



**COMMONWEALTH OF VIRGINIA  
COURT OPERATIONS**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2012**

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## HIGHLIGHTS AND SUMMARY

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The Commonwealth's funding of its Court System is an antiquated and complicated maze of state and local tax revenues and fines and costs with little connection to service delivery. The lack of funding transparency makes determining overall accountability nearly impossible. Further, the division of responsibility for expenses between the Commonwealth and localities comes more from historical tradition than from funding sources or accountability. This report provides an overall view of the collections and expenses associated with operating the Virginia's Court System.

The charts below show total collections and operating expenses for Circuit and District Courts during fiscal year 2012.

### Commonwealth Perspective 2012

State collections	\$597,130,404
Clerk's fees	50,602,437
Commissions	11,365,709
Less excess fees	<u>(8,921,067)</u>
Net state collections	<u>650,177,483</u>
Less total state expenses	<u>(278,254,389)</u>
<b>Commonwealth Revenue</b>	<b><u>\$371,923,094</u></b>

### Locality Perspective 2012

Total local and town collections	\$280,761,290
Plus excess fees	<u>8,921,066</u>
Net local collections	<u>289,682,356</u>
Less total local expenses	<u>(216,546,367)</u>
<b>Locality Revenue</b>	<b><u>\$ 73,135,989</u></b>

In the fiscal year 2012, the Virginia Court System netted the Commonwealth approximately \$371.9 million and its localities approximately \$73.1 million, which is an increase of six percent for the Commonwealth and a decrease of eleven percent for localities from fiscal year 2011. This report provides a comprehensive overview of the fiscal operations of the Commonwealth's Circuit and District Courts. We have compiled this information from various sources to show both the Courts' collections and their general operating expenses.

Collections for both Circuit and District Courts decreased significantly between 2007 and 2009 but began to increase in 2010. Expenses in the court system decreased during 2010 due to funding cuts relating to the District Courts, as well as judge vacancies, but have increased in 2011 and 2012 as funding cuts and judge vacancy freezes are lifted.

–TABLE OF CONTENTS–

	<u>Pages</u>
HIGHLIGHTS AND SUMMARY	
TRANSMITTAL LETTER	1
PROCESS AND FUNDING	2-6
SUMMARY SCHEDULE	7
NOTES TO SCHEDULES	8-15



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Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

August 5, 2013

The Honorable Robert F. McDonnell  
Governor of Virginia

The Honorable John M. O'Bannon, III  
Chairman, Joint Legislative Audit  
and Review Commission

This is our report of the **Commonwealth of Virginia Court Operations** for the fiscal year ended June 30, 2012. It provides an overview of the complete fiscal operations of the Courts in the Commonwealth by locality. This report combines information from a number of sources and is heavily dependent on the "Comparative Report of Local Government Revenues and Expenditures" also issued by our office, which is not available until after local governments have their audits.

The *Process and Funding* section provides an explanation of the report information. The *Notes to Schedules* section includes an explanation of the sources of information presented in the tables. In publishing this report, we have included the Summary Schedule of all localities combined for fiscal year ended June 30, 2012. On our website ([www.apa.virginia.gov](http://www.apa.virginia.gov)) is a copy of this report, as well as an Appendix that includes each of the individual locality schedules.

We would appreciate your comments and suggestions concerning this report. Our ultimate objective of this report is to provide timely and useful data.

Auditor of Public Accounts

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## PROCESS AND FUNDING

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### **General Information**

Both the Circuit and District Courts collect fines, fees, and costs for the adjudication of cases which come before the courts. In addition, the Circuit Courts record and maintain numerous official documents and, in connection with these duties, collect fees, taxes, and other funds for deposit in both the Commonwealth's and locality's treasuries. The Courts also hold funds for others and amounts pending the adjudication of cases; this report does not include these amounts.

The Commonwealth's Courts operate principally by locality and receive support from the Commonwealth and the locality. Generally, the Commonwealth funds salaries and benefits, and provides computer support and training; the localities provide space, equipment, and other operating costs. Some localities also supplement the salaries and benefits of certain court employees or hire employees to work for Circuit Courts.

In addition to the Judges, Court Clerk, and other personnel, this report includes the cost of courthouse and courtroom security and process servicing provided by the Sheriff's Office. As discussed later, we have allocated these costs between the Circuit and District Courts.

### **Funding Methods**

While the Commonwealth and the localities share in the funding of the Circuit and District Courts, the method of funding significantly varies between the two types of courts. We will provide a brief description of the funding methods here and will discuss later some of the unique aspects of these funding methods.

In addition to sharing in the cost of operating the Courts, the localities also receive a portion of the collections in both courts. The amounts localities receive from the Courts, whether Circuit or District, typically represent fines and costs assessed on cases brought against individuals under local ordinances. For more information on local ordinances please see our [\*Local Ordinances and the Funding of Courts\*](#) report issued September 2011. The localities may also receive funds arising from fees and taxes for the recording of property deeds and other transactions.

In addition, the localities receive a share of the Circuit Court collections under a calculation that is extremely difficult to follow. The calculation incorporates processes that date back to when the Circuit Courts funded their operations only from fees. This process no longer applies. We discuss this allocation of Circuit Court collections below in the section entitled "Excess Fees."

Following is a general discussion of the funding of District and Circuit Courts with a brief explanation of where the collections go.

### District Courts

The Office of the Executive Secretary receives a General Fund appropriation to pay for the salaries and fringe benefits of the Judges, Clerks, and Clerk's staff for these courts. They also pay for computer support and system development costs from its appropriation; however, we did not allocate these non-personnel costs to the courts.

The Commonwealth, through the Compensation Board supplemented by locality funding, provides security to the courtrooms and courthouses. The localities provide workspace, courtrooms, and maintenance and operating costs for the facilities.

In previous fiscal years, the District Courts transferred their collections to the Circuit Court for deposit with the Commonwealth, the Court's locality, or its town. This practice of transferring funds was a vestige of the system prior to District Court establishment. Effective April 2010, the District Courts now directly deposit state collections with the state treasury; however, during fiscal year 2011 and 2012 District Courts continued to transfer local collections to the applicable Circuit Court who then sent the funds to the appropriate local treasury, after deducting a commission. During the 2012 General Assembly Session there was a budget amendment stipulating that District Courts deposit all collections directly into the State Treasury. This took effect on July 1, 2012, eliminating the transfer of collections from the District Court to Circuit Court, as well as the commission on District Court local collections.

### Circuit Courts

The Compensation Board pays for the salary and fringe benefits of the Clerk of the Circuit Court and most of the staff, as well as the Sheriff's salary and fringe benefit costs for security for the courtrooms and courthouses. Some localities supplement both the Clerk's salary and those of the staff and, in some cases, employ individuals to compliment the Clerk's and Sheriff's staffing. The localities provide workspace, courtrooms, and maintenance and operating costs for the facilities.

The Office of the Executive Secretary receives a General Fund appropriation to pay for the salaries and fringe benefits of the Judges. They also pay for computer support and system development costs from its appropriation; however, we did not allocate these non-personnel costs to the Courts.

Circuit Courts generally deposit their collections, other than those held as a fiduciary, directly with the Commonwealth, or court's locality, or town. For presentation in this report, we do not show the transfer of collections from the District Courts to the Circuit Courts as Circuit Court collections, but provide for informational purposes the amount of the transfers separately.

## **Collections**

Courts do not have the authority to spend the revenues they collect. All monies collected go to the Commonwealth, the Court's locality, or its town on a regular basis as defined by the Code of Virginia.

- Commonwealth Collections – Circuit Courts deposit Commonwealth collections directly to the State Treasury. Effective April 2010, District Courts no longer transfer Commonwealth collections to the Circuit Court. They now deposit these collections directly into the State Treasury every Tuesday and Friday, or when collections exceed \$5,000.
- Local Collections – During fiscal year 2012, District Courts accumulated local collections and transferred them to the Circuit Courts at month end, except for the following amounts, which they sent directly to the local treasurer: Courthouse Security Funds; Jail Admission Fees; Courthouse Maintenance Fees; Local Law Library Fees; Sheriff's Fees; Local Training Academy Fees; and Non-Consecutive Jail Time Fees. Circuit Courts then accumulated local collections, including the monies from the District Courts, and sent them to the local treasurers at month end. During the 2012 General Assembly there was a budget amendment stipulating that District Courts deposit all collections directly into the State Treasury. The Comptroller then retains any state portion and remits the remainder to the locality. This took effect on July 1, 2012, eliminating the transfer of collections from the District Court to Circuit Court.

## ***Clerks' Fees***

Circuit Court Clerks can statutorily charge various fees for performing certain functions. The Code of Virginia sets forth the services for which there is a fee and the amount the Clerk can charge. The *Notes to Schedules* section has a detailed listing of the fees, which includes such items as processing marriage licenses and wills, and recording certain real property transactions. The Court sends these collections to the Commonwealth, and potentially a portion of these collections comes back to the locality as part of the excess fee calculation discussed later.

## ***Clerks' Commission on State Collections***

During fiscal year 2012, Circuit Court Clerks received from the State Treasury a commission for select Commonwealth Collections in their court. The commission is five percent of the first \$50,000 and three percent of the amount in excess of \$50,000.

## ***Clerks' Commission on Local Collections***

Circuit Court Clerks receive a five percent commission on select local collections including the amount transferred from the District Courts. The Financial Management System calculates the

commission on the amounts the Clerks send each locality and records the commission in the appropriate Clerks' Fees account.

### ***State Compensation Board Reimbursement***

The Compensation Board establishes a budget for each locality's Constitutional Officers, of whom the Clerk of the Circuit Court and Sheriff are two. The Compensation Board uses this budget to allocate state resources to the Constitutional Officers. For purposes of this report, we are chiefly interested in transactions affecting Clerks of the Circuit Court and Sheriffs as their activities relate to Circuit and District Courts.

The Compensation Board has been functioning since 1934, and originally controlled the amount of fees the individual Constitutional Officers could retain to operate their offices. Since the late 1930's, the Commonwealth has changed the funding of the Constitutional Officers from fees to an approved General Fund appropriation. The Circuit Court Clerks were the last Constitutional Office to shift from fees to a General Fund appropriation in 1985. In all but one locality, the locality's central accounting and payroll offices pay the Clerk's employees and bills, and the Compensation Board sends the locality a reimbursement for the state share of these expenses.

### **Expenses**

#### ***Judicial Administration***

We have included under this caption the amounts paid for by the Office of the Executive Secretary, the Compensation Board, and the locality. The Office of the Executive Secretary amount includes primarily the direct salaries and benefits paid to Judges and the District Court Clerk office personnel, with some funds for miscellaneous costs. The expenses under the state portion are primarily the expenses the Compensation Board reimbursed the locality, which are mainly the salaries and benefits of the Circuit Court Clerk's office. The final component is the local portion, which can include some personnel, but is typically the operating cost of the court for facilities, supplies, and other needs.

#### ***Sheriff Support***

This amount is primarily the cost associated with courthouse and courtroom security and process serving. The expenses are primarily salaries and benefits with some other operating costs. The amount shown includes those costs incurred by the locality including the cost reimbursed by the Compensation Board. See Sheriff Support under the *Notes to Schedules* section for additional information regarding our allocation method.

### **Excess Fees**

Prior to 1985, the Circuit Court Clerks needed to generate sufficient Clerk's Fees and other collections to pay for the cost of their office. Clerks would deposit the collection of the fees and commissions into their Clerk's account and would pay all of the expenses of the office, such as salaries, benefits, and other Compensation Board budgeted and approved office costs. If the Clerk



did not have sufficient collections to pay for the cost of the office, the Clerk could obtain an advance from either the Compensation Board or the locality.

At least annually, and for larger Circuit Courts more often, the Compensation Board would compare total collections with approved and incurred expenses and determine if the Clerk had collected funds in excess of the authorized Compensation Board budget. For larger Courts, the Compensation Board would use an estimate to project the excess. Because the calculation used collections and expenses paid from the Clerk's Fee Account, many commonly referred to the calculation as "Excess Fees."

If the Compensation Board determined that the Clerk had collections in excess of authorized expenses, the Compensation Board approved a disbursement of the excess to the Commonwealth and the Locality. The Commonwealth received one-third and the locality received two-thirds of the fees in excess of authorized expenses.

Since 1985, the Commonwealth changed the funding for the Clerks from a fee-based office to a General Fund operation. The Compensation Board receives sufficient General Fund monies to pay all of the authorized and budgeted costs of the Clerk's office. Under both the fee-based office approach and the current General Fund Appropriation method, a number of larger localities choose to supplement the salaries, staffing, and other costs incurred by the Clerks not included in the Compensation Board budgets.

Although the Commonwealth no longer funds the Clerk's office from fees, certain practices continue from this system, which incur unnecessary costs for both the Commonwealth and the locality. One practice is the calculation of the excess fee amount. This calculation is time consuming and the Compensation Board no longer has the information to verify the computation of the amount. The Compensation Board relies on the Clerk to provide the information to perform the computation. The purpose of the computation is to distribute between the Commonwealth and the locality the amounts collected in Clerk's fees beyond the Compensation Board's authorized budget for that locality. The allocation could occur more efficiently by having the Compensation Board set a base collection level for each Clerk, and the Clerk would transfer any amount above the base to the locality and the Commonwealth in accordance with the current allocation.

## SUMMARY SCHEDULE

	FY 2012		
	Circuit	District	Total
Collections:			
State	\$ 409,298,111	\$ 187,832,293	\$ 597,130,404
Locality	169,773,076	91,519,882	261,292,958
Town	9,139,166	10,329,166	19,468,332
Clerk's fees	50,602,437	-	50,602,437
Commissions on state	11,365,709	-	11,365,709
Gross cash collections	650,178,498	289,681,341	939,859,839
State Compensation Board reimbursement:			
State portion judicial administrations	46,570,300	-	46,570,300
State portion sheriff - courts	23,416,578	38,747,903	62,164,481
Total collections	720,165,376	328,429,244	1,048,594,620
Expenses:			
Judicial Administration:			
Judges and district court staff salaries paid by State	(39,967,987)	(129,551,621)	(169,519,608)
State portion	(46,570,300)	-	(46,570,300)
Local portion	(49,943,942)	(71,349,395)	(121,293,337)
Sheriff Support:			
State portion	(23,416,578)	(38,747,903)	(62,164,481)
Local portion	(38,161,151)	(57,091,879)	(95,253,030)
Total expenses	(198,059,958)	(296,740,798)	(494,800,756)
Net summary before code required transfers	522,105,418	31,688,446	553,793,864
Code required transfers subject to commissions:			
State transfers from district to circuit	-	-	-
Locality transfers from district to circuit	62,627,327	(62,627,327)	-
Town transfers from district to circuit	10,329,166	(10,329,166)	-
Total transfers	72,956,493	(72,956,493)	-
Net collections/expenses/transfers	\$ 595,061,910	\$ (41,268,046)	\$ 553,793,864

### Commonwealth and Locality Collections

	Local		Total
	Commonwealth	Government	
Gross cash collections	\$ 671,691,986	\$ 268,167,853	\$ 939,859,839
Expenses incurred	(278,254,389)	(216,546,367)	(494,800,756)
Net before excess fees	393,437,598	51,621,486	445,059,083
Addition/Deduction of excess fees*	(8,921,067)	8,921,067	-
Total collections net of expenses	\$ 384,516,531	\$ 60,542,552	\$ 445,059,083

\*State Excess Fee Share \$ 17,842,133

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## NOTES TO SCHEDULES

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### 1. Compiling This Report

This report uses information from the Office of the Executive Secretary of the Supreme Court of Virginia's Financial and Case Management Systems, Department of Accounts' Commonwealth Accounting and Reporting System, and the Auditor of Public Accounts' Comparative Report on Local Government Revenues and Expenditures (Comparative Report). We have used these various systems and reports to accumulate information in order to show both Commonwealth and locality support of the Courts.

In using these various systems, we eliminated duplicate information to ensure that we included both collections and expense information only once. We also made some allocations of costs between the Circuit and District Court systems and assumed a manpower allocation based on services rendered.

As part of our audits of the Commonwealth, the Office of the Executive Secretary, and the individual Circuit and District Courts, we have audited the Financial Management and Case Management Systems and the Commonwealth Accounting and Reporting System. Each locality prepares the information submitted for the Comparative Report, and the locality's certified public accounting firm reviews the information.

Both the Circuit and District Courts receive and hold funds pending the outcome of cases, monies held in trust, and other funds held in a fiduciary manner. This report does not include the amounts that either the Circuit or District Courts hold for others. Only the fines, fees, taxes, and other transaction costs charged by either Court while pending recording or case disposition are in this report.

The column for District Courts includes the activity of the General District, Juvenile and Domestic Relations, and General District and Juvenile and Domestic Relations Combined Courts.

### 2. Commonwealth, Locality, and Town Collections

The following tables provide details by source of collection for the Commonwealth, locality, and town. The Code of Virginia defines the transactions for which the Commonwealth or the locality receives the collection.

**Note:** Inconsistent coding by localities of monies transferred from District Courts to Circuit Courts may overstate the Circuit Court amounts in the note below. This transfer practice ceased on July 1, 2012, and, therefore, the data in the chart below will be more accurate beginning in fiscal year 2013.

**Commonwealth**

<b>SOURCE</b>	<b>FISCAL YEAR 2012</b>	
	<b>CIRCUIT AMOUNT</b>	<b>DISTRICT AMOUNT</b>
Alcohol Safety Action Program*	\$ 31	\$ 126
Bad Check Fees	10,850	65,046
Bank Interest*	647	110
Blood Test	6,605	138,526
Boating Safety Education Civil Fee	-	7,329
Child Restraint Device Penalty	67,765	776,199
Civil Penalty - Signs	-	25
Civil Processing Fee	186	13,498,870
Commonwealth Attorney Fee	781,279	-
Concealed Weapons Permit Fee*	343,152	2,030
Confiscated Money Drug Related Cases*	123	175
Costs - Commonwealth Cases	6,364,124	4,744,918
Court Appointed Attorney Fee	6,920,351	7,616,734
Court Technology Fund*	700,588	6,749,526
Credit Card Surcharge	1,526	2,002,245
Criminal History Fee	-	15
Criminal Injuries Compensation Fund*	1,282,140	1,755,928
Criminal Justice Academy Fee*	63,293	1,454,487
Custody/Visitation Filing Fee*	-	776,033
Deed Processing Fee	17,570,572	-
Domestic Violence Fund*	31,919	2,901,389
Driver Clinic*	(3)	14
Drug Enforcement Fee*	445,873	10,175,704
Drug Offender Assessment Fund*	1,009,172	909,043
Failure To Appear	89,898	8,627,412
Fines and Bond Forfeitures	3,513,732	54,904,988
Fishing Licenses	(475)	-
Forfeited Property/Confiscated Money	78,787	388
Fraudulent Student Loan	-	-

SOURCE	FISCAL YEAR 2012	
	CIRCUIT AMOUNT	DISTRICT AMOUNT
Game Replacement	2,620	92,982
Grantee Tax	323,305,035	-
Grantor Tax	23,823,856	-
Greenway Toll Facility Fee	5	554
Guardian Ad Litem*	43,921	1,384,821
Hunting Licenses	(254)	-
Indigent Assistance*	101,078	674,737
Internet Crimes Against Children Fund	217,814	2,664,286
Jury Costs	146,226	-
Legal Aid Services*	911,995	6,072,941
Liquidated Damages*	18,463	12
Littering Highways*	-	1,299
Marriage Licenses	1,165,423	-
Office Of Attorney General - Appeal Fee	183	-
Petrol Fund	-	25
Probate Tax	5,825,244	-
Process Fees	592,443	55,561,468
Putative Father Registry	93,550	-
Safety and Health Fines	274	27,564
State Interest	2,712,404	2,698,830
Tax Underpayment	5	-
Technology Trust Fund	7,659,226	-
Temporary Boat Registration	(12)	-
Time-To-Pay Management Fee*	6,226	1,422,764
Toll Facility Civil Fine*	-	85,857
Trauma Center Fund*	24,479	35,561
Virginia Health Care Fund	-	960
Virginia Outdoor Foundation Fee	605,452	-
Virginia State Library Fund	2,162,719	-
Weighing Fee*	103	377
Writ Tax	597,497	-
<b>Total</b>	<b><u>\$409,298,111</u></b>	<b><u>\$187,832,293</u></b>

\*The transfer of these collections from the District Court to the Circuit Court Clerk is not required.

**Locality**

<b>SOURCE</b>	<b>FISCAL YEAR 2012</b>	
	<b>CIRCUIT AMOUNT</b>	<b>DISTRICT AMOUNT</b>
Animal Control	\$ 284	\$ 14,309
City Trial Fees	23	-
Commonwealth Attorney Fee	737,294	-
Concealed Weapons Permit – Background Check	2,253,945	8,350
Court Appointed Attorney	322,791	1,117,419
Court Reporter	46,471	-
Courthouse Construction Fund	6,746	-
Courthouse Maintenance Fee*	35,473	887,119
Courthouse Security Fund*	362,205	13,477,506
Delinquent Land Tax	-	(73)
Detention Home Costs	188	96
Document Reproduction Cost	841,457	-
Fines and Forfeitures	12,839,232	60,412,759
High Constable Fees*	261,973	3,280,846
Jail Admissions Fee*	297,687	566,941
Land Redemptions	14,848	-
Law Library*	329,240	2,092,568
Local Alcohol Safety Action Program	266	780,865
Local Blood Test	95,062	2,943
Local Commonwealth Fees	28	-
Local Grantee Tax	102,544,067	(10)
Local Grantor Tax	22,622,712	-
Local Interest	477,781	1,070,233
Local Jury Fees	5,423	-
Local Prosecutor	12,981	1,252
Local Tax	1,006,308	-
Local Training Academy*	69,414	1,381,342
Local Transfer Fees	241,222	-
Miscellaneous	309,094	48
Non-Consecutive Jail Time*	3,123	3,192
Sheriff's Fee*	1,727,594	6,422,176
<b>Total</b>	<b>\$147,464,932</b>	<b>\$91,519,881</b>

**Town**

<b>SOURCE</b>	<b>FISCAL YEAR 2012</b>	
	<b>CIRCUIT AMOUNT</b>	<b>DISTRICT AMOUNT</b>
Town Interest	\$ 75,142	\$ 103,744
Town Fines	8,992,219	10,079,018
Town Costs	71,805	146,404
<b>Total</b>	<b><u>\$9,139,166</u></b>	<b><u>\$10,329,166</u></b>

**Clerk's Fees**

The Code of Virginia defines the instances and transactions for which the Clerks of the Circuit Court can charge a fee. The following table details a listing of amounts of the fees collected by source.

<b>SOURCE</b>	<b>FISCAL YEAR 2012</b>
	<b>AMOUNT</b>
<b><u>FEES</u></b>	
Chancery	\$ 1,743
Circuit Court Clerk	4,353,158
Copies	1,641,170
Court Reporter	104,886
Criminal	1,346,911
Filing Financing Statements	244,204
Judgment Docket	741,774
Land Assessment Appraisal	34
Law	7,911,730
Marriage Licenses	584,406
Marriages Performed	26,178
Passports	329,729
Pawnbrokers License	126
Postage	11,703
Qualifying Notaries	281,983

	<b>FISCAL YEAR 2012</b>
<b>SOURCE</b>	<b>AMOUNT</b>
Recording Deeds And Contract	23,115,865
Register Fictitious Name	309,733
Secure Remote Access	29,680
Wills And Administration	2,548,531
<b><u>COMMISSIONS</u></b>	
General Receiver	1,232
Grantee Tax	5,208,791
Grantor Tax	1,148,525
Hunting And Fishing Licenses	26,166
Local Collections	522,396
Local Deed Tax	7,171
Local Tax Penalty	5,431
<b><u>OTHER</u></b>	
Deputy Salary Supplements Provided By Locality	27,491
Ex-Officio Salary	210
Interest Earned	36,435
Miscellaneous	35,044
<b>Total</b>	<b><u>\$50,602,437</u></b>

### 3. State Compensation Board Reimbursement

The Compensation Board reimburses the localities for the Commonwealth's share of the approved budget for Constitutional Officers. The amounts listed under this heading represent the reimbursements for the Circuit Court Clerks' and Sheriffs' costs for process serving and courtroom security.

### 4. Expenses

#### **Judicial Administration**

##### *Judges and District Court staff salaries paid by State*

- Salaries and fringe benefits paid by the Office of the Executive Secretary for Judges in both the Circuit and District Courts and those costs for the District Court Clerks and other staff. The Supreme Court does not pay any of the cost of the Circuit Court Clerks or their staff.



***State Portion***

- The amount the Compensation Board reimbursed for the Commonwealth portion of the salary and fringe benefits of the Circuit Court Clerk and of their staff supported by the Commonwealth.

***Local Portion***

- The amount the locality reported in the Comparative Report as local expenses for Court operations.

**Sheriff Support**

Sheriffs provide security for the courthouse and courtrooms and provide process serving for both the Circuit and District Courts. The Compensation Board provides funding in the Sheriff's budget for courtroom security and process serving, for which it reimburses the locality. This amount represents the cost reimbursed by the Compensation Board and the actual cost reported by the locality in the Comparative Report. The allocation uses the number of days court was held in each Circuit Court and District Court by locality.

**5. Code of Virginia Required Transfers Subject to Commission**

Section 16.1-69.48 of the Code of Virginia requires that District Courts transfer all of their collections unless specified by law to the Circuit Court Clerk. Sources marked with an asterisk under Note 2 are not subject to this transfer provision and are transferred directly to the locality.

During the 2012 General Assembly Session there was a budget amendment stipulating that District Courts deposit all collections directly into the State Treasury. This took effect on July 1, 2012, eliminating the transfer of collections from the District Court to Circuit Court.

**6. Excess Fees Commonwealth and Locality Collections**

At least annually, and for larger Circuit Courts more often, the Compensation Board compares total collections with approved and incurred expenses and determines if the Clerk has collected funds in excess of the authorized Compensation Board budget. For larger Courts, the Compensation Board uses estimates to project the excess. Because the calculation uses collections and expenses paid from the Clerk's Fee Account, many refer to the calculations as "Excess Fees."

If the Compensation Board determines that the Clerk has collections in excess of authorized expenses, the Compensation Board approves a disbursement of the excess to the Commonwealth and the Locality. For fiscal year 2009, the Commonwealth received one-third and the locality received two-thirds of the fees in excess of authorized expenses. Effective July 1, 2009, the Commonwealth will retain two-thirds and the locality will receive one-third with the exception of the thirty-first judicial circuit. The localities of the Cities of

Newport News, Richmond, and Roanoke have elected not to participate in the excess fee calculation and thus retain their Clerk's fees.

The following localities received Excess Fees in fiscal year 2012.

Counties			Cities
Arlington	Hanover	Roanoke	Alexandria
Augusta	Henrico	Rockingham	Charlottesville
Bedford	Isle of Wight	Shenandoah	Chesapeake
Chesterfield	Loudoun	Southampton	Hampton
Culpeper	Louisa	Stafford	Norfolk
Fairfax	Montgomery	Warren	Suffolk
Fauquier	New Kent	Washington	Virginia Beach
Franklin	Orange	York	Williamsburg
Frederick	Powhatan		
Gloucester	Prince William		

## 7. Individual Locality Schedules

The following localities currently operate only District Courts, and, therefore, do not show any Circuit Court information. Typically, an adjoining locality's Circuit Court provides services to these localities.

### District Courts

City of Emporia  
City of Fairfax  
City of Franklin  
City of Falls Church  
City of Galax