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Florida Department of Financial Services

**BAY COUNTY  
CLERK OF THE CIRCUIT COURT  
PERFORMANCE AND COMPLIANCE REVIEW**

**Report No. 2010-01  
August 19, 2010**

**SUMMARY**

The Department of Financial Services (DFS) has completed a performance and compliance review of the Bay County Clerk of Circuit Court's Office, pursuant to Section 28.35 and 28.36, Florida Statutes (F.S.).

- The Bay County Clerk of Circuit Court serves a population of 169,307.
- The review verified the Clerk's budgeting practices for each county fiscal year (CFY) to be within the Florida Clerks of Court Operations Corporation (CCOC) guidelines.
- The review verified the Clerk's remittances and recording of liabilities due to the State to be accurate and timely, pursuant to F.S.
- The review verified the Clerk's court-related expenditures were allowable and compliant with F.S.
- The Clerk's office met or exceeded all performance standards established by the CCOC.

**BACKGROUND**

In 1998, revisions to Article V, Section 14, of the Florida Constitution, specified portions of the state courts system and court-related functions to be funded from State revenues derived from statutory fines, fees, service charges, and costs collected by the Clerks of Court.

Prior to July 1, 2009, Clerks prepared budgets using a revenue-based model independent of the State appropriations process. Clerks collected fines, fees, court cost, and service charges to fund their approved budgets and remitted any excess revenues to the Department of Revenue (DOR) for deposit into the Clerk of Courts Trust Fund. Beginning July 1, 2009, the Florida Legislature passed Florida Laws Chapter 2009-61 and Florida Laws Chapter 2009-204, placing the Clerks court-related budgets under the State appropriations process. The Florida Legislature appropriates the total amount for the Clerks budgets in the General Appropriations Act.

The organization that governs the Clerks, the CCOC, is now administratively housed in the Justice Administrative Commission. The CCOC is responsible for developing the budgets and certifying a uniform system of performance measures for Clerks. Under the current model all fines, fees, court costs, and service charges and costs, except as otherwise provided in Sections 28.241 and 34.041, F.S., are collected by the Clerks’ offices and remitted to the Department of Revenue (DOR) for deposit into the Clerks of the Circuit Court Trust Fund per Section 28.37 F.S.

**SCOPE**

The Article V performance and compliance review of the Bay County Clerk of the Circuit Court’s Office covered CFY 06-07, CFY 07-08, and CFY 08-09, court-related budgets certified by the CCOC, pursuant to Section 28.35, F.S. The review was conducted on December 14-16, 2009, at the Bay County Clerk of Circuit Court’s Office.

**OBJECTIVES & METHODOLOGY**

The performance and compliance review was conducted to ensure Clerk budget methodologies, liabilities due to the State, expenditures, and performance measures were accurately implemented and recorded according to law.

**BUDGETS**

The review of the Clerk’s budgets verified the budgets were funded from fines, fees, service charges, and court costs, pursuant to Sections 28.37 (1), F.S., and were prepared according to the CCOC instructions.

*The table below reflects the budgeted revenues and expenditures for each fiscal year reviewed and the resulting budgeted surplus or deficit amounts certified by the CCOC:*

| <b>Fiscal Year<br/>(County)</b> | <b>Budgeted<br/>Expenditures</b> | <b>Budgeted<br/>Revenues</b> | <b>Budgeted<br/>Surplus/<br/>(Deficit)</b> |
|---------------------------------|----------------------------------|------------------------------|--|
| <b>CFY 06-07</b>                | 3,661,321                        | 4,655,133                    | 993,812                                    |
| <b>CFY 07-08</b>                | 3,997,488                        | 5,224,650                    | 1,227,162                                  |
| <b>CFY 08-09</b>                | 4,126,384                        | 5,416,603                    | 1,290,219                                  |
| <b>CFY 08-09*</b>               | 3,600,443                        | 4,789,585                    | 1,189,142                                  |

Note: CFY 08-09\* represents revised CFY 08-09 budgeted figures based on the May 2009 budget reductions implemented by the CCOC.

The Clerk’s office was budgeted a “donor” county by the CCOC for each fiscal year reviewed. The Clerk’s office was scheduled to make monthly remittances to the Clerk of Court Trust Fund based on the “donor” county designation. The Clerk’s budgeted expenditures and revenues grew by approximately 15.58% and 16.36% respectively from CFY 06-07 to the beginning of CFY 08-09. The CCOC required Clerks to reduce the FY 08-09 budgets in May 2009.

The Clerk’s budgeted expenditures and revenues for CFY 08-09 were reduced by approximately 12.75% and 11.58%, respectively, in May 2009 due to declining Clerk revenues statewide. The budgeted expenditures and revenues of the Clerk’s office have grown .85% and 2.89%, respectively, from CFY 06-07 to CFY 08-09, using the revised CFY 08-09 budgeted figures.

*The table below reflects the budgeted FTEs for all fiscal years reviewed and the court-related allocation percentages applied for shared overhead:*

| <b>Fiscal Year (County)</b> | <b>Direct Court-Related FTEs</b> | <b>Indirect Overhead FTEs</b> | <b>Total Court-Related FTEs</b> | <b>Total Court &amp; Non-Court FTEs</b> | <b>Cost Allocation Percentage</b> |
|-----------------------------|----------------------------------|-------------------------------|---------------------------------|---|-----------------------------------|
| <b>CFY 06-07</b>            | 68.5                             | 4.55                          | 73.05                           | 112.5                                   | 64.93%                            |
| <b>CFY 07-08</b>            | 69.5                             | 5.55                          | 75.05                           | 115                                     | 65.26%                            |
| <b>CFY 08-09</b>            | 71.3                             | 4.97                          | 76.27                           | 115                                     | 66.32%                            |

The cost allocation percentages are applied to overhead costs budgeted to support court-related activities for all fiscal years. The allocation is based on the percentage of time each overhead position’s duties are performed for court-related activities. The allocation methodologies applied by the Clerk’s office are within the approved budget guidelines set by the CCOC. The budgeted total court-related FTEs grew approximately 4.54% from CFY 06-07 to CFY 08-09. The budgeted cost allocation percentage grew approximately 2.14% from CFY 06-07 to CFY 08-09.

Clerks are now required to budget according to State Fiscal Year (July 1 through June 30) and are provided funding through the State General Appropriations Act. The CCOC will release appropriations in the amount of one-twelfth of each Clerk’s approved budget each month for State fiscal year 2009-10.

***LIABILITIES DUE TO THE STATE***

The review confirmed that fines, fees, service charges, and court costs collected by the Clerk’s office were remitted to DOR for deposit into the Clerks of Court Trust Fund in a timely manner. Funds are required to be remitted to the Clerk of Court Trust Fund by the 20<sup>th</sup> of the month immediately following the month in which the monies were collected, pursuant to Section 28.245, F.S. The review confirmed the accuracy of the revenues listed on the Clerk’s General Ledger by reconciling with the revenues reported on the CCOC Clerks’ Trust Fund Collections Tracking Report for each fiscal year. The Clerk’s office is in compliance with Florida Laws Chapter 2008-111, and is timely and accurate in remitting and recording these collections provided to the State General Revenue Fund.

*The table below reflects the budgeted and actual revenues for each fiscal year reviewed:*

| <b>Fiscal Year<br/>(County)</b> | <b>Budgeted<br/>Revenues</b> | <b>Actual<br/>Revenues</b> |
|---------------------------------|------------------------------|----------------------------|
| <b>CFY 06-07</b>                | 4,655,133                    | 5,291,260                  |
| <b>CFY 07-08</b>                | 5,224,650                    | 5,397,045                  |
| <b>CFY 08-09</b>                | 5,416,603                    | 4,784,996                  |
| <b>CFY 08-09*</b>               | 4,789,585                    | 4,784,996                  |

Note: CFY 08-09\* represents revised CFY 08-09 budgeted figures based on the May 2009 budget reductions implemented by the CCOC.

The budgeted revenues grew by 16.36% from CFY 06-07 to CFY 08-09, while the actual revenues declined by 9.57% from CFY 06-07 to CFY 08-09. Budgeted revenues were reduced approximately 11.58% in May 2009. The May 2009 reduction in budgeted revenues reduced the budgeted growth to 2.89% from CFY 06-07 to CFY 08-09.

*The table below reflects the budgeted and actual revenue remittances made by the Clerk’s office for each fiscal year reviewed:*

| <b>Fiscal Year<br/>(County)</b> | <b>Budgeted<br/>Remittances</b> | <b>Actual<br/>Remittances</b> |
|---------------------------------|---------------------------------|-------------------------------|
| <b>CFY 06-07</b>                | 993,812                         | 1,998,858                     |
| <b>CFY 07-08</b>                | 1,227,162                       | 1,806,623                     |
| <b>CFY 08-09</b>                | 1,290,219                       | 1,196,856                     |

Note: Actual Remittances for each CFY include remittances made throughout the year and year-end surplus settle up remittances.

The Clerk’s office exceeded projected remittances in each fiscal year except for CFY 08-09. The Clerk’s office CFY 08-09 revenues followed the downward trend of Clerk revenues statewide for that fiscal year.

Beginning in July 2009, Clerks collections of court-related fines, fees, service charges, and other cost were considered liabilities due to the State and are required to be remitted to the Clerk of Court Trust Fund by the 20<sup>th</sup> of the month immediately following the month in which the monies were collected, per Section 28.245 F.S. The Clerks are now funded by the State appropriations process.

***EXPENDITURES***

The review sampled various court-related expenditure accounts and transactions to determine if the Clerk’s office was in compliance with Section 28.35, F.S. The expenditure sample confirmed court-related expenditures were in compliance with Section 28.35, F.S., and funds were expended for allowable court-related costs. The Clerk’s CCOC Technology Expense Monthly Tracking Report was in compliance with guidelines set by the CCOC. The Clerk’s salary was within the salary requirements developed by the Florida Legislative Committee on Intergovernmental Relations. The review confirmed the accuracy of the expenditures listed on the Clerk’s General Ledger by reconciling with the expenditures reported on the CCOC Clerks’ Trust Fund Collections Tracking Report for each fiscal year.

*The table below reflects the budgeted and actual expenditures for each fiscal year reviewed:*

| <b>Fiscal Year<br/>(County)</b> | <b>Budgeted<br/>Expenditures</b> | <b>Actual<br/>Expenditures</b> |
|---------------------------------|----------------------------------|--------------------------------|
| <b>CFY 06-07</b>                | 3,661,321                        | 3,292,402                      |
| <b>CFY 07-08</b>                | 3,997,488                        | 3,590,422                      |
| <b>CFY 08-09</b>                | 4,126,384                        | 3,447,497                      |
| <b>CFY 08-09*</b>               | 3,600,443                        | 3,447,497                      |

Note: CFY 08-09\* represents revised CFY 08-09 budgeted figures based on the May 2009 budget reductions implemented by the CCOC.

The budgeted expenditures grew by 12.70% from CFY 06-07 to CFY 08-09, while the actual expenditures grew by 4.71% from CFY 06-07 to CFY 08-09. Budgeted expenditures were reduced approximately 12.75% in May 2009. The May 2009 reduction in budgeted expenditures reduced the budgeted growth to .85% from CFY 06-07 to CFY 08-09. The Clerk’s actual expenditures were below budgeted expenditures each fiscal year reviewed.

*The table below reflects the budget categories that make up total budgeted expenditures:*

| <b>Fiscal Year<br/>(County)</b> | <b>Personal<br/>Services</b> | <b>Operating<br/>Expenses</b> | <b>Capital<br/>Outlay</b> | <b>Budget<br/>Reserve</b> | <b>TOTAL<br/>BUDGETED<br/>EXPENDITURES</b> |
|---------------------------------|------------------------------|-------------------------------|---------------------------|---------------------------|--|
| <b>CFY 06-07</b>                | 3,338,068                    | 221,507                       | 30,870                    | 70,876                    | 3,661,321                                  |
| <b>CFY 07-08</b>                | 3,583,019                    | 256,719                       | 41,810                    | 115,940                   | 3,997,488                                  |
| <b>CFY 08-09</b>                | 3,735,912                    | 231,421                       | 38,865                    | 120,186                   | 4,126,384                                  |
| <b>CFY 08-09*</b>               | N/A                          | N/A                           | N/A                       | N/A                       | 3,600,443                                  |

Note: CFY 08-09\* represents revised CFY 08-09 budgeted figures based on the May 2009 budget reductions implemented by the CCOC.

The total budgeted expenditures in each fiscal year reviewed were approximately 90% personal services (employee salaries and benefits).

***PERFORMANCE MEASURES***

The CCOC has the responsibility of developing and certifying a uniform system of performance measures and applicable performance standards for the court-related functions, pursuant to Section 28.35(3)(a), F.S. The review confirmed the Clerk’s office to be in compliance with the performance measure guidelines and standards defined by the CCOC. The Clerk’s independent audit report confirmed the Clerk’s office to be in compliance with Section 28.35, F.S, for CFY 06-07 and CFY 07-08. The independent audit report for CFY 08-09 had not been completed at the time of our review. The review verified the Clerk maintains a partial fee payment system, pursuant to Section 28.246, F.S.

*The table below reflects the standards of Timeliness, Collections, Fiscal Management, and Juror Payments met by the Clerk’s office for each fiscal year reviewed:*

|                                 |                  |                  |                  |
|---------------------------------|------------------|------------------|------------------|
| <b><i>TIMELINESS</i></b>        | <b>CFY 06-07</b> | <b>CFY 07-08</b> | <b>CFY 08-09</b> |
| Standard                        | 12 of 20         | 12 of 20         | 12 of 20         |
| Clerk Reported                  | 20 of 20         | 19 of 20         | 19 of 20         |
| <b><i>COLLECTIONS</i></b>       | <b>CFY 06-07</b> | <b>CFY 07-08</b> | <b>CFY 08-09</b> |
| Standard                        | 5 of 9           | 5 of 9           | 5 of 9           |
| Clerk Reported                  | 7 of 9           | 8 of 9           | 6 of 9           |
| <b><i>FISCAL MANAGEMENT</i></b> | <b>CFY 06-07</b> | <b>CFY 07-08</b> | <b>CFY 08-09</b> |
| Standard                        | 6 of 9           | 6 of 9           | 6 of 9           |
| Clerk Reported                  | 9 of 9           | 9 of 9           | 9 of 9           |
| <b><i>JUROR PAYMENTS</i></b>    | <b>CFY 06-07</b> | <b>CFY 07-08</b> | <b>CFY 08-09</b> |
| Standard                        | N/A*             | 100%             | 100%             |
| Clerk Reported                  | N/A*             | 100%             | 100%             |

Note: CFY 06-07 N/A\* data not applicable for this time period.

*The table below reflects the Clerk’s cases, defendants, and financial receipts for each fiscal year reviewed:*

| <b>TOTAL REPORTED</b>           | <b>CFY 06-07</b> | <b>CFY 07-08</b> | <b>CFY 08-09</b> |
|---------------------------------|------------------|------------------|------------------|
| <b>CASES</b>                    | 49,006           | 54,798           | 53,111           |
| <b>DEFENDANTS</b>               | 25,813           | 27,357           | 25,142           |
| <b>TOTAL FINANCIAL RECEIPTS</b> | N/A*             | 94,316           | 83,177           |

Note 1: CFY 06-07 total cases & defendants does not include reopenings or notices of appeal.

Note 2: CFY 06-07 N/A\* data not applicable for this time period.

**OBSERVATIONS & RECOMMENDATIONS**

Based upon the review, we found the Clerk’s budgeting practices and expenditure and revenue methodologies for State funds to be compliant with Florida Statutes and the guidelines established by the CCOC. We concluded that the Bay County Clerk’s Office is currently able to report on all required performance standards.



August 13, 2010

To the Department of Financial Services and Staff:

I am confirming the numbers in this last draft that you are reporting for Bay County are true and correct. We have continued to remit and comply with Florida Statutes, in regards to our budget, with revenues, expenditures and performance standards set forth.

Thank you .



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