Jefferson County, Florida
Board of County Commissioners

Clerk of the Circuit Court
Forensic Accounting Project – Handout

Dated: November 3, 2022

This handout should be considered in conjunction with the verbal report presented at the November 3, 2022, Jefferson BOCC meeting. Captions, abbreviations, jargon, shorthand, and other similar items may lose important context outside of such verbal report, and significant information is expected to be presented only verbally as opposed to being included in this handout. This handout, even when considered in conjunction with the above-described verbal report, does not represent a "written report" as THF uses that term; it is a demonstrative aid. Per the terms of our March 24, 2022, engagement letter, the scope of this phase of the project does not include issuing a written report.

Thomas Howell Ferguson P.A.
Certified Public Accountants

INTRODUCTION

- Our engagement letter is dated March 24, 2022
- Multiple public records requests were issued to the Clerk on behalf of the BOCC
- Requests began in May; correspondence about requests occurred through October, with responses coming to us via the Clerk's counsel
- Many items THF requested apparently do not exist, were not provided to THF, or were provided in some fashion but are deemed incomplete
- THF has formed certain observations and conclusions that will be discussed in the BOCC meeting on November 3, 2022

SUMMARY OF OBSERVATIONS AND CONCLUSIONS

- Clerk's Budget and Finances
  - Statutory framework for County-wide budgeting (BOCC and Clerk)
  - Gross versus net expenses; BOCC general revenue funding; excess fees
  - DFS's Uniform Accounting System Manual
  - Growth in Clerk's budget; Clerk's office exceeding its budgeted expenses
  - Net transfers from BOCC to Clerk in excess of authorized amounts
- Specific Transactions
- Inadequate Policies and Procedures; Incomplete Records
- Deficiencies Identified by the Auditor
- Recommendations

BUDGETS – FLORIDA STATUTES

§218.35, F.S., *County fee officers; financial matters*

(1) Each county fee officer shall establish an annual budget for carrying out the powers, duties, and operations of his or her office for the next county fiscal year. The budget must be balanced so that the total of estimated receipts, including balances brought forward, equals the total of estimated expenditures and reserves. The budgeting of segregated funds must be made in a manner that retains the relation between program and revenue source, as provided by law.

(2) The clerk of the circuit court, functioning in his or her capacity as clerk of the circuit and county courts and as clerk of the board of county commissioners, shall prepare his or her budget in two parts:

(a) The budget for funds necessary to perform court-related functions as provided in s. 28.36.

BUDGETS – FLORIDA STATUTES

§218.35, F.S., *County fee officers; financial matters (continued)*

(b) The budget relating to the requirements of the clerk as clerk of the board of county commissioners, county auditor, and custodian or treasurer of all county funds and other county-related duties, which shall be annually prepared and submitted to the board of county commissioners pursuant to s. 129.03(2), for each fiscal year. Expenditures must be itemized in accordance with the uniform accounting system prescribed by the Department of Financial Services as follows:

1. Personnel services.
2. Operating expenses.
3. Capital outlay.
4. Debt service.
5. Grants and aids.
6. Other uses.

BUDGETS – FLORIDA STATUTES

§218.36, F.S., *County officers; record and report of fees and disposition of same*

(1) Each county officer who receives any expenses or compensation in fees, commissions, or other remuneration shall keep a complete record of all fees, commissions, or other remuneration collected by that county officer and shall make an annual report to the board of county commissioners within 31 days of the close of his or her fiscal year. Such report shall specify in detail the purposes, character, and amount of all official expenses and the amount of net income or unexpended budget balance as of the close of the fiscal year. All officers shall prepare such reports and subscribe under oath as to their accuracy and propriety.

(2) On or before the date for filing the annual report, each county officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of chapter 145...

BUDGETS – FLORIDA STATUTES

§129.021, F.S., *County officer budget information*

Notwithstanding other provisions of law, the budgets of all county officers, as submitted to the board of county commissioners, must be in sufficient detail and contain such information as the board of county commissioners may require in furtherance of their powers and responsibilities provided in ss. 125.01(1)(q), (r), and (v), and (6) and 129.01(2)(b).

BUDGETS – FLORIDA STATUTES

§129.025, F.S., *County budget officer*

(1) Each board of county commissioners may designate a county budget officer to carry out the duties set forth in this chapter. Unless the board designates a different officer, the clerk of the circuit court or the county comptroller, if applicable, shall be the budget officer for the purposes of this chapter.

(2) The Legislature finds that the duties of county budget officer set forth in this chapter do not fall within the constitutional responsibilities performed by the several clerks of the circuit court as auditor and custodian of county funds. The position of county budget officer shall not constitute an office in the meaning of s. 5, Art. II of the State Constitution.

BUDGETS – FLORIDA STATUTES

§129.03, F.S., *Preparation and adoption of budget*

(2) On or before June 1 of each year, the sheriff, the clerk of the circuit court and county comptroller, the tax collector subject to a resolution entered into pursuant to s. 145.022(1), and the supervisor of elections shall each submit to the board of county commissioners a tentative budget for their respective offices for the ensuing fiscal year. However, the board of county commissioners may, by resolution, require the tentative budgets to be submitted by May 1 of each year.

BUDGETS – FLORIDA STATUTES

§129.03, F.S., *Preparation and adoption of budget*

(3)

(c) The board shall hold public hearings to adopt tentative and final budgets pursuant to s. 200.065. The hearings shall be primarily for the purpose of hearing requests and complaints from the public regarding the budgets and the proposed tax levies and for explaining the budget and any proposed or adopted amendments. The tentative budget must be posted on the county's official website at least 2 days before the public hearing to consider such budget and must remain on the website for at least 45 days. The final budget must be posted on the website within 30 days after adoption and must remain on the website for at least 2 years. The tentative budgets, adopted tentative budgets, and final budgets shall be filed in the office of the county auditor as a public record. Sufficient reference in words and figures to identify the particular transactions must be made in the minutes of the board to record its actions with reference to the budgets.

DFS's UNIFORM ACCOUNTING SYSTEM MANUAL

PERSONNEL SERVICES

Expense for salaries, wages and related employee benefits provided for all persons employed by the reporting entity whether on full-time, part-time, temporary, or seasonal basis. Employee benefits include employer contributions to a retirement system, social security, insurance, sick leave, terminal pay, and similar direct benefits as well as other costs such as Other Post Employment Benefits (OPEB) expense accrual, Worker's Compensation and Unemployment Compensation Insurance.

INCLUDES:

- Executive Salaries
- Regular Salaries and Wages
- Other Salaries and Wages
- Overtime
- Special Pay
- Compensated Annual, Sick & Compensatory Leave
- FICA Taxes
- Retirement Contributions
- Life and Health Insurance [paid for employees]
- Workers' Compensation
- Unemployment Compensation
- OPEB

DFS's UNIFORM ACCOUNTING SYSTEM MANUAL

Operating Expenses

Includes expenditures for goods and services, which primarily benefit the current period, and are not defined as Personnel services or capital outlays.

Includes:

- Professional Services
- Accounting and Auditing
- Court Reporter Services
- Other Services
- Investigations
- Pension Benefits
- Travel and Per Diem
- Communication Services, Devices and Accessories
- Freight & Postage Services
- Utility Services
- Rentals and Leases
- Insurance
- Repair and Maintenance Services
- Printing and Binding
- Promotional Activities
- Other Current Charges and Obligations
- Office Supplies
- Operating Supplies
- Road Materials and Supplies
- Books, Publications, Subscriptions, and Memberships
- Training
- Depreciation

CLERK'S BUDGET WORKSHEET, FY2019 AND FY2020

	A	B	C	E	F
1	**2019-2020 BUDGET WORKSHEET**				
2	Clerk of Court				
3		**2018-2019**		**2019-2020**	
4	**REVENUES**	**Est Revenue**	**Actual Rev thru 05/31**	**Est Revenue**	
5	RECORD INDEXING	171,000	$ 93,325.00	$ 186,000	
6				$ -	
7	**Total Revenues**	**$ 171,000**	**$ 93,325.00**	**$ 186,000**	
8					
9	**EXPENSES**	**Budget**	**Actual Exp thru 05/31**	**19/20 Budget Req.**	**Increase or (Decrease)**
10	SALARIES	$ 230,000	$ 153,875	$ 240,000	$ 10,000
11	RETIREMENT	$ 35,000	$ 24,133	$ 43,000	$ 8,000
12	FICA	$ 22,000	$ 14,600	$ 25,000	$ 3,000
13	WORKERS COMP	$ 3,000	$ 2,175	$ 4,000	$ 1,000
14	EDUCATION/TRAVEL	$ 10,000	$ 3,775	$ 10,000	$ -
15	MAINTENANCE OF EQUIPMENT	$ 10,000	$ 6,347	$ 12,000	$ 2,000
16	OFFICE SUPPLIES	$ 10,000	$ 5,675	$ 11,000	$ 1,000
17	POSTAGE	$ 5,000	$ 2,789	$ 6,000	$ 1,000
18	IT EXPENDITURES	$ 35,000	$ 23,003	$ 35,000	$ -
20	**Total Expenses**	**$ 360,000**	**$ 236,372**	**$ 386,000**	**$ 26,000**
21	**Funds Required from General Revenue**	**$ 360,000**		**$ 386,000**	

CLERK'S BUDGET WORKSHEET, FY2021

	A	B	C	E	F
1	**2020-2021 BUDGET WORKSHEET**				
2	Clerk of Court				
3		**2019-2020**		**2020-2021**	
4	**REVENUES**	**Est Revenue**	**Actual Rev thru 05/31**	**Est Revenue**	
5	RECORD INDEXING	186,000	$ 123,725.00	$ 200,000	
6				$ -	
7	**Total Revenues**	**$ 186,000**	**$ 123,725.00**	**$ 200,000**	
8					
9	**EXPENSES**	**Budget**	**Actual Exp thru 05/31**	**19/20 Budget Req.**	**Increase or (Decrease)**
10	SALARIES	$ 240,000	$ 157,835	$ 242,000	$ 2,000
11	RETIREMENT	$ 43,000	$ 28,453	$ 44,000	$ 1,000
12	FICA	$ 25,000	$ 14,600	$ 26,000	$ 1,000
13	WORKERS COMP	$ 4,000	$ 2,475	$ 4,500	$ 500
14	EDUCATION/TRAVEL	$ 10,000	$ 2,785	$ 9,000	$ (1,000)
15	MAINTENANCE OF EQUIPMENT	$ 12,000	$ 9,342	$ 15,000	$ 3,000
16	OFFICE SUPPLIES	$ 11,000	$ 8,671	$ 15,000	$ 4,000
17	POSTAGE	$ 6,000	$ 4,400	$ 7,000	$ 1,000
18	IT EXPENDITURES	$ 35,000	$ 27,057	$ 39,500	$ 4,500
20	**Total Expenses**	**$ 386,000**	**$ 255,618**	**$ 402,000**	**$ 16,000**
21	**Funds Required from General Revenue**	**$ (200,000)**		**$ (202,000)**	

CLERK'S BUDGET WORKSHEET, FY2022

2021-2022 BUDGET WORKSHEET

Clerk of Court

	2020-2021		2021-2022	
REVENUES	**Est Revenue**	**Actual Rev thru 05/31**	**Est Revenue**	
RECORD INDEXING	200,000	$ 111,345.90	$ 225,000	
			$ -	
Total Revenues	**$ 200,000**	**$ 111,345.90**	**$ 225,000**	
EXPENSES	**Budget**	**Actual Exp thru 05/31**	**21/22 Budget Req.**	**Increase or (Decrease)**
SALARIES	$ 242,000	$ 157,835	$ 293,500	$ 51,500
RETIREMENT	$ 44,000	$ 28,453	$ 67,500	$ 23,500
FICA	$ 26,000	$ 14,600	$ 39,000	$ 13,000
WORKERS COMP	$ 4,500	$ 2,475	$ 6,500	$ 2,000
EDUCATION/TRAVEL	$ 9,000	$ 2,785	$ 9,000	$ -
MAINTENANCE OF EQUIPMENT	$ 15,000	$ 9,342	$ 15,000	$ -
OFFICE SUPPLIES	$ 15,000	$ 8,671	$ 15,000	$ -
POSTAGE	$ 7,000	$ 4,400	$ 7,000	$ -
IT EXPENDITURES	$ 39,500	$ 27,057	$ 47,500	$ 8,000
Total Expenses	**$ 402,000**	**$ 255,618**	**$ 500,000**	**$ 98,000**
Funds Required from General Revenue	**$ (202,000)**		**$ (275,000)**	

CLERK'S BUDGET WORKSHEETS: FY2019 TO FY2022

	FY2019	FY2020	FY2021	FY2022
Salaries	$ 230,000	$ 240,000	$ 242,000	$ 293,500
Retirement	35,000	43,000	44,000	67,500
FICA	22,000	25,000	26,000	39,000
Workers Comp	3,000	4,000	4,500	6,500
Education/Travel	10,000	10,000	9,000	9,000
Maint. of Equip.	10,000	12,000	15,000	15,000
Office Supplies	10,000	11,000	15,000	15,000
Postage	5,000	6,000	7,000	7,000
IT Expenditures	35,000	35,000	39,500	47,500
Total Expenses	**$ 360,000**	**$ 386,000**	**$ 402,000**	**$ 500,000**
Less: Revenues	(171,000)	(186,000)	(200,000)	(225,000)
Funding Needed	**$ 189,000**	**$ 200,000**	**$ 202,000**	**$ 275,000**

CLERK'S BUDGET CAPTIONS vs. DFS's UAS MANUAL

Per Clerk's Budget Worksheet	Per Uniform Accounting System Manual
Salaries	Personnel Services
Retirement	Personnel Services
FICA	Personnel Services
Workers Comp	Personnel Services
Education/Travel	Operating Expenses
Maintenance of Equipment	Operating Expenses
Office Supplies	Operating Expenses
Postage	Operating Expenses
IT Expenditures	Operating Expenses

CLERK'S BUDGET WORKSHEETS: FY2019 TO FY2022 USING DFS's UNIFORM ACCOUNTING SYSTEM MANUAL

Caption	**FY2019**	**FY2020**	**FY2021**	**FY2022**	***4-year Change***
Personnel Services	$ 290,000	$ 312,000	$ 316,500	$ 406,500	***$ 116,500***
Operating Expenses	70,000	74,000	85,500	93,500	***23,500***
Budgeted Expenses	**$ 360,000**	**$ 386,000**	**$ 402,000**	**$ 500,000**	***$ 140,000***
Budgeted Revenue	(171,000)	(186,000)	(200,000)	(225,000)	***(54,000)***
Budget Deficiency	**$ 189,000**	**$ 200,000**	**$ 202,000**	**$ 275,000**	***$ 86,000***
Growth by caption:					
Personnel Services	n/a	7.6%	1.4%	28.4%	***40.2%***
Operating Expenses	n/a	5.7%	15.5%	9.4%	***33.6%***
Budgeted Expenses	n/a	7.2%	4.1%	24.4%	***38.9%***
Budget Deficiency	n/a	5.8%	1.0%	36.1%	***45.5%***

BUDGET APPROVAL LETTER FY2020

KIRK REAMS
Jefferson County
Clerk of Court & CFO

1 Courthouse Circle
Monticello, FL 32344
(850) 342-0218
Fax (850) 342-0222

MEMORANDUM

To: Constitutional Officers
From: Kirk Reams
Subject: FY 2019-2020
Date: September 30, 2019

The budgets approved by the Board of County Commissioners for the 2019-2020 Fiscal Year are as follows:

Clerk of the Circuit Court	**$386,000**
Sheriff	**$4,191,174**
Property Appraiser	**$652,607**
Supervisor of Elections	**$324,960**

Sincerely,

Kirk B. Reams
Clerk of the Circuit Court
Ex Officio Clerk to the Board

BUDGET APPROVAL LETTER FY2021

KIRK REAMS
Jefferson County
Clerk of Court & CFO

1 Courthouse Circle
Monticello, FL 32344
(850) 342-0218
Fax (850) 342-0222

MEMORANDUM

To: Constitutional Officers
From: Kirk Reams
Subject: FY 2020-2021
Date: September 24, 2020

The budgets approved by the Board of County Commissioners for the 2020-2021 Fiscal Year are as follows:

Clerk of the Circuit Court	**$402,000**
Sheriff	**$4,316,130 (plus $35,610 match for EOC)**
Property Appraiser	**$680,624**
Supervisor of Elections	**$318,890**

Sincerely,

Kirk B. Reams
Clerk of the Circuit Court
Ex Officio Clerk to the Board

BUDGET APPROVAL LETTER FY2022

KIRK REAMS
Jefferson County
Clerk of Court & CFO

1 Courthouse Circle
Monticello, FL 32344
(850) 342-0218
Fax (850) 342-0222

MEMORANDUM

To: Constitutional Officers
From: Kirk Reams
Subject: FY 2021-2022
Date: October 5, 2021

The budgets approved by the Board of County Commissioners for the 2020-2021 Fiscal Year are as follows:

Clerk of the Circuit Court	**$500,000**
Sheriff	**$4,316,130 (plus $35,610 match for EOC)**
Property Appraiser	**$662,270**
Supervisor of Elections	**$429,780**

Sincerely,

Kirk B. Reams
Clerk of the Circuit Court
Ex Officio Clerk to the Board

CLERK'S FINANCIAL STATEMENTS, FY2019 AND FY2020

JEFFERSON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2019

	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Charges for Services	$ 76,000	$ 76,000	$ 83,379	$ 7,379
Intergovernmental	0	0	0	0
Fines and Forfeitures	0	0	0	0
Total Revenues	76,000	76,000	83,379	7,379
Expenditures				
General Government:				
Personal Services	370,500	370,500	257,451	(113,049)
Operating Expenses	65,500	65,500	156,378	90,878
Court-Related:				
Personal Services	0	0	0	0
Operating Expenses	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	436,000	436,000	413,830	(22,170)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(360,000)	(360,000)	(330,450)	29,550
Other Financing sources (Uses)				
Transfers In	360,000	360,000	360,000	0
Transfers Out	0	0	(29,550)	(29,550)
Net other Financing Sources (Uses)	360,000	360,000	330,450	(29,550)
Net Change in Fund Balance	$ 0	$ 0	$ 0	$ 0

JEFFERSON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2020

	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Charges for Services	$ 186,000	$ 186,000	$ 75,426	$ (110,574)
Intergovernmental	0	0	141,388	141,388
Fines and Forfeitures	0	0	0	0
Total Revenues	186,000	186,000	216,814	30,814
Expenditures				
General Government:				
Personal Services	312,000	312,000	261,678	50,322
Operating Expenses	74,000	74,000	242,166	(168,166)
Court-Related:				
Personal Services	0	0	96,959	(96,959)
Operating Expenses	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	386,000	386,000	600,803	(214,803)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(200,000)	(200,000)	(383,989)	(183,989)
Other Financing sources (Uses)				
Transfers In	386,000	386,000	386,000	0
Transfers Out	0	0	(2,011)	2,011
Net other Financing Sources (Uses)	386,000	386,000	383,989	2,011
Net Change in Fund Balance	$ 186,000	$ 186,000	$ 0	$ (186,000)

CLERK'S FINANCIAL STATEMENTS, FY2021

JEFFERSON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
SPECIAL-PURPOSE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
SEPTEMBER 30, 2021

	General Fund			
	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Revenues				
Charges for services	$ 160,000	$ 160,000	$ 103,882	$ (56,118)
Intergovernmental	0	0	53,072	53,072
Fines and forfeitures	0	0	0	0
Total Revenues	160,000	160,000	156,954	(3,046)
Expenditures				
General government:				
Personal services	308,237	308,237	260,449	47,788
Operating expenses	332,711	332,711	281,129	51,582
Court-related:				
Personal services	0	0	96,325	(96,325)
Operating expenses	0	0	0	0
Capital outlay	0	0	0	0
Total Expenditures	640,948	640,948	637,902	3,046
Excess (Deficiency) of revenues over (under) expenditures	(480,948)	(480,948)	(480,948)	0
Other financing sources (uses)				
Transfers in	480,948	480,948	480,948	0
Transfers out	0	0	0	0
Net other financing sources (uses)	480,948	480,948	480,948	0
Net change in fund balance	$ 0	$ 0	$ 0	$ 0

BOCC TRANSFERS TO/FROM CLERK'S OFFICE FY2019

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REPORT DATE  09/21/2022          JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS              PAGE        11
SYSTEM DATE  09/21/2022                 CLERK-OFFICE ACCOUNT                                TIME  13:09:51
FILES ID     B                              REVENUE LEDGER                                  USER  CULPCHA

17-338-000.00 BOCC BUDGET APPROPRIATION                   * BEGINNING BALANCE                                   .00
   CR 17011519-012 01/2019 30420 01/04/2019               BOCC BUDGET APPROPRIATION           30000.00
   CR 17021419-008 02/2019 30554 02/06/2019               BOCC BUDGET APPROPRIATION           30000.00
   CR 17032119-018 03/2019 30697 03/07/2019               BOCC MONTHLY BUDGET APROP           30000.00
   CR 17041519-011 04/2019 30779 04/03/2019               BOCC MONTHLY BUDGET APROP           30000.00


REPORT DATE  09/21/2022          JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS              PAGE        12
SYSTEM DATE  09/21/2022                 CLERK-OFFICE ACCOUNT                                TIME  13:09:51
FILES ID     B                              REVENUE LEDGER                                  USER  CULPCHA

ACCOUNT NUMBER/DESCRIPTION
                   POST    JRNL. TRANS        REF.     VENDOR   CHECK
   --TRANSACTION-- DATE    NO.   DATE         NUMBER   NUMBER   NUMBER TRANSACTION DESCRIPTION        DEBIT     CREDIT          BALANCE

   CR 17051519-007 05/2019 30894 05/02/2019                            BOCC BUDGET APPROPRIATION             30000.00
   CR 17061719-012 06/2019 31004 06/06/2019                            BOCC MONTHLY BUDGET APROP             30000.00
   CR 17071519-011 07/2019 31128 07/03/2019                            BOCC BUDGET APPROPRIATION             30000.00
   CR 17080519-011 08/2019 31205 08/02/2019                            BOCC MONTHLY BUDGET APPRO             30000.00
   CR 17091219-013 09/2019 31368 09/04/2019                            BOCC BUDGET APPROPRIATION             30000.00
   CR 17101518-006 10/2018 30057 10/04/2018                            BOCC BUDGET APP-10/2018               30000.00
   CR 17112018-009 11/2018 30181 11/02/2018                            MONTHLY BOCC APPROPRIATIO             30000.00
   CR 17120718-010 12/2018 30266 12/06/2018                            BOCC BUDGET APPROPRIATION             30000.00
                                                                                           ---------- ----------
                                                 TOTAL CASH RECEIPTS                             .00  360000.00

                                                                                           ---------- ----------
                TOTAL BOCC BUDGET APPROPRIATION                   ** ACCOUNT TOTALS              .00  360000.00
                                                                                                                 --------------
                                                                  *** ENDING BALANCE                                 -360000.00
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$30,000.00 x 12 = $360,000

BOCC TRANSFERS TO/FROM CLERK'S OFFICE FY2019

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REPORT DATE  09/21/2022              JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS                    PAGE       24
SYSTEM DATE  09/21/2022                      CLERK-OFFICE ACCOUNT                                      TIME  13:09:51
FILES ID     B                                  EXPENDITURE LEDGER                                     USER  CULPCHA

ACCOUNT NUMBER/DESCRIPTION
                   POST    JRNL. TRANS      REF.     VENDOR   CHECK
  --TRANSACTION-- DATE    NO.   DATE       NUMBER   NUMBER   NUMBER TRANSACTION DESCRIPTION       DEBIT      CREDIT          BALANCE

17-2340-513.700 EXCESS FEES/BOCC                                    * BEGINNING BALANCE                                          .00
   VP 17083119-001 08/2019 31300 08/21/2019 09302018 BOCC     008519 EXCESS FUNDS/BCC FY 17/18  5211.00
                                                                                              ---------- ----------
                                       TOTAL PREPAID VOUCHERS                                  5211.00        .00

                                                                                              ---------- ----------
               TOTAL EXCESS FEES/BOCC                               ** ACCOUNT TOTALS          5211.00        .00
                                                                                                                    -------------
                                                                    *** ENDING BALANCE                                       5211.00
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JEFFERSON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

<u>Note 8 – Excess Revenue</u>

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. During the year the Clerk returned $23,875 and had excess revenue of $29,550 which was added to the amount owed the previous year. This resulted in a due to the Board of County Commissioner of $66,137 at year end.

Through inspection of the Clerk's FY2019 general ledger, THF was unable to locate:

- the purported $23,875 returned to the BOCC
- the liability due to the BOCC of $66,137 as shown on the Clerk's balance sheet

BOCC TRANSFERS TO/FROM CLERK'S OFFICE FY2020

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REPORT DATE   09/21/2022            JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS            PAGE      13
SYSTEM DATE   09/21/2022                    CLERK-OFFICE ACCOUNT                              TIME  13:18:09
FILES ID      B                                 REVENUE LEDGER                                USER  CULPCHA

17-338-000.00 BOCC BUDGET APPROPRIATION                     * BEGINNING BALANCE                                .00
   CR 17011720-010 01/2020 31868 01/08/2020                 BOCC MONTHLY BUDGET APPRO          32166.66
   CR 17021420-010 02/2020 31971 02/07/2020                 BOCC MONTHLY BUDGET APPRO          32166.66
   CR 17031720-021 03/2020 32078 03/06/2020                 BOCC BUDGET APPROP                 32166.66
   CR 17031720-029 03/2020 32078 03/17/2020                 BOCC BUDGET-APR MAY JUN            96499.98


REPORT DATE   09/21/2022            JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS            PAGE      14
SYSTEM DATE   09/21/2022                    CLERK-OFFICE ACCOUNT                              TIME  13:18:09
FILES ID      B                                 REVENUE LEDGER                                USER  CULPCHA

ACCOUNT NUMBER/DESCRIPTION
                    POST    JRNL. TRANS       REF.     VENDOR   CHECK
   --TRANSACTION--  DATE    NO.   DATE        NUMBER   NUMBER   NUMBER TRANSACTION DESCRIPTION      DEBIT      CREDIT        BALANCE

   CR 17070820-014 07/2020 32454 07/01/2020                            BOCC BUDGET APPROPRIATION              32166.66
   CR 17080720-009 08/2020 32546 08/05/2020                            BOCC BUDGET APPROP                     32166.66
   CR 17091520-013 09/2020 32684 09/03/2020                            BOCC BUDGET APPROPRIATION              32166.74
   CR 17093020-009 09/2020 32743 09/29/2020                            CARES ACT FUNDING                      18024.00
   CR 17101519-011 10/2019 31488 10/07/2019                            BOCC MONTHLY BUDGET                    32166.66
   CR 17112019-011 11/2019 31652 11/07/2019                            MONTHLY BUDGET APPROP                  32166.66
   CR 17121319-006 12/2019 31748 12/04/2019                            BOCC BUDGET APPROPRIATION              32166.66
                                                                                                ---------- ----------
                                            TOTAL CASH RECEIPTS                                        .00  404024.00
```

$32,166.66 x 12 = $386,000

Plus $18,024 "CARES Act"

BOCC TRANSFERS TO/FROM CLERK'S OFFICE FY2020

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REPORT DATE  09/21/2022          JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS                PAGE       14
SYSTEM DATE  09/21/2022                  CLERK-OFFICE ACCOUNT                                  TIME  13:18:09
FILES ID     B                               REVENUE LEDGER                                    USER  CULPCHA

   PY 17093020-002 09/2020 34005 09/30/2020                C-AJE1-MSCPA              56402.00             *
   PY 17093020-009 09/2020 34005 09/30/2020                C-AJE4-MSCPA              58851.00             *
   PY 17093020-203 09/2020 33398 09/30/2020                PY ADJ/SG 04152021                   11562.50 *
   PY 17093020-217 09/2020 33398 09/30/2020                PY ADJ/SG 04152021                   29264.65 *
   PY 17093020-219 09/2020 33398 09/30/2020                PY ADJ/SG 04152021                   56402.01 *
                                                                                 ---------- ----------
                                         TOTAL PRIOR YEAR ADJ.                   115253.00   97229.16

                                                                                 ---------- ----------
                TOTAL BOCC BUDGET APPROPRIATION            ** ACCOUNT TOTALS     115253.00  501253.16
                                                                                                         --------------
                                                           *** ENDING BALANCE                                -386000.16


REPORT DATE  09/21/2022          JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS                PAGE       26
SYSTEM DATE  09/21/2022                  CLERK-OFFICE ACCOUNT                                  TIME  13:18:09
FILES ID     B                           EXPENDITURE LEDGER                                    USER  CULPCHA

17-2340-513.700 EXCESS FEES/BOCC                           * BEGINNING BALANCE                                      .00
   PY 17093020-008 09/2020 34005 09/30/2020                C-AJE3-MSCPA               2011.00             *
                                                                                 ---------- ----------
                                         TOTAL PRIOR YEAR ADJ.                    2011.00        .00

                                                                                 ---------- ----------
                TOTAL EXCESS FEES/BOCC                     ** ACCOUNT TOTALS      2011.00        .00
                                                                                                         --------------
                                                           *** ENDING BALANCE                                   2011.00
```

Note 8 – Excess Revenue

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. The Clerk had excess revenue of $2,011 which was added to the amount owed the previous year. This resulted in a due to the Board of County Commissioner of $68,148 at year end.

BOCC TRANSFERS TO/FROM CLERK'S OFFICE FY2021

REPORT DATE 09/21/2022
SYSTEM DATE 09/21/2022
FILES ID B

JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS
CLERK-OFFICE ACCOUNT
REVENUE LEDGER

PAGE 13
TIME 13:22:28
USER CULPCHA

ACCOUNT NUMBER/DESCRIPTION

--TRANSACTION--	POST DATE	JRNL. NO.	TRANS DATE	REF. NUMBER	VENDOR NUMBER	CHECK NUMBER	TRANSACTION DESCRIPTION	DEBIT	CREDIT	BALANCE
CR 17012521-010	01/2021	33150	01/06/2021				BOCC MONTHLY BUDGET APPRO		33500.00	
CR 17021521-013	02/2021	33225	02/04/2021				BOCC BUDGET APPROPRIATION		33500.00	
CR 17031821-017	03/2021	33335	03/08/2021				BOCC MONTHLY BUDGET APROP		33500.00	
CR 17042221-013	04/2021	33417	04/05/2021				BOCC BUDGET APPROPRIATION		33500.00	
CR 17051921-010	05/2021	33497	05/06/2021				BOCC BUDGET APPROPRIATION		33500.00	
CR 17061521-015	06/2021	33579	06/03/2021				BOCC BUDGET APPROPRIATION		33500.00	
CR 17071521-016	07/2021	33682	07/01/2021				BOCC BUDGET APPROP		33500.00	
CR 17081721-010	08/2021	33765	08/05/2021				BOCC BUDGET APPROP		33500.00	
CR 17091721-008	09/2021	33864	09/02/2021				BOCC BUDGET APPROPRIATION		33500.00	
CR 17093021-019	09/2021	33929	09/24/2021				BOCC PANDEMIC BONUS		10800.00	
CR 17101520-011	10/2020	32799	10/01/2020				BOCC BUDGET APPROP/OCT'20		33500.00	
CR 17111620-008	11/2020	32907	11/05/2020				CARES ACT/PHASE I		29264.65	
CR 17111620-009	11/2020	32907	11/05/2020				BOCC BUDGET APPROPRIATION		33500.00	
CR 17121520-008	12/2020	33041	12/03/2020				BOCC BUDGET APPROPRATION		33500.00	
					TOTAL CASH RECEIPTS			.00	442064.65	
JV 17093021-006	09/2021	34092	09/30/2021				REVERSE PY	29264.65		
JV 17093021-031	09/2021	34092	09/30/2021				PAYBACK TO BOCC		68148.29	
					TOTAL JOURNAL VOUCHERS			29264.65	68148.29	
TOTAL BOCC BUDGET APPROPRIATION							** ACCOUNT TOTALS	29264.65	510212.94	
							*** ENDING BALANCE			-480948.29

$33,500.00 x 12 = $402,000

Plus $29,265 "Cares Act" and $10,800 "Pandemic bonus"

BOCC TRANSFERS TO/FROM CLERK'S OFFICE FY2021

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REPORT DATE  09/21/2022          JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS              PAGE        25
SYSTEM DATE  09/21/2022                  CLERK-OFFICE ACCOUNT                                TIME  13:22:28
FILES ID     B                            EXPENDITURE LEDGER                                 USER  CULPCHA

17-2340-513.700 EXCESS FEES/BOCC                          * BEGINNING BALANCE                                    .00
                                                          * NO ACTIVITY FOR PERIOD
                                                                                   ---------- ----------
                TOTAL EXCESS FEES/BOCC                    ** ACCOUNT TOTALS              .00        .00
                                                                                                  --------------
                                                          *** ENDING BALANCE                                     .00
```

JEFFERSON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 – Excess Revenue

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. The Clerk had excess revenue of $0. and no amounts were due to the Board of County Commissioner at year end.

THF has not yet determined why the "due to BOCC" account was removed from the Clerk's general fund balance sheet as of September 30, 2021. The Clerk's general ledger does not appear to indicate the prior balance being repaid (the balance was $68,148 at September 30, 2020) and the Clerk's office operated at a deficit for FY2021.

BOCC TRANSFERS TO/FROM CLERK'S OFFICE FY2022

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REPORT DATE  09/21/2022              JEFFERSON COUNTY BOARD OF COUNTY COMMISSIONERS                  PAGE        6
SYSTEM DATE  09/21/2022                      CLERK-OFFICE ACCOUNT                                    TIME   12:48:05
FILES ID     B                                     REVENUE LEDGER                                    USER   CULPCHA

ACCOUNT NUMBER/DESCRIPTION
                   POST    JRNL. TRANS      REF.     VENDOR   CHECK
   --TRANSACTION-- DATE    NO.   DATE       NUMBER   NUMBER   NUMBER TRANSACTION DESCRIPTION        DEBIT      CREDIT          BALANCE

17-338-000.00 BOCC BUDGET APPROPRIATION                              * BEGINNING BALANCE                                           .00
   CR 17013122-026 01/2022 34510 01/03/2022                          BOCC BUDGET APPROPRIATION                125000.00
   CR 17101521-009 10/2021 33961 10/06/2021                          BOCC BUDGET OCT-DEC                      125000.00
                                                                                                 ---------- ----------
                                       TOTAL CASH RECEIPTS                                             .00  250000.00

                                                                                                 ---------- ----------
                TOTAL BOCC BUDGET APPROPRIATION                      ** ACCOUNT TOTALS                 .00  250000.00
                                                                                                                       --------------
                                                                     *** ENDING BALANCE                                    -250000.00
```

$125,000.00 x
4 = $500,000
(annualized)

CLERK'S ASSERTION REGARDING EXCESS FEES

Thomas Howell Ferguson P.A. CPAs Public Records Request – Follow Up

Category ID	Name	Original Request Description	THF Discussion as of 9/7/2022	Yes	No	Additional Clerk Comments
Budgets						
2.1	Certified BOCC Excess Fess report	Please provide the certified excess fees report submitted to the BOCC in the time frame required by F.S. Include all details provided in the report initially submitted to the Board including schedules reconciling amounts of excess fees.	The documents provided were not responsive to the request we made. We requested the "certified excess fees report submitted to the BOCC" but what was provided relates to the funding provided to the Clerk via the CCOC.		X	Other than one fiscal year where the excess was allowed to be kept, the Clerk has had no excess fees. Agenda materials and minutes regarding this will be provided ASAP.

Per the Clerk "as of" 9/12/2022; received by THF 9/23/2022

Thomas Howell Ferguson P.A.
Certified Public Accountants

Board of County Commissioners
Jefferson County, Florida

As summarized by THF in our 10/5/2022 status report

October 5, 2022
Page 4

Category ID	Name	Discussion
Budgets		
2.1	Certified BOCC Excess Fess report	The Clerk responded that no excess fees existed except for one fiscal year where the excess fees were allowed to be kept. No documents were provided regarding the certified report required by §218.36, F.S. Responses indicate that the Clerk has not submitted the required reports to the Board.

CLERK'S BUDGET WORKSHEET vs. ACTUAL RESULTS

	FY2019	FY2020	FY2021	FY2022
Revenue (per budget worksheet)	$ 171,000	$ 186,000	$ 200,000	$ 225,000
Expenses (per budget worksheet)	(360,000)	(386,000)	(402,000)	(500,000)
Authorized net BOCC transfer	189,000	200,000	202,000	275,000
Actual net BOCC transfer	(330,450)[1]	(383,989)[2]	(480,948)[2]	(500,000)[3]
Unauthorized excess net transfer	**$(141,450)[1]**	**$(183,989)[2]**	**$(278,948)[2]**	**$(225,000)[3]**
Expenses:				
Per budget worksheet	$ 360,000	$ 386,000	$ 402,000	$ 500,000
General government per audit	(413,830)	(503,844)	(541,577)	*pending*
Court-related per audit	0	(96,959)	(96,325)	*pending*
Excess unbudgeted expenses	(53,830)	(214,803)	(235,902)	*pending*
Revenue variance vs budget	(87,620)	30,814	(43,046)	*pending*
Unauthorized excess net transfer	**$(141,450)[1]**	**$(183,989)[2]**	**$(278,948)[2]**	***pending***

1: THF is unable to locate the purported $29,550 excess fees to be returned to the BOCC as shown in the FY2019 audit
2: Treatment of unbudgeted pandemic-related transfers to the Clerk for FY2020 ($18,024) and FY2021 ($40,065) is somewhat unclear
3: Annualized per the first two quarterly transfers of $125,000 each, with the Clerk's FY2022 expenditure budget equaling $500,000

No amounts above include adjustment for UAS captions vs budgeted amounts vs actual expenditures, which may result in material adjustments.

CLERK'S BUDGET DEFICIENCY – DFS's UAS MANUAL

Due to significant delays obtaining relevant financial information pursuant to our public records requests of the Clerk's office, THF has not prepared a recalculation of "allowable" Clerk's office expenditures as compared to the BOCC-approved budget.

However, THF has identified a material and ongoing financial statement and budget misclassification of expenditures related to the "contractual employment agreement" between the Clerk's office and Mr. Charles Culp and/or WCCJR Consulting, LLC.

Further analysis in this area is warranted in order to determine the extent to which the Clerk's office expended BOCC funding toward approved transactions based on the approved budget captions; i.e., Personnel Services versus Operating Expenses. Other misclassification errors could be developed following such further analysis.

SPECIFIC TRANSACTIONS

At this time, THF is unable to provide copies of transaction-level documentation or engage in detailed discussions regarding our observations, findings, and conclusions related to specific questioned or unallowable costs that have been paid by the Clerk's office during FY2019-FY2022.

THF is available to discuss such transactions generally.

CLERK'S POLICIES AND PROCEDURES

Multiple Clerk's office policies and procedures that THF expected to exist were either not provided to THF or do not exist, including:

- **Procurement**

  ("The BOCC has a procurement policy that was approved… July 1, 2014. However, I am unaware that any of the Constitutional officers have a separate policy, nor are they required to follow the BOCC policy.")

- **Travel**

  ("The BOCC has a travel policy that was approved… on July 1, 2014. This policy was updated on July 21, 2015. However, I am unaware that any of the Constitutional officers have a separate policy, nor are they required to follow the BOCC policy.")

- **Budget**

  ("BOCC does not have written procedures for its budget process.")

- **IT Security**

  ("The Clerk's office has no IT security policy and I am unaware of any such policy for the BOCC.")

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Board of County Commissioners

B2008-001, *Segregation of Duties*

"The internal control environment should include proper segregation of duties and responsibilities over accounting functions."

"Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not considered feasible by the County because of its size and limited number of employees."

"The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected."

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Board of County Commissioners

B2008-002, *Deficiency over Financial Reporting*

"The County has an individual providing bookkeeping services; however, the County does not have an individual on staff with accounting education and experience to properly record more complex accounting transactions and prepare financial statements in accordance with generally accepted accounting principles. Outside accountants are assisting with the process, but… it is difficult to obtain all the required documents to record the transactions correctly."

"The fact the County does not have someone on staff to prepare the financial statements in accordance with generally accepted accounting principles and to record complex transactions results in a material weakness under professional standards."

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Board of County Commissioners

B2015-001, *Grant Accounting*

"Accounting staff recorded transactions on the cash basis."

"Accrual basis accounting must be followed to accurately record grant revenues and expenditures in the proper period. Account balances must be reviewed for proper cutoff and correct period of recognition…"

"We further recommend the County seek assistance from an accounting professional to work with existing staff and provide accounting guidance and oversight."

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Board of County Commissioners

B2018-001, *County Budget*

"The county budget was not prepared on a basis consistent with how the financial statements are prepared. It does not include budgets for the Constitutional officers that is [sic] consistent with their actual results… It was noted that several funds are not budgeted at all."

"The County does not have a detailed budget of consistent detail to make a budget vs actual computation for each fund."

"The County overspent the budget for the 2021 [sic] in several funds."

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Board of County Commissioners

B2020-001, *Lease-Purchase of Equipment*

Related to equipment purchased: "The amounts were not budgeted, and no Board approval was documented… it is clear the accounting department still does not know how to correctly record the transactions related to debt."

"Accounting staff was unfamiliar with the requirements related to recording lease-purchase transactions. It appears the actual source documents related to the numerous transactions were never forwarded to the finance department… they clearly are lacking the proper documentation to record these transactions correctly."

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Clerk of the Circuit Court

C2008-001, *Segregation of Duties*

“The internal control environment should include proper segregation of duties and responsibilities over accounting functions.”

“Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not considered feasible by the County because of its size and limited number of employees.”

“The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.”

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Clerk of the Circuit Court

C2021-001, *Travel Documentation*

“The internal control environment should address controls regarding expenditures being in compliance with the Florida Statutes and the adopted budget.”

“The Clerk charged travel expenditures to the County’s purchasing card for several trips made during the year. The Clerk’s office reimbursed the County for the expenditures. However, the Clerk did not provide adequate documentation for the checks issued to the board, to support the public purpose served by the trips.”

“The Clerk’s office incurred expenses that do not have adequate documentation to support the public purpose served of the original travel expenses… He is held to a standard of documenting how the public was served by the nature of all expenditures.”

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Clerk of the Circuit Court

C2021-002, *Advertising Sponsorship Expenditures*

“The internal control environment should address controls regarding expenditures being in compliance with the Florida Statutes and the adopted budget.”

“During the year, the Clerk’s office issued numerous checks to various not-for-profit organizations in the community for sponsorships and advertising. There is not adequate documentation in all cases that supports how the public was served by the expenditures.”

“The Clerk’s office incurred expenses that do not have adequate documentation to support how the public benefited… He is held to a standard of documenting how the public was served by the nature of all expenditures.”

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Clerk of the Circuit Court

C2021-003, *Clerk's Court Budget Submitted to Florida Clerks of Court Operations Corporation*

"The Clerk's office is required to comply with Florida Statute section 28.35 and 28.36 (Florida Clerks of Court Operations Corporation and budget procedures)"

"The submitted budget includes expenses for employees not charged to court and for an independent contractor listed as a paid employee with benefits."

"The budget submitted to the Florida Clerks of Court Operations Corporation is not completed according to the required rules."

DEFICIENCIES IDENTIFIED BY THE AUDITOR

Clerk of the Circuit Court

C2021-004, *Health Insurance Benefits*

"The Clerk of the Court is required to submit a budget to the BCC to be approved. The budget should be complete and reflect the costs of operating the office. The County has been paying for the basic coverage of health insurance for all county and Constitutional Officers. Any additional coverage is required to be paid by the employee as a payroll deduction item."

"The Clerk's office, which operates the County's human resources department, has not been deducting the cost of family coverage for any of the Clerk's employees including the Clerk. The office has also not been reimbursing the BCC for the cost of the family coverage. This also includes the cost of family coverage on an independent contractor working for the Clerk."

"The Board's general fund incurred expenses of over $85,000 in health insurance costs for the Clerk's office and did not provide this benefit to any other employees in the County."

CONTACT INFORMATION

Julian Dozier, CPA, ABV, CFF, CFE
Shareholder, Assurance Services; Assurance Department Leader
Thomas Howell Ferguson P.A. CPAs

Main: 850.668.8100 | **Direct:** 850.521.3189
Mobile: 850.556.3003 | **Fax:** 850.668.8199

2615 Centennial Blvd., Suite 200
Tallahassee, Florida 32308

jdozier@thf.cpa

www.thf.cpa

(end of handout)