



REPRESENTING
ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

BREVARD COUNTY
CLERK OF CIRCUIT COURT
BUDGET REVIEW

REPORT DATE:
December 16, 2007

TABLE OF CONTENTS

INTRODUCTION	1
SUMMARY	1
SCOPE, OBJECTIVES AND METHODOLOGY	2
Scope	2
Objectives and Methodology	2
FINDINGS AND RECOMMENDATIONS	5
REVIEW TEAM	5
APPENDIX	
Clerk's Response	A



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CHIEF FINANCIAL OFFICER

INTRODUCTION

The Department of Financial Services (DFS) has completed a review of the budget certifications made by the Brevard 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 \$14,686,012, \$14,252,330 and \$15,794,478 respectively.
- Brevard County has a population of 542,489 and had 358.29, 337.71 and 346.10 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 \$10,719,261. Actual revenues and expenditures as reported by the Clerk were \$16,882,203 and \$14,686,012 respectively, resulting in a \$2,196,191 surplus for FY 04-05. The Clerk remitted the FY 04-05 surplus to the Department of Revenue (DOR) on January 31, 2006 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
- Budgeted revenues and expenditures for FY 05-06 were \$11,928,854 and \$14,252,330 respectively, resulting in a budgeted deficit of \$2,323,476. Actual revenues and expenditures as reported by the Clerk for FY 05-06 detail a surplus of \$1,431,154. The Clerk remitted the FY 05-06 surplus to DOR on December 29, 2006 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 \$13,018,135 and \$15,794,478 respectively, resulting in a \$2,776,343 budgeted deficit. Monthly payments from the Clerks of the Court Trust Fund are scheduled to fund this projected deficit pursuant to 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 September 26 - 27, 2007 at the Brevard 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:
 - Overhead Cost Allocation – The Brevard County Clerk's Office applied a 79.98 and 73.02 percent cost allocation rate to the FY 04-05 and FY 05-06 certified annual budgets. A 72.41 percent cost allocation rate is being utilized for the FY 06-07 budget.
 - Our review of supporting documentation disclosed that the methodologies used to calculate and distribute overhead costs were reasonable.
 - Distribution of Court-Related FTEs – The Brevard County Clerk's Office budgeted 358.29 of 448.00, 337.71 of 462.50 and 346.10 of 478.00 FTEs for FY 04-05, FY 05-06 and FY 06-07 respectively, to support court-related functions.
 - General Fund Expenditures – The final approved budget for FY 04-05 was \$14,686,012. Major expenditure categories were: Personal Services (\$13,514,397) and Operating Expenses (\$1,171,615). The final approved budget for FY 05-06 was \$14,252,330. Major expenditure categories were: Personal Services (\$12,879,907) and Operating Expenses (\$1,372,424).

The final approved budget for FY 06-07 is \$15,794,478. Major expenditure categories are: Personal Services (\$14,257,289) and Operating Expenses (\$1,537,189).

- Revenue Forecasting – Budgeted revenues of \$10,719,261, \$11,928,854 and \$13,018,135 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.
- 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 is 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 Brevard County Clerk’s Office is currently utilizing an internal database system to account for partial fee payments. The Clerk is contracting with an external collection agency to assist with collecting delinquent accounts, which are more than 90 days past due.
- The Brevard County Clerk of Court was designated a “recipient” office for FY 04-05 by CCOC based upon a budgeted deficit of \$3,966,751. Monthly remittances to the Clerks of the Court Trust Fund were scheduled to fund the Clerk’s projected deficit, pursuant to CCOC directive. The Clerk reported a surplus of \$2,196,191 during FY 04-05 based on actual revenues and expenditures of \$16,882,203 and \$14,686,012 respectively. The Clerk remitted the FY 04-05 surplus to DOR on January 31, 2006 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
- The Brevard County Clerk of Court was designated a “recipient” office for FY 05-06 by CCOC based upon a budgeted deficit of \$2,323,476. Monthly remittances to the Clerks of the Court Trust Fund were scheduled to fund the Clerk’s projected deficit, pursuant to CCOC directive. The Clerk reported a FY 05-06 surplus of \$1,431,154 based on actual revenues and expenditures of \$15,683,484 and \$14,252,330 respectively. The Clerk remitted the FY 05-06 surplus to DOR on December 29, 2006 for deposit in the General Revenue Fund, pursuant to provisions of Section 28.37(4), F.S.

- The Brevard County Clerk of Court is designated a “recipient” office for FY 06-07 by CCOC based upon a budgeted deficit of \$2,776,343. Projected revenues and expenditures for FY 06-07 are \$13,018,135 and \$15,794,478 respectively. Through the time of our review (July 2007), the Clerk’s Office reported an actual FY 06-07 surplus of \$64,565 based on revenues and expenditures of \$13,367,540 and \$13,302,975 respectively.
- The following performance measures were adopted by CCOC, pursuant to Section 28.35, F.S., for FY 04-05, FY 05-06 and FY 06-07:

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 127,706 new cases filed and 42,368 defendants for FY 04-05. The Clerk reported 131,142 new cases filed and 44,103 defendants for FY 05-06. The Clerk reported 94,266 new cases filed and 32,123 defendants through the third quarter of FY 06-07.

○ 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 13 of 20 performance standards to CCOC for FY 04-05. The Clerk reported meeting or exceeding 19 of 20 performance standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 19 of 20 performance standards to CCOC through the third quarter of FY 06-07.
- Collection Rate – The collection rate is calculated by dividing collections by the adjusted assessments. The Clerk could not report on collection performance standards to CCOC for FY 04-05. The Clerk reported meeting or exceeding 7 of 9 collections performance standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 7 of 9 collections performance standards to CCOC through the third 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 Brevard County Clerk's Office is currently able to report on all required performance standards.

REVIEW TEAM

Burton Marshall, *Chief, Bureau of Local Government*
Priscilla Bailey-Brown, *Financial Administrator*
Mark Gressel, *Professional Accountant Specialist*
Bob Johnson, *Professional Accountant Specialist*
Angie Lawson, *Professional Accountant Specialist*
Krystal Glover, *Professional Accountant Specialist*
Jessica Robinson, *Professional Accountant Specialist*

APPENDIX

Appendix A



Clerk of the Circuit Court **Brevard County, Florida**

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<http://www.brevardclerk.us>

Scott Ellis, Clerk

November 28, 2007

Florida Department of Financial Services
Bureau of Local Government
200 East Gaines Street
Tallahassee, FL 32399-0300

Attention: Burton Marshall

Re: Response to Audit Findings and Recommendations

Dear Sir:

The Brevard County Clerk of the Circuit Court is in receipt of your Budget Review Report covering the budgets for fiscal years 2004-2005, 2005-2006, and 2006-2007. It was noted the Clerk's budgeting practices, expenditure and revenue methodologies for State funds to be efficient and accurate. It also concluded the Brevard County Clerk's Office is currently able to report on all required performance standards. We agree with these findings.

Sincerely,

Scott Ellis
Clerk of Court