



REPRESENTING
ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

COLLIER COUNTY
CLERK OF CIRCUIT COURT
BUDGET REVIEW

REPORT DATE:
August 27, 2009

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CHIEF FINANCIAL OFFICER

INTRODUCTION

The Department of Financial Services (DFS) has completed a review of the budget certifications made by the Collier 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 2006-2007 (FY 06-07), 2007-2008 (FY 07-08), and 2008-2009 (FY 08-09).

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 06-07, FY 07-08, and FY 08-09 approved budgets were \$9,734,502, \$9,745,212, and \$10,421,854, respectively.
- Collier County has a population of 333,858 and had 190.40, 200.52, and 176.43 Full Time Employees (FTEs) budgeted to support court-related activities for FY 06-07, FY 07-08, and FY 08-09, respectively.
- Budgeted revenues and expenditures for FY 06-07 were \$12,053,400 and \$9,734,502, respectively, resulting in a budgeted surplus of \$2,318,898. Actual revenues and expenditures for FY 06-07, which included payments to the Clerks of the Court Trust Fund, detailed a surplus of \$696,225. The Clerk remitted the FY 06-07 surplus to the Department of Revenue (DOR) on December 18, 2007, for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
- Budgeted revenues and expenditures for FY 07-08 were \$12,060,300 and \$9,745,212, respectively, resulting in a budgeted surplus of \$2,315,088. Actual revenues and expenditures for FY 07-08, which included payments to the Clerks of the Court Trust Fund, detailed a surplus of \$1,447,634. The Clerk remitted the FY 07-08 surplus to DOR on December 30, 2008, for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.

- Budgeted revenues and expenditures for FY 08-09 are \$12,107,300 and \$10,421,854, respectively, resulting in a budgeted surplus of \$1,685,446. Monthly payments to the Clerks of the Court Trust Fund are scheduled to liquidate the Clerk's projected surplus pursuant to CCOC directive.
- The Clerk has an internal system and reporting procedures for measuring and reporting on all required performance standards.

SCOPE, OBJECTIVES, OBSERVATIONS, AND METHODOLOGY

Scope

The Scope of our review included an analysis of the development of the Clerk's FY 06-07, FY 07-08, and FY 08-09 budgets. Our review was conducted on March 11-12, 2009, at the Collier County Clerk of Circuit Court's Office.

Objectives, Observations, and Methodology

The budget review was conducted to ensure Clerk budget methodologies, performance measures, revenues, and expenditures are accurately implemented and recorded according to law.

- Our review of the Clerk's budgets verified the budgets were funded from fees, service 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 Collier County Clerk's Office applied a 67.59 and 67.93 percent cost allocation rate to the FY 06-07 and FY 07-08 certified annual budgets. A 66.60 percent cost allocation rate is being utilized for the FY 08-09 budget.
 - Our review of supporting documentation disclosed the methodologies used to calculate and distribute overhead costs were reasonable.
 - Distribution of Court-Related FTEs – The Collier County Clerk's Office budgeted 190.40 of 281.70, 200.52 of 295.20, and 176.43 of 264.90 FTEs for FY 06-07, FY 07-08, and FY 08-09, respectively, to support court-related functions.
 - General Fund Expenditures – The final approved budget for FY 06-07 was \$9,734,502, which included a budget reserve of \$22. Major expenditure categories were: Personal Services (\$9,176,630) and Operating Expenses (\$557,850).

The final approved budget for FY 07-08 was \$9,745,212, which included a budget reserve of \$108. Major expenditure categories were: Personal Services (\$8,971,100) and Operating Expenses (\$774,004). The final approved budget for FY 08-09 was \$10,421,854, which included a budget reserve of \$323. Major expenditure categories are: Personal Services (\$9,712,400) and Operating Expenses (\$709,131).

- Revenue Forecasting – Budgeted revenues of \$12,053,400, \$12,060,300, and \$12,107,300 were calculated for FY 06-07, FY 07-08, and FY 08-09, respectively, based on prior period data and management’s assessment of future operational activities.
 - Our review determined that the Clerk’s FY 06-07, FY 07-08, and FY 08-09 budgets were prepared pursuant to CCOC instructions and submitted in accordance with the provisions of Section 28.36, F.S.
- Our analysis of the Clerk’s expenditures during the review period confirmed the Clerk’s expenditures were limited to court-related functions as specified in Section 28.35(4)(a), F.S.
 - Our analysis of the Clerk’s revenues for fees, service charges, court costs, and funding for court-related functions for FY 06-07 and FY 07-08 confirmed the Clerk’s revenues were assessed pursuant to the provisions of Chapter 28, F.S. The Clerk’s budget for FY 08-09 was based on projected revenues from the same sources, pursuant to Section 28.36, F.S.
 - Our review disclosed the Clerk maintains a partial fee payment system, pursuant to Section 28.246, F.S. The Collier County Clerk’s Office is currently utilizing an internal database system to account for partial fee payments and delinquent accounts that are past due.
 - Collier County Clerk of Court was designated a “donor” office for FY 06-07 by CCOC based upon a budgeted surplus of \$2,318,898. 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 FY 06-07 surplus of \$696,225 based on actual revenues and expenditures of \$11,976,271 and \$11,280,046, respectively, which included payments to the Clerks of the Court Trust Fund. The Clerk remitted the FY 06-07 surplus to DOR on December 18, 2007, for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
 - Collier County Clerk of Court was designated a “donor” office for FY 07-08 by CCOC based upon a budgeted surplus of \$2,315,088. 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 FY 07-08 surplus of \$1,447,634 based on actual revenues and expenditures of \$12,779,752 and \$11,332,118, respectively, which included payments to the Clerks of the Court Trust Fund.

The Clerk remitted the FY 07-08 surplus to DOR on December 30, 2008, for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.

- Collier County Clerk of Court is designated a “donor” office for FY 08-09 by CCOC based upon a budgeted surplus of \$1,685,446. Projected revenues and expenditures for FY 08-09 are \$12,107,300 and \$10,421,854, respectively. Through the time of our review (based on report data through January 2009), the Clerk’s Office reported a FY 08-09 surplus of \$265,953 based on revenues and expenditures of \$3,272,943 and \$3,006,990 respectively, which includes payments to the Clerks of the Court Trust Fund.
- The following performance measures were adopted by CCOC, pursuant to Section 28.35, F.S., for FY 05-06, FY 06-07, FY 07-08, and FY 08-09:
 - 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 99,211 cases filed and 25,759 defendants during FY 06-07. The Clerk reported a total case count of 99,771 for FY 07-08, which included re-openings and Notice of Appeals (NOAs). The Clerk’s Office reported a total number of defendants of 26,333 for FY 07-08, which included re-openings and NOAs. The Clerk reported 281,942 financial receipts for FY 07-08.
 - 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 20 of 20 performance standards to CCOC for FY 06-07. The Clerk reported meeting or exceeding 20 of 20 performance standards to CCOC for FY 07-08.
 - Collection Rate – The collection rate is calculated by dividing collections by the adjusted assessments. The Clerk reported meeting or exceeding 8 of 9 collections performance standards to CCOC for FY 06-07. The Clerk reported meeting or exceeding 8 of 9 collections performance standards to CCOC for FY 07-08. The Clerk reported meeting or exceeding 8 of 9 collections performance standards to CCOC for the first half of FY 08-09.
 - Fiscal Management Measures – Fiscal Management Standards:
 - Status Report – The Clerk reported meeting or exceeding 9 of 9 fiscal management standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 9 of 9 fiscal management standards to CCOC for FY 06-07.

- Jury Management Measures – Percentage of juror payments issued timely:
 - Jurors Report – The Clerk met 100 percent of juror payments issued timely to CCOC for FY 07-08.

FINDINGS AND RECOMMENDATIONS

Based upon our review, we found the Clerk's budgeting practices and expenditure and revenue methodologies for State funds to be efficient and accurate. We concluded the Collier 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*
Angie Vermette, *Professional Accountant Specialist*
Jessica Robinson, *Professional Accountant Specialist*
Jeremy Smith, *Professional Accountant Specialist*

APPENDIX

Appendix A



REPRESENTING
ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

January 21, 2009

The Honorable Dwight E. Brock
Clerk of Circuit Court
Collier County
2671 Airport Road South
Naples, Florida 34112

Dear Mr. Brock:

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 March 11 – 12, 2009. 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 copies 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. Please do not include Social Security Numbers on documentation.
4. Listing of General Ledger codes (500-700 range) as prescribed by the DFS Uniform Accounting System Manual Chart of Accounts.
5. General Ledger report of court-related revenues and expenditures for FY 06-07, FY 07-08 and FY 08-09 (through January 2009).
6. Revenue and Expenditure Tracking Reports submitted to CCOC for FY 06-07, FY 07-08 and FY 08-09 (through January 2009).
7. Juror Expense Allocation Letters from CCOC for the fourth quarter of FY 07-08 and the first quarter of FY 08-09.
8. General Ledger report of Juror Expenditures for the fourth quarter of FY 07-08 and the first quarter of FY 08-09.
9. Copies of monthly transmittals to the Department of Revenue for revenues remitted during FY 06-07, FY 07-08 and FY 08-09, pursuant to Sections 28.241(1)(a), 28.241(2), 34.041(1)(b), 28.37(2) and 28.37(4), Florida Statutes.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES
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Division of Accounting and Auditing • Bureau of Local Government
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Appendix A (continued)

The Honorable Dwight E. Brock
January 21, 2009
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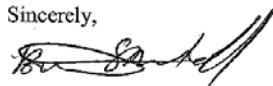
10. General Ledger report for the fourth quarter of FY 07-08 and the first quarter of FY 08-09 for revenues related to Chapter 2008-111, Laws of Florida (SB 1790). Also, any internal documents used in tracking and reporting Chapter 2008-111 revenues.
11. DOR confirmations of remittances for the fourth quarter of FY 07-08 and the first quarter of FY 08-09 for new revenues relating to Chapter 2008-111, Laws of Florida (SB 1790), with any relevant supporting documentation.
12. Quarterly Detail Revenue Report to CCOC (Attachment E) for the fourth quarter of FY 07-08 and the first quarter of FY 08-09, pursuant to Chapter 2008-111, Laws of Florida (SB 1790).
13. Report detailing outstanding balance for each partial payment account.
14. Contract, outstanding balance of accounts assigned and supporting records for remittances by collection agency for FY 06-07, FY 07-08 and FY 08-09, if applicable.
15. Submissions of timeliness and collections performance measure data and any related supporting documentation to CCOC for FY 06-07, FY 07-08 and FY 08-09 (through January 2009).
16. Any internal documentation used to complete a Budget Amendment Request(s) approved by CCOC, if applicable.
17. Management Letter from the Annual Audit Report for FY 05-06, FY 06-07 and FY 07-08 (if completed).
18. Fiscal Management Measures Status Report Form to CCOC for FY 06-07 and FY 07-08.
19. Financial Receipts data for FY 07-08 (reference the Cases Semi-Annual Report Form).
20. FY 07-08 and FY 08-09 Rebasing worksheets for Budget Submission to the CCOC.
21. FY 07-08 Juror Report Form to the CCOC.

Please have the requested report information available for fiscal years 2006-2007, 2007-2008 and 2008-2009 (through January 2009), as our review will cover these periods. Mr. Mark Gressel and Ms. Jessica Robinson 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 Ms. Priscilla Bailey-Brown as our primary point of contact at (850) 413-5592 or priscilla.bailey-brown@myfloridacfo.com.

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

Sincerely,



Burton S. Marshall

BSM:cc