



REPRESENTING  
**ALEX SINK**  
CHIEF FINANCIAL OFFICER  
STATE OF FLORIDA

**ST. LUCIE COUNTY**  
**CLERK OF CIRCUIT COURT**  
**BUDGET REVIEW**

REPORT DATE:  
August 22, 2007

---

## TABLE OF CONTENTS

INTRODUCTION	1
SUMMARY	1
SCOPE, OBJECTIVES AND METHODOLOGY	2
Scope	2
Objectives and Methodology	2
FINDINGS AND RECOMMENDATIONS	5
REVIEW TEAM	5
APPENDIX	
Budget Review Engagement Letter	A
Clerk's Response	B



# ALEX SINK

## CHIEF FINANCIAL OFFICER

### INTRODUCTION

The Department of Financial Services (DFS) has completed a review of the budget certifications made by the St. Lucie County Clerk of Circuit Court's Office to the Clerks of Court Operations Corporation (CCOC), pursuant to Section 28.35(3)(b), Florida Statutes (F.S.). The scope of our review focused on validating the processes and methodologies utilized in the development of the Clerk's budgets for fiscal years 2004-2005 (FY 04-05), 2005-2006 (FY 05-06) and 2006-2007 (FY 06-07).

The Chief Financial Officer (CFO) has contracted with CCOC to establish a process for review and certification of court-related budgets submitted by the Clerks of Circuit Courts. The CCOC is responsible for calculating the maximum authorized annual budget, identifying budgets exceeding the maximum expenditure amounts for a standard list of court-related functions and identifying budgets that have insufficient revenues to cover court-related expenditures, pursuant to Section 28.36, F.S.

### SUMMARY

- The FY 04-05, FY 05-06 and FY 06-07 approved budgets were \$7,032,314, \$7,330,450 and \$7,574,768 respectively.
- St. Lucie County has a population of 251,301 and had 144.85, 151.03 and 140.70 Full Time Employees (FTEs) budgeted to be directly supporting court-related activities for FY 04-05, FY 05-06 and FY 06-07 respectively.
- Budgeted revenues for FY 04-05 were \$7,905,948. Actual revenues and expenditures as reported by the Clerk were \$6,757,306 and \$6,703,873 respectively, resulting in a \$53,433 surplus for FY 04-05. The Clerk remitted the FY 04-05 surplus to the Department of Revenue (DOR) on December 27, 2005 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
- Projected revenues and expenditures for FY 05-06 were \$6,813,766 and \$7,330,450 respectively, resulting in a budgeted deficit of \$516,684. Actual unaudited revenues and expenditures as reported by the Clerk for FY 05-06 detail a surplus of \$370,112. The Clerk remitted the FY 05-06 surplus to DOR on December 6, 2006 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.

- Projected revenues and expenditures for FY 06-07 are \$6,691,309 and \$7,574,768 respectively, resulting in an \$883,459 budgeted deficit. Monthly payments from the Clerks of the Court Trust Fund are scheduled to subsidize the projected deficit pursuant to CCOC directive.
- The Clerk has an internal system and reporting procedures for measuring and reporting on all required performance standards.

## **SCOPE, OBJECTIVES AND METHODOLOGY**

### **Scope**

The Scope of our review included an analysis of the development of the Clerk's FY 04-05, FY 05-06 and FY 06-07 budgets. Our review was conducted on June 27 - 28, 2007 at the St. Lucie County Clerk of Circuit Court's Office.

### **Objectives and Methodology**

The budget review was conducted with the following objectives:

- Each Clerk shall develop a budget funded from fees, services charges, court costs and fines, pursuant to Sections 28.35, 28.36 and 28.37, F.S. Clerks must provide detailed information on expenditures necessary for the performance of court-related functions using the court-related codes in the Uniform Accounting System Manual (UASM). The budget shall be submitted annually to CCOC for review and approval. The CCOC budget approval process focuses on the following key components:
  - Overhead Cost Allocation – The St. Lucie County Clerk's Office applied a 70.31 and 71.24 percent cost allocation rate to the FY 04-05 and FY 05-06 certified annual budgets. A 64.25 percent cost allocation rate is being utilized for the FY 06-07 budget.
  - Our review of supporting documentation disclosed that the methodologies used to calculate and distribute overhead costs were reasonable.
  - Distribution of Court-Related FTEs – The St. Lucie County Clerk's Office budgeted 144.84 of 206.00, 151.03 of 212.00 and 140.70 of 219.00 FTEs for FY 04-05, FY 05-06 and FY 06-07 respectively, to be directly supportive of court-related functions.
  - General Fund Expenditures – The final approved budget for FY 04-05 was \$7,032,314 which included a \$148,848 budget reserve. Major expenditure categories were: Personal Services (\$6,518,018) and Operating Expenses (\$324,449). The final approved budget for FY 05-06 was \$7,330,450 which included a budget reserve of \$125,309.

Major expenditure categories were: Personal Services (\$6,534,447) Operating Expenses (\$451,941) and Capital Outlay (\$43,753). The final approved budget for FY 06-07 is \$7,574,768 which includes a budget reserve of \$11,312. Major expenditure categories are: Personal Services (\$7,095,908) and Operating Expenses (\$466,548).

- Revenue Forecasting – Budgeted revenues of \$7,905,948, \$6,813,766 and \$6,691,309 were calculated for FY 04-05, FY 05-06 and FY 06-07 respectively, based on prior period data and management’s assessment of future operational activities.
- Our review determined that the Clerk’s FY 04-05, FY 05-06 and FY 06-07 budgets were prepared pursuant to CCOC instructions and submitted in accordance with the provisions of Section 28.36, F.S.
- Expenditures during the review period were limited to court-related functions as specified in Section 28.35(4)(a), F.S.
- Revenues for fees, services charges, court costs and funding for court-related functions for FY 04-05 and FY 05-06 were assessed pursuant to the provisions of Chapter 28, F.S. The Clerk’s budget for FY 06-07 was based on projected revenues from the same sources, pursuant to Section 28.36, F.S.
- Clerks are required to maintain a partial fee payment system, pursuant to Section 28.246, F.S. The St. Lucie County Clerk’s Office is currently utilizing an internal database system to account for partial fee payments. The Clerk is contracting with an external collection agency to assist with collecting delinquent accounts more than 90 days past due.
- The St. Lucie County Clerk of Court was designated a “donor” office for FY 04-05 by CCOC based upon a budgeted surplus of \$873,634. Monthly remittances to the Clerks of the Court Trust Fund were scheduled to liquidate the Clerk’s projected surplus, pursuant to CCOC directive. The Clerk reported a surplus of \$53,433 during FY 04-05 based on actual revenues and expenditures of \$6,757,306 and \$6,703,873 respectively. The Clerk remitted the FY 04-05 surplus to DOR on December 28, 2005 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
- The St. Lucie County Clerk of Court was designated a “recipient” office for FY 05-06 by CCOC based upon a budgeted deficit of \$516,684. Monthly payments from the Clerks of the Court Trust Fund were scheduled to subsidize the Clerk’s projected deficit pursuant to CCOC directive. The Clerk reported a FY 05-06 surplus of \$370,112 based on actual revenues and expenditures of \$7,137,951 and \$6,767,839 respectively. The Clerk remitted the FY 05-06 surplus to DOR on December 6, 2006 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.

- The St. Lucie County Clerk of Court is designated a “recipient” office for FY 06-07 by CCOC based upon a budgeted deficit of \$883,459. Projected revenues and expenditures for FY 06-07 are \$6,691,309 and \$7,574,768 respectively. Through the time of our review (April 2007), the Clerk’s Office reported an actual FY 06-07 surplus of \$216,097 based on revenues and expenditures of \$4,544,638 and \$4,328,541 respectively. Clerks are required to remit monthly, one-third of all excess income, pursuant to Section 28.37(2), F.S. Our review concluded the St. Lucie County Clerk’s Office is currently meeting this requirement.
- The following performance measures were adopted by CCOC, pursuant to Section 28.35, F.S., for FY 04-05, FY 05-06 and FY 06-07:
  - Outputs – The outputs consist of the number of civil cases filed and the number of criminal defendants handled, by Court Divisions, as identified by the Clerk’s Office. The Clerk reported 77,857 new cases filed and 25,207 defendants for FY 04-05. The Clerk reported 73,872 new cases filed and 26,615 defendants for FY 05-06. The Clerk reported 38,822 new cases filed and 14,012 defendants through the second quarter of FY 06-07.
  - Outcome Measures – Timeliness and Collection Rate:
    - Timeliness – New cases opened within a designated number of business days after the initial filing. The Clerk has the ability to collect data and report timeliness measures on new cases. The Clerk reported meeting or exceeding 12 of 20 timeliness performance standards to CCOC for FY 04-05. The Clerk reported meeting or exceeding 16 of 20 performance standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 19 of 20 performance standards to CCOC through the second quarter of FY 06-07.
    - Collection Rate – The collection rate is calculated by dividing collections by the adjusted assessments. The Clerk reported meeting or exceeding 5 of 9 collections performance standards to CCOC for FY 04-05. The Clerk reported meeting or exceeding 6 of 9 collections performance standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 9 of 9 collections performance standards to CCOC through the second quarter of FY 06-07.

## FINDINGS AND RECOMMENDATIONS

### **Finding:**

Based upon our review, we found the Clerk's budgeting practices, expenditure and revenue methodologies for State funds to be efficient and accurate. We concluded the St. Lucie County Clerk's Office is currently able to report on all required performance standards.

## REVIEW TEAM

Burton Marshall, *Chief, Bureau of Local Government*  
Priscilla Bailey-Brown, *Financial Administrator*  
Mark Gressel, *Professional Accountant Specialist*  
Bob Johnson, *Professional Accountant Specialist*  
Angie Lawson, *Professional Accountant Specialist*  
Krystal Glover, *Professional Accountant Specialist*  
Jessica Robinson, *Professional Accountant Specialist*

# APPENDIX



## Appendix A



ALEX SINK  
CHIEF FINANCIAL OFFICER  
STATE OF FLORIDA

May 15, 2007

The Honorable Edwin M. Fry, Jr.  
Clerk of Circuit Court  
St. Lucie County  
218 South 2<sup>nd</sup> Street  
Fort Pierce, Florida 34950

Dear Mr. Fry:

The Department of Financial Services (DFS) has scheduled a review of your budget processes in accordance with Section 28.35, Florida Statutes. The dates mutually selected for this review are June 27 – 28, 2007. Our review will encompass the following objectives: Analyze the methodologies used to develop both the current and prior fiscal years Clerks of Court Operations Corporation (CCOC) certified budget; review expenditures to ensure compliance with Florida Statutes; analyze projected and year-to-date revenues; and review methods used to collect and report data regarding performance measures.

To minimize disruptions to your daily operations, we request you have the following available upon our arrival:

1. Current organization chart.
2. Internal documentation of methodologies used to allocate FTEs to court-related activities.
3. Payroll subsidiary ledger for the most recent pay date and current annual salary listing by employee.
4. Listing of GL codes (500-700 range) used in conjunction with the chart of accounts.
5. General ledger report of court-related revenues and expenditures for FY 04-05, FY 05-06 and FY 06-07 (through April 2007).
6. Revenue and Expenditure Tracking Reports submitted to CCOC for FY 04-05, FY 05-06 and FY 06-07 (through April 2007).
7. Copies of monthly transmittals to the Department of Revenue for revenues remitted pursuant to Sections 28.241(1)(a), 28.37(2) and 28.37(4), Florida Statutes.
8. Report detailing outstanding balance for each partial payment account.
9. Contract, outstanding balance of accounts assigned, and supporting records for remittances by collection agency for FY 04-05, FY 05-06 and FY 06-07, if applicable.

DOUGLAS A. DARLING • DIRECTOR  
DIVISION OF ACCOUNTING AND AUDITING  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0353 • TEL. 850-413-5510 • FAX 850-413-5547 • SC 293-5510  
EMAIL • DOUG.DARLING@FLDFS.COM

AFFIRMATIVE ACTION • EQUAL OPPORTUNITY EMPLOYER

## Appendix A (continued)

The Honorable Edwin M. Fry, Jr.  
May 15, 2007  
Page 2

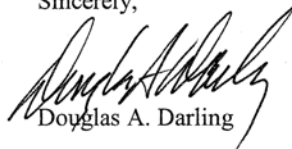
10. Submissions of timeliness and collections performance measure data and any related supporting documentation to CCOC for FY 04-05, FY 05-06 and FY 06-07.
11. Any internal documentation used to complete a Budget Amendment Request(s) approved by CCOC if applicable.
12. Annual Financial Report and Audit Report for FY 04-05 and FY 05-06.

Please have the requested information available for fiscal years 2004-2005, 2005-2006 and 2006-2007, as our review will cover all three periods. Mr. Bob Johnson and Ms. Angie Lawson will represent DFS during this review.

We ask that you provide workspace for DFS and a lead from your staff to assist in the review. It is not our intent to disrupt your operations. You may contact us to reschedule if, for any reason, the dates selected cannot be accommodated. Please use Mr. Charles Culp as our primary point of contact at (850) 413-5592 or [charles.culp@fldfs.com](mailto:charles.culp@fldfs.com).

Thank you for your advanced preparation. We look forward to working with you and your staff.

Sincerely,



Douglas A. Darling

DAD:cc

**Appendix B**

Aug 16 07 08:08a

SLC Clerk Fin&HR

(772)462-6889

p. 2

**EDWIN M. FRY, JR., CPA**  
*Clerk of Circuit Court*



ST. LUCIE COUNTY • P. O. DRAWER 700 • FORT PIERCE, FLORIDA 34954

August 14, 2007

Florida Department of Financial Services  
200 East Gaines Street  
Tallahassee, FL 32399-0353

RE: St. Lucie County Budget Review

Dear Sir:

We have verified the figures used and are in agreement with the review report.

It was a pleasure working with your review team. Our office welcomes the opportunity to ensure our budget process is in compliance with the statutes.

Sincerely,

Edwin M. Fry, Jr.  
Clerk of Circuit Court

Orange Blossom Business Center  
4118 Okeechobee Road  
Fort Pierce, Florida 34947  
(772) 462-6900

◆  
Probate / Civil Department  
210 Depot Drive  
Fort Pierce, Florida 34950  
(772) 462-6920 / (772) 462-6938

County Courthouse  
218 South 2nd Street  
Fort Pierce, Florida 34950  
(772) 462-6900

◆  
Finance Department  
2300 Virginia Avenue Annex  
Fort Pierce, Florida 34982  
(772) 462-6900

St. Lucie West Annex  
250 N.W. Country Club Drive  
Fort St. Lucie, Florida 34986  
(772) 871-5375

◆  
Juvenile Department  
435 North 7th Street  
Fort Pierce, Florida 34950