>\$ 2,721,755</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Vouchers and contracts payable	\$ 1,375,946	\$ 988
Accrued wages and benefits payable	2,766,418	527,018
Due to other funds	1,992	0
Due to constitutional officers	1,478,685	2,193,749
Due to other governmental units	14,390	0
Unearned revenue	117,440	0
Total liabilities	<u>\$ 5,754,871</u>	<u>\$ 2,721,755</u>
<b>Fund balances:</b>		
Non-spendable:		
Inventory	\$ 892,699	\$ 0
Prepaid items	68,869	0
Restricted:		
Other purposes	0	0
Total fund balances	<u>\$ 961,568</u>	<u>\$ 0</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 6,716,439</u></u>	<u><u>\$ 2,721,755</u></u>

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

<i>Inmate Welfare</i>	<i>Other Governmental Funds</i>	<i>Total</i>
\$ 1,312,213	\$ 1,758,126	\$ 10,948,281
103,061	4,975	261,056
70,000	0	70,000
0	3,447	296,032
0	0	153,079
0	0	892,699
0	0	68,869
<u>\$ 1,485,274</u>	<u>\$ 1,766,548</u>	<u>\$ 12,690,016</u>
\$ 20,744	\$ 59,809	\$ 1,457,487
0	118,001	3,411,437
0	0	1,992
0	52,093	3,724,527
0	3,458	17,848
0	289,309	406,749
<u>\$ 20,744</u>	<u>\$ 522,670</u>	<u>\$ 9,020,040</u>
\$ 0	\$ 0	\$ 892,699
0	0	68,869
1,464,530	1,243,878	2,708,408
<u>\$ 1,464,530</u>	<u>\$ 1,243,878</u>	<u>\$ 3,669,976</u>
<u>\$ 1,485,274</u>	<u>\$ 1,766,548</u>	<u>\$ 12,690,016</u>

**BREVARD COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<i>General</i>	<i>Special Law Enforcement District</i>
<b>REVENUES</b>		
Intergovernmental revenues	\$ 745,455	\$ 86,350
Charges for services	513,440	186,450
Fines and forfeits	0	0
Miscellaneous revenues	1,861,740	80,176
<b>Total revenues</b>	<b>\$ 3,120,635</b>	<b>\$ 352,976</b>
<b>EXPENDITURES</b>		
Public safety	\$ 87,198,360	\$ 14,673,896
Capital outlay	3,157,091	196,822
<b>Total expenditures</b>	<b>\$ 90,355,451</b>	<b>\$ 14,870,718</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (87,234,816)</b>	<b>\$ (14,517,742)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>		
Transfers from constitutional officers	\$ 87,544,403	\$ 17,262,673
Transfers to constitutional officers	(356,031)	(2,751,571)
Proceeds of the sale of capital assets	46,444	6,640
<b>Total other financing sources and (uses)</b>	<b>\$ 87,234,816</b>	<b>\$ 14,517,742</b>
Net change in fund balances	<b>\$ 0</b>	<b>\$ 0</b>
Fund balances - beginning	\$ 1,142,088	\$ 0
Decrease in non-spendable	(180,520)	0
<b>Fund balances - ending</b>	<b>\$ 961,568</b>	<b>\$ 0</b>

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

<i>Inmate Welfare</i>	<i>Other Governmental Funds</i>	<i>Total</i>
\$ 0	\$ 0	\$ 831,805
33	2,514,698	3,214,621
0	756,868	756,868
760,512	35,652	2,738,080
<u>\$ 760,545</u>	<u>\$ 3,307,218</u>	<u>\$ 7,541,374</u>
\$ 406,741	\$ 3,365,217	\$ 105,644,214
13,749	156,961	3,524,623
<u>\$ 420,490</u>	<u>\$ 3,522,178</u>	<u>\$ 109,168,837</u>
<u>\$ 340,055</u>	<u>\$ (214,960)</u>	<u>\$ (101,627,463)</u>
\$ 0	\$ 375,557	\$ 105,182,633
0	(47,118)	(3,154,720)
0	0	53,084
<u>\$ 0</u>	<u>\$ 328,439</u>	<u>\$ 102,080,997</u>
<u>\$ 340,055</u>	<u>\$ 113,479</u>	<u>\$ 453,534</u>
\$ 1,124,475	\$ 1,130,399	\$ 3,396,962
0	0	(180,520)
<u>\$ 1,464,530</u>	<u>\$ 1,243,878</u>	<u>\$ 3,669,976</u>

BREVARD COUNTY SHERIFF  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 138,549	\$ 684,196	\$ 745,455	\$ 61,259
Charges for services	398,775	501,726	513,440	11,714
Miscellaneous revenues	1,404,241	1,596,920	1,861,740	264,820
<b>Total revenues</b>	<b>\$ 1,941,565</b>	<b>\$ 2,782,842</b>	<b>\$ 3,120,635</b>	<b>\$ 337,793</b>
<b>EXPENDITURES</b>				
Public safety	\$ 84,850,467	\$ 86,299,298	\$ 87,198,360	\$ (899,062)
Capital outlay	1,505,217	4,686,890	3,157,091	1,529,799
<b>Total expenditures</b>	<b>\$ 86,355,684</b>	<b>\$ 90,986,188</b>	<b>\$ 90,355,451</b>	<b>\$ 630,737</b>
Deficiency of revenues under expenditures	\$ (84,414,119)	\$ (88,203,346)	\$ (87,234,816)	\$ 968,530
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers from constitutional officers	\$ 84,664,119	\$ 88,457,312	\$ 87,544,403	\$ (912,909)
Transfers to constitutional officers	(300,000)	(303,966)	(356,031)	(52,065)
Proceeds of the sale of capital assets	50,000	50,000	46,444	(3,556)
<b>Total other financing sources and (uses)</b>	<b>\$ 84,414,119</b>	<b>\$ 88,203,346</b>	<b>\$ 87,234,816</b>	<b>\$ (968,530)</b>
<b>Net change in fund balances</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Fund balances - beginning	\$ 1,142,088	\$ 1,142,088	\$ 1,142,088	\$ 0
Decrease in non-spendable	0	0	(180,520)	(180,520)
<b>Fund balances - ending</b>	<b>\$ 1,142,088</b>	<b>\$ 1,142,088</b>	<b>\$ 961,568</b>	<b>\$ (180,520)</b>

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

**BREVARD COUNTY SHERIFF  
SPECIAL LAW ENFORCEMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 0	\$ 67,074	\$ 86,350	\$ 19,276
Charges for services	177,000	177,000	186,450	9,450
Miscellaneous revenues	6,600	6,600	80,176	73,576
<b>Total revenues</b>	<u>\$ 183,600</u>	<u>\$ 250,674</u>	<u>\$ 352,976</u>	<u>\$ 102,302</u>
<b>EXPENDITURES</b>				
Public safety	\$ 16,201,868	\$ 16,268,942	\$ 14,673,896	\$ 1,595,046
Capital outlay	323,036	580,479	196,822	383,657
<b>Total expenditures</b>	<u>\$ 16,524,904</u>	<u>\$ 16,849,421</u>	<u>\$ 14,870,718</u>	<u>\$ 1,978,703</u>
Deficiency of revenues under expenditures	<u>\$ (16,341,304)</u>	<u>\$ (16,598,747)</u>	<u>\$ (14,517,742)</u>	<u>\$ 2,081,005</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Transfers from constitutional officers	\$ 16,936,193	\$ 17,193,636	\$ 17,262,673	\$ 69,037
Transfers to constitutional officers	(604,889)	(604,889)	(2,751,571)	(2,146,682)
Proceeds of the sale of capital assets	10,000	10,000	6,640	(3,360)
<b>Total other financing sources and (uses)</b>	<u>\$ 16,341,304</u>	<u>\$ 16,598,747</u>	<u>\$ 14,517,742</u>	<u>\$ (2,081,005)</u>
Net change in fund balances	\$ 0	\$ 0	\$ 0	\$ 0
Fund balances - beginning	0	0	0	0
Fund balances - ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

BREVARD COUNTY SHERIFF  
INMATE WELFARE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 0	\$ 33	\$ 33
Miscellaneous revenues	650,000	650,000	760,512	110,512
Total revenues	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 760,545</u>	<u>\$ 110,545</u>
<b>EXPENDITURES</b>				
Public safety	\$ 650,000	\$ 650,000	\$ 406,741	\$ 243,259
Capital outlay	0	0	13,749	(13,749)
Total expenditures	<u>\$ 650,000</u>	<u>\$ 650,000</u>	<u>\$ 420,490</u>	<u>\$ 229,510</u>
Net change in fund balances	\$ 0	\$ 0	\$ 340,055	\$ 340,055
Fund balances - beginning	1,124,475	1,124,475	1,124,475	0
Fund balances - ending	<u>\$ 1,124,475</u>	<u>\$ 1,124,475</u>	<u>\$ 1,464,530</u>	<u>\$ 340,055</u>

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

BREVARD COUNTY SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2014

	<i>Agency Funds</i>
<b>ASSETS</b>	
Cash	\$ 154,079
Due from other funds	1,992
Total assets	<u>\$ 156,071</u>
<b>LIABILITIES</b>	
Due to individuals and others	\$ 45,059
Due to other funds	70,000
Due to other governmental units	41,012
Total liabilities	<u>\$ 156,071</u>

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

BREVARD COUNTY SHERIFF  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Brevard County Sheriff 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 revenues).

The primary revenue source for governmental funds is appropriations from the Board of County Commissioners. 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 Sheriff 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 Sheriff is reported as part of the primary government of Brevard County, Florida. The Sheriff'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. As of September 30, 2014, the Sheriff has \$961,568 of a non-spendable fund balance which represents \$892,699 of inventories and \$68,869 of prepaid items.

BREVARD COUNTY SHERIFF  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

**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, 2014 the Sheriff has \$2,708,408 of restricted fund balance 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 Sheriff. Commitments may be changed or lifted only by the Sheriff 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 Sheriff 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 Sheriff spends restricted amounts first, when both restricted and unrestricted fund balance is available, unless prohibited by legal documents, grant agreements or contracts. Additionally, the Sheriff 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 Sheriff utilizes the following major funds:

**General Fund** – The General Fund is the general operating fund of the Sheriff. All general tax 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.

**Special Law Enforcement District Special Revenue Fund** – This fund is used to account for the county-wide operation of law enforcement services, operations, and facilities within the unincorporated area of Brevard County. Revenues for these services and all costs incurred in providing these services are accounted for in this fund.

**Inmate Welfare Special Revenue Fund** – This fund is used to account for the receipt of prisoner commissary commissions revenues which are restricted by the Florida Department of Corrections for commissary operations and prisoner welfare.

The Sheriff 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 equal 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 Sheriff has two agency funds. One fund is used to account for collection and payment of civil process fee deposits held by the Sheriff's Office. The other agency fund is used to account for the collection and disbursement of cash held by the Sheriff's Office for prisoners during the term of incarceration.

BREVARD COUNTY SHERIFF  
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

C. Budget

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

D. Interfund Receivables and Payables

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

E. Capital Assets

Refer to Note 1. F. in the County-wide Financial Statements. Capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Oct. 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2014</u>
<b>Governmental Activities:</b>				
Operating machinery and equipment	\$ 37,071,044	\$ 3,844,055	\$ 1,503,769	\$ 39,411,330
Less accumulated depreciation	<u>26,551,959</u>	<u>3,322,877</u>	<u>1,402,867</u>	<u>28,471,969</u>
Total governmental activities capital assets, net	<u>\$ 10,519,085</u>	<u>\$ 521,178</u>	<u>\$ 100,902</u>	<u>\$ 10,939,361</u>

Capital assets used by the Sheriff'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.

F. Inventory and Prepaid Items

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

G. Investments

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

H. Accrued Compensated Absences

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

The activity in the accrued compensated absence balances was as follows:

<u>Oct. 1, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept. 30, 2014</u>
\$12,889,184	\$2,053,590	\$1,409,386	\$13,533,388

The accrued compensated absence liability due within one year is estimated at \$1,506,483.

I. 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 Sheriff was \$11,102,360, and deposits with financial institutions were \$12,206,212. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the State Treasury in accordance with Chapter 280, Florida Statutes.	\$12,206,212
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Included in the total cash amount is \$40,085 which represents cash on hand.

On September 30, 2014, the Sheriff had \$26,564 invested in the State Board of Administration's Florida Prime.

BREVARD COUNTY SHERIFF  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

3. Leases and Other Commitments

The Sheriff had no capital leases as of September 30, 2014.

The Sheriff is obligated under operating lease agreements for building facilities expiring between July 2016 and December 2030. The total cost for these leases was \$99,063 for the year ended September 30, 2014. The future minimum lease payments are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 99,386
2016	85,697
2017	15,514
2018	11,895
2019	16,585
2020-2024	90,004
2025-2029	104,340
2030-2031	<u>28,606</u>
Total minimum lease payable	<u>\$ 452,027</u>

The Sheriff is obligated under several operating lease agreements for office copiers and shredders expiring between January 2015 and September 2019. Total cost for the leases was \$156,971 for the year ended September 30, 2014. The future minimum lease payments are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 151,038
2016	110,095
2017	71,818
2018	50,969
2019	<u>24,976</u>
Total minimum lease payable	<u>\$ 408,896</u>

The Board of County Commissioners obtained a bank note for the construction of a facility used for the Sheriff's office North Precinct of which the Sheriff is responsible for making lease payments equal to the debt of the loan. Total cost for the lease was \$495,172 for the year ended September 30, 2014. The future minimum lease payments are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 266,123
2016	261,535
2017	261,879
2018	262,083
2019	262,149
2020-2024	1,311,793
2025-2029	1,315,148
2030-2032	<u>786,901</u>
Total minimum lease payable	<u>\$ 4,727,611</u>

**BREVARD COUNTY SHERIFF  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

The Board of County Commissioners obtained a loan refunding the prior commercial paper debt. The Sheriff is still obligated to fulfill their prior commitment to the Board of County Commissioners and make payments from May 2015 to May 2027. The commercial paper loans were approved for the construction of a hangar at TICO, the replacement of the Computer Aided Dispatch system, and the acquisition of a building and land for the Sheriff's Criminal Investigation Division and Crime Scene Investigation Laboratory in Rockledge.

In addition to the previous commitments on July 8, 2014, the Board of County Commissioners authorized borrowing funds to provide for the financing of the replacement of the Computer Aided Dispatch, Records Management and Jail Management System (CAD/RM/JM) in the amount of \$3,800,000. This loan will be amortized over a period of 15 years from October 2015 to October 2029, with an annual payment of \$280,000.

The minimum commitments payable are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 346,840
2016	534,846
2017	481,880
2018	481,880
2019	481,880
2020-2024	2,409,398
2025-2029	2,004,869
2030	<u>279,615</u>
<b>Total minimum lease payable</b>	<b><u>\$ 7,021,208</u></b>

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

The Sheriff is insured through the Florida Sheriff's Risk Management Fund for coverage of substantially all risks and general liability claims. The Florida Sheriff's Risk Management Fund is a self-insurance fund. Several claims have been filed against the Sheriff by employees of the Sheriff's office, and prisoners and ex-prisoners of the Brevard County Jail. These claims are covered by the Florida Sheriff's Risk Management Fund, and in the opinion of attorneys for the Florida Sheriff's Risk Management Fund, except as otherwise disclosed, no material liability will be incurred by the Sheriff.

7. Retirement Plan

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

The Sheriff's contributions for the years ending September 30, 2014, 2013, and 2012, were \$9,116,415, \$7,356,249, and \$6,339,526, respectively, and equal the required contributions for each year. Contributions for the year ending September 30, 2014, represented 16.09% of covered payroll.

8. Other Postemployment Benefits

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

BREVARD COUNTY SHERIFF  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The following table shows the actuarial determined components of the Sheriff employee's portion of Brevard County's obligation as of September 30, 2012, 2013 and 2014 based on the current plan provisions:

	<u>Sept. 30, 2012</u>	<u>Sept. 30, 2013</u>	<u>Sept. 30, 2014</u>
Annual required contribution	\$ 1,720,511	\$ 1,549,567	\$ 1,064,920
Interest on net OPEB contribution	106,713	115,645	62,175
Adjustment to annual required contribution	<u>(190,818)</u>	<u>(206,790)</u>	<u>(238,530)</u>
Annual OPEB cost (expense)	\$ 1,636,406	\$ 1,458,422	\$ 888,565
Contributions made	<u>(1,003,168)</u>	<u>(1,023,231)</u>	<u>(1,019,198)</u>
Increase (decrease) in net OPEB obligation	\$ 633,238	\$ 435,191	\$ (130,633)
Net OPEB obligation - beginning of year	<u>5,149,036</u>	<u>5,782,274</u>	<u>6,217,465</u>
Net OPEB obligation - end of year	<u>\$ 5,782,274</u>	<u>\$ 6,217,465</u>	<u>\$ 6,086,832</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 2012, 2013 and 2014 fiscal years were 61.3%, 70.2% and 114.7%, respectively, of the annual OPEB cost. As of the October 1, 2013, actuarial valuation date, the actuarial accrued liability for benefits was \$16,387,591, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$56,657,930 and the ratio of the UAAL to the covered payroll was 28.9%.

9. Comparison of Expenditures to Appropriations

Federal Forfeitures Treasury Fund public safety and capital outlay expenditures exceeded appropriation by \$495,172 and \$149,387, respectively.

On August 28, 2014, an interlocal agreement was entered into between the Canaveral Port Authority and the Brevard County Sheriff's Office to provide seaport security and law enforcement services effective October 1, 2014. Due to the timing of the agreement, and in order to provide for smooth transition, fiscal year 2014 expenditures exceeded appropriation by \$34,225.

10. Subsequent Event

On August 28, 2014, an interlocal agreement was entered into between Canaveral Port Authority and Brevard County Sheriff's Office to provide seaport security and law enforcement services. The term of this agreement is October 1, 2014 through September 30, 2017, with option to renew for periods of three years. The Brevard County Sheriff's Office will receive \$4,999,800 for such services in fiscal year 2015; fiscal years 2016 and 2017, amounts will be negotiated upon mutual agreement during the budget process.

Brevard County Commissioners, in March 2014, approved Brevard County Sheriff's Office's proposal to take over Brevard County's Animal Services and Enforcement Department. The transition effective date is October 1, 2014.

The Sheriff has evaluated subsequent events through May 20, 2015, the date which the financial statements were issued.

BREVARD COUNTY SHERIFF  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 FOR THE RETIREE HEALTH PLAN  
 SEPTEMBER 30, 2014

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	\$ 34,691,563	\$ 34,691,563	0.0%	\$ 52,729,042	65.8%
10/01/2008	\$ 0	\$ 34,691,563	\$ 34,691,563	0.0%	\$ 53,953,025	64.3%
10/01/2009	\$ 0	\$ 21,035,439	\$ 21,035,439	0.0%	\$ 54,546,045	38.6%
10/01/2010	\$ 0	\$ 21,570,516	\$ 21,570,516	0.0%	\$ 53,905,584	40.0%
10/01/2011	\$ 0	\$ 25,545,227	\$ 25,545,227	0.0%	\$ 54,498,058	46.9%
10/01/2012	\$ 0	\$ 25,644,980	\$ 25,644,980	0.0%	\$ 56,206,904	45.6%
10/01/2013	\$ 0	\$ 16,387,591	\$ 16,387,591	0.0%	\$ 56,657,930	28.9%

**BREVARD COUNTY**

**SHERIFF**

**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

**SEPTEMBER 30, 2014**



## **BREVARD COUNTY SHERIFF**

### **Nonmajor Governmental Funds**

#### **Special Revenue Funds**

Contraband - is used to account for the receipt of revenue obtained from confiscated property and monies declared forfeited by a Circuit Court Judge. This fund is used by the Sheriff to defray certain costs as set forth in Chapter 932.704, Florida Statutes, and for other law enforcement purposes approved by the Board of County Commissioners.

Special Law Enforcement Training Fund Second Dollar - is used to account for the receipt of revenue obtained from the assessment of court costs collected and distributed to the Sheriff's Department for reimbursement of criminal justice education and training as prescribed in Chapter 943, Florida Statutes, and County Ordinance No. 81-54.

Special Law Enforcement Training \$2.50 Fund - is used to account for the receipt of revenue obtained from the assessment of court costs collected and distributed to the Sheriff's Department for reimbursement of criminal justice education and training as prescribed in Chapter 318.18 (11)(c) of the Florida Statutes.

Federal Forfeiture Department of Justice - is used to account for the receipt of federal revenue obtained from confiscated property and monies declared forfeited by a Circuit Court Judge. These monies are used in accordance with Federal Department of Justice guidelines for law enforcement purposes. Federal guidelines do not require an adopted budget.

Federal Forfeiture Department of Treasury - is used to account for receipt of federal revenue obtained from confiscated property and monies declared forfeited by a Circuit Court Judge. These monies are used in accordance with Federal Department of Treasury guidelines for law enforcement purposes. Federal guidelines do not require an adopted budget.

Crime Prevention - is used to account for the receipt of revenue obtained from the assessment of court costs collected and distributed to the Sheriff's Department for crime prevention programs in the County, including safe neighborhood programs as prescribed in Chapter 775.083 (2) of the Florida Statutes.

City of Cape Canaveral Law Enforcement Special Revenue Fund - is used to account for the operation of law enforcement services provided to the City of Cape Canaveral, Florida. Charges for these services and all costs incurred in providing these services are accounted for in this fund.

Port Canaveral Law Enforcement Special Revenue Fund - to account for the operation of law enforcement services provided to the Canaveral Port Authority, Port Canaveral, Florida. Charges for these services and all costs incurred in providing these services are accounted for in this fund.

BREVARD COUNTY SHERIFF  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<u>Special Revenue</u>	
	<u>Contraband</u>	<u>Special Law Enforcement Training Fund Second Dollar</u>
<b>ASSETS</b>		
Cash	\$ 294,769	\$ 0
Accounts receivable	4,975	0
Due from constitutional officers	2,200	0
Total assets	<u>\$ 301,944</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Vouchers and contracts payable	\$ 7,403	\$ 0
Accrued wages and benefits payable	0	0
Due to constitutional officers	5,232	0
Due to other governmental units	0	0
Unearned revenue	289,309	0
Total liabilities	<u>\$ 301,944</u>	<u>\$ 0</u>
<b>Fund balances:</b>		
<b>Restricted:</b>		
Other purposes	\$ 0	\$ 0
<b>Total liabilities and fund balances</b>	<u>\$ 301,944</u>	<u>\$ 0</u>

<i>Special Revenue</i>				
<i>Special Law Enforcement Training \$2.50 Fund</i>	<i>Federal Forfeiture Department of Justice</i>	<i>Federal Forfeiture Department of Treasury</i>	<i>Crime Prevention</i>	<i>City of Cape Canaveral Law Enforcement</i>
\$ 0	\$ 208,683	\$ 1,075,502	\$ 46,861	\$ 98,086
0	0	0	0	0
0	0	0	0	1,247
<u>\$ 0</u>	<u>\$ 208,683</u>	<u>\$ 1,075,502</u>	<u>\$ 46,861</u>	<u>\$ 99,333</u>
\$ 0	\$ 0	\$ 40,307	\$ 0	\$ 9,802
0	0	0	0	86,073
0	0	0	46,861	0
0	0	0	0	3,458
0	0	0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,307</u>	<u>\$ 46,861</u>	<u>\$ 99,333</u>
\$ 0	\$ 208,683	\$ 1,035,195	\$ 0	\$ 0
<u>\$ 0</u>	<u>\$ 208,683</u>	<u>\$ 1,075,502</u>	<u>\$ 46,861</u>	<u>\$ 99,333</u>

BREVARD COUNTY SHERIFF  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<u>Special Revenue</u>	
	<u>Port Canaveral Law Enforcement</u>	<u>Total</u>
<b>ASSETS</b>		
Cash	\$ 34,225	\$ 1,758,126
Accounts receivable	0	4,975
Due from constitutional officers	0	3,447
<b>Total assets</b>	<b>\$ 34,225</b>	<b>\$ 1,766,548</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Vouchers and contracts payable	\$ 2,297	\$ 59,809
Accrued wages and benefits payable	31,928	118,001
Due to constitutional officers	0	52,093
Due to other governmental units	0	3,458
Unearned revenue	0	289,309
<b>Total liabilities</b>	<b>\$ 34,225</b>	<b>\$ 522,670</b>
<b>Fund balances:</b>		
<b>Restricted:</b>		
Other purposes	\$ 0	\$ 1,243,878
<b>Total liabilities and fund balances</b>	<b>\$ 34,225</b>	<b>\$ 1,766,548</b>

BREVARD COUNTY SHERIFF  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Special Revenue</i>	
	<i>Contraband</i>	<i>Special Law Enforcement Training Fund Second Dollar</i>
<b>REVENUES</b>		
Charges for services	\$ 0	\$ 0
Fines and forfeits	0	0
Miscellaneous revenues	257	0
<b>Total revenues</b>	<b>\$ 257</b>	<b>\$ 0</b>
<b>EXPENDITURES</b>		
Public safety	\$ 195,000	\$ 27,456
Capital outlay	0	0
<b>Total expenditures</b>	<b>\$ 195,000</b>	<b>\$ 27,456</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$ (194,743)</b>	<b>\$ (27,456)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>		
Transfers from constitutional officers	\$ 195,000	\$ 27,456
Transfers to constitutional officers	(257)	0
<b>Total other financing sources and (uses)</b>	<b>\$ 194,743</b>	<b>\$ 27,456</b>
Net change in fund balances	<b>\$ 0</b>	<b>\$ 0</b>
Fund balances - beginning	0	0
Fund balances - ending	<b>\$ 0</b>	<b>\$ 0</b>

BREVARD COUNTY SHERIFF  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Special Revenue</i>	
	<i>Special Law Enforcement Training \$2.50 Fund</i>	<i>Federal Forfeiture Department of Justice</i>
REVENUES		
Charges for services	\$ 0	\$ 0
Fines and forfeits	0	33,727
Miscellaneous revenues	0	215
Total revenues	\$ 0	\$ 33,942
EXPENDITURES		
Public safety	\$ 93,024	\$ 0
Capital outlay	0	0
Total expenditures	\$ 93,024	\$ 0
Excess (deficiency) of revenues over (under) expenditures	\$ (93,024)	\$ 33,942
OTHER FINANCING SOURCES AND (USES)		
Transfers from constitutional officers	\$ 93,024	\$ 0
Transfers to constitutional officers	0	0
Total other financing sources and (uses)	\$ 93,024	\$ 0
Net change in fund balances	\$ 0	\$ 33,942
Fund balances - beginning	0	174,741
Fund balances - ending	\$ 0	\$ 208,683

*Special Revenue*

<i>Federal Forfeiture Department of Treasury</i>	<i>Crime Prevention</i>	<i>City of Cape Canaveral Law Enforcement</i>	<i>Port Canaveral Law Enforcement</i>	<i>Total</i>
\$ 0	\$ 0	\$ 2,514,698	\$ 0	\$ 2,514,698
723,141	0	0	0	756,868
955	0	0	34,225	35,652
<u>\$ 724,096</u>	<u>\$ 0</u>	<u>\$ 2,514,698</u>	<u>\$ 34,225</u>	<u>\$ 3,307,218</u>
\$ 495,172	\$ 13,216	\$ 2,507,124	\$ 34,225	\$ 3,365,217
149,387	0	7,574	0	156,961
<u>\$ 644,559</u>	<u>\$ 13,216</u>	<u>\$ 2,514,698</u>	<u>\$ 34,225</u>	<u>\$ 3,522,178</u>
<u>\$ 79,537</u>	<u>\$ (13,216)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (214,960)</u>
\$ 0	\$ 60,077	\$ 0	\$ 0	\$ 375,557
0	(46,861)	0	0	(47,118)
<u>\$ 0</u>	<u>\$ 13,216</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 328,439</u>
\$ 79,537	\$ 0	\$ 0	\$ 0	\$ 113,479
955,658	0	0	0	1,130,399
<u>\$ 1,035,195</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,243,878</u>

BREVARD COUNTY SHERIFF  
CONTRABAND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
<b>REVENUES</b>			
Miscellaneous revenues	\$ 0	\$ 257	\$ 257
<b>EXPENDITURES</b>			
Public safety	\$ 195,000	\$ 195,000	\$ 0
Deficiency of revenues under expenditures	\$ (195,000)	\$ (194,743)	\$ 257
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Transfers from constitutional officers	\$ 195,000	\$ 195,000	\$ 0
Transfers to constitutional officers	0	(257)	(257)
Total other financing sources and (uses)	\$ 195,000	\$ 194,743	\$ (257)
Net change in fund balances	\$ 0	\$ 0	\$ 0
Fund balances - beginning	0	0	0
Fund balances - ending	\$ 0	\$ 0	\$ 0

BREVARD COUNTY SHERIFF  
SPECIAL LAW ENFORCEMENT TRAINING FUND SECOND DOLLAR  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
	<u>          </u>	<u>          </u>	<u>          </u>
EXPENDITURES			
Public safety	\$ 27,456	\$ 27,456	\$ 0
OTHER FINANCING SOURCES			
Transfers from constitutional officers	\$ 27,456	\$ 27,456	\$ 0
Net change in fund balances	\$ 0	\$ 0	\$ 0
Fund balances - beginning	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances - ending	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

**BREVARD COUNTY SHERIFF**  
**SPECIAL LAW ENFORCEMENT TRAINING \$2.50 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
<b>EXPENDITURES</b>			
Public safety	\$ 93,024	\$ 93,024	\$ 0
<b>OTHER FINANCING SOURCES</b>			
Transfers from constitutional officers	\$ 93,024	\$ 93,024	\$ 0
Net change in fund balances	\$ 0	\$ 0	\$ 0
Fund balances - beginning	0	0	0
Fund balances - ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

BREVARD COUNTY SHERIFF  
FEDERAL FORFEITURE DEPARTMENT OF JUSTICE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
<b>REVENUES</b>			
Fines and forfeits	\$ 0	\$ 33,727	\$ 33,727
Miscellaneous revenues	0	215	215
Total revenues	<u>\$ 0</u>	<u>\$ 33,942</u>	<u>\$ 33,942</u>
Fund balances - beginning	174,741	174,741	0
Fund balances - ending	<u>\$ 174,741</u>	<u>\$ 208,683</u>	<u>\$ 33,942</u>

**BREVARD COUNTY SHERIFF  
FEDERAL FORFEITURE DEPARTMENT OF TREASURY  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
<b>REVENUES</b>			
Fines and forfeits	\$ 0	\$ 723,141	\$ 723,141
Miscellaneous revenues	0	955	955
Total revenues	<u>\$ 0</u>	<u>\$ 724,096</u>	<u>\$ 724,096</u>
<b>EXPENDITURES</b>			
Public safety	\$ 0	\$ 495,172	\$ (495,172)
Capital outlay	0	149,387	(149,387)
Total expenditures	<u>\$ 0</u>	<u>\$ 644,559</u>	<u>\$ (644,559)</u>
Net change in fund balances	\$ 0	\$ 79,537	\$ 79,537
Fund balances - beginning	955,658	955,658	0
Fund balances - ending	<u>\$ 955,658</u>	<u>\$ 1,035,195</u>	<u>\$ 79,537</u>

BREVARD COUNTY SHERIFF  
CRIME PREVENTION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
<b>EXPENDITURES</b>			
Public safety	\$ 72,732	\$ 13,216	\$ 59,516
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Transfers from constitutional officers	\$ 72,732	\$ 60,077	\$ (12,655)
Transfers to constitutional officers	0	(46,861)	(46,861)
Total other financing sources and (uses)	\$ 72,732	\$ 13,216	\$ (59,516)
Net change in fund balances	\$ 0	\$ 0	\$ 0
Fund balances - beginning	0	0	0
Fund balances - ending	\$ 0	\$ 0	\$ 0

**BREVARD COUNTY SHERIFF**  
**CITY OF CAPE CANAVERAL LAW ENFORCEMENT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
<b>REVENUES</b>			
Charges for services	\$ 2,665,545	\$ 2,514,698	\$ (150,847)
<b>EXPENDITURES</b>			
Public safety	\$ 2,662,545	\$ 2,507,124	\$ 155,421
Capital outlay	3,000	7,574	(4,574)
Total expenditures	<u>\$ 2,665,545</u>	<u>\$ 2,514,698</u>	<u>\$ 150,847</u>
Net change in fund balances	\$ 0	\$ 0	\$ 0
Fund balances - beginning	0	0	0
Fund balances - ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

BREVARD COUNTY SHERIFF  
PORT CANAVERAL LAW ENFORCEMENT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>Final Budgeted Amounts</i>	<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
<b>REVENUES</b>			
Miscellaneous revenues	\$ 0	\$ 34,225	\$ 34,225
<b>EXPENDITURES</b>			
Public safety	\$ 0	\$ 34,225	\$ (34,225)
Net change in fund balances	\$ 0	\$ 0	\$ 0
Fund balances - beginning	0	0	0
Fund balances - ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



**BREVARD COUNTY**

**SHERIFF**

**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, 2014

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**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 Wayne Ivey  
Brevard County Sheriff's office  
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 Sheriff's Office (the "Sherriff") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise of the Sheriff's special-purpose financial statements, and have issued our report thereon dated May 20, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sheriff'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 Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of Sheriff'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 Sheriff'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 20, 2015  
Melbourne, FL

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

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## MANAGEMENT LETTER

Honorable Wayne Ivey  
Brevard County Sheriff's Office  
Brevard County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Brevard County Sheriff's Office (the "Sheriff"), Florida, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 20, 2015.

### 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 May 20, 2014, 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 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 Sheriff's Office was established by the Constitution of the State of Florida, Article VIII, Section I(d). There were no component units related to the Sheriff.

**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.

May 20, 2015  
Melbourne, Florida

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

**Brevard County Sheriff**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Current Year Recommendations (fiscal year 2014)**

There are no current year management comments or recommendations.

**Prior Year Recommendations (fiscal year 2013)**

There were no prior year management comments or recommendations.

**BERMAN HOPKINS  
WRIGHT & LAHAM**

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**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE**

Honorable Wayne Ivey  
Brevard County Sheriff's Office  
Brevard County, Florida

We have examined the Brevard County Sheriff's Office's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for Brevard County Sheriff's Office's compliance with those requirements. Our responsibility is to express an opinion on Brevard County Sheriff's Office'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 Brevard County Sheriff's Office'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 Brevard County Sheriff's Office's compliance with specified requirements.

In our opinion, Brevard County Sheriff's Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of Brevard County Sheriff's Office 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.

Melbourne, Florida  
May 20, 2015

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



**CLERK OF THE CIRCUIT COURT**

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BREVARD COUNTY CLERK OF THE CIRCUIT COURT

SEPTEMBER 30, 2014

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## 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, 2014, 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, 2014, 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, 2014, 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 each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2014, 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.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of funding progress for the retiree health plan, 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, 2015, 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, 2015  
Melbourne, Florida

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

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

**SEPTEMBER 30, 2014**



BREVARD COUNTY CLERK OF THE CIRCUIT COURT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<i>General</i>	<i>Records Modernization Trust</i>
<b>ASSETS</b>		
Cash	\$ 22,705	\$ 5,936
Due from constitutional officers	28,857	0
Due from other governmental units	1,717,049	0
Prepaid items	667,373	49,021
Total assets	\$ 2,435,984	\$ 54,957
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Vouchers and contracts payable	\$ 62,341	\$ 0
Accrued wages and benefits payable	1,198,349	0
Due to other governmental units	1,175,294	0
Total liabilities	\$ 2,435,984	\$ 0
<b>Fund balances:</b>		
<b>Restricted:</b>		
Other purposes	\$ 0	\$ 54,957
Total fund balances	\$ 0	\$ 54,957
<b>Total liabilities and fund balances</b>	<b>\$ 2,435,984</b>	<b>\$ 54,957</b>

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>
\$ 2,753	\$ 5,897	\$ 37,291
0	0	28,857
0	0	1,717,049
45,240	34,943	796,577
<u>\$ 47,993</u>	<u>\$ 40,840</u>	<u>\$ 2,579,774</u>
\$ 0	\$ 2,888	\$ 65,229
0	5,045	1,203,394
0	0	1,175,294
<u>\$ 0</u>	<u>\$ 7,933</u>	<u>\$ 2,443,917</u>
<u>\$ 47,993</u>	<u>\$ 32,907</u>	<u>\$ 135,857</u>
<u>\$ 47,993</u>	<u>\$ 32,907</u>	<u>\$ 135,857</u>
<u>\$ 47,993</u>	<u>\$ 40,840</u>	<u>\$ 2,579,774</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, 2014

	<i>General</i>	<i>Records Modernization Trust</i>
<b>REVENUES</b>		
Intergovernmental revenues	\$ 6,363,219	\$ 0
Charges for services	10,785,824	283,001
Miscellaneous revenues	443,825	38
Total revenues	\$ 17,592,868	\$ 283,039
<b>EXPENDITURES</b>		
General government	\$ 19,631,825	\$ 437,162
Capital outlay	55,018	91,058
Total expenditures	\$ 19,686,843	\$ 528,220
Deficiency of revenues under expenditures	\$ (2,093,975)	\$ (245,181)
<b>OTHER FINANCING SOURCES</b>		
Transfers from constitutional officers	\$ 2,093,975	\$ 0
Net change in fund balances	\$ 0	\$ (245,181)
Fund balances - beginning	0	300,138
Fund balances - ending	\$ 0	\$ 54,957

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	\$ 6,363,219
432,538	813,628	12,314,991
109	1,067	445,039
<u>\$ 432,647</u>	<u>\$ 814,695</u>	<u>\$ 19,123,249</u>
\$ 793,355	\$ 928,194	\$ 21,790,536
33,220	5,890	185,186
<u>\$ 826,575</u>	<u>\$ 934,084</u>	<u>\$ 21,975,722</u>
<u>\$ (393,928)</u>	<u>\$ (119,389)</u>	<u>\$ (2,852,473)</u>
\$ 0	\$ 0	\$ 2,093,975
<u>\$ (393,928)</u>	<u>\$ (119,389)</u>	<u>\$ (758,498)</u>
441,921	152,296	894,355
<u><u>\$ 47,993</u></u>	<u><u>\$ 32,907</u></u>	<u><u>\$ 135,857</u></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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 5,299,088	\$ 5,299,088	\$ 6,363,219	\$ 1,064,131
Charges for services	12,890,239	12,788,644	10,785,824	(2,002,820)
Miscellaneous revenues	207,581	207,581	443,825	236,244
<b>Total revenues</b>	<u>\$ 18,396,908</u>	<u>\$ 18,295,313</u>	<u>\$ 17,592,868</u>	<u>\$ (702,445)</u>
<b>EXPENDITURES</b>				
General government	\$ 19,805,993	\$ 19,647,993	\$ 19,631,825	\$ 16,168
Capital outlay	0	55,500	55,018	482
<b>Total expenditures</b>	<u>\$ 19,805,993</u>	<u>\$ 19,703,493</u>	<u>\$ 19,686,843</u>	<u>\$ 16,650</u>
Deficiency of revenues under expenditures	<u>\$ (1,409,085)</u>	<u>\$ (1,408,180)</u>	<u>\$ (2,093,975)</u>	<u>\$ (685,795)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from constitutional officers	\$ 2,093,975	\$ 1,943,975	\$ 2,093,975	\$ 150,000
<b>Net change in fund balances</b>	<u>\$ 684,890</u>	<u>\$ 535,795</u>	<u>\$ 0</u>	<u>\$ (535,795)</u>
Fund balances - beginning	0	0	0	0
Fund balances - ending	<u>\$ 684,890</u>	<u>\$ 535,795</u>	<u>\$ 0</u>	<u>\$ (535,795)</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, 2014

	<i>Budgeted Amounts</i>		<i>Actual Amount</i>	<i>Variance with final budget - Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 313,500	\$ 225,000	\$ 283,001	\$ 58,001
Miscellaneous revenues	0	0	38	38
<b>Total revenues</b>	<b>\$ 313,500</b>	<b>\$ 225,000</b>	<b>\$ 283,039</b>	<b>\$ 58,039</b>
<b>EXPENDITURES</b>				
General government	\$ 400,000	\$ 437,500	\$ 437,162	\$ 338
Capital outlay	150,000	91,500	91,058	442
<b>Total expenditures</b>	<b>\$ 550,000</b>	<b>\$ 529,000</b>	<b>\$ 528,220</b>	<b>\$ 780</b>
Deficiency of revenues under expenditures	\$ (236,500)	\$ (304,000)	\$ (245,181)	\$ 58,819
<b>Net change in fund balances</b>	<b>\$ (236,500)</b>	<b>\$ (304,000)</b>	<b>\$ (245,181)</b>	<b>\$ 58,819</b>
Fund balances - beginning	300,138	300,138	300,138	0
Fund balances - ending	<b>\$ 63,638</b>	<b>\$ (3,862)</b>	<b>\$ 54,957</b>	<b>\$ 58,819</b>

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 484,211	\$ 520,400	\$ 432,538	\$ (87,862)
Miscellaneous revenues	0	0	109	109
Total revenues	<u>\$ 484,211</u>	<u>\$ 520,400</u>	<u>\$ 432,647</u>	<u>\$ (87,753)</u>
<b>EXPENDITURES</b>				
General government	\$ 634,915	\$ 793,500	\$ 793,355	\$ 145
Capital outlay	0	33,500	33,220	280
Total expenditures	<u>\$ 634,915</u>	<u>\$ 827,000</u>	<u>\$ 826,575</u>	<u>\$ 425</u>
Deficiency of revenues under expenditures	<u>\$ (150,704)</u>	<u>\$ (306,600)</u>	<u>\$ (393,928)</u>	<u>\$ (87,328)</u>
Net change in fund balances	\$ (150,704)	\$ (306,600)	\$ (393,928)	\$ (87,328)
Fund balances - beginning	<u>441,921</u>	<u>441,921</u>	<u>441,921</u>	<u>0</u>
Fund balances - ending	<u>\$ 291,217</u>	<u>\$ 135,321</u>	<u>\$ 47,993</u>	<u>\$ (87,328)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 1,019,000	\$ 867,421	\$ 813,628	\$ (53,793)
Miscellaneous revenues	0	0	1,067	1,067
Total revenues	<u>\$ 1,019,000</u>	<u>\$ 867,421</u>	<u>\$ 814,695</u>	<u>\$ (52,726)</u>
<b>EXPENDITURES</b>				
General government	\$ 1,072,700	\$ 928,700	\$ 928,194	\$ 506
Capital outlay	0	6,000	5,890	110
Total expenditures	<u>\$ 1,072,700</u>	<u>\$ 934,700</u>	<u>\$ 934,084</u>	<u>\$ 616</u>
Deficiency of revenues under expenditures	<u>\$ (53,700)</u>	<u>\$ (67,279)</u>	<u>\$ (119,389)</u>	<u>\$ (52,110)</u>
Net change in fund balances	\$ (53,700)	\$ (67,279)	\$ (119,389)	\$ (52,110)
Fund balances - beginning	152,296	152,296	152,296	0
Fund balances - ending	<u>\$ 98,596</u>	<u>\$ 85,017</u>	<u>\$ 32,907</u>	<u>\$ (52,110)</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, 2014

	<i>Agency Funds</i>
<b>ASSETS</b>	
Cash and equivalents	\$ 17,247,110
Investments in SBA	42,897
Other receivables	214,521
Total assets	<u>\$ 17,504,528</u>
<b>LIABILITIES</b>	
Due to individuals and others	\$ 925,831
Due to other governmental units	1,620,884
Escrow and refundable deposits	14,957,813
Total liabilities	<u>\$ 17,504,528</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, 2014

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, 2014

**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, 2014, the Clerk has a restricted fund balance of \$135,857 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 10 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 per Florida Statutes.

BREVARD COUNTY CLERK OF THE CIRCUIT COURT  
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

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, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2014</u>
<b>Governmental Activities:</b>				
Operating machinery and equipment	\$ 5,011,500	\$ 230,570	\$ 339,076	\$ 4,902,994
Less accumulated depreciation	4,054,440	258,789	335,159	3,978,070
Total governmental activities				
capital assets, net	<u>\$ 957,060</u>	<u>\$ (28,219)</u>	<u>\$ 3,917</u>	<u>\$ 924,924</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 accrued compensated absences were:

<u>Oct. 1, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept. 30, 2014</u>
\$1,954,276	\$289,597	\$196,736	\$2,047,137

The accrued compensated absence liability due within one year is estimated at \$217,225.

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 \$17,272,226, and deposits with financial institutions were \$19,760,155. 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.	\$19,760,155
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The Clerk has a Petty Cash Fund of \$12,175.

On September 30, 2014, the Clerk had \$42,897 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, 2014

3. Leases

The Clerk is obligated under noncancelable operating leases for office equipment through March 2017. Total cost for the year ended September 30, 2014, was \$135,908.

The future minimum lease payment is as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 123,750
2016	120,000
2017	<u>60,000</u>
Total minimum lease payable	<u>\$ 303,750</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.

7. Retirement

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

The Clerk's contributions for the years ending September 30, 2014, 2013, and 2012 were \$1,053,064, \$670,286, and \$449,027, respectively, and equal the required contributions for each year. Contributions for the year ending September 30, 2014, represented 7.95% of covered payroll.

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, 2012, 2013, and 2014 based on the current plan provisions:

	<u>Sept. 30, 2012</u>	<u>Sept. 30, 2013</u>	<u>Sept. 30, 2014</u>
Annual required contribution	\$ 89,565	\$ 244,877	\$ 168,215
Interest on net OPEB contribution	80,000	44,822	16,551
Adjustment to annual required contribution	<u>(60,021)</u>	<u>(80,149)</u>	<u>(63,496)</u>
Annual OPEB cost (expense)	\$ 109,544	\$ 209,550	\$ 121,270
Contributions made	<u>(82,957)</u>	<u>(324,513)</u>	<u>(290,738)</u>
Increase (decrease) in net OPEB obligation	\$ 26,587	\$ (114,963)	\$ (169,468)
Net OPEB obligation - beginning of year	<u>1,916,795</u>	<u>1,943,382</u>	<u>1,828,419</u>
Net OPEB obligation - end of year	<u>\$ 1,943,382</u>	<u>\$ 1,828,419</u>	<u>\$ 1,658,951</u>

BREVARD COUNTY CLERK OF THE CIRCUIT COURT  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

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 2012, 2013, and 2014 were 75.7%, 154.9%, and 239.7%, respectively, of the annual OPEB cost. As of the October 1, 2013 actuarial valuation date, the actuarial accrued liability for benefits was \$6,876,903, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$13,251,045 and the ratio of the UAAL to the covered payroll was 51.9%.

9. Subsequent Event

The Brevard County Clerk of the Circuit Court has evaluated subsequent events through June 9, 2015, 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, 2014

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%

**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**



**MANAGEMENT'S RESPONSE**



**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE**



**INDEPENDENT ACCOUNTANT'S REPORT ON CLERKS OF THE CIRCUIT  
COURT COMPLIANCE**

SEPTEMBER 30, 2014

BERMAN HOPKINS  
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**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 Scott Ellis  
Brevard County Clerk of the 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 each major fund of the Clerk of the Circuit Court of Brevard County, Florida ("the Clerk") as of and for the year ended September 30, 2014, and the related notes to the special-purpose financial statements, which collectively comprise the Clerk's special-purpose financial statements, and have issued our report thereon dated June 9, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the special-purpose 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Management Comments and Recommendations as item 13-02 that we consider to be a significant deficiency.

### **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*.

### **Clerk's Response to Findings**

The Clerk's response to the findings identified in our audit is described in the accompanying "Management's Response". We did not audit the Clerk's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

This report is intended solely for the information and use of the Clerk's management, others within the entity, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

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

June 9, 2015  
Melbourne, Florida

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

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the special-purpose financial statements of the Clerk of the Circuit Courts of Brevard County, Florida ("the Clerk"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated June 9, 2015.

### 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*. Disclosures in that report, which is dated June 9, 2015, 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 except as noted in the attachment to this letter "Management Comments and Recommendations" as 13-02 and 12-01.

### 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 special-purpose financial statements. The Clerk 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, a significant deficiency was noted in the attachment to this letter "Management Comments and Recommendations" as 13-02.

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 special-purpose financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, a recommendation is noted in the attachment to this letter "Management Comments and Recommendations" as 12-01.

**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, 2015  
Melbourne, Florida

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

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Current Year Comments and Recommendations**

For the year ended September 30, 2014, there were no management comments or recommendations.

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations**

**13-01 Capital Outlay - Corrected**  
*Material Weakness*

**Criteria:** Assets purchased that are within the minimum capitalization thresholds should be recorded as a capital outlay.

**Condition:** During the testing of repairs and maintenance expenses, we discovered several asset purchases that should have been recorded as a capital outlay.

**Cause:** The finance department was not aware of the asset purchases that should have been reclassified to capital outlay.

**Effect:** Repairs and maintenance expenses overstated and capital outlay understated.

**Recommendation:** We recommend that the departments communicate with the finance department to ensure that all assets purchased that are within the minimum capitalization requirements are properly recorded as a capital outlay.

**Status as of September 30, 2014:** The above issue has been corrected.

**13-02 Unrecorded Liabilities - Repeated**  
*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.

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

**13-03 Article V - Reporting New Cases - Corrected**

**Criteria:** Article V requires the Clerk to report the collection of new cases to the CCOC and new cases are required to be recorded on the Clerk's Docketing system within 3 days of initiation.

**Condition:** During testing of new cases for Article V compliance; (1) 1 case out of 25 was not properly included in the Collection Rate Audit submitted to the CCOC, (2) 1 case out of 25 was not recorded on the Clerk's Docketing system with in the required 3 days.

**Cause:** (1) A clerk error in recording the cash receipt in the system, (2) employees were in training for a week and were not available to enter case information into the Clerk's Docketing system.

**Effect:** Noncompliance with Article V.

**Recommendation:** (1) We recommend re-training staff in the proper recording on case related cash receipts, (2) schedule training to allow for adequate staff to perform required recording duties.

**Status as of September 30, 2014:** The above issue is no longer applicable as a result of the change in the statute requiring compliance with new case reporting to the Florida Clerks of Court Operations Corporation ("FCCOC").

**Brevard County Clerk of the Circuit Court**

**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

**12-01 Unclaimed property - Repeated**

**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.

**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.

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

**11-02 Jury Output - Corrected**

Criteria: FS Section 28.35(2)(d) requires the Clerk to meet performance standards developed by the FCCOC for the number of jurors summoned and the number of juror payments issued.

Condition: The total population of jurors summoned and juror payments for the period of 10/1/10 - 6/30/11 could not be obtained and a sample could not be selected.

Cause: Implementation of a new jury management system that could not produce the juror summons and payment population to verify counts reported to the Florida Clerks of Court Operations Corporation ("FCCOC").

Effect: The performance measures for juror summons and juror payments could not be verified as reported to the "FCCOC" and tested.

Recommendation: We recommend the Clerk implement a system for obtaining the supporting data to verify jurors summoned and juror payments to counts reported to the "FCCOC".

Status as of September 30, 2012: The total population of jurors summoned and juror payments for the period of 7/1/11 - 6/30/12 could not be agreed to the jury counts reported to the "FCCOC."

Status as of September 30, 2013: The juror summons could not be agreed to the jury counts reported to the "FCCOC," however, the juror payments was agreed to the juror counts reported.

Status as of September 30, 2014: The above issue is no longer applicable as a result of the change in the statute requiring compliance with jury output reporting to the "FCCOC".

**10-03 Improve review process - Corrected**

***Significant Deficiency***

Criteria: Management/supervisor review of the transaction(s) and reporting process(es) is a component of a strong internal control environment.

## Brevard County Clerk of the Circuit Court

### MANAGEMENT COMMENTS AND RECOMMENDATIONS

September 30, 2014

#### Prior Year Comments and Recommendations (continued)

##### 10-03 Improve review process - Corrected (continued)

##### *Significant Deficiency*

**Condition:** During our testing of the financial statement and the Article V compliance we identified the following conditions that should have been caught and corrected during the review process. (1) a change in the VAB policy resulted in a liability not being reclassified to revenues in a timely manner; (2) Article V Performance Measures for collection reporting had one instance out of twenty-five cases tested and the assessment/collection amounts for 12 out of 72 reporting periods for all court types in which the data used to prepare the report(s) could not be recreated or hard copy audits provided to verify amounts reported to the Florida Clerks of Court Operations Corporation ("FCCOC"); (3) cash receipt test of controls had one instance out of forty in which a fee charged was the incorrect amount per Florida Statute; (4) Article V revenues remitted to the Florida Department of Revenue (FDOR) were incorrectly reported for several months to the "FCCOC"; (5) one site subscription agreement that crossed fiscal years was expensed completely in 2010 when 87% of the agreement is for 2011; (6) seven instances in reporting the case output measures for Article V were incorrectly reported due to transposing and/or manually keying in the data for the report submitted to the "FCCOC".

**Cause:** (1) The liability account analysis/reconciliation should have identified the balance not clearing within a timely manner and it should have been researched; (2) the one instance out of twenty-five was the result of a programming error for reporting the Civil Traffic collection rates and the audit reports that were generated at the same time as the summary report could not be located, (3) Florida Statute 322 increased the fee effective July 1, 2010. The fee schedule table in FACTs was not changed until July 2, 2010 due to one person being responsible for making the change(s); (4) an upgrade to the FACTs tables required dual entry into both the old and new FACTs tables prior to the new system going live. New agency codes for collecting and distributing fees were added to the old FACTs tables, but were not included in the new FACTs tables when the system went live which resulted in all the fees collected for the new agencies to be remitted to the FDOR and reported to the "FCCOC" until one of the new agencies called inquiring about missing distributions. One month included bond forfeiture/remissions fees and annual unclaimed property-advertised in the paper fees from prior months to be remitted to the FDOR and reported to the "FCCOC"; (5) service agreements have always been expensed in the year invoiced, regardless of the periods, as a recurring expense that would not have an impact on the annual reporting; (6) the report is prepared and submitted by the same person with no review for accuracy.

**Effect:** The financial statement can be materially misstated; the fees remitted and reported could impact the State of Florida's evaluation of funds available for appropriation to the Clerks of Circuit Court's operations, and the output measures used by the FCCOC to calculate the service units provided will impact the evaluation of the Clerk's performance.

**Recommendation:** We recommend the processes used for the entering and extraction of data from FACTs and the preparation of required reports and financial statements be reviewed for implementation and/or improved review by supervisors and/or management prior to submitting.

**Brevard County Clerk of the Circuit Court**

**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

**10-03 Improve review process - Corrected (continued)**

***Significant Deficiency***

**Status as of September 30, 2011:**

- (1) The above issue has been corrected.
- (2) The above issue has been corrected.
- (3) The above issue has been corrected.
- (4) The above issue has been corrected.
- (5) The above issue has been corrected.
- (6) Four instances in reporting the case output measures for Article V were incorrectly reported due to transposing and/or manually keying in the data for the report submitted to the "FCCOC".

**Status as of September 30, 2012:**

- (1) The above issue has been corrected (FY 2011).
- (2) The above issue has been corrected (FY 2011).
- (3) The above issue has been corrected (FY 2011).
- (4) The above issue has been corrected (FY 2011).
- (5) The above issue has been corrected (FY 2011).
- (6) One instance in reporting the case output measures for Article V were incorrectly reported due to transposing and/or manually keying in the data for the report submitted to the "FCCOC".

**Status as of September 30, 2013:**

- (1) The above issue has been corrected (FY 2011).
- (2) The above issue has been corrected (FY 2011).
- (3) The above issue has been corrected (FY 2011).
- (4) The above issue has been corrected (FY 2011).
- (5) The above issue has been corrected (FY 2011).
- (6) Seven instances in reporting the case output measures and one instance of reporting the financial receipt issued for Article V were incorrectly reported due to transposing and/or manually keying in the data for the report submitted to the "FCCOC".

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

**10-03 Improve review process - Corrected (continued)**  
*Significant Deficiency*

**Status as of September 30, 2014:**

- (1) The above issue has been corrected (FY 2011).
- (2) The above issue has been corrected (FY 2011).
- (3) The above issue has been corrected (FY 2011).
- (4) The above issue has been corrected (FY 2011).
- (5) The above issue has been corrected (FY 2011).
- (6) The above issue is no longer applicable as a result of the change in the statute requiring compliance with case output measure and financial receipt reporting to the "FCCOC".

**08-02 Follow-up on cases with balances due - Corrected**

**Criteria:** Florida Statute 28.246 requires the Clerk of Courts to pursue the collection of unpaid court-related balances greater than ninety days.

**Condition:** Two cases out of a sample of 25 with court-related balances greater than ninety days had not been assigned for collection. A total population of 296,388 cases from 1960 to 2008 with unpaid balances of \$117 million was requested for testing.

**Cause:** One case was excluded from collection due to an event code that was not updated for the change in requirements. The other case was excluded from collection due to a suspension process that was not run on December 30, 2005 due to the holidays. As a result, the suspension transmission date was not updated to the case and thus was excluded from the collection process.

**Effect:** Unpaid case balances that are not collected and not recorded as revenue.

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

08-02 Follow-up on cases with balances due - Corrected (continued)

Recommendation: Implement a reconciliation of unpaid case balances recorded in the FACTs database with the cases assigned to the collection agencies as they are assigned. In addition a review process of the scripts used to generate the cases for collection should be implemented to address any changes in statutes, event codes, etc. Based on the two cases that were excluded from the collection process, the Clerk performed an additional search and identified ten additional cases that were excluded from the collection process as a result of the failure to run the suspension process. The Clerk has implemented changes to the script processes to correct the omissions in the scripts that caused the above condition.

Status as of September 30, 2009: (1) Four cases with court-related balances greater than ninety days had not been assigned for collection due to the script necessary to identify the cases had not been completed. (2) One case with court-related balances greater than ninety days had not been assigned to collection due to the interpretation of the statute as to balances due to the Clerk only or all balances due. (3) One case with court-related balances greater than ninety days had not been assigned to collection due to a lack of staff to pursue collection of civil case balances. Six out of a sample of 25 cases had exceptions. A total population of 311,705 cases from 1960 to 2009 with unpaid balances of \$132 million was requested for testing.

Status as of September 30, 2010: (1) Three cases with court-related balances greater than ninety days had not been assigned for collection due to the script necessary to identify the cases had not been completed. (2) Two cases with court-related balances greater than ninety days had not been assigned for collection and the driver's licenses had not been suspended per F.S. 322.245 due to programming script exceptions. (3) One case with court-related balances greater than ninety days had not been assigned to collection due to a lack of staff to pursue collection of civil case balances. (4) Two civil cases with balances greater than ninety days was determined to be the result of refunds that were assigned to the case and the overpayment cash receipt was not assigned to the case leaving a balance due. Eight out of a sample of 25 cases had exceptions. A total population of 326,576 cases from 1960 to 2010 with unpaid balances of \$142 million was requested for testing.

Status as of September 30, 2011: (1) Three cases with court-related balances greater than ninety days had not been assigned for collection due to the script necessary to identify the cases had not been completed. (2) One case with court-related balance greater than ninety days had not been assigned for collection due to a Clerk policy to not send active probation cases to collection agency. Four out of a sample of 25 cases had exceptions. A total population of 333,806 cases from 1968 to 2011 with unpaid balances of \$152 million was requested for testing.

Status as of September 30, 2012: Three cases with court-related balances greater than ninety days had not been assigned for collection due to the script necessary to identify the cases had not been completed. Three out of a sample of 25 cases had exceptions. A total population of 341,371 cases from 1970 to 2012 with unpaid balances of \$159 million was requested for testing.

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

**08-02 Follow-up on cases with balances due - Corrected (continued)**

Status as of September 30, 2013: One case was not sent to collection due to a program not being available to identify when a defendant was released from incarceration and should be sent to collection. One out of a sample of 25 cases had exceptions. A total population of 345,767 cases from 1970 to 2013 with unpaid balances of \$165 million was requested for testing.

Status as of September 30, 2014: Twelve cases with court-related balances greater than ninety days initially had not been assigned for collection in accordance with the timing requirements found in Florida Statute 28.246 due to programming issues; however, as of the end of the fiscal year, all of the cases had been reported to collections. A total population of 340,450 cases from 1970 to 2014 with unpaid balances of \$175 million was requested for testing.

**08-05 Article V - Timeliness Rate Output Measures - Corrected**

Criteria: Article V compliance with performance measures requires that the timeliness rate outcome measures are comparable to the actual performance measures reported by the Clerk to the performance standards included on the Clerk's budget documents.

Condition: Two jurors out of 25 samples selected received payment for service greater than 20 days after the last day of juror service.

Cause: Clerk staff incorrectly entered the jurors notices marked "Retired" as "Employer pays..." into the juror payment system.

Effect: Jurors were not compensated for juror service in a timely manner.

Recommendation: Management should re-train Clerk staff and / or add a review process.

Status as of September 30, 2009: Four jurors out of 25 did not receive payment within the 20 days per Chapter 40.32, Florida Statutes. The Clerk staff incorrectly entered the jurors notices marked "Retired" or "Unemployed" as "Employer pays..." into the juror payment system.

Status as of September 30, 2010: Three jurors out of 25 did not receive payment within the 20 days per Chapter 40.32, Florida Statutes. The Clerk staff incorrectly entered two of the jurors notices marked "Retired," "Unemployed" or "Employer does not pay regular wages during jury service" as "Employer pays regular wages during jury service" into the juror payment system. The incorrect entry into the system resulted in the Timeliness Rate Output Measure for juror payments reported to the Florida Clerks of Court Operations Corporation to be incorrect. One of the juror summons could not be located to verify the Juror Compensation marked and agree to the explanation reported to the Florida Clerks of Court Operations Corporation.

**Brevard County Clerk of the Circuit Court**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Prior Year Comments and Recommendations (continued)**

08-05 Article V - Timeliness Rate Output Measures - Corrected (continued)

Status as of September 30, 2011: Juror summons and juror payments population could not be obtained due to implementation of a new juror management system. The new system has been experiencing errors resulting in incorrect data provided for reporting. Testing counts reported to the "FCCOC" and testing juror payment transactions for timely payments could not be performed. Finding is repeated.

Status as of September 30, 2012: Juror summons and juror payments population could not be agreed to the counts reported, thus a sample was not tested. Testing counts reported to the "FCCOC" and testing juror payment transactions for timely payments could not be performed.

Status as of September 30, 2013: Juror summons population could not be agreed to the counts reported, thus a sample was not tested. Testing counts reported to the "FCCOC" could not be performed.

Status as of September 30, 2014: The above issue is no longer applicable as a result of the change in the statute requiring compliance with jury timeliness reporting to the "FCCOC".



**Clerk of the Circuit Court Brevard County, Florida**

400 South Street, P.O. Box 999, Titusville, Florida 32781-0999

Telephone (321) 637-2002, FAX (321) 225-3051

<http://www.brevardclerk.us>

**Scott Ellis, Clerk**

June 18, 2015

Honorable David W. Martin, CPA, Auditor General  
State of Florida  
Claude Denson Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Re: Response to External Audit Comments

Dear Sir:

In accordance with Section 11.45, Florida Statutes, and Chapter 10.550, Rules of the Auditor General, this is to provide my written statement of explanation or rebuttal concerning the auditor's comments, including corrective action plan.

**Finding 13-02 Unrecorded Liabilities - Repeated**

Agreed

**Finding 12-01 Unclaimed Property - Repeated**

Agreed

Sincerely,

Scott Ellis  
Clerk of Courts

400 South Street, 3rd Floor, Titusville, FL 32780  
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**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT 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, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. 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, 2014.

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.

Melbourne, Florida  
June 9, 2015

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

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**INDEPENDENT ACCOUNTANT'S REPORT ON CLERKS OF THE CIRCUIT COURT  
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 Sections 28.35 and 28.36, Florida Statutes, for the year ended September 30, 2014. 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, 2014.

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.

Melbourne, Florida  
June 9, 2015

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



**TAX COLLECTOR**

BREVARD COUNTY TAX COLLECTOR

SEPTEMBER 30, 2014

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**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, 2014, 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, 2014, 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, 2014, 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, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of funding progress for the retiree health plan, 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 May 27, 2015, 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.

May 27, 2015  
Melbourne, Florida

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

**BREVARD COUNTY**  
**TAX COLLECTOR**  
**FUND FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2014**



BREVARD COUNTY TAX COLLECTOR  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<i>General</i>
<b>ASSETS</b>	
Cash	\$ 4,535,461
Account receivable	486
Due from other governmental units	9,554
Total assets	\$ 4,545,501
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities:</b>	
Vouchers and contracts payable	\$ 89,084
Accrued wages and benefits payable	294,472
Due to constitutional officers	4,094,092
Due to other governmental units	67,853
Total liabilities	\$ 4,545,501
Fund balance	\$ 0
Total liabilities and fund balance	\$ 4,545,501

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, 2014

	<i>General</i>
<b>REVENUES</b>	
Charges for services	\$ 14,622,654
Miscellaneous revenues	99,005
Total revenues	\$ 14,721,659
<b>EXPENDITURES</b>	
General government	\$ 10,581,733
Excess of revenues over expenditures	\$ 4,139,926
<b>OTHER FINANCING USES</b>	
Transfers to constitutional officers and other governmental units	\$ (4,139,926)
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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 14,401,770	\$ 14,622,870	\$ 14,622,654	\$ (216)
Miscellaneous revenues	70,200	98,500	99,005	505
Total revenues	<u>\$ 14,471,970</u>	<u>\$ 14,721,370</u>	<u>\$ 14,721,659</u>	<u>\$ 289</u>
<b>EXPENDITURES</b>				
General government	<u>\$ 10,809,954</u>	<u>\$ 10,885,142</u>	<u>\$ 10,581,733</u>	<u>\$ 303,409</u>
Excess of revenues over expenditures	<u>\$ 3,662,016</u>	<u>\$ 3,836,228</u>	<u>\$ 4,139,926</u>	<u>\$ 303,698</u>
<b>OTHER FINANCING USES</b>				
Transfers to constitutional officers and other governmental units	<u>\$ (3,662,016)</u>	<u>\$ (3,836,228)</u>	<u>\$ (4,139,926)</u>	<u>\$ (303,698)</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, 2014

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 9,686,457
Other receivables	306,619
Due from other governmental units	3,305
Total assets	<u>\$ 9,996,381</u>
<b>LIABILITIES</b>	
Due to individuals and others	\$ 659,883
Due to other governmental units	2,702,029
Prepaid taxes	6,634,469
Total liabilities	<u>\$ 9,996,381</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, 2014

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, 2014

**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, 2014

D. Capital Assets

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

	<u>Oct. 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2014</u>
<b>Governmental Activities:</b>				
Operating machinery and equipment	\$ 2,580,966	\$ 1,855,609	\$ 513,234	\$ 3,923,341
Less accumulated depreciation	<u>2,072,145</u>	<u>523,118</u>	<u>378,593</u>	<u>2,216,670</u>
Total governmental activities capital assets, net	<u>\$ 508,821</u>	<u>\$ 1,332,491</u>	<u>\$ 134,641</u>	<u>\$ 1,706,671</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, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept. 30, 2014</u>
\$1,046,375	\$237,358	\$81,587	\$1,202,146

The accrued compensated absence due within one year is estimated at \$70,126.

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 \$14,221,918, and deposits with financial institutions were \$14,100,065. 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. \$14,100,065

Included in the total cash amount is Petty Cash/Change Funds of \$20,400 which represent both book and market value.

3. Leases

The Tax Collector is obligated under two noncancelable operating leases for office equipment through December 2015. Total cost for the year ended September 30, 2014, was \$47,619.

**BREVARD COUNTY TAX COLLECTOR  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

The future minimum lease payment is as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 45,325
2016	34,057
2017	30,301
2018	30,301
2019	<u>22,726</u>
<b>Total minimum lease payable</b>	<b><u>\$ 162,710</u></b>

The Tax Collector leases two office facilities under noncancelable operating leases. Total costs for the leases were \$200,992 for the year ended September 30, 2014. The future minimum lease payments are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 211,627
2016	211,588
2017	158,610
2018	161,797
2019	165,053
2020 - 2023	<u>633,638</u>
<b>Total minimum lease payable</b>	<b><u>\$ 1,542,313</u></b>

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

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

The Tax Collector's contributions for the years ending September 30, 2014, 2013, and 2012 were \$546,390, \$335,997, and \$272,168 respectively, which equal the required contributions for each year. Contributions for the year ending September 30, 2014, represented 9.51% of covered payroll.

7. Other Postemployment Benefits

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

BREVARD COUNTY TAX COLLECTOR  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The following table shows the actuarial determined components of the Tax Collector employee's portion of Brevard County's obligation as of September 30, 2012, 2013, and 2014 based on the current plan provisions:

	<u>Sept. 30, 2012</u>	<u>Sept. 30, 2013</u>	<u>Sept. 30, 2014</u>
Annual required contribution	\$ 407,418	\$ 250,459	\$ 96,254
Interest on net OPEB contribution	17,914	19,154	10,172
Adjustment to annual required contribution	<u>(32,033)</u>	<u>(34,250)</u>	<u>(39,025)</u>
Annual OPEB cost (expense)	\$ 393,299	\$ 235,363	\$ 67,401
Contributions made	<u>(172,386)</u>	<u>(175,834)</u>	<u>(125,874)</u>
Increase (decrease) in net OPEB obligation	\$ 220,913	\$ 59,529	\$ (58,473)
Net OPEB obligation - beginning of year	<u>736,781</u>	<u>957,694</u>	<u>1,017,223</u>
Net OPEB obligation - end of year	<u>\$ 957,694</u>	<u>\$ 1,017,223</u>	<u>\$ 958,750</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 2012, 2013, and 2014 fiscal years were 43.8%, 74.7%, and 186.8% respectively, of the annual OPEB cost. As of the October 1, 2013 actuarial valuation date, the actuarial accrued liability for benefits was \$1,613,980, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$5,745,570 and the ratio of the UAAL to the covered payroll was 28.1%.

8. Subsequent Event

The Brevard County Tax Collector has evaluated subsequent events through May 27, 2015, 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, 2014

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%



**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, 2014

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**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, 2014, 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 May 27, 2015.

**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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Melbourne, Florida  
May 27, 2015

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

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## 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, 2014, and have issued our report thereon dated May 27, 2015.

### 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.

### 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 Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated May 27, 2015, 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.

May 27, 2015  
Melbourne, Florida

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

**Brevard County Tax Collector**

**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

**Current Year**

For the year ended September 30, 2014, there are no management comments or recommendations.

**Prior Year**

For the year ended September 30, 2013, there are no management comments or recommendations.

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**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE**

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, 2014. Management is responsible for Brevard County Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on 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 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 Brevard County Tax Collector's compliance with specified requirements.

In our opinion, Brevard County Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of Brevard County Tax Collector 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.

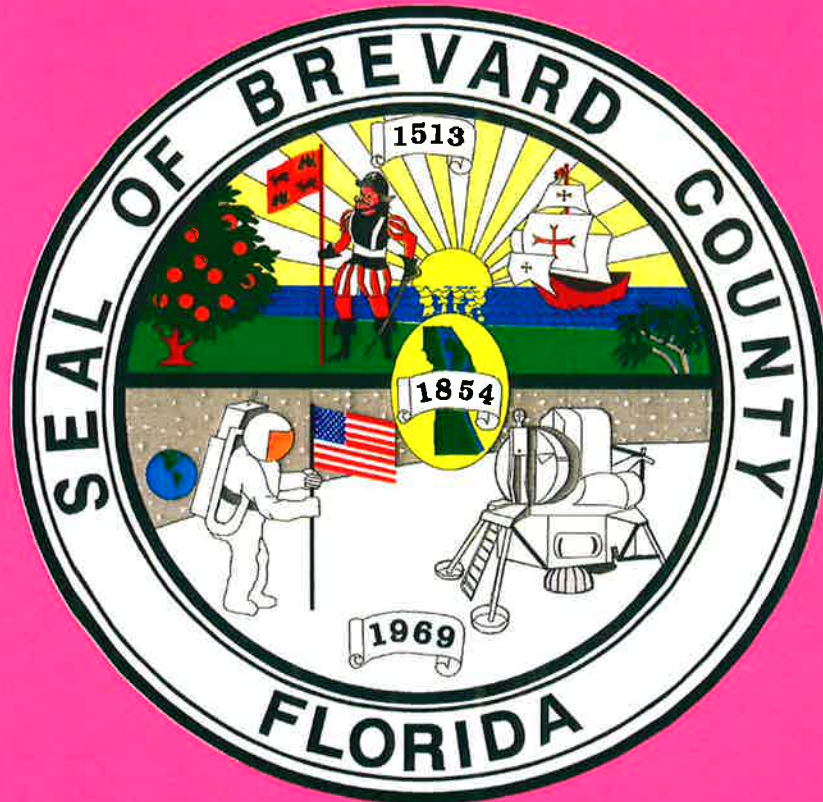
Melbourne, Florida  
May 27, 2015

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates. LLP*



# ANNUAL FINANCIAL AUDITS

pt. 3



***BREVARD COUNTY  
SHERIFF  
CLERK OF THE CIRCUIT COURT  
TAX COLLECTOR  
PROPERTY APPRAISER  
SUPERVISOR OF ELECTIONS***

**Brevard County, Florida**

**For the Year Ended September 30, 2014**

**PROPERTY APPRAISER**

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BREVARD COUNTY PROPERTY APPRAISER

SEPTEMBER 30, 2014

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on 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, 2014, which collectively comprise the Property Appraiser'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 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 Property Appraiser at September 30, 2014, 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, 2014, 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.

### ***Opinion***

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, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of funding progress for the retiree health plan, 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 May 18, 2015, 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.

May 8, 2015  
Melbourne, Florida

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

**BREVARD COUNTY  
PROPERTY APPRAISER**

**FUND FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2014**



BREVARD COUNTY PROPERTY APPRAISER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<i>General</i>
<b>ASSETS</b>	
Cash	\$ 590,846
Prepaid expenses	36,973
Total assets	\$ 627,819
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 23,452
Accrued wages and benefits payable	167,054
Due to board and constitutional officers	9,718
Due to other governmental units	213
Unearned revenue-other	427,382
Total liabilities	\$ 627,819
Fund balance	\$ 0
Total liabilities and fund balance	\$ 627,819

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

BREVARD COUNTY PROPERTY APPRAISER  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<i>General</i>
<b>REVENUES</b>	
Charges for services	\$ 544,128
<b>EXPENDITURES</b>	
General government	\$ 8,993,577
Deficiency of revenues under expenditures	\$ (8,449,449)
<b>OTHER FINANCING SOURCES AND (USES)</b>	
Transfers from constitutional officers and other governmental units	\$ 8,459,380
Transfers to constitutional officers and other governmental units	(9,931)
Total other financing sources and (uses)	\$ 8,449,449
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, 2014

	<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	\$ 185,242	\$ 185,242	\$ 544,128	\$ 358,886
EXPENDITURES				
General government	\$ 8,644,622	\$ 8,634,691	\$ 8,993,577	\$ (358,886)
Deficiency of revenues under expenditures	\$ (8,459,380)	\$ (8,449,449)	\$ (8,449,449)	\$ 0
OTHER FINANCING SOURCES AND (USES)				
Transfers from constitutional officers and other governmental units	\$ 8,459,380	\$ 8,459,380	\$ 8,459,380	\$ 0
Transfers to constitutional officers and other governmental units	0	0	(9,931)	(9,931)
Total other financing sources and (uses)	\$ 8,459,380	\$ 8,459,380	\$ 8,449,449	\$ (9,931)
Net change in fund balance	\$ 0	\$ 9,931	\$ 0	\$ (9,931)
Fund balance - beginning	\$ 0	\$ 0	\$ 0	\$ 0
Fund balance - ending	\$ 0	\$ 9,931	\$ 0	\$ (9,931)

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

BREVARD COUNTY PROPERTY APPRAISER  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

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 10.550 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 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 PROPERTY APPRAISER  
 NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

**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 1. D. in the County-wide Financial Statements.

D. Capital Assets

Refer to Note 1. F. in the County-wide Financial Statements. Capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Oct. 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2014</u>
<b>Governmental Activities:</b>				
Operating machinery and equipment	\$ 1,633,702	\$ 623,002	\$ 144,827	\$ 2,111,877
Less accumulated depreciation	999,528	140,864	144,608	995,784
<b>Total governmental activities</b>				
capital assets, net	<u>\$ 634,174</u>	<u>\$ 482,138</u>	<u>\$ 219</u>	<u>\$ 1,116,093</u>

BREVARD COUNTY PROPERTY APPRAISER  
 NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

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:

<u>Oct. 1, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept. 30, 2014</u>
\$722,000	\$662,427	\$567,713	\$816,714

Accrued compensated absence liability due within one year is estimated at \$133,012.

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 \$427,382.

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 \$358,886 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 \$358,886 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 \$590,846, and deposits with financial institutions were \$815,791. 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.	\$815,791
--	-----------

BREVARD COUNTY PROPERTY APPRAISER  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

4. Deferred Compensation

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

5. Retirement

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

The Property Appraiser's contributions for the years ending September 30, 2014, 2013, and 2012 were \$518,865, \$326,261, and \$293,221, respectively, and equal the required contributions for each year. Contributions for the year ending September 30, 2014, represented 10.05% of covered payroll.

6. Leases

The Property Appraiser is obligated under operating lease agreements for office equipment through fiscal year 2015 and for vehicles through fiscal year 2016. Copier lease agreements will expire concurrently in the June to August 2015 period. A new vehicle operating lease agreement was initiated effective October 8, 2013, with a 36 month term. Total cost for the lease agreements was \$61,712 for the year ended September 30, 2014. The future minimum lease payments are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 55,774
2016	31,616
2017	<u>501</u>
Total minimum lease payable	<u>\$ 87,891</u>

7. Risk Management

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

8. 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, 2012, 2013, and 2014 based on the current plan provisions:

	<u>Sept. 30, 2012</u>	<u>Sept. 30, 2013</u>	<u>Sept. 30, 2014</u>
Annual required contribution	\$ 394,309	\$ 218,009	\$ 100,953
Interest on net OPEB contribution	16,266	17,079	8,917
Adjustment to annual required contribution	<u>(29,085)</u>	<u>(30,539)</u>	<u>(34,211)</u>
Annual OPEB cost (expense)	\$ 381,490	\$ 204,549	\$ 75,659
Contributions made	<u>(163,487)</u>	<u>(166,757)</u>	<u>(167,406)</u>
Increase (decrease) in net OPEB obligation	\$ 218,003	\$ 37,792	\$ (91,747)
Net OPEB obligation - beginning of year	<u>635,937</u>	<u>853,940</u>	<u>891,732</u>
Net OPEB obligation - end of year	<u>\$ 853,940</u>	<u>\$ 891,732</u>	<u>\$ 799,985</u>

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.

BREVARD COUNTY PROPERTY APPRAISER  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

Funded Status and Funding Progress - The contributions made for the 2012, 2013 and 2014 fiscal years were 42.9%, 81.5% and 221.3%, respectively, of the annual OPEB cost. As of the October 1, 2013 actuarial valuation date the actuarial accrued liability for benefits was \$1,847,117, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$5,161,203 and the ratio of Unfunded Actuarial Accrued Liability ("UAAL") to the covered payroll was 35.8%.

9. Commitments

The Property Appraiser's office contracts for aerial pictography 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 \$1,051,000 for the contract period.

10. Subsequent Events

The Property Appraiser has evaluated subsequent events through May 8, 2015, 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.

BREVARD COUNTY PROPERTY APPRAISER  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 FOR THE RETIREE HEALTH PLAN  
 SEPTEMBER 30, 2014

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	\$ 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%

**BREVARD COUNTY**  
**PROPERTY APPRAISER**

**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, 2014

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## 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 Dana Blickley  
Brevard County Property Appraiser  
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 Property Appraiser of Brevard County, Florida (the "Property Appraiser"); as of and for the year ended September 30, 2014, 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 May 8, 2015.

### Internal Control Over Financial Reporting

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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 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.

Melbourne, Florida  
May 8, 2015

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

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

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, 2014, and have issued our report thereon dated May 8, 2015.

### 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*. Disclosures in that report, which is dated May 18, 2015, 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 special-purpose 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.

**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.

May 8, 2015  
Melbourne, Florida

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

**Brevard County Property Appraiser**

**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

**September 30, 2014**

For the year ended September 30, 2014, there were no management comments or recommendations.

BERMAN HOPKINS  
WRIGHT & LAHAM

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**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE**

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

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, 2014. 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.

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.

In our opinion, Brevard County Property Appraiser's complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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.

Melbourne, Florida  
May 8, 2015

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



**SUPERVISOR OF ELECTIONS**

BREVARD COUNTY SUPERVISOR OF ELECTIONS

SEPTEMBER 30, 2014

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**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 (the "Supervisor"), Florida as of and for the year ended September 30, 2014, 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***

The Supervisor's management is responsible for the preparation and fair presentation of the 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 opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 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, 2014, 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, 2014, 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.

### **Opinion**

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, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the schedule of funding progress for the retiree health plan, 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 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 May 14, 2015, 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.

May 14, 2015  
Melbourne, Florida

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

**BREVARD COUNTY**  
**SUPERVISOR OF ELECTIONS**

**FUND FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2014**



BREVARD COUNTY SUPERVISOR OF ELECTIONS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<i>General</i>
<b>ASSETS</b>	
Cash	\$ 577,117
Accrued interest receivable	708
Due from other governmental units	15,511
Prepaid expenses	143,611
Total assets	\$ 736,947
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Vouchers and contracts payable	\$ 513,240
Other current liabilities	16,088
Unearned revenue-other	64,008
Total liabilities	\$ 593,336
Fund balance	
Non-spendable:	
Prepaid items	\$ 143,611
Total liabilities and fund balance	\$ 736,947

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, 2014

	<i>General</i>
<b>REVENUES</b>	
Intergovernmental revenues	\$ 124,468
Charges for services	38,527
Miscellaneous revenues	6,782
Total revenues	\$ 169,777
<b>EXPENDITURES</b>	
Current:	
General government	\$ 4,604,434
Debt service:	
Principal	49,788
Interest	4,801
Total expenditures	\$ 4,659,023
Deficiency of revenues under expenditures	\$ (4,489,246)
<b>OTHER FINANCING SOURCES</b>	
Transfers from constitutional officers	\$ 4,312,596
Capital related debt issued	176,650
Total other financings sources	\$ 4,489,246
Net change in fund balance	\$ 0
Fund balance - beginning	68,313
Increase in non-spendable	75,298
Fund balance - ending	\$ 143,611

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<i>Variance with final budget - Positive (Negative)</i>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 101,031	131,068	\$ 124,468	\$ (6,600)
Charges for services	46,000	46,000	38,527	(7,473)
Miscellaneous revenues	500	868	6,782	5,914
Total revenues	<u>\$ 147,531</u>	<u>\$ 177,936</u>	<u>\$ 169,777</u>	<u>\$ (8,159)</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 4,480,620	\$ 4,509,505	\$ 4,604,434	\$ (94,929)
Debt service:				
Principal	0	0	49,788	(49,788)
Interest	0	0	4,801	(4,801)
Total expenditures	<u>\$ 4,480,620</u>	<u>\$ 4,509,505</u>	<u>\$ 4,659,023</u>	<u>\$ (149,518)</u>
Deficiency of revenues under expenditures	<u>\$ (4,333,089)</u>	<u>\$ (4,331,569)</u>	<u>\$ (4,489,246)</u>	<u>\$ (157,677)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from constitutional officers	\$ 4,340,465	\$ 4,340,465	\$ 4,312,596	\$ (27,869)
Capital related debt issued	0	0	176,650	176,650
Total other financings sources	<u>\$ 4,340,465</u>	<u>\$ 4,340,465</u>	<u>\$ 4,489,246</u>	<u>\$ 148,781</u>
Net change in fund balance	<u>\$ 7,376</u>	<u>\$ 8,896</u>	<u>\$ 0</u>	<u>\$ (8,896)</u>
Fund balance - beginning	\$ 68,313	\$ 68,313	\$ 68,313	\$ 0
Increase in non-spendable	0	0	75,298	75,298
Fund balance - ending	<u>\$ 75,689</u>	<u>\$ 77,209</u>	<u>\$ 143,611</u>	<u>\$ 66,402</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, 2014

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, 2014, the Supervisor of Elections has \$143,611 of a non-spendable fund balance which represents prepaid items.

BREVARD COUNTY SUPERVISOR OF ELECTIONS  
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

**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, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2014</u>
Governmental Activities:				
Operating machinery and equipment	\$ 3,409,439	\$ 1,365,222	\$ 88,156	\$ 4,686,505
Less accumulated depreciation	<u>562,623</u>	<u>396,370</u>	<u>86,092</u>	<u>872,901</u>
Total governmental activities capital assets, net	<u>\$ 2,846,816</u>	<u>\$ 968,852</u>	<u>\$ 2,064</u>	<u>\$ 3,813,604</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, 2014

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, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Sept 30, 2014</u>
\$160,280	\$31,071	\$23,579	\$167,772

The accrued compensated absence due within one year is estimated at \$39,457.

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 \$577,117 represents the allocated amount of the pooled cash of the Brevard County Board of County Commissioners in the amount of \$561,029 and a Supervisor of Elections' Candidate Qualifying account in the amount of \$16,088.

Amount insured by the FDIC or collateralized with securities held by  
 the State Treasurer in accordance with Chapter 280, Florida Statutes. \$577,117

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, 2014 are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2015	\$ 47,089
2016	47,089
2017	<u>47,089</u>
Total minimum lease payable	\$ 141,267
Less amount representing interest	<u>14,404</u>
Present value of minimum lease payments	<u>\$ 126,863</u>

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

Machinery and equipment	<u>\$ 176,650</u>
Accumulated depreciation	<u>\$ 7,365</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 2014. The CAP distributed costs for Facilities building services and building maintenance based on fiscal year 2013 actual results. The total cost for the year ended September 30, 2014 was \$12,130.

BREVARD COUNTY SUPERVISOR OF ELECTIONS  
 NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

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 \$13,905 and \$40,307, respectively, for the year ended September 30, 2014. The future minimum lease payments for noncancelable operating leases are as follows:

Year Ended September 30	Amount
2015	\$ 11,668
Total minimum lease payable	<u>\$ 11,668</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

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

The Supervisor of Elections' contributions for the years ending September 30, 2014, 2013, and 2012 were \$113,880, \$79,457, and \$65,615, respectively, which equal the required contributions for each year. Contributions for the year ending September 30, 2014 represented 10.30% of covered payroll.

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, 2012, 2013, and 2014 based on the current plan provisions:

	Sept. 30, 2012	Sept. 30, 2013	Sept. 30, 2014
Annual required contribution	\$ 65,221	\$ 45,589	\$ 20,485
Interest on net OPEB contribution	3,576	9,724	4,527
Adjustment to annual required contribution	(6,394)	(6,279)	(6,233)
Annual OPEB cost (expense)	\$ 62,403	\$ 49,034	\$ 18,779
Contributions made	(33,918)	(31,796)	(26,408)
Increase (decrease) in net OPEB obligation	\$ 28,485	\$ 17,238	\$ (7,629)
Net OPEB obligation - beginning of year	180,636	209,121	226,359
Net OPEB obligation - end of year	\$ 209,121	\$ 226,359	\$ 218,730

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 2012, 2013, and 2014 fiscal years were 54.4%, 64.8%, and 140.6%, respectively, of the annual OPEB cost. As of the October 1, 2013 actuarial valuation date, the actuarial accrued liability for benefits was \$357,498, all of which was unfunded by Brevard County. The annual payroll of active employees covered by the OPEB plan was \$1,105,859 and the ratio of the UAAL to the covered payroll was 32.3%.

**BREVARD COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**8. Comparison of Expenditures to Appropriations**

Expenditures exceeded appropriations in the General Fund by \$149,518, as a result of capital lease principal payments that were unbudgeted for which funding was available to the principal payments.

**9. Subsequent Event**

The Brevard County Supervisor of Elections has evaluated subsequent events through May 14, 2015, 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, 2014

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%

**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, 2014

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**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 major fund of Brevard County Supervisor of Elections (the "Supervisor"), as of and for the year ended September 30, 2014, and the related notes to the special-purpose financial statements, which collectively comprise the Supervisor's special-purpose financial statements, and have issued our report thereon dated May 14, 2015.

**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 opinion 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 14, 2105  
Melbourne, Florida

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

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**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 of Elections"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated May 14, 2015.

**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*. Disclosures in that report, which is dated May 14, 2015, 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 special-purpose 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 identified one instance of noncompliance as noted on Management Comments and Recommendations as 14-001.

**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.

May 14, 2015  
Melbourne, Florida

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

**Brevard County Supervisor of Elections**  
**MANAGEMENT COMMENTS AND RECOMMENDATIONS**  
**September 30, 2014**

**Current Year Comments**

14-001 Budget over expenditure  
*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 the current year, 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.

Management's response: Procedures have been established to monitor and review all expenditures, including capital lease debt service, to insure total expenditures do not exceed the approved budget.

**Prior Year Comments**

For the year ended September 30, 2013, there are no management comments or recommendations.

BERMAN HOPKINS  
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**INDEPENDENT ACCOUNTANT'S REPORT ON INVESTMENT COMPLIANCE**

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

We have examined the Brevard County Supervisor of Elections' (the "Supervisor") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for the Supervisor's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor'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 Supervisors' 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 Supervisor's compliance with specified requirements.

In our opinion, the Supervisor complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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.

Melbourne, Florida  
May 14, 2015

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

