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CHIEF FINANCIAL OFFICER
STATE OF FLORIDA**

Florida Department of Financial Services

**ST. LUCIE COUNTY
CLERK OF THE CIRCUIT COURT
PERFORMANCE AND COMPLIANCE REVIEW**

**Report No. 2010-05
August 19, 2010**

SUMMARY

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

- The St. Lucie County Clerk of Circuit Court serves a population of 276,585.
- 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 20th 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 St. Lucie 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 March 30 – April 1, 2010, at the St. Lucie 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:

Fiscal Year	Budgeted Expenditures	Budgeted Revenues/ Liabilities	Budgeted Surplus/ (Deficit)
CFY 06-07	7,574,768	6,691,309	(883,459)
CFY 07-08	8,522,333	6,774,000	(1,748,333)
CFY 08-09	9,853,276	8,540,500	(1,312,776)

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 48.60% 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	Budgeted Expenditures	Budgeted Revenues/ Liabilities	Budgeted Surplus/ (Deficit)
CFY 08-09*	7,421,055	6,611,319	(809,736)
SFY 09-10*	8,106,928	8,130,145	23,217

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:

Fiscal Year	Direct Court-Related FTEs	Indirect Overhead FTEs	Total Court-Related FTEs	Total Court & Non-Court FTEs	Cost Allocation Percentage
CFY 06-07	138.14	2.57	140.70	219.00	64.25%
CFY 07-08	143.67	10.21	153.88	226.00	68.09%
CFY 08-09	141.87	10.08	151.95	211.00	72.01%
SFY 09-10	140.14	2.64	142.78	189.00	75.54%

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 1.48% from CFY 06-07 to SFY 09-10. The budgeted cost allocation percentage increased approximately 17.57% 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:

Fiscal Year	Budgeted Expenditures	Actual Expenditures
CFY 06-07	7,574,768	7,220,798
CFY 07-08	8,522,333	8,511,312
CFY 08-09*	7,421,055	7,276,557
SFY 09-10*	8,106,928	5,157,725

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 7.03% 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 \$5,157,725 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:

Fiscal Year	Personal Services	Operating Expenses	Capital Outlay	Budget Reserve	Total Budgeted Expenditures
CFY 06-07	7,095,908	466,548	1,000	11,312	7,574,768
CFY 07-08	7,781,607	539,204	18,700	182,822	8,522,333
CFY 08-09	8,637,541	493,305	0	722,430	9,853,276
CFY 08-09*	N/A	N/A	N/A	N/A	7,421,055
SFY 09-10*	N/A	N/A	N/A	N/A	8,106,928

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 90% 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 20th 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:

Fiscal Year	Budgeted Revenues/ Liabilities	Actual Revenues/ Liabilities
CFY 06-07	6,691,309	7,482,545
CFY 07-08	6,774,000	8,799,746
CFY 08-09*	6,611,319	6,563,951
SFY 09-10*	8,130,145	5,095,470

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 increased 21.50% from CFY 06-07 to SFY 09-10. Actual revenues/liabilities were \$5,095,470 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/made from/to the Clerks of Court Trust Fund for each fiscal year reviewed:

Fiscal Year	Budgeted Surplus/(Deficit) Remittances	Actual Remittances from the Trust Fund during the Year	Actual Remittances to the Trust Fund throughout the Year	Settle Up Remittance to Trust Fund at Year End	Total Remittances to Trust Fund
CFY 06-07	(883,459)	883,457	262,933	882,271	261,747
CFY 07-08	(1,748,333)	1,718,892	466,057	1,541,269	288,434
CFY 08-09*	(809,736)	1,006,356	0	293,750	(712,606)
SFY 09-10*	23,217	N/A	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 surplus was based on the twelve month period of July 2009 through June 2009. 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 surplus of \$261,747 and \$288,434 for CFY 06-07 and CFY 07-08, if no remittances were received from the Clerks of Court Trust Fund. The Clerk’s office would have had a deficit of \$712,606 for 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:

TIMELINESS	CFY 06-07	CFY 07-08	CFY 08-09	CFY 09-10
Standard	12 of 20	12 of 20	12 of 20	12 of 20
Clerk Reported	18 of 20	18 of 20	18 of 20	NA*
COLLECTIONS	CFY 06-07	CFY 07-08	CFY 08-09	CFY 09-10
Standard	5 of 9	5 of 9	5 of 9	5 of 9
Clerk Reported	8 of 9	7 of 9	8 of 9	7 of 9
FISCAL MANAGEMENT	CFY 06-07	CFY 07-08	CFY 08-09	CFY 09-10
Standard	6 of 9	6 of 9	6 of 9	6 of 9
Clerk Reported	9 of 9	9 of 9	9 of 9	NA*
JUROR PAYMENTS	CFY 06-07	CFY 07-08	CFY 08-09	CFY 09-10
Standard	N/A*	100%	100%	100%
Clerk Reported	N/A*	100%	100%	N/A*

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

Note 2: CFY 09-10 N/A* data not available at time of review.

The tables below reflect the Clerk's cases, defendants, and financial receipts for each fiscal year reviewed:

TOTAL REPORTED	CFY 06-07	CFY 07-08	CFY 08-09
Cases	79,246	84,578	86,708
Defendants	28,256	29,361	27,592
Financial Receipts	N/A*	184,158	193,167

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

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

<i>TOTAL REPORTED CFY 09-10</i>	Cases	Defendants
October 2009	7,590	2,247
November 2009	6,637	2,041
December 2009	6,851	1,966
January 2010	6,958	1,980
February 2010	7,263	2,176
<i>TOTAL</i>	35,299	10,410

Note: CFY 09-10 cases and defendants includes reopenings and notices of appeal.

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 St. Lucie County Clerk's Office is currently able to report on all required performance standards.



JOSEPH E. SMITH
CLERK OF THE CIRCUIT COURT
ST. LUCIE COUNTY, FLORIDA

August 16, 2010

Mr. Burton Marshall
Bureau Chief
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Fort Pierce, Florida 34950
(772) 462-6900

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

Juvenile Department
435 North 7th Street
Fort Pierce, Florida 34950
(772) 462-6800

Finance Department
2300 Virginia Avenue Annex
Fort Pierce, Florida 34982
(772) 462-1476

PORT ST. LUCIE

St. Lucie West Courthouse
250 N.W. Country Club Drive
Port St. Lucie, Florida 34986

Small Claims
(772) 785-5880

Traffic
(772) 871-7208

**RE: St. Lucie County Performance and Compliance
Review Report**

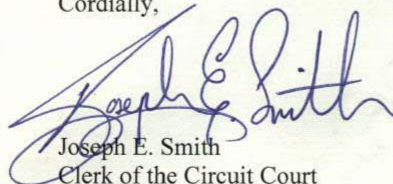
Dear Mr. Marshall:

The office of the St. Lucie County Clerk of the Circuit Court has verified the financial figures used in the review report and we are in agreement with the findings of the Florida Department of Financial Services.

It was a pleasure working with you and the members of the review team. Our office always welcomes the opportunity to work with your staff to ensure that our budget process is in compliance with Florida State Statutes.

If you have any questions or require additional information in the future, please do not hesitate to contact Shai Francis, Finance Director at (772) 462-1482.

Cordially,


Joseph E. Smith
Clerk of the Circuit Court
St. Lucie County