



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

**LEE COUNTY**  
**CLERK OF CIRCUIT COURT**  
**BUDGET REVIEW**

REPORT DATE:  
February 11, 2008

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# ALEX SINK

## CHIEF FINANCIAL OFFICER

### INTRODUCTION

The Department of Financial Services (DFS) has completed a review of the budget certifications made by the Lee 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 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 05-06 and FY 06-07 approved budgets were \$7,714,928 and \$11,013,062 respectively.
- Lee County has a population of 573,885 and had 182.09 and 199.17 Full Time Employees (FTEs) budgeted to support court-related activities for FY 05-06 and FY 06-07 respectively.
- Budgeted revenues and expenditures for FY 05-06 were \$12,373,941 and \$7,714,928 respectively, resulting in a budgeted surplus of \$4,659,013. Actual revenues and expenditures as reported by the Clerk for FY 05-06 detailed a surplus of \$192,130. The Clerk remitted the FY 05-06 surplus to the Department of Revenue (DOR) on December 19, 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 06-07 were \$15,523,072 and \$11,013,062 respectively, resulting in a budgeted surplus of \$4,510,010. Monthly payments to the Clerks of the Court Trust Fund were scheduled to liquidate the Clerk's projected surplus 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 05-06 and FY 06-07 budgets. Our review was conducted on November 28 – 29, 2007 at the Lee 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 Lee County Clerk's Office applied a 47.93 percent cost allocation rate to the FY 05-06 certified annual budgets. A 46.42 percent cost allocation rate was 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 Lee County Clerk's Office budgeted 182.09 of 379.88 and 199.17 of 429.04 FTEs for FY 05-06 and FY 06-07 respectively, to support court-related functions.
  - General Fund Expenditures – The final approved budget for FY 05-06 was \$7,714,928, which included a budget reserve of \$124,262. Major expenditure categories were: Personal Services (\$6,879,962), Operating Expenses (\$709,865) and Capital (\$839). The final approved budget for FY 06-07 is \$11,013,062. Major expenditure categories were: Personal Services (\$10,350,984), Operating Expenses (\$660,917) and Capital (\$1,161).
  - Revenue Forecasting – Budgeted revenues of \$12,373,941 and \$15,523,072 were calculated for 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 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 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 Lee 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 more than 90 days past due.
- The Lee County Clerk of Court was designated a “donor” office for FY 05-06 by CCOC based upon a budgeted surplus of \$4,659,013. 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 FY 05-06 surplus of \$192,130 based on actual revenues and expenditures of \$14,164,460 and \$13,972,330 respectively. The Clerk remitted the FY 05-06 surplus to DOR on December 19, 2006 for deposit in the General Revenue Fund, pursuant to the provisions of Section 28.37(4), F.S.
- The Lee County Clerk of Court was designated a “donor” office for FY 06-07 by CCOC based upon a budgeted surplus of \$4,510,010. Budgeted revenues and expenditures for FY 06-07 were \$15,523,072 and \$11,013,062 respectively. Through the time of our review (based on report data through September 2007), the Clerk’s Office reported an actual FY 06-07 surplus of \$193,956 based on revenues and expenditures of \$17,412,618 and \$17,218,662 respectively.
- The following performance measures were adopted by CCOC, pursuant to Section 28.35, F.S., for 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 144,201 new cases filed and 54,387 defendants for FY 05-06. The Clerk reported 160,635 new cases filed and 56,049 defendants for 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 05-06. The Clerk reported meeting or exceeding 19 of 20 performance standards to CCOC for FY 06-07.
  - Collection Rate – The collection rate is calculated by dividing collections by the adjusted assessments. The Clerk reported meeting or exceeding 7 of 9 collections performance standards to CCOC for FY 05-06. The Clerk reported meeting or exceeding 8 of 9 collections performance standards to CCOC for FY 06-07.
- Fiscal Management Measures – Fiscal Management Standards
  - Status Report – The Clerk reported meeting or exceeding 9 of 9 fiscal management standards to CCOC for FY 05-06.

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## FINDINGS AND RECOMMENDATIONS

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### **Finding Number 1:**

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 Lee County Clerk’s office is currently able to report on all required performance standards.

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## REVIEW TEAM

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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*  
 Jessica Robinson, *Professional Accountant Specialist*

# APPENDIX

## Appendix A



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

September 5, 2007

The Honorable Charlie Green  
Clerk of Circuit Court  
Lee County  
1700 Monroe Street  
Fort Myers, Florida 33901

Dear Mr. Green:

The Department of Financial Services (DFS) has scheduled a review of your budget processes in accordance with Section 28.35, Florida Statutes. The dates mutually selected for this review are November 28 – 29, 2007. Our review will encompass the following objectives: Analyze the methodologies used to develop both the current and prior fiscal years Clerks of Court Operations Corporation (CCOC) certified budget; review expenditures to ensure compliance with Florida Statutes; analyze projected and year-to-date revenues; and review methods used to collect and report data regarding performance measures.

To minimize disruptions to your daily operations, we request you have the following available upon our arrival:

1. Current organization chart.
2. Internal documentation of methodologies used to allocate FTEs to court-related activities.
3. Payroll subsidiary ledger for the most recent pay date and current annual salary listing by employee.
4. Listing of General Ledger codes (500-700 range) used in conjunction with the chart of accounts.
5. General Ledger report of court-related revenues and expenditures for FY 05-06 and FY 06-07 (through September 2007).
6. Revenue and Expenditure Tracking Reports submitted to CCOC for FY 05-06 and FY 06-07 (through September 2007).
7. Copies of monthly transmittals to the Department of Revenue for revenues remitted, pursuant to Sections 28.241(1)(a), 28.37(2) and 28.37(4), Florida Statutes.
8. Report detailing outstanding balance for each partial payment account.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
Burton S. Marshall, CPA • Chief  
Division of Accounting and Auditing • Bureau of Local Government  
200 E. Gaines St. • Tallahassee, FL 32399-0354 • Tel. 850-413-5588 • Fax 850-413-5548 • SC 293-5588  
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## Appendix A (continued)

The Honorable Charlie Green

September 5, 2007

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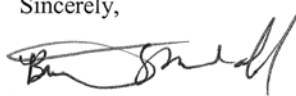
9. Contract, outstanding balance of accounts assigned, and supporting records for remittances by collection agency for FY 05-06 and FY 06-07, if applicable.
10. Submissions of timeliness and collections performance measure data and any related supporting documentation to CCOC for FY 05-06 and FY 06-07.
11. Any internal documentation used to complete a Budget Amendment Request(s) approved by CCOC, if applicable.
12. Annual Financial Report and Audit Report for FY 05-06.

Please have the requested information available for fiscal years 2005-2006 and 2006-2007, as our review will cover both periods. Mr. Bob Johnson, Ms. Jessica Robinson and Ms. Krystal Glover will represent DFS during this review.

We ask that you provide workspace for DFS and a lead from your staff to assist in the review. It is not our intent to disrupt your operations. You may contact us to reschedule if, for any reason, the dates selected cannot be accommodated. Please use Ms. Priscilla Bailey-Brown as our primary point of contact at (850) 413-5592 or [priscilla.bailey-brown@fldfs.com](mailto:priscilla.bailey-brown@fldfs.com).

Thank you for your advanced preparation. We look forward to working with you and your staff.

Sincerely,



Burton S. Marshall

BSM:cc

Appendix B

**LeeClerk.ORG**

CHARLIE GREEN: CLERK OF COURT

February 1, 2008

Florida Department of Financial Services  
Alex Sink, Chief Financial Officer  
c/o Priscilla Bailey-Brown, Financial Administrator

Re: Response to Lee County Budget Review FY05-06 and FY06-07.

Dear Ms. Priscilla Bailey-Brown,

Thank you for your review of the Lee County Clerk's budget process for the periods FY05-06 and FY06-07. It was a pleasure to work with your audit team and we always welcome input from our business partners as we continually strive to improve our operation.

Sincerely,



Linda Doggett  
Director, Court Department

Cc: Charlie Green  
Rita Miller