



FLORIDA
DEPARTMENT OF
**FINANCIAL
SERVICES**

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STATE OF FLORIDA

Collier County

Clerk of Circuit Court

Budget Review

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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 2004-2005 (FY 04-05), 2005-2006 (FY 05-06) and 2006-2007 (FY 06-07).

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 04-05, FY 05-06 and FY 06-07 approved budgets were \$7,897,500, \$8,340,093 and \$9,460,872 respectively.
- Collier County has a population of 330,455 and had 170.88, 178.71 and 190.40 Full Time Employees (FTEs) budgeted to be directly supporting court-related activities for FY 04-05, FY 05-06 and FY 06-07 respectively.
- Budgeted revenues for FY 04-05 were \$9,802,100. Actual revenues and expenditures as reported by the Clerk were \$11,178,055 and \$7,415,206 respectively, resulting in a \$3,762,849 surplus for FY 04-05. The Clerk remitted the FY 04-05 surplus to the Department of Revenue (DOR) on December 28, 2005 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
- Projected revenues and expenditures for FY 05-06 were \$11,117,800 and \$8,340,093 respectively, resulting in a budgeted surplus of \$2,777,707. Actual unaudited revenues and expenditures as reported by the Clerk for FY 05-06 detail a surplus of \$3,766,001. The Clerk remitted the FY 05-06 surplus to DOR for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.

- Projected revenues and expenditures for FY 06-07 are \$12,053,400 and \$9,460,872 respectively, resulting in a \$2,592,528 budgeted surplus. Monthly payments to the Clerks of the Court Trust Fund are scheduled to liquidate this projected surplus, based on CCOC directive.
- The Clerk has an internal system and reporting procedures for measuring and reporting on all required performance standards.

SCOPE, OBJECTIVES AND METHODOLOGY

Scope

The Scope of our review included an analysis of the development of the Clerk's FY 04-05, FY 05-06 and FY 06-07 budgets. Our review was conducted on April 4 – 5, 2007 at the Collier County Clerk of Circuit Court's Office.

Objectives and Methodology

The budget review was conducted with the following objectives:

- Each Clerk shall develop a budget funded from fees, services 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:
 - o Overhead Cost Allocation – The Collier County Clerk's Office applied a 65.56 and 66.63 percent cost allocation rate to the FY 04-05 and 05-06 certified annual budgets. A 67.59 percent cost allocation rate is being utilized for the FY 06-07 budget.
 - o Our review of supporting documentation disclosed that the methodologies used to calculate and distribute overhead costs were reasonable.
 - o Distribution of Court-Related FTEs – 170.88 of 260.65 FTEs, 178.71 of 268.20 FTEs and 190.40 of 281.70 FTEs for FY 04-05, FY 05-06 and FY 06-07 respectively, are budgeted to be directly supportive of court-related functions.
 - o General Fund Expenditures – The final approved budget for FY 04-05 was \$7,897,500. Major expenditure categories were: Personal Services \$7,442,700, Operating Expenses \$445,300 and Capital Outlay \$9,500. The final approved budget for FY 05-06 was \$8,340,093, which included a \$16,193 reserve. Major expenditure categories were: Personal Services \$7,852,100 and Operating Expenses \$471,800. The approved budget for FY 06-07 is \$9,460,872, which includes a \$22 reserve. Major expenditure categories are: Personal Services \$8,903,000 and Operating Expenses \$557,850.

- o Revenue Forecasting – Budgeted revenues of \$9,802,100, \$11,117,800 and \$12,053,400 were calculated for FY 04-05, FY 05-06 and FY 06-07 respectively, based on prior period data and management’s assessment of future operational activities.
 - o Our review determined that the Clerk’s FY 04-05, FY 05-06 and FY 06-07 budgets were prepared pursuant to CCOC instructions and submitted in accordance with the provisions of Section 28.36, F.S.
- Expenditures during the review period were limited to court-related functions as specified in Section 28.35(4)(a), F.S.
- Revenues for fees, services charges, court costs and funding for court-related functions for FY 04-05 and FY 05-06 were assessed pursuant to the provisions of Chapter 28, F.S. The Clerk’s budget for FY 06-07 was based on projected revenues from the same sources, pursuant to Section 28.36, F.S.
- Clerks are required to maintain a partial fee payment system, pursuant to Section 28.246, F.S. The Collier County Clerk’s Office is currently utilizing their accounting system to record partial fee payments. The Clerk does not contract with an external collection agency to assist with the collections process. As an alternative, the Clerk’s Office has implemented a Collections Department, which is responsible for the maintenance and collection of outstanding accounts receivables.
- The Collier County Clerk of Court was designated a “donor” office for FY 04-05 by CCOC based upon a budgeted surplus of \$1,904,600. 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 non-projected surplus of \$3,762,849 during FY 04-05, based on actual revenues and expenditures of \$11,178,055 and \$7,415,206 respectively. The Clerk remitted the FY 04-05 surplus to DOR for deposit in the General Revenue Fund on December 28, 2005, pursuant to the provisions of Section 28.37(4), F.S.
- The Collier County Clerk of Court was designated a “donor” office for FY 05-06 by CCOC based upon a budgeted surplus of \$2,777,707. 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 non-projected surplus of \$3,766,001 during FY 05-06, based on actual revenues and expenditures of \$11,278,040 and \$7,512,039 respectively. The Clerk remitted the FY 05-06 non-projected surplus to DOR for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.

- The Collier County Clerk of Court is designated a “donor” office for FY 06-07 by CCOC based upon a budgeted surplus of \$2,592,528. Projected revenues and expenditures for FY 06-07 are \$12,053,400 and \$9,460,872 respectively. Through the time of our review, the Clerk’s Office reported an actual FY 06-07 surplus of \$1,049,281 based on revenues and expenditures of \$3,798,234 and \$2,748,953 respectively. Clerks are required to remit monthly, one-third of all excess income, pursuant to Section 28.37(2), F.S. Our review concluded the Collier County Clerk’s Office is currently meeting all statutory remittance requirements.
- The following performance measures were adopted by CCOC for FY 04-05, FY 05-06 and FY 06-07, pursuant to Section 28.35, F.S.:
 - o 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 84,650 new cases filed and 23,229 defendants during FY 04-05. The Clerk reported 86,974 new cases filed and 25,696 defendants during FY 05-06. The Clerk reported 30,009 new cases filed and 6,416 defendants through the first quarter of FY 06-07.
 - o 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 timeliness performance standards to CCOC for FY 04-05. The Clerk reported meeting or exceeding 20 of 20 performance standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 20 of 20 performance standards to CCOC through the first quarter of FY 06-07.
 - 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 04-05. The Clerk reported meeting or exceeding 9 of 9 collections performance standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 9 of 9 collections performance standards to CCOC through the first quarter of FY 06-07.

FINDINGS AND RECOMMENDATIONS

Finding:

Based upon our review, we found the Clerk’s budgeting practices, 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*

Charles Culp, *Financial Administrator*

Mark Gressel, *Professional Accountant Specialist*

Bob Johnson, *Professional Accountant Specialist*

Angie Lawson, *Professional Accountant Specialist*

Darcy Dunn, *Professional Accountant Specialist*

APPENDIX

Appendix A