

**FLORIDA CLERKS OF COURT
OPERATIONS CORPORATION**
(A Component Unit of the State of Florida)
TALLAHASSEE, FLORIDA



FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS

Page No.

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	7
Statement of Activities.....	8
Fund Financial Statements	
Balance Sheet – Governmental Fund.....	9
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund.....	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities.....	11
Notes to the Financial Statements	12
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of CCOC Proportionate Share of Net Pension Liability – Florida Retirement System.....	28
Schedule of CCOC Contributions – Florida Retirement System.....	29
Schedule of CCOC Proportionate Share of Net Pension Liability – Health Insurance Subsidy Program.....	30
Schedule of CCOC Contributions – Health Insurance Subsidy Program.....	31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Fund.....	32
OTHER REPORTS AND SUPPLEMENTARY INFORMATION	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Independent Auditor’s Report on Compliance for the Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General	35
Schedule of Expenditures of State Financial Assistance	38
Schedule of Findings and Questioned Costs – State Financial Assistance.....	39



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Executive Council
Florida Clerks of Court Operations Corporation
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund (special revenue) of Florida Clerks of Court Operations Corporation (a component unit of the State of Florida), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund (special revenue) of Florida Clerks of Court Operations Corporation, as of September 30, 2020, and the changes in its 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 management's discussion and analysis on pages 4-6 and the required supplementary information 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Florida Clerks of Court Operations Corporation's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates 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 schedule of expenditures of state financial assistance is 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, 2021, on our consideration of Florida Clerks of Court Operations Corporation'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Florida Clerks of Court Operations Corporation's 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 Florida Clerks of Court Operations Corporation's internal control over financial reporting and compliance.



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
May 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Florida Clerks of Court Operations Corporation's (the CCOC) financial performance provides an overview of the CCOC's financial activities for the year ended September 30, 2020. Please read it in conjunction with the CCOC's basic financial statements, which begin on page 7.

Background and Financial Information

The Florida Clerks of Court Operations Conference (the Conference) was established in 2003 by Section 28.35, *Florida Statutes*, to establish a process for the review and approval of court-related proposed budgets submitted by the respective Clerks of the Court. The 2004 session of the Florida Legislature amended Section 28.35, *Florida Statutes*, making the Conference a public corporation and changing its name to Florida Clerks of Court Operations Corporation.

During the 2009 session, the Florida Legislature changed the CCOC from a quasi-governmental form of government to a governmental fund housed under the Justice Administrative Commission (JAC). The Florida Legislature identified a source of court fees, collected from the Clerks throughout the State, to fund the operations of the CCOC.

Beginning on July 1, 2013, the Florida Legislature changed the structure and funding for the CCOC. The corporation reverted back to being a separate entity (public corporation) with a September 30 fiscal year end and was no longer housed under the JAC. Instead, the CCOC is funded pursuant to a contract with the Chief Financial Officer of the State of Florida. The employees of the Corporation participate in the Florida Retirement System. Further, the Corporation may hire staff and pay other expenses necessary to perform the official duties and responsibilities. CCOC is considered a blended component unit of the State of Florida.

Overview of the Financial Statement and Financial Highlights

The CCOC issues basic financial statements comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements: The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. All CCOC's basic services are considered to be governmental activities, state courts programs. Operations are funded through court fees collected from the Clerks throughout the state of Florida.

The Statement of Net Position presents information on CCOC's assets, deferred inflows/outflows and liabilities, the difference being reported as net position. Over time, changes in net position (increases and decreases) may serve as a useful indicator of whether the financial position of CCOC is improving or deteriorating.

The Statement of Activities presents the change in the CCOC's net position during the fiscal year. Revenues and expenses are accounted for on the accrual basis of accounting in this report. CCOC's financial statements include the governmental activities related to state courts programs.

MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

The following table presents the CCOC’s condensed Statement of Net Position as of September 30, 2020 and 2019, as derived from the government-wide Statement of Net Position.

Table 1 – Net Position

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 1,609,197	\$ 1,233,876
Capital Assets	8,349	12,307
Deferred Outflows of Resources	354,656	404,693
Total Liabilities	(1,275,336)	(1,089,496)
Deferred Inflows of Resources	(106,602)	(115,719)
Net Position	\$ 590,264	\$ 445,661

In 2020, investment in capital assets (furniture and equipment) totals \$8,349 and represents 1.4% of CCOC’s net position. The remaining 98.6% of net position is unrestricted.

The following table presents the CCOC’s condensed Statement of Activities for year ended September 30, 2020 and 2019, as derived from the government-wide Statement of Activities.

Table 2 – Changes in Net Position

	2020	2019
Total Revenues	\$ 1,643,479	\$ 1,722,913
Total Expenditures	1,498,876	1,705,338
Change in Net Position	144,603	17,575
Net Position – Beginning of Year	445,661	428,086
Net Position – End of Year	\$ 590,264	\$ 445,661

State appropriations and court fees revenue decreased \$81,000 (or 5%) compared to the previous year. This decrease was due to a decrease in fees collected from the State Clerks.

Fund Financial Statements: A fund is a self-balancing group of accounts used to maintain control over resources intended to be used for specific purposes. The fund financial statements focus on the only fund of the CCOC, the special revenue fund.

The governmental fund financial statements provide information based on current sources and uses of resources of CCOC’s operations. A reconciliation of the governmental fund financial statements with the Statement of Net Position (prepared on the accrual basis of accounting) is provided at the end of the related financial statements to facilitate comparison. The capital assets, long-term debt and deferred inflows and outflows used in governmental activities, which are not current sources and uses of financial resources, are not reported in the fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Notes to the Financial Statements: The notes provide additional information that is important to the reader in attaining a full understanding of the data presented in the financial statements.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed to John Dew, Executive Director, Florida Clerks of Court Operations Corporation, 2560-102 Barrington Circle, Tallahassee, Florida 32308.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets	
Cash and Cash Equivalents	\$ 1,607,902
Prepaid Expenses and Other Assets	1,295
Total Current Assets	1,609,197
Noncurrent Assets	
Capital Assets:	
Equipment, Net	8,349
Total Noncurrent Assets	8,349
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	354,656
Total Deferred Outflows of Resources	354,656
Total Assets and Deferred Outflows of Resources	\$ 1,972,202
 LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 93,068
Compensated Absences - Current	61,007
Total Current Liabilities	154,075
Noncurrent Liabilities	
Compensated Absences	104,870
Pension Liability	1,016,391
Total Noncurrent Liabilities	1,121,261
Total Liabilities	1,275,336
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	106,602
Total Deferred Inflows of Resources	106,602
Net Position	
Net Investment in Capital Assets	8,349
Restricted	581,915
Total Net Position	590,264
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,972,202

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues State Appropriations and Court Fees	Net (Expenses) Revenues and Changes in Net Position
Primary Government:			
Governmental Activities:			
State Courts	\$ 1,498,876	\$ 1,641,338	\$ 142,462
Total Governmental Activities	\$ 1,498,876	\$ 1,641,338	142,462
Other Revenue			2,141
Change in Net Position			144,603
Net Position - Beginning of Year			445,661
Net Position - End of Year			\$ 590,264

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2020

	<u>Special Revenue Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,607,902
Prepaid Expenses and Other Assets	<u>1,295</u>
Total Current Assets	<u>\$ 1,609,197</u>
LIABILITIES AND FUND BALANCE	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 93,068
Fund Balance	
Restricted Fund Balance	<u>1,516,129</u>
Total Liabilities and Fund Balance	<u>\$ 1,609,197</u>
Amounts reported for "Governmental Activities" in Statement of Net Position are different because:	
Fund Balance - Governmental Fund	\$ 1,516,129
Capital Assets, Net of Depreciation used in Governmental Activities, are not financial resources and therefore are not reported in the fund financial statements.	8,349
Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:	
Deferred Outflows Related to Pensions	354,656
Deferred Inflows Related to Pensions	(106,602)
Long-term liabilities, including compensated absences and pension, are not due and payable in the current period and therefore are not reported in the fund financial statements.	<u>(1,182,268)</u>
Net Position of Governmental Activities	<u>\$ 590,264</u>

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Fund
Revenues	
State Financial Assistance	\$ 1,641,338
Other Income	1,429
Interest Income	712
 Total Revenues	 1,643,479
Expenditures	
Current:	
State Courts:	
Personnel Services	792,739
Expenses	477,251
 Total Expenditures	 1,269,990
 Net Change in Fund Balance - Governmental Fund	 373,489
 Restricted Fund Balance, September 30, 2019	 1,142,640
 Restricted Fund Balance, September 30, 2020	 \$ 1,516,129

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net change in Fund Balance - Governmental Fund	\$	373,489
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay of \$1,593 exceeded depreciation expense of \$5,551 in the current period.</p>		
		(3,958)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in Pension Related Balances		(151,654)
Increase in Compensated Absences		(73,274)
		(224,928)
Change in Net Position of Governmental Activities	\$	144,603

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1: *Summary of Significant Accounting Policies*

Reporting Entity

These financial statements are intended to present the financial position and results of operations of the Florida Clerks of Court Operations Corporation (CCOC). The CCOC is a blended component unit of the State of Florida and is included in the State of Florida's annual financial report. The financial statements contained herein represent the financial transactions of only the CCOC.

The 2013 session of the Florida Legislature amended Section 28.35, *Florida Statutes*, making the Florida Clerks of Court Operations Corporation a public corporation financed through a contract with the Department of Financial Services, effective July 1, 2013.

CCOC's activities are accounted for in a special revenue fund. The CCOC has no component units.

Government-Wide and Fund Accounting

The CCOC's financial statements have been prepared in accordance with generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34 establishes financial reporting requirements for state and local governments throughout the United States. The financial data of the CCOC is presented in the required GASB format as discussed on the following pages.

Government-Wide Accounting

The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, report information regarding the activities of the CCOC. Government-wide statements distinguish between government-type and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a branch of government that does not levy taxes, the CCOC is funded by an appropriation of the Florida Legislature through a portion of the fees collected by the Clerks of Court for filing a civil action in Circuit Court, as specified in Section 28.241, *Florida Statutes*. The government-wide financial statements present this activity as a special revenue fund.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Fund Accounting

In fund accounting, the diverse nature of governmental operations and the necessity of determining compliance with legal provisions require modification of accounting systems commonly used by commercial enterprises. The CCOC special revenue fund is considered a separate entity with self-balancing accounts that include, where applicable, its assets, liabilities, fund equity, revenues, expenditures and other financial sources and uses.

Government Fund Type: Special Revenue Fund – Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments or expendable trusts) that are legally restricted to expenditures for specified purposes.

GASB Statement No. 54 requires fund balance reported in the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Within this hierarchy, fund balance is first classified as nonspendable, then restricted, committed, assigned, and unassigned.

- *Nonspendable* – This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- *Restricted* – This component of fund balance consists of amounts that are constrained either (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- *Committed* – This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the CCOC's board. These committed amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- *Assigned* – This component of fund balance consists of amounts that are constrained by the CCOC board's intent to be used for specific purposes, but are neither restricted nor committed.

The CCOC is a special revenue fund and is a component unit of the State of Florida. The activities of the CCOC are directed by Florida Statute. Accordingly, the fund balance is classified as restricted.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Net Position

Net position represents all assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is presented on the Statement of Net Position into the following categories:

- *Net Investment in Capital Assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – Net position subject to externally imposed stipulations on their use.
- *Unrestricted* – All remaining net position that do not meet the definition of “net investment in capital assets” or “restricted”.

When both restricted and unrestricted resources are available for the same purpose, restricted net position are considered to be used first over unrestricted net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accounting and financial reporting treatment applied is determined by the type of financial statement presentation.

Measurement Focus

The government-wide statements are reported using an economic resources management focus and accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated.

In the Special Revenue Fund, revenues are based on transfers required by law and actual billings to other governmental agencies and are recognized when they become measurable and available. Expenditures are generally recognized under a modified accrual basis of accounting when the related fund liability is incurred.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Cash

Cash consists of demand deposits held at qualified public depositories. Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. Therefore, any amount of the CCOC's demand deposits in excess of FDIC protection would be fully insured or collateralized.

Capital Assets

In the governmental fund statements, general fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental fund types.

In the government-wide statements, tangible assets used in operations with an initial useful life that extends beyond one year and valued at more than a specified threshold (\$1,000) are capitalized. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized. Capital assets are depreciated using the straight-line method of depreciation over their estimated useful lives (3-10 years). These assets are reported net of accumulated depreciation on the Statement of Net Position.

Deferred Inflows of Resources

Represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The CCOC has deferred inflows of resources related to pension items.

Deferred Outflows of Resources

Represents a consumption of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense) until that future time. The CCOC has deferred outflows of resources related to pension items.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Support from State Government

The CCOC received all of its support and revenue from a contract with the State of Florida's Chief Financial Officer. The contract is renewed and/or renegotiated annually. Revenue is recognized as it is received from the Department of Financial Services' CCOC Trust Fund. The CCOC Trust Fund collects court filing fees for Circuit Civil Court cases. The CCOC receives \$4.50 from each filing fee.

Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires CCOC to make estimates and assumptions based on analytical methods in determining depreciation and various accruals. Actual results may differ from those estimates.

Subsequent Events

Subsequent events were evaluated through May 20, 2021, which is the date the financial statements were available to be released.

NOTE 2: *Budgetary Process*

Pursuant to its Plan of Operation, CCOC shall adopt an annual operating budget and program work plan for each fiscal year, as recommended by the Executive Council. The program work plan shall clearly outline the annual objectives of the Executive Council relative to duties and responsibilities and provide an anticipated schedule for completion of those objectives. The budget is adopted on the modified accrual basis of accounting.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3: *Capital Assets*

Capital asset activity for the year ended September 30, 2020 was as follows:

	September 30, 2019	Additions	Retirement	September 30, 2020
Fixed Assets - Furniture and Equipment	\$ 88,758	\$ 1,593	\$ -	\$ 90,351
Less Accumulated Depreciation	(76,451)	(5,551)	-	(82,002)
Capital Assets, Net	<u>\$ 12,307</u>	<u>\$ (3,958)</u>	<u>\$ -</u>	<u>\$ 8,349</u>

Depreciation expense of \$5,551 is recorded in the Statement of Activities for the government-wide statements.

NOTE 4: *Operating Lease*

The CCOC has a lease agreement for office space. The lease is accounted for as an operating lease. Lease payments are recorded as expenditures of the fund when paid and incurred. Rental expenditures for the year ended September 30, 2020 totaled \$33,750.

Future minimum lease commitments for the operating lease as of September 30, 2020 are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2021	\$ 33,750
2022	33,750
2023	33,750
Total	<u>\$ 101,250</u>

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5: Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020 is as follows:

	Beginning Balances	Additions	Payments	Ending Balances	Current Portion of Long-term Liabilities
Compensated					
Absences Liability	\$ 92,603	\$ 152,701	\$ (79,427)	\$ 165,877	\$ 61,007
Pension Liability	905,657	298,660	(187,926)	1,016,391	-
Total Long-Term Debt	<u>\$ 998,260</u>	<u>\$ 451,361</u>	<u>\$(267,353)</u>	<u>\$1,182,268</u>	<u>\$ 61,007</u>

NOTE 6: Florida Retirement System Plans

Florida Retirement System:

General Information – All of the CCOC’s employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

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

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular—8.47% and 10%; Senior Management Service—25.41% and 27.29%; and DROP participants—14.60% and 16.98%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively.

The CCOC's contributions, including employee contributions, to the Pension Plan totaled \$64,417 for the fiscal year ended September 30, 2020.

The CCOC recognizes pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions on the accrual basis of accounting. At September 30, 2020, the CCOC reported a liability of \$1,016,391 for their proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The CCOC's proportionate share of the net pension liability was based on the CCOC's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the CCOC's proportionate share for all funds was 0.0020 percent. As of September 30, 2020, CCOC had 5 active employees in the Pension Plan.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: Florida Retirement System Plans (continued)

For the fiscal year ended September 30, 2020, the CCOC recognized pension expense of \$125,540. In addition, these activities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 31,500	\$ -
Changes of Assumptions	148,502	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	49,500	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	58,046	69,710
Pension Plan Contributions Subsequent to the Measurement Date	17,796	-
Total	\$ 305,344	\$ 69,710

The Pension Plan's deferred outflows of resources related to the CCOC's contributions to the Plan subsequent to the measurement date, totaling \$17,796 will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year ended June 30:	FRS Amount
2021	\$ 44,890
2022	69,915
2023	59,427
2024	35,526
2025	8,080
Total	\$ 217,838

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation

The long-term expected rate of return was decreased from 6.90% to 6.80%, and the mortality assumption is based on the PUB-2010 base table.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.7%

(1) As outlined in the Pension Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the CCOC's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the CCOC's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

	FRS Net Pension Liability		
	Current Discount		
	1% Decrease (5.80%)	Rate (6.80%)	1% Increase (7.80%)
Proportionate Share of the Net Pension Plan Liability \$	1,314,265	\$ 823,046	\$ 412,777

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020 was 1.66%. The CCOC contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The CCOC’s contributions to the HIS Plan totaled \$8,654 for the fiscal year ended September 30, 2020.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The basis of accounting and financial reporting of the CCOC’s HIS Plan is identical to that of the CCOC’s Pension Plan. At September 30, 2020, the CCOC reported a liability of \$193,345 for their proportionate share of the CCOC’s HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The CCOC’s proportionate share of the net pension liability was based on the CCOC’s 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the CCOC’s proportionate share of all funds was 0.0016% rounded.

For the fiscal year ended September 30, 2020, the CCOC recognized pension expense of \$26,114. In addition, these activities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	HIS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 7,909	\$ 150
Changes of Assumptions	20,790	11,242
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	155	-
Changes in Proportion and Differences Between HIS Plan Contributions and Proportionate Share of Contributions	18,390	25,500
HIS Plan Contributions Subsequent to the Measurement Date	2,068	-
Total	\$ 49,312	\$ 36,892

The deferred outflows of resources related to the HIS Plan resulting from the CCOC’s contributions to the HIS Plan subsequent to the measurement date, totaling \$2,068, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources related to the HIS Plan will be recognized as pension expense as follows:

Year ended June 30:	HIS Amount
2021	\$ 2,866
2022	2,125
2023	581
2024	1,348
2025	1,836
Thereafter	1,596
Total	\$ 10,352

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

Actuarial Assumptions – The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%

The municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21% and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2020 valuation were based on certain results of an actuarial experience study for the pension plan for the period July 1, 2013 through June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the CCOC’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the CCOC’s proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	HIS Net Pension Liability		
	Current Discount		
	1% Decrease (1.21%)	Rate (2.21%)	1% Increase (3.21%)
Proportionate Share of the Net HIS Plan Liability	\$ 223,498	\$ 193,345	\$ 168,665

Pension Plan Fiduciary Net Position – Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the CCOC.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6: *Florida Retirement System Plans (continued)*

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The CCOC's Investment Plan pension expense totaled \$8,565 for the fiscal year ended September 30, 2020.

NOTE 7: *Risk Management*

CCOC is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; forgery and alteration; bodily injury and fraud for which CCOC carries commercial insurance. The primary coverage limits include: \$1,000,000 for 90 days for newly acquired or constructed property; \$500,000 for 90 days for newly acquired business personal property; \$100,000 per accident for bodily injury by accident; \$100,000 per employee for bodily injury by disease with a policy limit of \$500,000; \$15,000 for employee dishonesty; \$10,000 for forgery and alteration; \$1,000,000 each policy period for directors and officers, employment practices and internet liability. Liabilities for losses would be recorded when a loss occurs and the amount can be reasonably estimated. There are no such losses as of September 30, 2020.

**REQUIRED SUPPLEMENTARY
INFORMATION**

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF CCOC PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014
CCOC's proportion of the net pension liability	0.001898979%	0.002025194%	0.001732449%	0.001858821%	0.002392839%	0.001867358%	0.001691518%
CCOC's proportionate share of the net pension liability	\$ 823,046	\$ 697,448	\$ 521,823	\$ 549,827	\$ 604,194	\$ 241,194	\$ 103,207
CCOC's covered-employee payroll	\$ 429,818	\$ 447,195	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
CCOC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	191.49%	155.96%	197.65%	184.53%	202.82%	85.42%	39.25%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous three years.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF CCOC CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 64,417	\$ 64,190	\$ 52,392	\$ 48,390	\$ 58,353	\$ 45,528	\$ 37,051
Contributions in relation to the contractually required contribution	(64,417)	(64,190)	(52,392)	(48,390)	(58,353)	(45,528)	(37,051)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCOC's covered-employee payroll	\$ 429,818	\$ 447,195	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
Contributions as a percentage of covered-employee payroll	14.99%	14.35%	19.84%	16.24%	19.59%	16.12%	14.09%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous three years.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF CCOC PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
CCOC's proportion of the net pension liability	0.001583518%	0.001860836%	0.001779764%	0.001686976%	0.001685738%	0.001633944%	0.001527621%
CCOC's proportionate share of the net pension liability	\$ 193,345	\$ 208,209	\$ 188,372	\$ 180,381	\$ 196,466	\$ 166,637	\$ 142,836
CCOC's covered-employee payroll	\$ 429,818	\$ 447,195	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
CCOC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	44.98%	46.56%	71.35%	60.54%	65.95%	59.01%	54.32%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous three years.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF CCOC CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 8,654	\$ 10,063	\$ 10,120	\$ 8,928	\$ 8,640	\$ 6,246	\$ 5,233
Contributions in relation to the contractually required contribution	(8,654)	(10,063)	(10,120)	(8,928)	(8,640)	(6,246)	(5,233)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FCCOC's covered-employee payroll	\$ 429,818	\$ 447,195	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
Contributions as a percentage of covered-employee payroll	2.01%	2.25%	3.83%	3.00%	2.90%	2.21%	1.99%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous three years.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Governmental Fund</u>			
	<u>Special Revenue</u>			
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
State Financial Assistance	1,732,097	1,732,097	1,641,338	(90,759)
Other Income	-	-	1,429	1,429
Interest Income	-	-	712	712
Total Revenues	<u>1,732,097</u>	<u>1,732,097</u>	<u>1,643,479</u>	<u>(88,618)</u>
Expenditures:				
Current				
State Courts:				
Personnel Services	874,441	874,441	792,739	81,702
Expenses	857,656	857,656	477,251	380,405
Total Expenditures	<u>1,732,097</u>	<u>1,732,097</u>	<u>1,269,990</u>	<u>462,107</u>
Net Change in Fund Balance - Governmental Fund	<u>-</u>	<u>-</u>	373,489	<u>373,489</u>
Restricted Fund Balance, Beginning of Year			<u>1,142,640</u>	
Restricted Fund Balance, End of Year			<u>\$ 1,516,129</u>	

**OTHER REPORTS AND
SUPPLEMENTARY INFORMATION**



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

**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 Executive Council
Florida Clerks of Court Operations Corporation
Tallahassee, 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 financial statements of the governmental activities and major fund (special revenue) of Florida Clerks of Court Operations Corporation, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Florida Clerks of Court Operations Corporation's basic financial statements, and have issued our report thereon dated May 20, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida Clerks of Court Operations Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Florida Clerks of Court Operations Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Florida Clerks of Court Operations Corporation'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 Florida Clerks of Court Operations Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in blue ink that reads "Law Redd Crona + Munroe P.A.".

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
May 20, 2021



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
THE MAJOR STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

To the Executive Council
Florida Clerks of Court Operations Corporation
Tallahassee, Florida

Report on Compliance for the Major State Project

We have audited Florida Clerks of Court Operations Corporation's compliance with the types of compliance requirements described in the *Department of Financial Service's State Projects Compliance Supplement* that could have a direct and material effect on the Florida Clerks of Court Operations Corporation's major state project for the year ended September 30, 2020. Florida Clerks of Court Operations Corporation's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its major state project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Florida Clerks of Court Operations Corporation's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about Florida Clerks of Court Operations Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of Florida Clerks of Court Operations Corporation's compliance.

Opinion on the Major State Project

In our opinion, Florida Clerks of Court Operations Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of Florida Clerks of Court Operations Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Florida Clerks of Court Operations Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Florida Clerks of Court Operations Corporation's internal control over compliance.

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

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

To the Executive Council
Florida Clerks of Court Operations Corporation
Page 3

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Law Redd Crona + Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.

Tallahassee, Florida

May 20, 2021

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	CSFA Number	Contract Number	Expenditures
<u>STATE:</u>			
<u>State of Florida, Department of Financial Services</u>			
CCOC/CFO Contract	N/A	N/A	\$ 1,498,876
TOTAL STATE FINANCIAL ASSISTANCE EXPENDED			\$ 1,498,876

NOTES:

- (1) The Schedule of Expenditures of State Financial Assistance was prepared on the accrual basis of accounting.
- (2) The program does not utilize sub-recipients.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

SECTION I - SUMMARY OF AUDIT RESULTS

1. Type of Audit Report issued on the Financial Statements

Unmodified

2. Significant Deficiencies and/or Material Weaknesses in Internal Control

None noted

3. Noncompliance Material to Audited Financial Statements

Audit disclosed no material instances of noncompliance.

4. Significant Deficiencies and/or Material Weaknesses in Internal Control Over the Major State Project

None noted

5. Type of Audit Report Issued on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major State Project

Unmodified Opinion

6. Audit Findings Relative to the Major State Project

The audit disclosed no findings required to be reported under Major State Projects.

7. Major State Projects

State Project

State of Florida, Department of Financial Services
FCCOC/CFO Contract

8. Threshold

The threshold for distinguishing Type A or Type B programs was \$750,000.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020 (continued)**

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None Reported

SECTION IV – PRIOR YEAR AUDIT FINDINGS

None Reported