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CHIEF FINANCIAL OFFICER  
STATE OF FLORIDA**

Florida Department of Financial Services

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

**Report No. 2010-11  
January 21, 2011**

**SUMMARY**

The Chief Financial Officer for the State of Florida is authorized by law to conduct performance and compliance reviews for each of the Clerk of the Circuit Court's accounting of Article V State funding. The Department of Financial Services has completed a review of the Marion County Clerk of Circuit Court's Office as required by Section 28.36(8), Florida Statutes. It is the practice of the Department of Financial Services to conduct these reviews for each Clerk of the Circuit Court every three years.

- The Marion County Clerk of Circuit Court serves a population of 329,418.
- 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 in compliance 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, as required by Section 28.245, Florida Statutes.
- The review verified the Clerk's court-related expenditures were allowable and compliant with Sections 28.35(3) and 29.008, Florida Statutes.
- 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 that were 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

for deposit into the Clerks of Court Trust Fund. 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 beginning July 1, 2009. 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, Florida Statutes, are collected by the Clerks' offices and remitted to the Department of Revenue for deposit into the Clerks of the Court Trust Fund, in accordance with Section 28.37, Florida Statutes. Beginning in July 2009, Section 28.245, Florida Statutes, requires Clerks collections of court-related fines, fees, service charges, and costs to be considered liabilities due to the State and is 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 are collected. The Clerks are now funded by the State appropriations process.

**SCOPE**

The Article V performance and compliance review of the Marion County Clerk of the Circuit Court's Office covered CFY 06-07, CFY 07-08, CFY 08-09, and SFY 09-10 (through May 2010) court-related budgets certified by the CCOC, pursuant to Section 28.35, Florida Statutes. The review was conducted on July 12-14, 2010, at the Marion 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 Section 28.37 (1), Florida Statutes, 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:

Fiscal Year	Expenditures	Revenues/ Liabilities	Surplus/ (Deficit)
CFY 06-07	5,903,549	7,344,000	1,440,451
CFY 07-08	6,605,692	7,711,200	1,105,508
CFY 08-09	7,048,382	8,020,000	971,618

The Clerk's office was budgeted as a "donor" county by the CCOC for CFY 06-07, CFY 07-08, and CFY 08-09. The Clerk's office was scheduled to make monthly payments to the Clerks of Court Trust Fund based on the "donor" county designation. The Clerk's budgeted surplus decreased by approximately 32.55% 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:

Fiscal Year	Expenditures	Revenues/ Liabilities	Surplus/ (Deficit)
CFY 08-09 <sup>1</sup>	5,329,122	6,011,317	682,195
SFY 09-10 <sup>2</sup>	5,835,212	6,386,757	551,545

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 released 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:

Fiscal Year	Direct Court- Related FTEs	Indirect Overhead FTEs	Total Court- Related FTEs	Total Court & Non-Court FTEs	Cost Allocation Percentage
CFY 06-07	127.62	10.90	138.52	228.78	60.55%
CFY 07-08	134.62	11.14	145.76	238.64	61.08%
CFY 08-09	138.62	18.63	157.25	235.53	66.76%
SFY 09-10	127.50	11.94	139.44	198.50	70.25%

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 increased approximately .66% from CFY 06-07 to SFY 09-10. The budgeted cost allocation increased approximately 16.02% 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, Florida Statutes. The expenditure sample confirmed court-related expenditures were in compliance with Section 28.35, Florida Statutes, 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</b>	<b>Actual</b>
<b>CFY 06-07</b>	5,903,549	5,760,157
<b>CFY 07-08</b>	6,605,692	6,508,235
<b>CFY 08-09<sup>1</sup></b>	5,329,122	5,262,843
<b>SFY 09-10<sup>2</sup></b>	5,835,212	4,939,217 <sup>3</sup>

*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.*

*Note 3: SFY 09-10 actual expenditures were \$4,939,217 for the eleven month period of July 2009 through May 2010.*

The budgeted expenditures decreased 1.16% 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.

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

Fiscal Year	Personal Services	Operating Expenses	Capital Outlay	Budget Reserve	Total Expenditures
CFY 06-07	5,185,587	717,962	0	0	5,903,549
CFY 07-08	5,836,992	768,700	0	0	6,605,692
CFY 08-09	6,279,095	769,287	0	0	7,048,382
CFY 08-09 <sup>1,3</sup>	N/A	N/A	N/A	N/A	5,329,122
SFY 09-10 <sup>2,3</sup>	N/A	N/A	N/A	N/A	5,835,212

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 Clerk's office budgets personnel related costs (employee salaries and benefits) in the budget category of personal services. The total budgeted expenditures in each fiscal year reviewed were approximately 88% personnel related.

### ***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 the Department of Revenue for deposit into the Clerks of Court Trust Fund in a timely manner. Pursuant to Section 28.245, Florida Statutes, 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. 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 the collections provided to the State General Revenue Fund.

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

Fiscal Year	Budgeted	Actual
CFY 06-07	7,344,000	8,253,494
CFY 07-08	7,711,200	8,719,214
CFY 08-09 <sup>1</sup>	6,011,317	5,944,194
SFY 09-10 <sup>2</sup>	6,386,757	6,382,622 <sup>3</sup>

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.

Note 3: SFY 09-10 actual revenues/liabilities were \$6,382,622 for the eleven month period of July 2009 through May 2010.

The budgeted revenues/liabilities decreased 13.03% from CFY 06-07 to SFY 09-10. The Clerk's actual revenues/liabilities were above budgeted revenues/liabilities for CFY 06-07 and for CFY 07-08. The Clerk's actual revenues/liabilities were below budgeted revenues/liabilities for nine month period of CFY 08-09.

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

Fiscal Year	Budgeted Surplus Remittances	Actual Remittances during the Year	Settle Up Remittances at Year End	Total Remittances
CFY 06-07	1,440,451	1,440,450	1,052,887	2,493,337
CFY 07-08	1,105,508	1,105,509	1,105,471	2,210,980
CFY 08-09 <sup>1</sup>	682,195	741,747	(60,396) <sup>3</sup>	681,351
SFY 09-10 <sup>2</sup>	551,545	N/A	N/A	N/A

Note 1: CFY 08-09 budgeted surplus remittances were based on the nine month period of October 2008 through June 2009.

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

Note 3: The Clerk's office received a refund of \$60,396 from the Department of Revenue in June 2009 due to excess funds being remitted throughout the year.

The Clerk's office exceeded the budgeted remittances for CFY 06-07 and CFY 07-08. The Clerk's office fell short of meeting the budgeted remittances for the nine month period of October 2008 through June 2009 of CFY 08-09.

**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), Florida Statutes. 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, CFY 07-08 and CFY 08-09. The review verified the Clerk maintains a partial fee payment system, pursuant to Section 28.246, Florida Statutes.

**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	20 of 20	20 of 20	18 of 20	17 of 20 <sup>2</sup>
<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	9 of 9	9 of 9	9 of 9	9 of 9 <sup>2</sup>
<b>FISCAL MANAGEMENT</b>	<b>CFY 06-07</b>	<b>CFY 07-08</b>	<b>CFY 08-09</b>	<b>SFY 09-10</b>
Standard	6 of 9	6 of 9	6 of 9	6 of 8
Clerk Reported	9 of 9	9 of 9	9 of 9	8 of 8
<b>JUROR PAYMENTS</b>	<b>CFY 06-07</b>	<b>CFY 07-08</b>	<b>CFY 08-09</b>	<b>SFY 09-10</b>
Standard	N/A <sup>1</sup>	100%	100%	100%
Clerk Reported	N/A <sup>1</sup>	100%	100%	100% <sup>2</sup>

Note 1: CFY 06-07 juror payments data not applicable for this time period.

Note 2: SFY 09-10 timeliness, collections, and juror payments data was reported through March 31, 2010.

**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	81,179 <sup>1</sup>	77,950	70,171	62,936 <sup>3</sup>
Defendants	29,291 <sup>1</sup>	28,899	26,738	23,306 <sup>3</sup>
Financial Receipts	N/A <sup>2</sup>	384,427	365,576	N/A <sup>4</sup>

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

Note 2: CFY 06-07 financial receipts data not applicable for this time period.

Note 3: SFY 09-10 cases and defendants are for the eleven month period of July 2009 through May 2010.

Note 4: SFY 09-10 financial receipts data not available at the time of the review.

**OBSERVATIONS & 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 Marion County Clerk's office is currently able to report on all required performance standards.





## Clerk of the Circuit Court

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January 20, 2011

Honorable Jeff Atwater, Chief Financial Officer  
Florida Department of financial Services  
200 E. Gaines Street  
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re: Marion County Clerk of Court Article V Review covering  
CFY 06-07, CFY 07-08, CFY 08-09, and SFY 09-10

Dear Mr. Atwater:

This office appreciates the comprehensive and professional review performed by the State Department of Financial Services staff. The findings of the report that our budgeting practices and expenditure and revenue methodologies for State funds are efficient and accurate is a reflection of the professional and dedicated employees within the Marion County Clerk's Office.

The Marion County Clerk's office will continue to serve the citizens of Marion County and Judiciary to the best of our ability in keeping with our goal of accuracy and accountability as has always been our practice.

Sincerely,

David R. Ellspermann  
Clerk of the Circuit Court  
In and For Marion County, Florida

DRE/mh