



## Executive Budget Summary

The Florida Courts E-Filing Authority (Authority) is in a strong financial position for the future. Since 2016, unrestricted net assets have grown by more than \$4 million. This growth is evident as cash balances for the Authority are now more than \$4 million. This statement is more important than ever with the level of uncertainty regarding future business ramifications relating to COVID-19.

During fiscal year 2019-20, the Authority is expected to realize revenue growth of 4%, with total revenues of \$7.9 million. For fiscal year 2020-21, revenues were initially estimated at \$8.2 million, which is an increase of 4.5%. However, as the United States is currently experiencing one of the most unknown futures in terms of business activity, the FCCC professional finance team is now estimating filing revenues for the upcoming fiscal year to remain flat at \$7.9 million.

In reviewing the immediate downturn in filing volumes related to the COVID-19 pandemic, due to the impact of Executive Orders of the Governor and Florida Supreme Court orders delaying court activities, it appears that there is a decrease in total dollar transaction volume of 25%. This was the result when comparing the time periods of March 13, 2020, to April 10, 2020, against February 14, 2020, to March 12, 2020. The downturn during this two-month comparison led to the consideration of three scenarios for estimated revenues.

First, FCCC professional finance team considered the original projections of 4.5% growth, and compared it to the recommended flat projection, and then took into consideration a possible 15% decrease from current year volumes. At this time, it is believed that the most likely scenario may be for volumes to continue to be depressed through June 2020, and then begin to elevate in July 2020.

At some point during the year, it is expected that there will be an increase in case filings when the Executive Orders and Supreme Court orders expire and court activities can resume. As it is not possible to anticipate what, or when, that spike may occur, and since the current volume of filings being sent through the Florida Courts E-Filing Portal (Portal) is currently suppressed, revenues are conservatively projected to remain flat for the 2020-2021 fiscal year.

Overall, however, the balance sheet for the Authority continues to strengthen. This puts the Authority in a great position to fund operations during periods of unknown revenues and also build operating reserves for future enhancements.



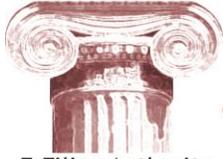
Materially, all of the revenue generated from the Portal is from filing fees. Currently, the approved processing fee to file using a credit card is 3.5% and the fee for using ACH is a flat \$5 fee. The split between credit card and ACH usage is 60% credit cards and 40% ACH.

The largest expense in the Authority budget are the merchant fees, or the cost of the convenience fees. These fees represent \$3.2 million in expenses, accounting for 50% of total expenses. The second largest expense is the cost incurred for contract services, which encompasses the Florida Court Clerks & Comptrollers (Association) billings. This expense represents the cost to operate and maintain the Portal. The expenses incurred by the Association are billed to the Authority at cost. Detail is shown below:

- 1) **I31 – E Filing Statement of Work** – Technological enhancement/Maintenance of the Program at a cost of \$2.6 million
- 2) **P33 – Portal Service Desk** – Customer service for Portal users at a cost of \$900k
- 3) **P34 – E Filing Operating** – Management/Admin of the program at a cost of \$284k
- 4) **D12 – E Filing Operating** – Management/Admin, consulting and travel at a cost of \$91k

For fiscal year 2020-2021, the FCCC professional finance team is projecting expenses for contractual services to remain consistent with the prior year budget request. In total, expenses for the Authority are projected to increase by \$40k.

At the current fiscal year end, the finance team is projecting that the Portal will operate at a net income of just under \$800,000.



E Filing Authority Statement of Activities Combined Operations							
A	B	C	D	(D-E)	F	G	(F-G)
Line #	Description	2020-21 Budget	2019-20 Budget	\$ Change Favorable / (Unfav.)	2019-20 Budget	2019-20 Forecast	\$ Variance Favorable / (Unfav.)
<b>Revenues</b>							
411000	Interest Income	45,000	60,000	(15,000)	60,000	62,500	(2,500)
412000	Statutory Convenience Fees	7,894,459	8,077,882	(183,423)	8,077,882	7,868,657	209,225
412250	Batch Application Fees	2,000	2,000	-	2,000	2,000	-
412260	Third party Batch Filing Fees	10,000	10,000	-	10,000	11,550	(1,550)
	<b>Total Revenue</b>	<b>7,951,459</b>	<b>8,149,882</b>	<b>(198,423)</b>	<b>8,149,882</b>	<b>7,944,707</b>	<b>205,175</b>
<b>Expenses</b>							
602000	Audit Services	27,000	27,000	-	27,000	27,000	-
602550	Contract Services	3,524,833	3,585,021	60,188	3,585,021	3,055,241	(529,780)
603100	Merchant Fees	3,187,795	3,019,057	(168,738)	3,019,057	3,234,801	215,744
603200	Bank Analysis Fees	70,000	70,000	-	70,000	62,744	(7,256)
603400	Accounting & Banking Services	284,743	353,088	68,345	353,088	263,155	(89,933)
614100	Insurances	1,100	900	(200)	900	1,013	113
619100	General Legal	60,000	60,000	-	60,000	50,000	(10,000)
	<b>Total Expenses</b>	<b>7,155,471</b>	<b>7,115,066</b>	<b>(40,405)</b>	<b>7,115,066</b>	<b>6,693,954</b>	<b>(421,112)</b>
	<b>Net Income</b>	<b>795,988</b>	<b>1,034,816</b>	<b>(158,018)</b>	<b>1,034,816</b>	<b>1,250,753</b>	<b>(215,937)</b>