

Clerk of Circuit Court

Lee County, Florida

Financial Statements
September 30, 2019

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LINDA DOGGETT : CLERK OF COURT

Clerk of Circuit Court

Lee County, Florida

Statements
September 30, 2019



Prepared By:
General Accounting Office, Finance & Records Department

Clerk of Circuit Court

Lee County, Florida

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INDEPENDENT AUDITORS' REPORT

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court, Lee County, Florida (Clerk), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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.

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2019, and the respective changes in financial position and budgetary comparisons for the General Fund, Court Fees Fund, Public Records Modernization Fund and Child Support Enforcement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information only for that portion of the major funds and the aggregate remaining fund information of Lee County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Lee County as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining 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 statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk'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 Clerk's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
December 27, 2019

Financial Statements

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LINDA DOGGETT : CLERK OF COURT

CLERK OF CIRCUIT COURT
Lee County, Florida
BALANCE SHEET
As of September 30, 2019

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash, cash equivalents and investments	\$ 3,712,034	\$ 6,701,399	\$ 7,075,617	\$ 4,076,957	\$ 21,566,007
Accounts receivable	23,835	514	-	-	24,349
Due from other governments	16,159	86,378	-	102,133	204,670
Due from Board of County Commissioners	66,685	3,551	-	-	70,236
Inventory	38,167	-	-	-	38,167
Total assets	<u><u>3,856,880</u></u>	<u><u>6,791,842</u></u>	<u><u>7,075,617</u></u>	<u><u>4,179,090</u></u>	<u><u>21,903,429</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	529,835	67,363	-	18,088	615,286
Accrued liabilities	168,624	132,195	26,244	6,892	333,955
Due to other governments	243,875	1,724,383	12,641	3,245	1,984,144
Due to Board of County Commissioners	212,417	433,999	-	-	646,416
Deposits	2,688,906	4,433,902	-	-	7,122,808
Unearned revenue	13,223	-	-	-	13,223
Total liabilities	<u><u>3,856,880</u></u>	<u><u>6,791,842</u></u>	<u><u>38,885</u></u>	<u><u>28,225</u></u>	<u><u>10,715,832</u></u>
Fund Balances:					
Nonspendable	38,167	-	-	-	38,167
Restricted	-	-	7,036,732	-	7,036,732
Committed	-	-	-	4,150,865	4,150,865
Unassigned	(38,167)	-	-	-	(38,167)
Total fund balances	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>7,036,732</u></u>	<u><u>4,150,865</u></u>	<u><u>11,187,597</u></u>
Total liabilities and fund balances	<u><u>\$ 3,856,880</u></u>	<u><u>\$ 6,791,842</u></u>	<u><u>\$ 7,075,617</u></u>	<u><u>\$ 4,179,090</u></u>	<u><u>\$ 21,903,429</u></u>

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

CLERK OF CIRCUIT COURT
Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the year ended September 30, 2019

	<u>General</u>	<u>Court Fees</u>	<u>Public Records Modernization</u>	<u>Child Support Enforcement</u>	<u>Total Governmental Funds</u>
REVENUES					
Intergovernmental	\$ 1,277,522	\$ 751,888	\$ -	\$ 513,311	\$ 2,542,721
Charges for services	5,066,150	15,938,740	2,017,552	1,433	23,023,875
Interest	187,409	204,918	224,720	123,586	740,633
Miscellaneous	427,336	6,967	-	371,250	805,553
Total revenues	<u>6,958,417</u>	<u>16,902,513</u>	<u>2,242,272</u>	<u>1,009,580</u>	<u>27,112,782</u>
EXPENDITURES					
General government					
Personal services	12,202,925	11,007,262	1,842,475	26,036	25,078,698
Operating expenditures	3,501,135	655,105	2,880	155,549	4,314,669
Capital outlay	453,319	500	-	207,200	661,019
Total expenditures	<u>16,157,379</u>	<u>11,662,867</u>	<u>1,845,355</u>	<u>388,785</u>	<u>30,054,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,198,962)</u>	<u>5,239,646</u>	<u>396,917</u>	<u>620,795</u>	<u>(2,941,604)</u>
OTHER FINANCING SOURCES (USES)					
Board of County Commissioners appropriations	9,271,098	-	-	-	9,271,098
Distribution of excess fees and appropriations to other governmental units	<u>(72,136)</u>	<u>(5,239,646)</u>	<u>-</u>	<u>-</u>	<u>(5,311,782)</u>
Total other financing sources (uses)	<u>9,198,962</u>	<u>(5,239,646)</u>	<u>-</u>	<u>-</u>	<u>3,959,316</u>
Net change in fund balances	-	-	396,917	620,795	1,017,712
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>6,639,815</u>	<u>3,530,070</u>	<u>10,169,885</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,036,732</u>	<u>\$ 4,150,865</u>	<u>\$ 11,187,597</u>

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,050,000	\$ 1,276,500	\$ 1,277,522	\$ 1,022
Charges for services	4,570,940	5,043,440	5,066,150	22,710
Interest	70,000	187,000	187,409	409
Miscellaneous	248,438	380,838	427,336	46,498
Total revenues	<u>5,939,378</u>	<u>6,887,778</u>	<u>6,958,417</u>	<u>70,639</u>
EXPENDITURES				
Current				
General government				
Personal services	12,028,326	12,207,536	12,202,925	4,611
Operating	2,798,650	3,492,966	3,501,135	(8,169)
Capital outlay	383,500	458,374	453,319	5,055
Total expenditures	<u>15,210,476</u>	<u>16,158,876</u>	<u>16,157,379</u>	<u>1,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,271,098)</u>	<u>(9,271,098)</u>	<u>(9,198,962)</u>	<u>72,136</u>
OTHER FINANCING SOURCES (USES)				
Board of County Commissioners appropriations	9,271,098	9,271,098	9,271,098	-
Distribution of excess fess and appropriations to the Board of County Commissioners	-	-	(72,136)	(72,136)
Total other financing sources (uses)	<u>9,271,098</u>	<u>9,271,098</u>	<u>9,198,962</u>	<u>(72,136)</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COURT FEES
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 792,076	\$ 812,214	\$ 751,888	\$ (60,326)
Charges for services	11,974,098	11,974,098	15,938,740	3,964,642
Interest	80,000	80,000	204,918	124,918
Miscellaneous	-	-	6,967	6,967
Total revenues	<u>12,846,174</u>	<u>12,866,312</u>	<u>16,902,513</u>	<u>4,036,201</u>
EXPENDITURES				
Current				
General government				
Personal services	11,255,609	11,002,347	11,007,262	(4,915)
Operating	437,256	710,656	655,105	55,551
Capital outlay	10,500	10,500	500	10,000
Total expenditures	<u>11,703,365</u>	<u>11,723,503</u>	<u>11,662,867</u>	<u>60,636</u>
Excess of revenues over expenditures	<u>1,142,809</u>	<u>1,142,809</u>	<u>5,239,646</u>	<u>4,096,837</u>
OTHER FINANCING SOURCES (USES)				
Distribution of excess fees and appropriations to other governmental units	<u>(1,142,809)</u>	<u>(1,142,809)</u>	<u>(5,239,646)</u>	<u>(4,096,837)</u>
Total other financing sources (uses)	<u>(1,142,809)</u>	<u>(1,142,809)</u>	<u>(5,239,646)</u>	<u>(4,096,837)</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC RECORDS MODERNIZATION FUND
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,800,000	\$ 1,800,000	\$ 2,017,552	\$ 217,552
Interest	75,000	75,000	224,720	149,720
Total revenues	<u>1,875,000</u>	<u>1,875,000</u>	<u>2,242,272</u>	<u>367,272</u>
EXPENDITURES				
Current				
General government				
Personal services	1,824,070	1,824,070	1,842,475	(18,405)
Operating	1,210,772	1,210,772	2,880	1,207,892
Capital Outlay	500,000	500,000	-	500,000
Total expenditures	<u>3,534,842</u>	<u>3,534,842</u>	<u>1,845,355</u>	<u>1,689,487</u>
Net change in fund balance	(1,659,842)	(1,659,842)	396,917	2,056,759
Fund balances - beginning	<u>1,659,842</u>	<u>1,659,842</u>	<u>6,639,815</u>	<u>4,979,973</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,036,732</u>	<u>\$ 7,036,732</u>

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

Lee County, Florida
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILD SUPPORT ENFORCEMENT
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 370,000	\$ 370,000	\$ 513,311	\$ 143,311
Charges for services	-	-	1,433	1,433
Interest	50,000	50,000	123,586	73,586
Miscellaneous	-	-	371,250	371,250
Total revenues	420,000	420,000	1,009,580	589,580
EXPENDITURES				
Current				
General government				
Personal Services	487,501	487,501	26,036	461,465
Operating	195,625	195,625	155,549	40,076
Capital outlay	460,000	460,000	207,200	252,800
Total expenditures	1,143,126	1,143,126	388,785	754,341
Net change in fund balance	(723,126)	(723,126)	620,795	1,343,921
Fund balances - beginning	723,126	723,126	3,530,070	2,806,944
Fund balances - ending	\$ -	\$ -	\$ 4,150,865	\$ 4,150,865

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

CLERK OF CIRCUIT COURT
Lee County, Florida
BALANCE SHEET
As of September 30, 2019

	Agency Funds
ASSETS	
Cash, cash equivalents and investments	\$ 20,670,794
Total assets	20,670,794
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	18,101
Accrued liabilities	123
Due to other governments	4,284,093
Bonds and deposits	16,368,477
Total liabilities	\$ 20,670,794

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

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Lee County, Florida Clerk of the Circuit Court (the “Clerk”), is an elected constitutional officer as provided for by the Constitution of the State of Florida. For financial reporting purposes, the Clerk is deemed to be part of the primary government of Lee County, Florida (the “County”) and therefore is included as such in the County’s Comprehensive Annual Financial Report. There are no separate legal entities for which the Clerk is considered to be financially accountable.

Included in the financial statements are all departments and/or organizations for which the Clerk has oversight responsibilities which include, but are not limited to, financial interdependency, ability to significantly influence operations, and accountability for fiscal matters. The Clerk provides to the citizens of the County the functions of the court clerk, county auditor, county finance officer, county public/official records keeper, and Clerk to Board of County Commissioners (the “Board”) as mandated by federal, state, and local government statutes and laws.

The non-court related general operations of the Clerk are funded principally by fees from third parties, and appropriations from the Board. The appropriations are presented in the Clerk’s financial statements as transfers in. Pursuant to Section 218.36(2), *Florida Statutes*, net excess cash from operations in the General Fund at fiscal year-end are returned to the Board. Excess cash from operations returned to the Board are reflected as distribution of excess fees in the Clerk’s General Fund.

Spending authority for the court related activities is provided by the State. Section 28.37 (2), *Florida Statutes*, provides for the monthly transfer of excess revenues over one-twelfth of the Clerk’s court related budget to the State’s Department of Revenue. Section 28.37 (3), *Florida Statutes*, provides for an annual transfer of all cumulative excess fines, fees, service charges, and court costs collected over the Clerk’s authorized budgeted expenditures. The next annual cumulative transfer of funds is required by January 25, 2020.

Basis of Presentation

The financial statements of the Clerk are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The Clerk’s funds are organized into two major categories: governmental and fiduciary. Government resources are allocated to, and accounted for, in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The financial statements presented include the General Fund, special revenue funds, and agency funds of the Clerk’s Office. These financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Section 10.550, *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements present only the portion of the funds of Lee County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

position and results of operations of Lee County, Florida in conformity with accounting principles generally accepted in the United States of America.

Description of Funds

The following funds are used by the Clerk.

Governmental Funds

General Fund -The Clerk's activities are classified as court related and non-court related. The Clerk's General Fund activity, which is classified as non-court related, is funded through service charges for recording instruments and documents into the official records. Additionally, the Clerk to the Board is funded through the collection of Ad Valorem taxes by the Board, which is reported in the General Fund as transfers in. The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk, which are not properly accounted for in another fund. All operating revenue, which is not specifically restricted or designated as to use, is recorded in the General Fund. Excess net cash from operations at the end of the year, due back to the Board, is shown as transfers out in the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. The Clerk currently reports three Special Revenue Funds- *Court Fees*, *Public Records Modernization*, and *Child Support Enforcement*.

The *Court Fees* fund accounts for court related activities pursuant to Chapter 28, *Florida Statutes*. Court related activities are funded with fines, fees, service charges, and court costs. These revenues are restricted and are to be used exclusively for funding court related operations and, therefore, are reported in a special revenue fund.

The *Public Records Modernization ("PRM")* fund is funded by a portion of recording fees. This fund is mandated by Section 28.24 (12)(d), *Florida Statutes*, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the office. Since Revision 7 of Article V, *Florida Constitution*, went into effect on July 1, 2004, an additional amount is collected pursuant to Section 28.24(12)(e), *Florida Statutes*, and is used exclusively for funding court related technology needs.

The Board approved the creation of a special revenue fund to hold the *Child Support Enforcement ("CSE")* reimbursement amounts that exceed the operating cost of running the Child Support Depository program. These funds are to be used exclusively for court-related functions including personnel, operations, and technology.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, and other governments. The Clerk has nine agency funds which are custodial in nature (assets equal liabilities), and do not involve measurement of operations or have a measurement focus.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recognized and recorded regardless of the measurement focus applied.

Fund financial statements report detailed information about the Clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. All of the governmental funds are considered major.

The governmental funds are presented on the modified accrual basis of accounting using the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” The Clerk considers revenues available if they are collected within sixty days after year-end. Primary revenues, such as charges for services and interest, are treated as susceptible to accrual under the modified accrual basis and so have been recognized as revenues. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences, which are recognized as expenditures to the extent they have matured. The agency funds are presented using the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements requires management of the Clerk to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

Chapter 218, *Florida Statutes*, governs the preparation, adoption and administration of the Clerk’s General Fund annual budget. The Clerk’s budget is prepared on a basis consistent with generally accepted accounting principles (GAAP). The budget of the Clerk (to the extent of her function as ex-officio Clerk to the Board and amounts above her fee structure as Clerk to the Circuit and County Courts), is prepared for the General Fund (non-court related activities), which is submitted to and approved by the Board. The Clerk also prepares a portion of her non-court related budget and special revenue budgets based on anticipated fees.

Pursuant to Sections 28.35 and 28.36, *Florida Statutes*, a balanced court related budget must be prepared on or before June 1 and submitted to the Clerks of Court Operations Corporation (the “Corporation”). The Corporation shall complete its review and adjustments to the Clerk’s budget request and make its recommendations to the Legislature by August 1 each year. The Legislative Budget Commission should review and approve or amend the Clerk’s budget prior to the start of the new fiscal year on October 1.

The Clerk’s General Fund and special revenue funds budgets are prepared on the modified accrual basis. The annual budget for the General Fund serves as the legal level of control for the Clerk, and

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

must have Board approval to increase the funding from the Board. Any increase to the court related budget must be approved by the Corporation.

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

Cash, Cash Equivalents, and Investments

The Clerk considers highly liquid investments with a maturity of three months or less when purchased and those included in the internal investment pool, to be cash and cash equivalents.

The Clerk invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration ("SBA"), under the regulatory oversight of the State of Florida. Investments in Florida PRIME are made pursuant to Section 125.31, *Florida Statutes*. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the Clerk's position in the pool is the same as the value of the pool shares. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 36.7% of Florida PRIME's portfolio at September 30, 2019.

In accordance with Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*, as a participant in a qualifying external investment pool, the Clerk should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Section 218.409(8)(a), *Florida Statutes*, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

CLERK OF CIRCUIT COURT
Lee County, Florida
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September 30, 2019

With regard to liquidity fees, Section 218.409(4), *Florida Statutes* provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Inventory

Inventory is stated at cost using the "first-in, first-out" (FIFO) method and is recorded as an expenditure when consumed. The Clerk's inventory includes metered postage.

Capital Assets

The Clerk's capital assets include furniture, equipment, computer equipment, vehicles, and software. The Clerk, pursuant to *Florida Statutes*, owns no capital assets. *Florida Statutes* require that the Board own and maintain accountability for all capital assets for which the Clerk is custodian. The threshold for capitalizing all capital assets is \$1,000, except software which is \$100,000. Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at acquisition value. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

In accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, depreciation for governmental fund capital assets is reflected in the government-wide financial statements but is not reflected in the fund financial statements. Therefore, no depreciation is recorded in the financial statements of the Clerk but rather is reflected in the financial statements of the County.

In the fund financial statements of the Clerk, capital assets purchased and used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

The Clerk's employees accumulate sick and annual leave, based on the number of years of continuous service. Employees may not accumulate more than 500 hours of annual vacation time. Upon termination of employment, employees can receive payment for all outstanding accumulated vacation leave and a maximum of 80 hours of accumulated personal leave. Employees who retire under the Florida Retirement System receive payment for all outstanding accumulated vacation leave, a maximum of 80 hours of accumulated personal leave, and 50 percent of accumulated sick leave. The Clerk does not, nor is she legally required to accumulate expendable financial resources for these obligations. Accordingly, the liability for compensated absences is not reported in the Clerk's fund financial statements, but rather is reported in the basic financial statements of the County.

CLERK OF CIRCUIT COURT
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NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE II - CASH, CASH EQUIVALENTS, AND INVESTMENTS

At September 30, 2019, the Clerk had the following deposits, investments, and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
Cash on Hand	N/A	\$ 1,415,408	N/A
Demand Deposits	N/A	25,720,385	N/A
Florida PRIME	37 days	<u>15,101,008</u>	AAAm
Total Cash, Cash Equivalents and Investments		<u>\$42,236,801</u>	
Reconciliation:			
General Fund		\$3,712,034	
Court Fees		6,701,399	
Public Records Modernization		7,075,617	
Child Support Enforcement		4,076,957	
Agency Funds		<u>20,670,794</u>	
		<u>\$42,236,801</u>	

Custodial Credit Risk

At September 30, 2019, the Clerk's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, *Florida Statutes*. Under this chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

Credit Risk

The Clerk does not have a formal written investment policy and thereby is required to follow Section 218.415, *Florida Statutes*, when investing surplus funds. This statute limits investing of surplus funds to the Florida PRIME, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, or direct obligations of the U.S. Treasury.

Interest Rate Risk

The Clerk does not have a formal investment policy that limits investment maturities nor is one contained in Section 218.415, *Florida Statutes*. The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2019 was 37 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2019 was 85 days.

Concentration of Credit Risk

The Clerk places no limit on the amount it may invest in any one issuer or investment.

CLERK OF CIRCUIT COURT
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September 30, 2019

NOTE III - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Artwork	\$ 2,000	\$ -	\$ (1,000)	\$ 1,000
SIP	1,200,169	195,856	(535,025)	861,000
Total capital assets not being depreciated	1,202,169	195,856	(536,025)	862,000
Capital assets being depreciated:				
Improvements other than buildings	74,499	-	-	74,499
Machinery and equipment	5,566,342	466,702	(2,238,675)	3,794,369
Software	9,896,312	535,025	-	10,431,337
Total capital assets being depreciated	15,537,153	1,001,727	(2,238,675)	14,300,205
Less accumulated depreciation for:				
Improvements other than buildings	49,258	5,375	-	54,633
Machinery and equipment	4,501,371	488,548	(2,238,675)	2,751,244
Software	9,346,136	304,732	-	9,650,868
Total accumulated depreciation	13,896,765	798,655	(2,238,675)	12,456,745
Total capital assets being depreciated, net	1,640,388	203,072	-	1,843,460
Total governmental activities capital assets, net	\$ 2,842,557	\$ 398,928	\$ (536,025)	\$ 2,705,460

NOTE IV - RETIREMENT PLANS

Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, *Florida Statutes*, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, *Florida Statutes*; Chapter 112, Part IV, *Florida Statutes*; Chapter 238, *Florida Statutes*; and FRS Rules, Chapter

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60S, *Florida Administrative Code*; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Website (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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Lee County, Florida
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September 30, 2019

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 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 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. In 2017, Senate Bill 7022 made several changes to FRS. The bill provides for renewed membership in the investment plan for reemployed retirees of the investment plan, as well as, In-Line-of Duty Death Benefits.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (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 June 30, 2019, 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, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

Defined Contribution Plan – FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (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. Clerk 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 FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering 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.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, 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 Clerk.

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 FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2019, 2018, and 2017 were \$1,587,478, \$1,401,907, and \$1,324,761 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's comprehensive annual financial report.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

Other Postemployment Benefits

The Clerk provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Clerk. The Clerk is required to provide health care coverage at cost to all retirees. Effective October 1, 2018, the Clerk offers a premium subsidy to all retirees with eight or more years of consecutive employment. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE V - RISK MANAGEMENT

The Lee County, Florida, Board of County Commissioners maintains self-insurance internal service funds to administer insurance activities relating to certain group medical and dental coverage, property, general, automobile, public officials liability, workers' compensation and auto physical damage. The Clerk participates in the County-wide self-insurance program for all activities. For liability insurance, the Board pays substantially all of the respective premiums on behalf of the Clerk and absorbs losses related to these programs up to an aggregate annual limit. Excess and other specific coverage is purchased from third-party carriers. Charges to participants are based upon amounts believed by management of the program to meet the required annual payouts during the fiscal year and to pay for the estimated operating cost of the program.

NOTE VI - LONG-TERM OBLIGATIONS

The following changes in long-term obligations occurred during the year ended September 30, 2019:

Accrued compensated absences at October 1, 2018	\$1,480,027
Additions	1,914,639
Reductions	<u>(1,807,073)</u>
Accrued compensated absences at September 30, 2019	<u>\$1,587,593</u>

Of these liabilities, approximately \$140,254 is expected to be paid during the fiscal year ended September 30, 2020. These long-term liabilities are not reported in the financial statements of the Clerk since they have not matured.

NOTE VII - COMMITMENTS AND CONTINGENCIES

Litigation

The Clerk is involved from time to time in routine civil litigation, the substance of which would not materially affect the financial position of the Clerk.

CLERK OF CIRCUIT COURT
Lee County, Florida
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

Grants

The Clerk is the recipient of grants that are subject to special compliance requirements and audits by the grantor agencies that may result in disallowed expense amounts. These amounts constitute a contingent liability of the Clerk. The Clerk does not believe any contingent liabilities, if any, to be material to the financial statements.

NOTE VII – GOVERNMENTAL FUND BALANCES

In accordance with Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion include items that are not expected to be converted to cash. As of September 30, 2019, the Clerk’s General Fund reported a nonspendable fund balance of \$38,167 for inventory.

Spendable fund balances are classified as follows:

Restricted fund balances are constrained for a specific purpose by creditors, grantors, contributors, laws or regulations, or through constitutional provisions or enabling legislation. The Clerk’s Public Records Modernization special revenue fund reported a restricted fund balance of \$7,036,732 which includes \$5,131,990 for public records modernization and \$1,904,742 for court technology.

Committed fund balances are constrained for a specific purpose imposed by a formal action of the Clerk’s highest level of decision making authority. As of September 30, 2019, the Clerk’s Child Support Enforcement special revenue fund reported committed fund balance of \$4,150,865 for court related functions.

Assigned fund balances are intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2019, the Clerk reported no assigned fund balances.

Unassigned fund balances represent the residual fund balances that do not meet the other fund balance classification requirements. As of September 30, 2019, the Clerk’s General Fund reported a negative unassigned fund balance of \$38,167 since all excess fees are returned to the County and the General Fund reports a nonspendable fund balance for its inventory. There were no negative residual balances reported in the Clerk’s special revenue funds.

Supplemental Financial Information

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CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF FIDUCIARY NET POSITION - ALL AGENCY FUNDS
September 30, 2019

	Due to Department of Revenue	Fines and Forfeitures	Jury and Witness	Delinquent Tax	Registry of Court
ASSETS					
Cash, cash equivalents, and investments	\$ 4,201,752	\$ 60,522	\$ 21,769	\$ 7,253,061	\$ 7,610,296
Total assets	<u>\$ 4,201,752</u>	<u>\$ 60,522</u>	<u>\$ 21,769</u>	<u>\$ 7,253,061</u>	<u>\$ 7,610,296</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	123
Due to other governments	4,201,752	60,522	21,769	-	-
Bonds and deposits	-	-	-	7,253,061	7,610,173
Total liabilities	<u>\$ 4,201,752</u>	<u>\$ 60,522</u>	<u>\$ 21,769</u>	<u>\$ 7,253,061</u>	<u>\$ 7,610,296</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF FIDUCIARY NET POSITION - ALL AGENCY FUNDS (continued)
September 30, 2019

	Criminal Fines and Forfeitures	Juvenile Victim Restitution	Criminal Cash Bonds	Value Adjustment Board	Total All Agency Funds
ASSETS					
Cash, cash equivalents, and investments	\$ 50	\$ 1,994	\$ 1,449,549	\$ 71,801	\$ 20,670,794
Total assets	<u>\$ 50</u>	<u>\$ 1,994</u>	<u>\$ 1,449,549</u>	<u>\$ 71,801</u>	<u>\$ 20,670,794</u>
LIABILITIES					
Accounts payable	\$ -	\$ 1,994	\$ 5,382	\$ 10,725	\$ 18,101
Accrued liabilities	-	-	-	-	123
Due to other governments	50	-	-	-	4,284,093
Bonds and deposits	-	-	1,444,167	61,076	16,368,477
Total Liabilities	<u>\$ 50</u>	<u>\$ 1,994</u>	<u>\$ 1,449,549</u>	<u>\$ 71,801</u>	<u>\$ 20,670,794</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
Due to Department of Revenue				
ASSETS				
Cash, cash equivalents, and investments	\$ 2,847,546	\$ 134,345,033	\$ 132,990,827	\$ 4,201,752
Total assets	<u>2,847,546</u>	<u>134,345,033</u>	<u>132,990,827</u>	<u>4,201,752</u>
LIABILITIES				
Accrued liabilities	-	-	-	-
Due to other governments	2,847,546	132,325,200	130,970,994	4,201,752
Total liabilities	<u>\$ 2,847,546</u>	<u>\$ 132,325,200</u>	<u>\$ 130,970,994</u>	<u>\$ 4,201,752</u>
Fines and Forfeitures				
ASSETS				
Cash, cash equivalents, and investments	\$ 68,514	\$ 828,877	\$ 836,869	\$ 60,522
Total assets	<u>68,514</u>	<u>828,877</u>	<u>836,869</u>	<u>60,522</u>
LIABILITIES				
Accounts payable	57	828,102	828,159	-
Due to other governments	68,457	823,145	831,080	60,522
Total liabilities	<u>\$ 68,514</u>	<u>\$ 1,651,247</u>	<u>\$ 1,659,239</u>	<u>\$ 60,522</u>
Jury and Witness				
ASSETS				
Cash, cash equivalents, and investments	\$ 19,146	\$ 128,077	\$ 125,454	\$ 21,769
Total assets	<u>19,146</u>	<u>128,077</u>	<u>125,454</u>	<u>21,769</u>
LIABILITIES				
Accounts payable	-	126,031	126,031	-
Due to other governments	19,146	130,713	128,090	21,769
Total liabilities	<u>\$ 19,146</u>	<u>\$ 256,744</u>	<u>\$ 254,121</u>	<u>\$ 21,769</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
Delinquent Tax				
ASSETS				
Cash, cash equivalents, and investments	\$ 7,006,938	\$ 11,424,938	\$ 11,178,815	\$ 7,253,061
Total assets	<u>7,006,938</u>	<u>11,424,938</u>	<u>11,178,815</u>	<u>7,253,061</u>
LIABILITIES				
Accounts payable	-	10,519,243	10,519,243	-
Due to other governments	-	297,935	297,935	-
Bonds and deposits	7,006,938	11,537,372	11,291,249	7,253,061
Total liabilities	<u>\$ 7,006,938</u>	<u>\$ 22,354,550</u>	<u>\$ 22,108,427</u>	<u>\$ 7,253,061</u>
Registry of Court				
ASSETS				
Cash, cash equivalents, and investments	\$ 5,214,235	\$ 52,324,665	\$ 49,928,604	\$ 7,610,296
Total assets	<u>5,214,235</u>	<u>52,324,665</u>	<u>49,928,604</u>	<u>7,610,296</u>
LIABILITIES				
Accounts payable	-	23,545,337	23,545,337	-
Accrued liabilities	66	211	154	123
Bonds and deposits	5,214,169	26,260,735	23,864,731	7,610,173
Total liabilities	<u>\$ 5,214,235</u>	<u>\$ 49,806,283</u>	<u>\$ 47,410,222</u>	<u>\$ 7,610,296</u>
Criminal Fines and Forfeitures				
ASSETS				
Cash, cash equivalents, and investments	\$ 48	\$ 718	\$ 716	\$ 50
Total assets	<u>48</u>	<u>718</u>	<u>716</u>	<u>50</u>
LIABILITIES				
Accounts payable	-	690	690	-
Due to other governments	48	730	728	50
Total liabilities	<u>\$ 48</u>	<u>\$ 1,420</u>	<u>\$ 1,418</u>	<u>\$ 50</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
Juvenile Victim Restitution				
ASSETS				
Cash, cash equivalents, and investments	\$ 3,272	\$ 8,263	\$ 9,541	\$ 1,994
Total assets	<u>3,272</u>	<u>8,263</u>	<u>9,541</u>	<u>1,994</u>
LIABILITIES				
Accounts payable	3,272	17,593	18,871	1,994
Total liabilities	<u>\$ 3,272</u>	<u>\$ 17,593</u>	<u>\$ 18,871</u>	<u>\$ 1,994</u>
Criminal Cash Bonds				
ASSETS				
Cash, cash equivalents, and investments	\$ 1,460,825	\$ 1,433,354	\$ 1,444,630	\$ 1,449,549
Total assets	<u>1,460,825</u>	<u>1,433,354</u>	<u>1,444,630</u>	<u>1,449,549</u>
LIABILITIES				
Accounts payable	6,086	1,150,238	1,150,942	5,382
Bonds and deposits	1,454,739	1,365,378	1,375,950	1,444,167
Total liabilities	<u>\$ 1,460,825</u>	<u>\$ 2,515,616</u>	<u>\$ 2,526,892</u>	<u>\$ 1,449,549</u>
Value Adjustment Board				
ASSETS				
Cash, cash equivalents, and investments	\$ 69,740	\$ 112,758	\$ 110,697	\$ 71,801
Accounts receivable	-	10,005	10,005	-
Total assets	<u>69,740</u>	<u>122,763</u>	<u>120,702</u>	<u>71,801</u>
LIABILITIES				
Accounts payable	10,500	84,466	84,241	10,725
Due to other governments	45	300	345	-
Bonds and deposits	59,195	59,068	57,187	61,076
Total liabilities	<u>\$ 69,740</u>	<u>\$ 143,834</u>	<u>\$ 141,773</u>	<u>\$ 71,801</u>

CLERK OF CIRCUIT COURT
Lee County, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For the Year Ended September 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Total All Agency Funds				
ASSETS				
Cash, cash equivalents, and investments	\$ 16,690,264	\$ 200,606,683	\$ 196,626,153	\$ 20,670,794
Accounts receivable	-	10,005	10,005	-
Total assets	<u>16,690,264</u>	<u>200,616,688</u>	<u>196,636,158</u>	<u>20,670,794</u>
LIABILITIES				
Accounts payable	19,915	36,271,700	36,273,514	18,101
Accrued liabilities	66	211	154	123
Due to other governments	2,935,242	133,578,023	132,229,172	4,284,093
Bonds and deposits	13,735,041	39,222,553	36,589,117	16,368,477
Total liabilities	<u>\$ 16,690,264</u>	<u>\$ 209,072,487</u>	<u>\$ 205,091,957</u>	<u>\$ 20,670,794</u>

Additional Reports of Independent Auditor

LeeClerk.ORG
LINDA DOGGETT : CLERK OF COURT



**INDEPENDENT AUDITORS' 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***

Honorable Linda Doggett
Clerk of Circuit Court
Lee 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 financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court, Lee County, Florida (Clerk), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated December 27, 2019.

Internal Control Over Financial Reporting

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

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

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

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
December 27, 2019



MANAGEMENT LETTER

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of the Circuit Court, Lee County, Florida (Clerk), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated December 27, 2019.

Auditors' 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 Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 27, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. Our recommendations are below.

2019-001 Performance Reports

Quarterly performance reports relating to collections, timeliness of filing and docketing cases, and timeliness of paying jurors must be submitted to the Florida Clerk of Courts Operations Corporation (CCOC) by the 20th of the month following the end of the quarter. Three of the four quarterly reports relating to collections were filed subsequent to the due date.

We recommend management establish procedures and internal controls to ensure that all performance reports are completed and submitted timely to the COCC.

Management Response: We acknowledge that this report was not submitted timely for most of the reporting period. The team responsible for completing this report underwent a restructure in fiscal year 18/19, which contributed to the timeliness concern. The Court Fiscal Manager has been refocused to ensure all future CCOC reports are compiled, peer reviewed, and submitted one day before the reporting deadline.

2019-002 Detail Support for Performance Reports

Detail reports which support and agree to the quarterly performance reports submitted to the Florida Clerk of Courts Operations Corporation (CCOC) is required to be retained. For the timeliness of filing and docketing cases, detail reports maintained as supporting records did not agree to the amounts reported on the fourth quarter COCC report for 11 of the 25 quarters tested.

While many of the variances were insignificant, we recommend that management establish procedures to ensure that the supporting detail reports are both accurate and that they are retained in a manner that would allow the amounts reported to the CCOC to be verified and reviewed prior to submission.

Management Response: We acknowledge the findings of this complex report, but there are multiple reasons we experienced compliance challenges this year. The report requirements for some categories changed in October of FY18/19 (circuit criminal & UTC counts), making the counting process more complicated to accomplish from a technology perspective. These concerns will be addressed and fixed for the FY19/20 reporting period.

Going forward into FY19/20, the report has been reassigned to the Court Operations Manager to ensure the report is accurate and timely. The manager is in the process of creating detailed procedure documentation to support how the numbers are calculated and will ensure we save the filtered versions of the report by case category to streamline next year's audit review.

2019-003 Performance Report Action Plans

The Florida Clerk of Courts Operations Corporation (CCOC) requires Clerks to submit an action plan for any quarter in which the CCOC's performance standards are not met. For the three of the four quarters tested, the actual collections performance measure did not meet the CCOC's standard performance measure level and an action plan was not prepared.

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

We recommend management establish procedures and internal controls to ensure that the CCOC reporting requirements are followed and action plans are prepared when necessary.

Management Response: We acknowledge that the performance action plans were not completed for this report. This expectation has been communicated to all impacted team members. If a report requires a performance action plan, the Chief Officer of Courts will review the report prior to submission to CCOC.

2019-004 Creating and Notifying the Department of Revenue of Child Support Depository Accounts

The Florida Department of Revenue (FDOR) requires the Clerk to create a depository account and notify FDOR within four business days of the depository account number. For five of the twenty-five depository accounts tested, the Clerk did not create the account and notify the FDOR of the depository account number within four business days.

We recommend management establish procedures and internal controls to ensure that the FDOR requirements are met and information is submitted timely.

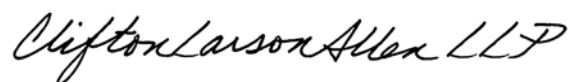
Management Response: These 5 accounts were missed because a new employee that was trained on the process tendered her resignation, causing a minor gap in business coverage. The position has since been filled and all employees responsible for this procedure have been reminded about the criticality of meeting the 4 day timeline.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 note 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, the Clerk of Circuit Court, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.


CliftonLarsonAllen LLP

Fort Myers, Florida
December 27, 2019



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Linda Doggett
Clerk of Circuit Court
Lee County, Florida

We have examined the Clerk of Circuit Court, Lee County, Florida (Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding alimony and child support payments, and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of court performance standards and budgets, during the year ended September 30, 2019. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181 Florida Statutes, regarding clerks of courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of courts performance standards and budgets during the year ended September 30, 2019.

This report is intended solely for the information and use of the Clerk 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
December 27, 2019