

St. Johns County, Florida
Clerk of the Circuit Court
and Comptroller

Audit Report

September 30, 2018



St. Johns County, Florida Clerk of the Circuit Court and Comptroller
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INDEPENDENT AUDITORS' REPORT

The Honorable Hunter S. Conrad
Clerk of the Circuit Court and Comptroller
St. Johns 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 St. Johns County, Florida Clerk of the Circuit Court and Comptroller (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's 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.

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 Office as of September 30, 2018, and the respective changes in financial position, where applicable, thereof 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, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of St. Johns County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of St. Johns County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2019, on our consideration of the Office'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 Office'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 the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

St. Augustine, Florida

May 6, 2019

St. Johns County, Florida Clerk of Courts and Comptroller
Balance Sheet - Governmental Funds
September 30, 2018

	General Fund	Court Modernization Fund	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in pooled cash and equivalents	\$ 1,725,068	\$ 924,401	\$ 1,013,445	\$ 38,120	\$ 3,701,034
Due from other county agencies	2,048	-	-	-	2,048
Due from other governments	957	-	-	12,327	13,284
Accounts receivable	1,810	-	-	-	1,810
Total assets	<u>\$ 1,729,883</u>	<u>\$ 924,401</u>	<u>\$ 1,013,445</u>	<u>\$ 50,447</u>	<u>\$ 3,718,176</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 266,827	\$ 18,494	\$ 1,408	\$ 6,869	\$ 293,598
Due to individuals	66,715	-	-	-	66,715
Due to other county agencies	730,940	2,109	-	1,755	734,804
Due to other governments	665,401	-	-	-	665,401
Total liabilities	1,729,883	20,603	1,408	8,624	1,760,518
Fund balances:					
Restricted	-	903,798	1,012,037	41,823	1,957,658
Total liabilities and fund balances	<u>\$ 1,729,883</u>	<u>\$ 924,401</u>	<u>\$ 1,013,445</u>	<u>\$ 50,447</u>	<u>\$ 3,718,176</u>

See accompanying notes.

St. Johns County, Florida Clerk of Courts and Comptroller
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2018

	General Fund	Court Modernization Fund	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Intergovernmental revenues	\$ 471,972	\$ -	\$ -	\$ 175,387	\$ 647,359
Charges for services	2,623,432	616,505	202,055	46,454	3,488,446
Fines and forfeitures	2,741,713	-	-	-	2,741,713
Investment income	30,241	15,147	16,589	726	62,703
Miscellaneous revenue	7,213	-	-	-	7,213
Total revenues	5,874,571	631,652	218,644	222,567	6,947,434
Expenditures					
Current:					
General government services:					
Personal services	3,134,153	-	-	-	3,134,153
Operating expenditures	405,909	-	69,501	-	475,410
Capital outlay	3,280	-	99,900	-	103,180
Court related:					
Personal services	3,108,442	330,638	-	207,794	3,646,874
Operating expenditures	163,703	204,981	-	9,179	377,863
Capital outlay	-	76,320	-	-	76,320
Total expenditures	6,815,487	611,939	169,401	216,973	7,813,800
Excess of revenues over (under) expenditures	(940,916)	19,713	49,243	5,594	(866,366)
Other financing sources (uses)					
Appropriation from Board of County Commissioners					
	2,140,750	-	-	-	2,140,750
Reversion to Board of County Commissioners					
	(682,580)	-	-	-	(682,580)
Reversion to Clerks of Court Trust Fund					
	(517,254)	-	-	-	(517,254)
Total other financing sources (uses)	940,916	-	-	-	940,916
Net change in fund balances	-	19,713	49,243	5,594	74,550
Fund balances - October 1, 2017	-	884,085	962,794	36,229	1,883,108
Fund balances - September 30, 2018	\$ -	\$ 903,798	\$ 1,012,037	\$ 41,823	\$ 1,957,658

See accompanying notes.

St. Johns County, Florida Clerk of Courts and Comptroller
Statement of Fiduciary Net Position
September 30, 2018

	<u>Agency Fund</u>
Assets	
Equity in pooled cash and equivalents	\$ 8,063,766
Accounts receivable	<u>6,688</u>
Total assets	<u>8,070,454</u>
Liabilities	
Assets held for others	7,934,319
Due to other county agencies	<u>136,135</u>
Total liabilities	<u>8,070,454</u>
Net position	<u><u>\$ -</u></u>

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the St. Johns County, Florida Clerk of the Circuit Court and Comptroller (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Clerk of the Circuit Court 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 Office is an integral part of St. Johns County, Florida (the “County”), which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to those government-wide financial statements, management’s discussion and analysis, or the pension or other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information of St. Johns County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of St. Johns County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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. 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. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. Those resources generated from court operations are to be used specifically as noted in FS 28.35(3)(a) and FS 28.37(2).

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 the court-related technology needs of the Office.

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 Office.

The Office reports the following nonmajor funds:

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

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

Domestic Violence Fund – This fund is primarily used to account for and report domestic violence staff costs and related federal reimbursement.

The Office also reports the following fiduciary fund:

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

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. 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. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the St. Johns County, Florida Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent 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 liabilities in the financial statements of the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity in Pooled Cash and Equivalents

The Office maintains a cash and cash equivalents pool that is available for use by all funds. Each fund's portion of this pool is displayed on the balance sheet as "Equity in Pooled Cash and Equivalents." If a fund overdraws its account in the pool, a liability and corresponding receivable (i.e., due to/from other funds) are reported on the balance sheet.

Investments in State Pool and FLGIT

The Office has adopted an investment policy pursuant to Section 218.415, Florida Statutes, which allows for surplus funds to be invested in the Local Government Investment Pool (the "State Pool") or any intergovernmental investment pool (such as "FLGIT"); Securities and Exchange Commission 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 Office has funds invested in the State Pool's PRIME Fund. The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The Florida PRIME has adopted operating procedures consistent with GASB's requirements to measure its investments at amortized cost. Therefore, the Office's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

The Office has funds invested in the Florida Local Government Trust's ("FLGIT") Day-to-Day Fund. FLGIT is administered by the Florida Clerk of Courts and Comptrollers Association and the Florida Association of Counties. The office'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.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can 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.

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 or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Office’s highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office’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.

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

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.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2018 are as follows:

	Court Modernization Fund	Records Modernization Trust Fund	Other Governmental Funds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted for:				
Court operations	\$ -	\$ -	\$ 41,823	\$ 41,823
Court technology modernization	903,798	-	-	903,798
Records modernization	<u>-</u>	<u>1,012,037</u>	<u>-</u>	<u>1,012,037</u>
 Total fund balances	 <u><u>\$ 903,798</u></u>	 <u><u>\$ 1,012,037</u></u>	 <u><u>\$ 41,823</u></u>	 <u><u>\$ 1,957,658</u></u>

St. Johns County, Florida Clerk of the Circuit Court and Comptroller
Notes to Financial Statements
September 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

All deposits of the Office are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

Investments

At year end, the Office's investments, included in pooled cash and equivalents in the accompanying financial statements consisted of:

Florida PRIME	\$ 166,085
FLGIT	3,278,159
Total	<u>\$ 3,444,244</u>

The Office's investments expose it to credit risk and interest rate risks. The Office does not have a formal investment policy relating to these risks, which are hereafter described.

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

The Florida PRIME and FLGIT are rated by Standard and Poors and have a rating at September 30, 2018 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 the Florida PRIME at September 30, 2018 was 33 days.

The weighted average maturity (WAM) of FLGIT's Day-to-Day Fund at September 30, 2018 was 34.39 days.

NOTE 4 – RISK MANAGEMENT

For health insurance and worker's compensation, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

Required Supplementary Information

St. Johns County, Florida Clerk of Courts and Comptroller
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended September 30, 2018

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Intergovernmental revenues	\$ 456,018	\$ 456,018	\$ 471,972
Charges for services	2,507,550	2,507,550	2,623,432
Fines and forfeitures	2,400,807	2,400,807	2,741,713
Investment income	10,500	10,500	30,241
Miscellaneous revenue	2,950	2,950	7,213
Total revenues	<u>5,377,825</u>	<u>5,377,825</u>	<u>5,874,571</u>
Expenditures			
Current:			
General government services:			
Personal services	3,138,400	3,163,022	3,134,153
Operating expenditures	819,150	796,028	405,909
Capital outlay	13,500	12,000	3,280
Court related:			
Personal services	3,360,295	3,316,830	3,108,442
Operating expenditures	181,230	224,695	163,703
Capital outlay	6,000	6,000	-
Total expenditures	<u>7,518,575</u>	<u>7,518,575</u>	<u>6,815,487</u>
Excess of revenues over (under) expenditures	<u>(2,140,750)</u>	<u>(2,140,750)</u>	<u>(940,916)</u>
Other financing sources (uses)			
Appropriation from Board of County Commissioners	2,140,750	2,140,750	2,140,750
Reversion to Board of County Commissioners	-	-	(682,580)
Reversion to Clerks of Court Trust Fund	-	-	(517,254)
Total other financing sources (uses)	<u>2,140,750</u>	<u>2,140,750</u>	<u>940,916</u>
Net change in fund balances	-	-	-
Fund balances - October 1, 2017	-	-	-
Fund balances - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

Pursuant to Section 28.36, Florida Statutes, the budget for court-related functions of the Office is subject to the General Appropriations Act of the Florida Legislature and is prepared on a basis that does not differ materially from generally accepted accounting principles. The State of Florida releases this appropriation on a monthly basis. The noncourt-related functions are funded by Board appropriations and user fees. The fund is the legal level of control.

St. Johns County, Florida Clerk of Courts and Comptroller
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Court Modernization Fund
Year Ended September 30, 2018

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Charges for services	\$ 600,000	\$ 600,000	\$ 616,505
Investment income	4,000	4,000	15,147
Total revenues	604,000	604,000	631,652
Expenditures			
Current:			
Court related:			
Personal services	360,800	356,830	330,638
Operating expenditures	188,000	242,620	204,981
Capital outlay	25,000	95,000	76,320
Total expenditures	573,800	694,450	611,939
Excess of revenue over (under) expenditures	30,200	(90,450)	19,713
Fund balances - October 1, 2017	785,357	655,357	884,085
Fund balances - September 30, 2018	\$ 815,557	\$ 564,907	\$ 903,798

Notes to Schedule:

The preparation, adoption, and amendment of the budgets is governed by Florida Statutes, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The fund is the legal level of control.

St. Johns County, Florida Clerk of Courts and Comptroller
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual- Records Modernization Trust Fund
Year Ended September 30, 2018

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Charges for services	\$ 195,000	\$ 195,000	\$ 202,055
Investment income	3,500	3,500	16,589
Total revenues	<u>198,500</u>	<u>198,500</u>	<u>218,644</u>
Expenditures			
Current:			
General government services:			
Operating expenditures	88,000	90,500	69,501
Capital outlay	30,000	105,000	99,900
Total expenditures	<u>118,000</u>	<u>195,500</u>	<u>169,401</u>
Excess of revenues over (under) expenditures	80,500	3,000	49,243
Net change in fund balances	80,500	3,000	49,243
Fund balances - October 1, 2017	<u>717,841</u>	<u>711,841</u>	<u>962,794</u>
Fund balances - September 30, 2018	<u><u>\$ 798,341</u></u>	<u><u>\$ 714,841</u></u>	<u><u>\$ 1,012,037</u></u>

Notes to Schedule:

The preparation, adoption, and amendment of the budgets is governed by Florida Statutes, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The fund is the legal level of control.

Supplementary Information

St. Johns County, Florida Clerk of Courts and Comptroller
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

	Title IV D Fund	Teen Court	Domestic Violence	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash and equivalents	\$ 3,420	\$ 34,700	\$ -	\$ 38,120
Due from other governments	<u>12,327</u>	<u>-</u>	<u>-</u>	<u>12,327</u>
Total assets	<u>\$ 15,747</u>	<u>\$ 34,700</u>	<u>\$ -</u>	<u>\$ 50,447</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,491	\$ 3,378	\$ -	\$ 6,869
Due to other county agencies	<u>1,191</u>	<u>564</u>	<u>-</u>	<u>1,755</u>
Total liabilities	4,682	3,942	-	8,624
Fund balances:				
Restricted	<u>11,065</u>	<u>30,758</u>	<u>-</u>	<u>41,823</u>
Total liabilities and fund balances	<u>\$ 15,747</u>	<u>\$ 34,700</u>	<u>\$ -</u>	<u>\$ 50,447</u>

St. Johns County, Florida Clerk of Courts and Comptroller
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2018

	Title IV D Fund	Teen Court	Domestic Violence	Total Nonmajor Governmental Funds
Revenues				
Intergovernmental revenues	\$ 120,479	\$ -	\$ 54,908	\$ 175,387
Charges for services	-	46,454	-	46,454
Investment income	5	721	-	726
Total revenues	<u>120,484</u>	<u>47,175</u>	<u>54,908</u>	<u>222,567</u>
Expenditures				
Current:				
Court related:				
Personal services	114,818	39,077	53,899	207,794
Operating expenditures	2,122	6,048	1,009	9,179
Total expenditures	<u>116,940</u>	<u>45,125</u>	<u>54,908</u>	<u>216,973</u>
Excess of revenues over (under) expenditures	3,544	2,050	-	5,594
Fund balances - October 1, 2017	<u>7,521</u>	<u>28,708</u>	<u>-</u>	<u>36,229</u>
Fund balances - September 30, 2018	<u>\$ 11,065</u>	<u>\$ 30,758</u>	<u>\$ -</u>	<u>\$ 41,823</u>

**Additional Elements Required by the
Rules of the Auditor General**

MANAGEMENT LETTER

The Honorable Hunter S. Conrad
Clerk of the Circuit Court and Comptroller
St. Johns County, Florida

We have audited the financial statements of the office of the St. Johns County, Florida Clerk (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated May 6, 2019.

Auditors' 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.

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 the 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 May 6, 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 audit report. There were no findings and recommendations made in the preceding annual financial audit report.

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 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, the St. Johns County, Florida Clerk, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Carr, Riggs & Ingram, L.L.C.

St. Augustine, Florida
May 6, 2019

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

The Honorable Hunter S. Conrad
Clerk of the Circuit Court and Comptroller
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 each major fund and the aggregate remaining fund information of the office of the St. Johns County, Florida Clerk of the Circuit Court and Comptroller (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated May 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office'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 Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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.

Carr, Riggs & Ingram, L.L.C.

St. Augustine, Florida

May 6, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Hunter S. Conrad
Clerk of the Circuit Court and Comptroller
St. Johns County, Florida

We have examined the office of the St. Johns County, Florida Clerk of the Circuit Court and Comptroller's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management of the Office is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office 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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

Carr, Riggs & Ingram, L.L.C.

St. Augustine, Florida
May 6, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Hunter S. Conrad
Clerk of the Circuit Court and Comptroller
St. Johns County, Florida

We have examined the office of the St. Johns County, Florida Clerk of the Circuit Court and Comptroller's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2018. Management of the Office is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office 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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018. However, we did note an immaterial instance of noncompliance as reported in the schedule of findings as item 2018-001.

The Office's response to item 2018-001 is described in its accompany letter of response. The Office's response was not subjected to the examination procedures applied in the examination of compliance with Sections 28.35 and 28.36, Florida Statutes, and, accordingly, we express no opinion on it.

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

Carri Riggs & Ingram, L.L.C.

St. Augustine, Florida
May 6, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Hunter S. Conrad
Clerk of the Circuit Court and Comptroller
St. Johns County, Florida

We have examined the office of the St. Johns County, Florida Clerk of the Circuit Court and Comptroller's (the "Office") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the year ended September 30, 2018. Management of the Office is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements reference above. An examination involves performing procedures to obtain evidence about whether the Office 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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

Carr, Riggs & Ingram, L.L.C.

St. Augustine Florida
May 6, 2019

Schedule of Findings

2018-001 **Criteria:** Section 28.35(2)(d), Florida Statutes, requires a uniform system of workload measures and performance standards which the clerks are charged to meet.

Condition: The Office did not achieve the following performance measure:

- a) Collections performance measures for Circuit Criminal (3/31 quarter)

Cause: External factors.

Effect: Not meeting the performance measure does not allow the office to comply with Section 28.35(2)(d), Florida Statutes.

Recommendation: The Office should develop processes that will assist in meeting the performance standards for which it has the ability to control.



Hunter S. Conrad, Esq.
St. Johns County Clerk of the Circuit Court and Comptroller
Dedicated to Excellence. Committed to Improvement. Serving with Kindness
4010 Lewis Speedway, Saint Augustine, Florida 32084
Office: (904) 819-3670 Fax: (904) 819-3667

May 6, 2019

The Honorable Sherill F. Norman
Florida Auditor General
PO Box 1735
Tallahassee, FL 32302

Subject: CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS FOR THE FISCAL
YEAR ENDED SEPTEMBER 30, 2018

Dear Mrs. Norman,

The following statements are submitted in response to the St. Johns County Clerk of Court and Comptroller Audit Report for fiscal year ending September 30, 2018. The response is keyed to the numbering of the Schedule of Findings:

2018-001 Collections standards for Circuit Criminal were not met due to reasons out of our control. There were large assessments during the quarter in question that caused the collection rate to decrease. Due to the economic climate, defendants are unable to pay the assessments in full, and most are incarcerated with no ability to pay at all. The Clerk's Office is increasing our collection efforts in order to generate more payments by sending out reminder post cards and automatic phone calls. We also offer payment plans for defendants that are unable to make payment in full to generate some form of revenue.

Sincerely,

Hunter S. Conrad

Hunter S. Conrad, Esq.
Clerk of Circuit Court and Comptroller, St. Johns County

HSC/dr