



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

Florida Department of Financial Services

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

**Report No. 2010-06**  
**September 1, 2010**

**SUMMARY**

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

- The Liberty County Clerk of Circuit Court serves a population of 8,158.
- The review verified the Clerk's budgeting practices for each county fiscal year (CFY), October through September, and each state fiscal year (SFY), July through June, are pursuant with the Florida Clerks of Court Operations Corporation (CCOC) guidelines.
- The review verified the Clerk's remittances and recording of revenues/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 court 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, service charges, and court costs to fund their approved budgets and remitted any excess revenues to the Department of Revenue (DOR) for deposit into the Clerks of Court 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 (GAA).

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, service charges, and court costs, except as otherwise provided in Sections 28.241 and 34.041, F.S., are collected by the Clerks' offices and remitted to DOR for deposit into the Clerk of the Court Trust Fund, per Section 28.37 F.S. Beginning in July 2009, Clerks collections of court-related fines, fees, service charges, and costs 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.

## SCOPE

The Article V performance and compliance review of the Liberty County Clerk of the Circuit Court's Office covered CFY 06-07, CFY 07-08, CFY 08-09, and SFY 09-10 (through February 2010) court-related budgets certified by the CCOC, pursuant to Section 28.35, F.S. The review was conducted on April 12-15, 2010, at the Liberty County Clerk of Circuit Court's Office.

## OBJECTIVES & METHODOLOGY

The performance and compliance review was conducted to ensure Clerk budget methodologies, expenditures, revenues/liabilities due to the State, 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 expenditures and revenues/liabilities for each fiscal year reviewed, and reflects the budgeted surplus amounts certified by the CCOC:*

<b>Fiscal Year</b>	<b>Budgeted Expenditures</b>	<b>Budgeted Revenues/ Liabilities</b>	<b>Budgeted Surplus/ (Deficit)</b>
<b>CFY 06-07</b>	303,321	177,312	(126,009)
<b>CFY 07-08</b>	318,168	192,000	(126,168)
<b>CFY 08-09</b>	326,819	177,036	(149,783)

The Clerk's office was budgeted a "recipient" county by the CCOC for CFY 06-07, CFY 07-08, and CFY 08-09. The Clerk's office was scheduled to receive monthly payments from the Clerks of Court Trust Fund based on the "recipient" county designation. The Clerk's budgeted deficit increased by approximately 18.87% from CFY 06-07 to the beginning of CFY 08-09.

*The table below reflects the revised budgeted expenditures and revenues/liabilities following the budget reductions implemented in May 2009:*

<b>Fiscal Year</b>	<b>Budgeted Expenditures</b>	<b>Budgeted Revenues/ Liabilities</b>	<b>Budgeted Surplus/ (Deficit)</b>
<b>CFY 08-09*</b>	238,503	113,416	(125,087)
<b>SFY 09-10*</b>	311,932	124,181	(187,751)

Note 1: CFY 08-09\* budgeted expenditures and revenues/liabilities are for the nine month period of October 2008 through June 2009.

Note 2: SFY 09-10\* budgeted expenditures and revenues/liabilities are for the twelve month period of July 2009 through June 2010.

Clerks are now required to budget according to State Fiscal Year (July 1 through June 30) and are provided funding through the State GAA. The CCOC will release appropriations in the amount of one-twelfth of each Clerk's approved budget each month for SFY 09-10.

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

<b>Fiscal Year</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>	5.25	0.75	6.00	10.00	60.00%
<b>CFY 07-08</b>	5.25	0.75	6.00	10.00	60.00%
<b>CFY 08-09</b>	5.25	0.75	6.00	10.00	60.00%
<b>SFY 09-10</b>	5.25	0.75	6.00	10.00	60.00%

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 and budgeted cost allocation percentage remained the same from CFY 06-07 to SFY 09-10.

**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 Clerk provided 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 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</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>
<b>CFY 06-07</b>	303,321	253,991
<b>CFY 07-08</b>	318,168	243,504
<b>CFY 08-09*</b>	238,503	199,067
<b>SFY 09-10*</b>	311,932	154,041

Note 1: CFY 08-09\* budgeted and actual expenditures are for the nine month period of October 2008 through June 2009.

Note 2: SFY 09-10\* budgeted expenditures are for the twelve month period of July 2009 through June 2010.

The budgeted expenditures increased 2.84% from CFY 06-07 to SFY 09-10. The Clerk's actual expenditures were below budgeted expenditures in CFY 06-07 through CFY 08-09. Actual expenditures were \$154,041 for the eight month period of July 2009 through February 2010 of SFY 09-10.

*The table below reflects the budget categories that make up total budgeted expenditures for each fiscal year reviewed:*

<b>Fiscal Year</b>	<b>Personal Services</b>	<b>Operating Expenses</b>	<b>Capital Outlay</b>	<b>Budget Reserve</b>	<b>Total Budgeted Expenditures</b>
<b>CFY 06-07</b>	260,687	42,634	0	0	303,321
<b>CFY 07-08</b>	268,156	50,012	0	0	318,168
<b>CFY 08-09</b>	286,757	40,062	0	0	326,819
<b>CFY 08-09*</b>	N/A	N/A	N/A	N/A	238,503
<b>SFY 09-10*</b>	N/A	N/A	N/A	N/A	311,932

Note 1: CFY 08-09\* represents revised CFY 08-09 budgeted figures for the nine month period of October 2008 through June 2009, based on the May 2009 budget reductions implemented by the CCOC.

Note 2: SFY 09-10\* represents the budgeted expenditures for the twelve month period of July 2009 through June 2010.

Note 3: The categories of Personal Services, Operating Expenses, Capital Outlay and Budget Reserve are listed as N/A in CFY 08-09\* and SFY 09-10\* due to the implementation of budget reductions in May 2009.

The total budgeted expenditures in each fiscal year reviewed were approximately 85% personal services (employee salaries and benefits).

### ***REVENUES/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 Clerks 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/liabilities listed on the Clerk's General Ledger by reconciling with the revenues/liabilities 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/liabilities for each fiscal year reviewed:*

<b>Fiscal Year</b>	<b>Budgeted Revenues/ Liabilities</b>	<b>Actual Revenues/ Liabilities</b>
<b>CFY 06-07</b>	177,312	249,340
<b>CFY 07-08</b>	192,000	167,065
<b>CFY 08-09*</b>	113,416	109,639
<b>SFY 09-10*</b>	124,181	67,267

Note 1: CFY 08-09\* budgeted and actual revenues/liabilities are for the nine month period of October 2008 through June 2009.

Note 2: SFY 09-10\* budgeted revenue/liabilities are for the twelve month period of July 2009 through June 2010.

The budgeted revenues/liabilities decreased 29.96% from CFY 06-07 to SFY 09-10. Actual revenues/liabilities were \$67,267 for the eight month period of July 2009 through February 2010 of SFY 09-10.

*The table below reflects the budgeted and actual remittances received from the Clerks of Court Trust Fund for each fiscal year reviewed:*

<b>Fiscal Year</b>	<b>Budgeted Surplus/(Deficit) Remittances</b>	<b>Actual Remittances from the Trust Fund during the Year</b>	<b>Settle Up Remittance to Trust Fund at Year End</b>	<b>Total Remittances to Trust Fund</b>
<b>CFY 06-07</b>	(126,009)	126,012	121,360	(4,652)
<b>CFY 07-08</b>	(126,168)	125,664	49,225	(76,439)
<b>CFY 08-09*</b>	(125,087)	112,848	23,420	(89,428)
<b>SFY 09-10*</b>	(187,751)	N/A	N/A	N/A

Note 1: CFY 08-09\* budgeted deficit was based on the nine month period of October 2008 through June 2009.

Note 2: SFY 09-10\* budgeted deficit was based on the twelve month period of July 2009 through June 2010. The actual remittances, settle up remittance, and total remittances were not available during the time of our review.

The Clerk's office would have had a deficit of \$4,652, \$76,439, and \$89,428 for CFY 06-07, CFY 07-08, and CFY 08-09, if no remittances were received from the Clerks of Court Trust Fund.

**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>TIMELINESS</b>	<b>CFY 06-07</b>	<b>CFY 07-08</b>	<b>CFY 08-09</b>	<b>SFY 09-10</b>
Standard	12 of 20	12 of 20	12 of 20	12 of 20
Clerk Reported	19 of 20	19 of 20	19 of 20	18 of 20
<b>COLLECTIONS</b>	<b>CFY 06-07</b>	<b>CFY 07-08</b>	<b>CFY 08-09</b>	<b>CFY 09-10</b>
Standard	5 of 9	5 of 9	5 of 9	5 of 9
Clerk Reported	7 of 9	7 of 9	7 of 9	7 of 9
<b>FISCAL MANAGEMENT</b>	<b>CFY 06-07</b>	<b>CFY 07-08</b>	<b>CFY 08-09</b>	<b>CFY 09-10</b>
Standard	6 of 9	6 of 9	6 of 9	6 of 9
Clerk Reported	7 of 9	7 of 9	9 of 9	NA*
<b>JUROR PAYMENTS</b>	<b>CFY 06-07</b>	<b>CFY 07-08</b>	<b>CFY 08-09</b>	<b>CFY 09-10</b>
Standard	N/A*	100%	100%	100%
Clerk Reported	N/A*	100%	100%	N/A*

Note 1: CFY 06-07 N/A\* juror payments data not applicable for this time period.

Note 2: CFY 09-10 NA\* juror payments data not available at time of review.

Note 3: For timeliness SFY 09-10 and collections CFY 09-10 the data was reported through 12/31/09.

*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>SFY 09-10</b>
Cases	2,963	2,027	1,822	1,320
Defendants	587	728	690	431
Financial Receipts	N/A*	7,809	7,715	N/A*

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

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

Note 3: SFY 09-10 N/A\* financial receipts data not available 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 Liberty County Clerk's Office is currently able to report on all required performance standards.



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**ROBERT HILL**  
Clerk

OFFICE OF THE  
**CLERK OF THE CIRCUIT COURT**  
SECOND JUDICIAL CIRCUIT LIBERTY COUNTY

September 1, 2010

Alex Sink  
Chief Financial Officer  
State of Florida  
Department of Financial Services  
200 East Gaines Street  
Tallahassee, Florida 32399

Dear Ms. Sink:

We have reviewed the Liberty County Clerk of Court Performance and Compliance Review Report dated August 17, 2010.

We are pleased that the results of the review indicate that the Clerk's budgeting practices and expenditure and revenue methodologies for State funds are compliant with Florida Statutes and the guidelines established by the CCOC. In addition, we are able to report on all required performance standards.

We would like to acknowledge the professionalism of your staff during their visit. It was a pleasure working with them.

Sincerely,

Robert Hill  
Liberty County Clerk of Court

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