

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

FINANCIAL STATEMENTS

Year Ended September 30, 2021

CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL SECTION	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	4
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual	5
Statement of Revenues, Expenditures and Changes in Fund Balance – Records Modernization Trust Fund – Budget and Actual	6
Statement of Revenues, Expenditures and Changes in Fund Balance – Court Modernization Fund – Budget and Actual	7
Statement of Fiduciary Net Position – Custodial Funds	8
Statement of Changes in Fiduciary Net Position – Custodial Funds	9
Notes to Financial Statements	10
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds	16
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	17

C O N T E N T S *(Continued)*

OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	20
INDEPENDENT ACCOUNTANT'S REPORT	22



INDEPENDENT AUDITOR'S REPORT

To the Honorable Brandon Patty
Clerk of the Circuit Court and Comptroller
of St. Johns County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the St. Johns County, Florida Clerk of the Circuit Court and Comptroller (the "Clerk") as of and for the fiscal year ended September 30, 2021, 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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 of 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 Clerk'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 Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Clerk as of September 30, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Records Modernization Trust Fund, and Court Modernization Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Brandon Patty
Clerk of the Circuit Court and Comptroller
of St. Johns County, Florida

Emphasis-of-Matter

As described in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General for Local Governmental Entity Audits*. These financial statements are not intended to be a complete presentation of financial position of St. Johns County, Florida as of September 30, 2021, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in the fiscal year ended September 30, 2021, the Clerk adopted the provisions of Government Accounting Standards Board Statement (“GASBS”) Number 84, *Fiduciary Activities*. As a result of the implementation of GASBS 84, the Clerk reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Combining Nonmajor Governmental Funds statements are presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2022, on our consideration of the Clerk’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk’s internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida

May 18, 2022

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

ASSETS

	General Fund	Records Modernization Fund	Court Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,561,439	\$ 1,708,148	\$ 1,479,418	\$ 57,916	\$ 5,806,921
Due from Board of County Commissioners	33,341	-	-	-	33,341
Due from other governments	13,830	-	-	14,012	27,842
Due from other funds	18,677	-	-	-	18,677
Prepaid	774	-	-	-	774
	TOTAL ASSETS	\$ 1,708,148	\$ 1,479,418	\$ 71,928	\$ 5,887,555

LIABILITIES AND FUND BALANCE

LIABILITIES					
Accounts payable and accrued expenses	\$ 348,647	\$ 1,733	\$ 21,324	\$ 10,330	\$ 382,034
Deposits	72,066	-	-	-	72,066
Due to Board of County Commissioners	1,546,840	-	2,614	2,501	1,551,955
Due to other governments	650,432	-	-	-	650,432
Due to other funds	-	-	-	18,677	18,677
Unearned revenue	10,076	-	-	-	10,076
	TOTAL LIABILITIES	1,733	23,938	31,508	2,685,240
FUND BALANCE					
Restricted for:					
Records modernization	-	1,706,415	-	-	1,706,415
Court operations	-	-	1,455,480	40,420	1,495,900
Unassigned	-	-	-	-	-
	TOTAL FUND BALANCE	1,706,415	1,455,480	40,420	3,202,315
	TOTAL LIABILITIES AND FUND BALANCE	\$ 1,708,148	\$ 1,479,418	\$ 71,928	\$ 5,887,555

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

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS**

Year Ended September 30, 2021

	General Fund	Records Modernization Fund	Court Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Intergovernmental	\$ 399,835	\$ -	\$ -	\$ 164,466	\$ 564,301
Charges for services	6,431,425	367,870	1,161,856	46,157	8,007,308
Fines and forfeitures	1,359,088	-	-	-	1,359,088
Miscellaneous	10,383	949	780	4	12,116
TOTAL REVENUES	8,200,731	368,819	1,162,636	210,627	9,942,813
EXPENDITURES					
Current:					
General government	4,092,528	78,705	-	-	4,171,233
Court related	3,691,394	-	608,720	215,223	4,515,337
Capital outlay	22,746	39,780	69,067	-	131,593
TOTAL EXPENDITURES	7,806,668	118,485	677,787	215,223	8,818,163
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	394,063	250,334	484,849	(4,596)	1,124,650
OTHER FINANCING SOURCES (USES)					
Appropriations from Board of County Commissioners	2,225,316	-	-	-	2,225,316
Reversion to Board of County Commissioners	(1,453,273)	-	-	-	(1,453,273)
Article V Reversion	(1,166,106)	-	-	-	(1,166,106)
TOTAL OTHER FINANCING SOURCES (USES)	(394,063)	-	-	-	(394,063)
NET CHANGE IN FUND BALANCE	-	250,334	484,849	(4,596)	730,587
FUND BALANCE - BEGINNING OF YEAR	-	1,456,081	970,631	45,016	2,471,728
FUND BALANCE - END OF YEAR	\$ -	\$ 1,706,415	\$ 1,455,480	\$ 40,420	\$ 3,202,315

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

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL**

Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 79,264	\$ 79,264	\$ 399,835	\$ 320,571
Charges for services	4,775,048	4,775,048	6,431,425	1,656,377
Fines and forfeitures	1,029,822	1,029,822	1,359,088	329,266
Miscellaneous	23,600	23,600	10,383	(13,217)
TOTAL REVENUES	<u>5,907,734</u>	<u>5,907,734</u>	<u>8,200,731</u>	<u>2,292,997</u>
EXPENDITURES				
Current:				
General government	4,503,600	4,628,002	4,092,528	535,474
Court related	3,481,934	3,485,434	3,691,394	(205,960)
Capital outlay	20,000	24,376	22,746	1,630
TOTAL EXPENDITURES	<u>8,005,534</u>	<u>8,137,812</u>	<u>7,806,668</u>	<u>331,144</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,097,800)</u>	<u>(2,230,078)</u>	<u>394,063</u>	<u>1,961,853</u>
OTHER FINANCING SOURCES (USES)				
Appropriations from Board of County Commissioners	2,097,800	2,230,078	2,225,316	(4,762)
Reversion to Board of County Commissioners	-	-	(1,453,273)	(1,453,273)
Article V Reversion	-	-	(1,166,106)	(1,166,106)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,097,800</u>	<u>2,230,078</u>	<u>(394,063)</u>	<u>(2,624,141)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
RECORDS MODERNIZATION TRUST FUND - BUDGET AND ACTUAL**

Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 250,000	\$ 250,000	\$ 367,870	\$ 117,870
Miscellaneous	12,000	12,000	949	(11,051)
TOTAL REVENUES	262,000	262,000	368,819	106,819
EXPENDITURES				
Current:				
General government	44,000	80,195	78,705	1,490
Capital outlay	25,000	62,000	39,780	22,220
TOTAL EXPENDITURES	69,000	142,195	118,485	23,710
NET CHANGE IN FUND BALANCE	193,000	119,805	250,334	130,529
FUND BALANCE - BEGINNING OF YEAR	1,456,081	1,456,081	1,456,081	-
FUND BALANCE - END OF YEAR	\$ 1,649,081	\$ 1,575,886	\$ 1,706,415	\$ 130,529

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

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COURT MODERNIZATION FUND - BUDGET AND ACTUAL**

Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services	\$ 825,000	\$ 825,000	\$ 1,161,856	\$ 336,856
Miscellaneous	10,000	10,000	780	(9,220)
TOTAL REVENUES	835,000	835,000	1,162,636	327,636
EXPENDITURES				
Current:				
Court related	492,100	618,830	608,720	10,110
Capital outlay	30,000	92,000	69,067	22,933
TOTAL EXPENDITURES	522,100	710,830	677,787	33,043
NET CHANGE IN FUND BALANCE	312,900	124,170	484,849	360,679
FUND BALANCE - BEGINNING OF YEAR	970,631	970,631	970,631	-
FUND BALANCE - END OF YEAR	\$ 1,283,531	\$ 1,094,801	\$ 1,455,480	\$ 360,679

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

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS**

September 30, 2021

ASSETS	
Cash and investments	\$ 10,325,674
Receivables	6,195
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TOTAL ASSETS	10,331,869
	<hr/>
LIABILITIES	
Accounts payable	9,167
Due to Board of County Commissioners	190,381
Due to individuals and other governments	4,874,247
	<hr/>
TOTAL LIABILITIES	5,073,795
	<hr/>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	5,258,074
	<hr/>
TOTAL NET POSITION	\$ 5,258,074
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The accompanying notes are an integral part of the financial statements.

ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS

Year Ended September 30, 2021

ADDITIONS	
Amounts collected for fines and fees	\$ 127,310,661
Amounts collected for registry	10,077,518
Amounts collected for court bonds	3,189,637
Amounts collected for tax deeds	1,566,257
Amounts collected for individuals	<u>154,454</u>
TOTAL ADDITIONS	<u>142,298,527</u>
DEDUCTIONS	
Fines and fees paid to other governments	127,310,661
Amounts paid for registry	9,338,234
Amounts paid for court bonds	1,529,492
Amounts paid for tax deeds	1,199,988
Amounts paid to individuals	<u>154,454</u>
TOTAL DEDUCTIONS	<u>139,532,829</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	2,765,698
Net Position - Beginning	-
Restatement for GASB 84 Implementation (Note 1)	<u>2,492,376</u>
Net Position - Ending	<u><u>\$ 5,258,074</u></u>

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

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the St. Johns County Clerk of the Circuit Court and Comptroller (the “Clerk”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (“GASB”) Codification. The following is a summary of the more significant policies.

- (a) **Reporting entity** – The Clerk is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Clerk’s office is an integral part of St. Johns County, Florida (the “County”), the reporting entity for financial reporting purposes. The Clerk’s General Fund is combined with the Board of County Commissioners in the County’s financial statements to properly reflect the county-wide General Fund.
- (b) **Basis of presentation** – The Clerk’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the requirements of Section 218.39, Florida Statutes, and Section 10.557(3) of the *Rules of the Auditor General for Local Government Entity Audits* (the “Rules”). In conformity with the Rules, the Clerk has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.
- (c) **Fund accounting** – Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate for each fund type. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column.

The Clerk reports the following major governmental funds:

General Fund – The principal operating fund of the Clerk. It is used to account for all financial resources, except those required to be accounted for in another fund.

Records Modernization Trust Fund – This fund is primarily used to account for and report the additional service charges required by Section 28.24, Florida Statutes, used exclusively to modernize the public records system of the Clerk.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Court Modernization Fund – This fund is primarily used to account for and report additional service charges collected and associated expenditures used exclusively to fund court-related technology needs of the Clerk.

The Clerk reports the following nonmajor funds:

Teen Court Fund – This fund is primarily used to account for and report fines, surcharges, and associated expenditures of the operations of Teen Court.

Title IV-D Fund – This fund is primarily used to account for and report Title IV-D costs and related federal reimbursement.

DCF JFF Grant Fund – This fund is primarily used to account for and report grant activity used to fund the salary of the Domestic Battery Compliance Coordinator for the Clerk’s office.

Additionally, the Clerk reports the following fiduciary fund type:

Custodial Fund – The Custodial Fund is primarily used to account for and report resources held in a custodial capacity.

- (d) **Measurement focus/basis of accounting** – All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

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. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Clerk considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

- (e) **Cash** – The Clerk’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (f) **Investments** – The Clerk has adopted an investment policy pursuant to Section 218.415, Florida Statutes, which allows for surplus funds to be invested in any intergovernmental investment pool (such as the Florida Local Government Investment Trust or “FLGIT”); Securities and Exchange Commissions registered money market funds; certificates of deposits and savings accounts in state-certified qualified public depositories; and direct obligations of the U.S. Treasury.

The Clerk has funds invested in the FLGIT Day-to-Day Fund. FLGIT is administered by the Florida Clerk of Courts and Comptrollers Association and the Florida Association of Counties. The Clerk’s investment in the Day-to-Day Trust is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

- (g) **Capital assets and long-term liabilities** – Capital assets used by the Clerk are capitalized (recorded and accounted for) by the St. Johns County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as assets and liabilities in the financial statements of the County.

- (h) **Accounts payable** – Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

- (i) **Compensated absences** – The Clerk follows generally accepted accounting principles in accounting for accrued compensated absences. The Clerk allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Clerk and this practice is expected to continue in the future. The Clerk kept compensated absence records for the hours earned, used and available.

- (j) **Fund balance** – The Clerk classifies fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Clerk is bound to honor constraints on the specific purposes for which amounts in the funds may be spent.

Fund balance classifications are described below:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Clerk's highest level of decision making authority, which is a policy of the Clerk. Committed amounts cannot be used for any other purpose unless the Clerk removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that constrained by the Clerk's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund and the negative residual amount in other funds. In as much as the Clerk is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners or the State of Florida.

The Clerk's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

- (k) **Use of estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.
- (l) **Change in accounting principle** – GASB Statement No. 84, *Fiduciary Activities*, was implemented by the Clerk during the 2021-2020 fiscal year. It established criteria for identifying and reporting fiduciary activities of state and local governments. As a result of implementing this standard, the beginning net position of the fiduciary funds was increased by \$2,492,376.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end.

NOTE 3 - INVESTMENTS

At year end, the Clerk's investments consisted of \$4,105,541 invested in FLGIT's Day-to-Day Fund. The Clerk's investments are exposed to credit risk and interest rate risks. The Clerk does not have a formal investment policy relating to those risks, which are hereafter described.

Credit Risk – The risk that in an issuer or other counterparty to an investment will not fulfill its obligations.

The FLGIT is rated by the Standards and Poors and has a rating at September 30, 2021, of AAAm.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted average maturity (WAM) of FLGIT's Day-to-Day Fund at September 30, 2021, was 48 days.

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

As of September 30, 2021, the Clerk's General Fund was owed a total of \$18,677 from the Title IV-D Fund. These balances are due to timing differences in cash transactions and are expected to be repaid within the next year.

NOTE 5 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities of the Clerk for the fiscal year ended September 30, 2021, follows:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021	Due Within One Year
Compensated absences	\$524,136	\$459,731	\$437,985	\$545,882	\$168,507

NOTE 6 - RISK MANAGEMENT

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Clerk to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

NOTE 7 - PENSION PLAN

The Clerk participates in the Florida Retirement System (“FRS”), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Clerk’s full-time employees. The FRS is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (the “Plan”), with a Deferred Retirement Option Program (“DROP”), and a defined-contribution plan, referred to as the FRS Investment Plan.

In addition, all regular employees of the entity are eligible to enroll as members of the retiree Health Insurance Subsidy (“HIS”) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Clerk is deemed to be part of the primary government of the County. The liability related to the Clerk’s proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2021.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

All eligible employees of the Clerk participate in the County’s plan. For a detailed plan description and any Other Postemployment Benefits (“OPEB”) liability for employees of the Clerk, see the County’s financial statements for the fiscal year ended September 30, 2021.

NOTE 9 - CONTINGENCIES

The Clerk is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible personal property. It is the opinion of management for the Clerk, that any uninsured claims would not be material in relation to the Clerk’s financial condition.

SUPPLEMENTARY INFORMATION

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2021

ASSETS				
	Teen Court Fund	Title IV-D Fund	DCF JFF Grant Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 24,400	\$ 33,516	\$ -	\$ 57,916
Due from other governments	-	14,012	-	14,012
TOTAL ASSETS	\$ 24,400	\$ 47,528	\$ -	\$ 71,928
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued expenses	\$ 3,028	\$ 7,302	\$ -	\$ 10,330
Due to Board of County Commissioners	443	2,058	-	2,501
Due to other funds	-	18,677	-	18,677
TOTAL LIABILITIES	3,471	28,037	-	31,508
FUND BALANCE				
Restricted for:				
Court operations	20,929	19,491	-	40,420
TOTAL FUND BALANCE	20,929	19,491	-	40,420
TOTAL LIABILITIES AND FUND BALANCE	\$ 24,400	\$ 47,528	\$ -	\$ 71,928

**ST. JOHNS COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**

Year Ended September 30, 2021

	<u>Teen Court Fund</u>	<u>Title IV-D Fund</u>	<u>DCF JFF Grant Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Intergovernmental	\$ -	\$ 112,618	\$ 51,848	\$ 164,466
Charges for services	46,157	-	-	46,157
Miscellaneous	4	-	-	4
	<u>46,161</u>	<u>112,618</u>	<u>51,848</u>	<u>210,627</u>
TOTAL REVENUES				
EXPENDITURES				
Current:				
Court related	<u>32,924</u>	<u>130,451</u>	<u>51,848</u>	<u>215,223</u>
	<u>32,924</u>	<u>130,451</u>	<u>51,848</u>	<u>215,223</u>
TOTAL EXPENDITURES				
	13,237	(17,833)	-	(4,596)
NET CHANGE IN FUND BALANCE				
FUND BALANCE - BEGINNING OF YEAR	<u>7,692</u>	<u>37,324</u>	<u>-</u>	<u>45,016</u>
FUND BALANCE - END OF YEAR	<u>\$ 20,929</u>	<u>\$ 19,491</u>	<u>\$ -</u>	<u>\$ 40,420</u>

OTHER REPORTS



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 Honorable Brandon Patty
Clerk of the Circuit Court and Comptroller
of St. Johns 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 the St. Johns County, Florida Clerk of the Circuit Court and Comptroller (the “Clerk”) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk’s basic financial statements and have issued our report thereon dated May 18, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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 over financial reporting 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.

To the Honorable Brandon Patty
Clerk of the Circuit Court and Comptroller
of St. Johns County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Clerk in a separate management letter and Independent Accountant's Report dated May 18, 2022.

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.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 18, 2022



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Brandon Patty
Clerk of the Circuit Court and Comptroller
of St. Johns County, Florida

Report on the Financial Statements

We have audited the basic financial statements of the St. Johns County, Florida Clerk of the Circuit Court and Comptroller (the "Clerk") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 18, 2022.

Auditor's Responsibility

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 and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated May 18, 2022, 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. In connection with the preceding audit, there were no findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

To the Honorable Brandon Patty
Clerk of the Circuit Court and Comptroller
of St. Johns 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. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires 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 have any such findings.

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 18, 2022



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Brandon Patty
Clerk of the Circuit Court and Comptroller
of St. Johns County, Florida

We have examined the St. Johns County, Florida Clerk of the Circuit Court and Comptroller's (the "Clerk") compliance with the requirements of Sections 28.35, 28.36, 61.181 and 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the Clerk's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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 the aforementioned requirements for the fiscal year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 18, 2022