

2023



FLORIDA COURTS
E-FILING AUTHORITY

Financial Statements and
Independent Auditor's Report

June 30, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA**

JUNE 30, 2023

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-6
Financial Statements	
Statements of Net Position	7
Statements of Revenues, Expenses, and Changes in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10-13
Supplementary Information	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> Standards	14-15

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Florida Courts E-Filing Authority
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Florida Courts E-Filing Authority (the Authority), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted

Board of Directors
Florida Courts E-Filing Authority
Tallahassee, Florida

INDEPENDENT AUDITOR'S REPORT

of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of the Authority'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 the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.



November 17, 2023
Tallahassee, Florida

**FLORIDA COURTS E-FILING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

As management of the Florida Courts E-Filing Authority (the Authority), we offer users of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2023.

OVERVIEW OF THE AUTHORITY

The Authority is an independent special district created pursuant to an Interlocal Agreement, dated September 3, 2010, between the various Clerks of the Circuit Courts of the State of Florida and the Clerk of the Florida Supreme Court, as the designee of the Chief Justice of the Florida Supreme Court, in accordance with provisions of Chapter 163, Florida Statutes.

The Florida Courts E-Filing Authority contracted with the Florida Association of Court Clerks (the Association) to design, develop, implement, operate, upgrade, support, and maintain a uniform statewide electronic portal for the filing of court records. The portal provides attorneys and pro se litigants with a common entry point for filing and transmitting court records electronically. In addition, the portal provides these same persons, and other authorized persons, the ability to view court records electronically. The features of the portal include the following:

- A single statewide log-in.
- A single internet access point to court records by authorized users.
- Transmission to and from the appropriate courts.
- The ability to provide electronic service of notification receipt of electronic filing and confirmation of filing in the appropriate court file.
- Open standards-based integration ability with existing statewide information systems and county e-filing applications.
- Compliance with the Electronic Court Filing Standard 4.0, the Global Justice Extensible Markup Language, and Oasis Legal Markup Language. The Florida Courts E-Filing Authority works in close coordination with the Florida Courts Technology Commission to ensure that the statewide portal is developed in accordance with court system standards and rules.

FINANCIAL HIGHLIGHTS

- As of June 30, 2023, assets of the Authority exceed its liabilities by \$7.7 million. Assets are comprised of \$6.5 million in cash and \$2.1 million in accounts receivable and deposits. Liabilities are comprised of accounts payable and other liabilities. The Authority did not have any long-term obligations with creditors.
- The Authority realized an increase in revenue of 36.2% and an increase in operating expenses of 18.4%. During the month of March 2023, lawyers filed an inordinate number of cases pending the passage of certain legislation. This isolated situation impacted revenues and the corresponding interchange fees.

**FLORIDA COURTS E-FILING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

- Total revenues exceeded its total expenses by approximately \$1,740,000.

REQUIRED FINANCIAL STATEMENTS

The Authority follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting. This reporting follows accounting methods like those used by private-sector companies. The accrual basis of accounting is used whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The *Statement of Net Position* includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). Additionally, it also provides the basis for assessing the liquidity and the financial flexibility of the Authority.

Over time, changes in the Authority's net position can serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any entity, the user must also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

All the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the success of the Authority's operations over the reporting period and can be used to determine whether the Authority has successfully recovered all its costs through user fees and other charges.

The other required statement is the *Statement of Cash Flows*. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. Answers to questions regarding the sources of cash, the use of cash, and changes in cash balances during the reporting period may be found in this report. The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Net Position* report information about the Authority's activities in a way that will reflect whether the Authority is improving or deteriorating because of the year's activities. The two statements report the net position of the Authority and the changes in them.

Net position is the difference between assets (what is owned) and liabilities (what is owed).

**FLORIDA COURTS E-FILING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

A comparison of the Authority's assets, liabilities, and net position is as follows:

STATEMENTS OF FINANCIAL POSITION

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets:			
Current Assets	\$ 8,575,350	\$ 7,111,005	\$ 1,464,345
Liabilities:			
Current Liabilities	<u>891,978</u>	<u>1,165,942</u>	<u>(273,964)</u>
Net Position:			
Unrestricted	<u>\$ 7,683,372</u>	<u>\$ 5,945,063</u>	<u>\$ 1,738,309</u>

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenues:			
Service Fees, Net	\$ 11,037,345	\$ 8,109,992	\$ 2,927,353
Batch Filing Fees	22,000	22,575	(575)
Interest	<u>16,630</u>	<u>510</u>	<u>16,120</u>
Total Revenue	11,075,975	8,133,077	2,942,898
Operating Expenses	<u>9,337,666</u>	<u>7,885,489</u>	<u>1,452,177</u>
Changes in Net Position	<u>1,738,309</u>	<u>247,588</u>	<u>\$ 1,490,721</u>
Net Position at Beginning of Period	<u>5,945,063</u>	<u>5,697,475</u>	
Net Position at End of Period	<u>\$ 7,683,372</u>	<u>\$ 5,945,036</u>	

CURRENT ECONOMIC FACTORS AND ASSESSMENT OF GROWTH

Florida Supreme Court Opinion SC11-399 required that attorneys e-file documents in criminal cases and civil cases filed in probate, family, circuit, and county civil. During the month of March 2023, in anticipation of the passage of legislation that would curtail certain types of civil actions, lawyers filed an inordinate number of cases. Once the law became effective, March 24, 2023, the filings dropped off and resumed a more normal volume.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide information on the Florida Courts E-Filing Authority's operating results. Questions concerning any of the information provided in the report, or requests for additional information, should be addressed to the Florida Courts E-Filing Authority, P.O. Box 16428, Tallahassee, Florida 32317. Information can also be found at <https://myflcourtagency.com>.

FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022
FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA

	2023	2022
Assets		
Current Assets:		
Cash	\$ 6,458,927	\$ 6,343,160
Accounts Receivable	1,197,195	764,226
Deposit with Payment Processor	915,000	-
Prepaid Insurance	4,228	3,619
Total Assets	8,575,350	7,111,005
Liabilities		
Current Liabilities:		
Accounts Payable	471,152	508,461
Other Liabilities	420,826	657,481
Total Liabilities	891,978	1,165,942
Net Position		
Unrestricted	\$ 7,683,372	\$ 5,945,063

See accompanying notes.

**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA**

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Service Fees, Net	\$ 11,059,345	\$ 8,132,567
Operating Expenses		
Audit Services	27,000	27,000
Accounting and Bank Services	295,730	274,903
Bank Fees	4,890	64,670
Contract Services	3,651,940	3,291,430
Insurance	3,619	3,352
Legal	103,964	89,885
Merchant Fees	5,244,392	4,121,360
Other	6,131	12,889
(Total Operating Expenses)	<u>(9,337,666)</u>	<u>(7,885,489)</u>
Total Operating Income	<u>1,721,679</u>	<u>247,078</u>
Non-Operating Revenues		
Interest Income	16,630	510
Total Non-Operating Revenues	<u>16,630</u>	<u>510</u>
Change in Net Position	1,738,309	247,588
Net Position, Beginning of Year	<u>5,945,063</u>	<u>5,697,475</u>
Net Position, End of Year	<u>\$ 7,683,372</u>	<u>\$ 5,945,063</u>

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022
FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Cash Received from Service Fees	\$ 9,711,375	\$ 8,682,815
Cash Payments to Suppliers for Goods and Services	(9,612,238)	(8,091,545)
Net Cash Provided by Operating Activities	<u>99,137</u>	<u>591,270</u>
 Cash Flows from Investing Activities		
Interest on Deposits	<u>16,630</u>	<u>510</u>
 Net Increase in Cash	115,767	591,780
 Cash, Beginning of Year	<u>6,343,160</u>	<u>5,751,380</u>
 Cash, End of Year	<u>\$ 6,458,927</u>	<u>\$ 6,343,160</u>
 <u>Reconciliation of Net Income to Net Cash</u>		
<u>Provided by Operating Activities</u>		
Operating Income	\$ 1,721,679	\$ 247,078
Adjustments to Reconcile Increase in Net Positions to Net Cash		
Provided by Operating Activities:		
Change in Assets and Liabilities:		
Accounts Receivable	(432,969)	41,787
Deposit with Payment Processor	(915,000)	-
Prepaid Expenses	(609)	(267)
Accounts Payable	(37,309)	(354,809)
Other Liabilities	(236,655)	657,481
Net Cash Provided by Operating Activities	<u>\$ 99,137</u>	<u>\$ 591,270</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA**

Note 1 - Organization

Nature of Activities

The Florida Courts E-Filing Authority (the Authority) is an independent special district created pursuant to an Interlocal Agreement, dated September 3, 2010, between the various Clerks of the Circuit Courts of the State of Florida and the Clerk of the Florida Supreme Court, as the designee of the Chief Justice of the Florida Supreme Court in accordance with provisions of Chapter 163, Florida Statutes.

The Authority was created for the purpose of developing and implementing a single uniform access point for statewide electronic filing of Florida's county, circuit, and appellate courts records in accordance with Rule 2.525, *Florida Rules of Judicial Administration*.

The Authority is subject to all applicable Florida Statutes, Supreme Court Rules, and Administrative Orders that govern the individual clerks of the court (county and appellate) in the performance of their recordkeeping functions, as well as all Rules of Court relating to public records and all applicable laws and county ordinances relating to procurements by the Clerks of the Circuit Courts in their capacity as clerk of the court.

Note 2 - Summary of Significant Accounting Policies

Reporting Entity

The Authority began operations on September 23, 2010, and is governed by a nine-member Board of Directors consisting of eight Clerks of the Circuit Courts of Florida, and the Clerk of the Florida Supreme Court, who serves as the Chief Justice of the Florida Supreme Court's designee on behalf of the state and appellate courts.

The Authority entered into an agreement for the design, development, implementation, operation, upgrading, support, and maintenance of a Statewide E-Filing Court Records Portal with the Florida Association of Court Clerks, Inc. (the Association). The Association, through its wholly owned subsidiary, the FACC Services Group, LLC, is responsible for running the Authority's day-to-day operations.

In evaluating how to define the Authority for financial reporting purposes, management has considered the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. These statements provide guidance to determine whether an affiliated organization is considered a component unit of a financial reporting entity.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Determining factors of financial accountability include appointment of a voting majority, imposition of will, financial benefit, or burden on a primary government or fiscal dependency.

Additionally, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading and incomplete.

NOTES TO FINANCIAL STATEMENTS
FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA

Based on the application of these criteria, the Authority has determined that there are no additional governmental departments, agencies, institutions, commissions, public authorities, or other governmental organizations operating within the jurisdiction of the Authority that would be required to be included in the Authority's financial statements. In addition, since the Board of Directors has financial accountability and control over all activities relating to Authority operations, the Authority is not included in any other governmental "reporting entity" as defined by GASB Statement No. 39 and GASB Statement No. 61.

Accounting Method

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Authority operates as a special-purpose government entity engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. Accordingly, these financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting.

The GASB is responsible for establishing GAAP for state and local government through its pronouncements (statements and interpretations).

Revenue and Expense Recognition

Operating Revenues and Expenses – Operating revenues generally result from providing electronic filing of court documents in the State of Florida. Operating revenues consist of statutory filing fees. Statutory filing fees are recognized as revenue once the transaction is completed. Operating expenses consist of expenses incurred relating to the operation and maintenance of the Authority's system, including administrative expenses. Operating revenues are net of chargebacks, returns and other disbursements that have been advanced to Counties prior to collection of the related funds and are deemed uncollectible. For the years ended June 30, 2023 and 2022, the net amount of chargebacks, returns and unfunded disbursements totaled \$136,130 and \$331,753, respectively.

Non-Operating Revenue and Expenses – Non-operating revenues consist of interest earned on deposits held with financial institutions and contributions received from other entities. Both are recognized as revenue in the period earned. Non-operating expenses generally are related to financing, investing, or other ancillary activities. When an expense is incurred for the purposes for which there are both restricted and unrestricted net position available, it is the Authority's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

Budget Process

Pursuant to the Interlocal Agreement, the Authority's Board of Directors is required to adopt a budget. The Authority adopted its budget relating to the year ended June 30, 2023, on May 5, 2022.

Cash and Cash Equivalents

The Authority considers all deposits and financial instruments with an original maturity of three months or less to be cash and cash equivalents. All bank accounts of the Authority are placed in banks that qualify as a public depository, as required by the *Florida Security for Public Deposits Act*; Chapter 280, Florida Statutes. Deposits whose values exceed the limits of Federal Depository Insurance are entirely insured or collateralized pursuant to Chapter 280.04, Florida Statutes.

**NOTES TO FINANCIAL STATEMENTS
FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA**

Accounts Receivable

Accounts receivable consists of amounts due from the Authority for service fees or for refunds that are due from Counties where funds have previously been distributed. The Authority considers all accounts to be collectible and, consequently, has not established a provision for uncollectible accounts.

Deposit With Payment Processor

The Authority uses third-party vendors to process payments through the Authority's E-Filing system. As payments are processed, the payment processor bears some risk of returned payments. As a result, the Authority maintains a deposit with its payment processor to mitigate this risk.

Other Liabilities

Other liabilities consist of amounts received from customers but have not yet been remitted to partners, net of amounts distributed to partners that have not yet been received from customers.

Net Position

Net position represents the difference between assets and liabilities. The Authority is required to report information regarding its financial position and activities according to three classes of net position as follows:

- **Net Investment in Capital Assets**—Consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets. At the present time there are no such restrictions.
- **Restricted**—Net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. At the present time, there are no such restrictions.
- **Unrestricted**—Consists of all other net assets that do not meet the definition of the above two components and are available for general use by the Authority.

In May of 2020, the Authority adopted a reserve policy to ensure the stability of ongoing operations of the organization. The policy establishes an Operating Reserve which is intended to provide an internal source of funds for situations such as major one-time unbudgeted expenses that are critical in nature for an unanticipated decrease or loss of revenues. The minimum target for the Operating Reserve is equal to 25% of average operating expenses for the prior two years. The maximum target is equal to 50% of average operating expenses for the prior two years.

In addition, the policy establishes a Developmental Reserve, which is intended to provide funds for products and services that grow or expand services provided by the Authority. The recommended target balance for the Developmental Reserve is \$2.5 million.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS
FLORIDA COURTS E-FILING AUTHORITY
TALLAHASSEE, FLORIDA**

Note 3 - Contributed E-Filing and Services

The Authority contracted with the Association for the design, development, implementation, operation, upgrading, support, and maintenance of a statewide E-Filing Court Records Portal (the Portal).

The Association funded the cost to design, develop, and test the Portal. On September 23, 2010, in accordance with an agreement reached with the Florida Legislature and the Florida Supreme Court, the Association transferred to the Authority, for use in the State of Florida, all rights, title, and interest in the Portal. The Authority holds all rights, title, and interest to the Portal until dissolution of the Authority, at which time ownership would transfer to the office of the Florida State Courts Administrator.

The Authority reimburses the Association for expenses associated with operating and maintaining the Portal. This reimbursement totaled \$3,952,561 and \$3,631,003 for the years ended June 30, 2023, and 2022, respectively.

Note 4 - Concentrations

The Authority derives substantially all of its revenue from statutory filing fees related to electronic filing. A reduction, or change, in statutory filing requirements or fees could have an adverse effect on the Authority.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Florida Courts E-Filing Authority
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Florida Courts E-Filing Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 17, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 or significant deficiencies may exist that were not identified.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



November 17, 2023
Tallahassee, Florida

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