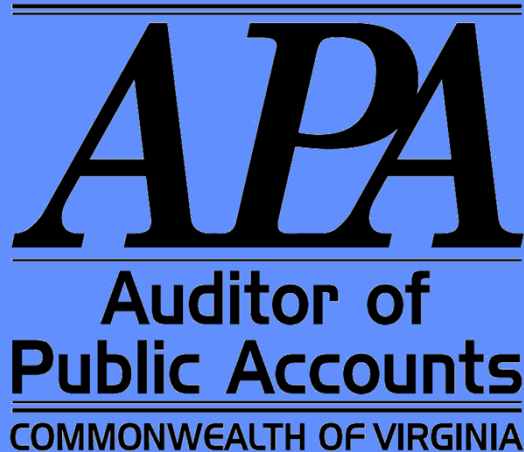


**COMMONWEALTH OF VIRGINIA
COURT OPERATIONS**

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2010**



REPORT SUMMARY

The Commonwealth of Virginia Court System netted the Commonwealth approximately \$329 million and its localities approximately \$83.7 million in fiscal year 2010, which is a decrease of three percent and 12 percent respectively over fiscal year 2009. 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.

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.

As a follow-up to our report from September 2009, the General Assembly during the 2010 session included in the Appropriation Act the requirement for District Courts to deposit all state collections directly into the treasury. The Office of the Executive Secretary of the Supreme Court of Virginia implemented this recommendation effective April 2010.

We have repeated two recommendations in this report. These recommendations include:

1. The Compensation Board's allocation of excess fees; and
2. Consistent accounting and reporting of all transactions affecting both Circuit and District Court operations.

–TABLE OF CONTENTS–

	<u>Pages</u>
REPORT SUMMARY	
GENERAL INFORMATION	1-7
SUMMARY SCHEDULES	8
NOTES TO SCHEDULES	9-16

General Information

Introduction

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.

Commonwealth Perspective 2010

	<u>Circuit Courts</u>	<u>District Courts</u>	<u>Total</u>
State collections	\$ 362,712,354	\$ 182,686,702	\$ 545,399,056
Clerk's fees	48,476,003	-	48,476,003
Commissions on state	14,930,451	-	14,930,451
Less Excess Fees	<u>10,768,378</u>	<u>-</u>	<u>10,768,378</u>
Net State Collections	<u>\$ 415,350,430</u>	<u>\$ 182,686,702</u>	<u>\$ 598,037,132</u>
Total State Expenses	<u>\$ 115,746,275</u>	<u>\$ 153,193,519</u>	<u>\$ 268,939,794</u>
Commonwealth Revenue	\$ 299,604,155	\$ 29,493,183	\$ 329,097,338

Locality Perspective 2010

	<u>Circuit Courts</u>	<u>District Courts</u>	<u>Total</u>
Total Local and Town Collections	\$166,403,515	\$ 95,060,312	\$ 261,463,827
Plus Excess Fees	<u>10,768,378</u>	<u>-</u>	<u>10,768,378</u>
Net Local Collections	<u>\$177,171,894</u>	<u>\$ 95,060,312</u>	<u>\$ 272,232,205</u>
Total Local Expenses	<u>\$ 52,743,363</u>	<u>\$135,794,344</u>	<u>\$ 188,537,708</u>
Locality Revenue	\$124,428,530	\$ (40,734,033)*	\$ 83,694,498

*See Sheriff Support under the *Notes to Schedules* section for additional information regarding our allocation method of Sheriff Expenses.

As shown in the tables above, 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 and 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 and will need to refine this allocation in the future.

Reporting Methodology

This report uses information from the Office of the Executive Secretary's Financial Management 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 for both Commonwealth and locality expenses to support the Courts.

In using these various systems and reports, we have eliminated duplicate information to ensure that we include both collections and expense information only once. We also made some allocations of cost between the Circuit and District Court systems and have had to assume manpower allocations 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 its information 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 fees charged by either Court while pending case disposition are included in this report.

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. 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 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 costs to the courts.

The Commonwealth, through the Compensation Board supplemented by locality funding, provides security to the courtrooms and courthouse. 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, District Courts still transfer local collections to the applicable Circuit Court who then sends the funds to the appropriate local treasury, after deducting a commission.

Circuit Courts

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 costs to the Courts.

The Commonwealth, through 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 courthouse. 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.

Circuit Courts generally deposit their collections not 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 – During most of fiscal year 2010, District Courts sent most Commonwealth collections to the Circuit Courts every Friday and the last day of every month. Circuit Courts then sent Commonwealth collections, including those monies received from the District Courts, to the state treasury. Effective April 2010, they now deposit these collections directly into the state treasury every Tuesday and Friday, or when collections exceed \$5,000.
- Local Collections – District Courts accumulate local collections and transfer them to the Circuit Courts at month end, except for the following amounts, which they send 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 accumulate local collections, including the monies from the District Courts, and send them to the local treasurers at month end. Therefore, local collections accumulated in the district courts in May, go to the Circuit Courts in June, and then go to the local treasurers in July.

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.

Commission on State Collections

During fiscal year 2010, Circuit Court Clerks received from the State Treasury a commission for select Commonwealth Collections in their court, including the transfer of funds from the District Courts. 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 refer 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.

Recommendation 1:

The General Assembly may wish to consider having the Compensation Board change its method of determining the allocation of excess fees to using a baseline minimum and then having the Clerk allocate the amount in excess of the baseline to both the Commonwealth and the locality.

In addition to the recommendation made above, throughout our compilation we encountered numerous instances where the courts inconsistently recorded the same type of transactions from

court to court. The Office of the Executive Secretary currently has no method of ensuring that guidance issued on the preferred method of recording these similar transactions is followed. They are currently planning to issue guidance, as well as implement automated edits, in July 2011. This will allow all Circuit Courts to consistently record transactions by using a formatted receipting process. Consistent coding will allow for easier reporting of the data and better comparability among the courts.

Recommendation 2:

The Office of the Executive Secretary should continue with the development and ensure implementation of automated edits, as well as formatted receipting, to ensure consistent accounting and reporting of all transactions affecting both Circuit and District Court operations across the Commonwealth.

SUMMARY SCHEDULE

	FY 2010		
	Circuit	District	Total
Collections:			
State	\$ 362,712,354	\$ 182,686,702	\$ 545,399,056
Locality	157,862,013	87,174,653	245,036,667
Town	8,541,502	7,885,659	16,427,160
Clerk's fees	48,476,003	-	48,476,003
Commissions on state	14,930,451	-	14,930,451
Gross cash collections	592,522,324	277,747,013	870,269,337
State Compensation Board reimbursement:			
State portion judicial administrations	46,774,798	-	46,774,798
State portion sheriff - courts	64,837,619	-	64,837,619
Total collections	704,134,740	277,747,013	981,881,754
Expenses:			
Judicial Administration:			
Judges and district court staff salaries paid by State	(35,918,864)	(121,408,514)	(157,327,378)
State portion	(46,774,798)	-	(46,774,798)
Local portion	(42,555,451)	(66,798,683)	(109,354,134)
Sheriff Support:			
State portion	(33,052,613)	(31,785,005)	(64,837,619)
Local portion	(10,187,912)	(68,995,661)	(79,183,573)
Total expenses	(168,489,638)	(288,987,864)	(457,477,502)
Net summary before code required transfers	535,645,102	(11,240,850)	524,404,252
Code required transfers subject to commissions:			
State transfers from district to circuit	146,813,880	(146,813,880)	-
Locality transfers from district to circuit	57,704,933	(57,704,933)	-
Town transfers from district to circuit	7,885,659	(7,885,659)	-
Total transfers	212,404,471	(212,404,471)	-
Net collections/expenses/transfers	\$ 748,049,573	\$ (223,645,322)	\$ 524,404,252

Commonwealth and Locality Collections

	Commonwealth	Local Government	Total
Gross cash collections	\$ 620,405,216	\$ 249,864,122	\$ 870,269,337
Expenses incurred	(268,939,794)	(188,537,708)	(457,477,502)
Net before excess fees	351,465,422	61,326,414	412,791,836
Addition/Deduction of excess fees*	(10,768,378)	10,768,378	-
Total collections net of expenses	\$ 340,697,043	\$ 72,094,792	\$ 412,791,836

*State Excess Fee Share \$ 21,536,757

Notes to Schedules

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 local government receives the collection.

Note: The Circuit Court numbers presented in the note below may be overstated due to the inconsistent coding by localities of monies transferred from District Courts to Circuit Courts. See discussion above under *General Information*, Excess Fees, and Recommendation 3.

Commonwealth

Fiscal Year 2010		
SOURCE	CIRCUIT AMOUNT	DISTRICT AMOUNT
Alcohol Safety Action Program*	4	301
Bad Check Fees	12,068	96,212
Bank Interest*	480	74
Blood Test	14,300	119,494
Boating Safety Education Civil Fee	-	296
Child Restraint Device Penalty	29,487	810,314
Civil Penalty – Signs	-	98
Civil Processing Fee	2	12,441,707
Civil Remedial Fee	125	250
Commercial Fisherman Registration	-	112
Commonwealth Attorney Fee	277,070	-
Concealed Weapons Permit Fee*	278,625	3,913
Confiscated Money Drug Related Cases*	52	221
Costs - Commonwealth Cases	6,489,338	4,793,087
Court Appointed Attorney Fee	6,825,351	7,216,549
Court Technology Fund*	808,533	7,415,449
Credit Card Surcharge	18,497	-
Criminal Injuries Compensation Fund*	1,331,176	1,807,915
Criminal Justice Academy Fee*	63,804	1,507,517
Custody/Visitation Filing Fee*	25	770,460
Deed Processing Fee	9,215,021	-
Domestic Violence Fund*	28,704	2,999,580
Driver Clinic*	7	650
Drug Enforcement Fee*	450,216	10,542,068
Drug Offender Assessment Fund*	991,682	815,675
Failure To Appear	45,566	5,414,278
Fines and Bond Forfeitures	3,442,075	55,974,725
Fire Suppression Costs*	100	418
Fishing Licenses	(2,398)	-
Forfeited Property/Confiscated Money	2,316	545
Fraudulent Student Loan	-	1
Game Replacement	504	83,090
Grantee Tax	286,124,737	-
Grantor Tax	24,576,573	-

Fiscal Year 2010		
SOURCE	CIRCUIT AMOUNT	DISTRICT AMOUNT
Greenway Toll Facility Fee	51	179
Guardian Ad Litem*	40,303	1,116,079
Hunting Licenses	7,417	-
Indigent Assistance*	106,563	741,009
Internet Crimes Against Children Fund	-	20
Jury Costs	171,766	-
Legal Aid Services*	959,665	6,669,011
Liquidated Damages*	109	12
Littering Highways*	30	1,475
Marriage Licenses	1,125,180	-
Office Of Attorney General – Appeal Fee	793	-
Probate Tax	4,970,103	-
Process Fees	544,348	57,505,443
Putative Father Registry	99,400	-
Safety and Health Fines	459	45,353
State Interest	2,422,762	2,383,892
State Water Control Board Fund*	60	25
Technology Trust Fund	7,766,495	-
Temporary Boat Registration	23	-
Time-To-Pay Management Fee*	7,768	1,356,352
Toll Facility Civil Fine*	484	23,195
Trauma Center Fund*	19,363	29,130
Virginia Health Care Fund	48	-
Virginia Outdoor Foundation Fee	564,380	-
Virginia State Library Fund	2,178,021	-
Weighing Fee*	-	355
Writ Tax	702,722	173
Total	362,712,352	182,686,702

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

Locality

Fiscal Year 2010		
SOURCE	CIRCUIT AMOUNT	DISTRICT AMOUNT
Alcohol Safety Action Program	2	-
Animal Control	595	9,231
City Trial Fees	58	-
Commonwealth Attorney Fee	263,521	-
Concealed Weapons Permit –	1,898,446	10,132
Court Appointed Attorney	61,112	1,101,138
Court Reporter	749	-
Courthouse Construction Fund	13,057	421,402
Courthouse Maintenance Fee*	207,075	3,386,042
Courthouse Security Fund*	355,514	13,849,717
Delinquent Land Costs	46	-
Delinquent Land Interest	-	-
Delinquent Land Penalty	-	-
Delinquent Land Tax	24	85
Detention Home Costs	816	108
Document Reproduction Cost	723,852	-
Fines and Forfeitures	-	55,588,911
High Constable Fees*	115	818,647
Jail Admissions Fee*	308,312	623,328
Land Redemptions	159	-
Law Library*	340,329	2,241,814
Local Blood Test	97,783	4,200
Local Grantee Tax	90,852,555	10
Local Grantor Tax	23,398,564	-
Local Interest	127,399	987,559
Local Jury Fees	5,555	-
Local Prosecutor	3,088	3,564
Local Tax	780,426	-
Local Training Academy*	52,225	977,503
Local Transfer Fees	265,144	-
Miscellaneous	246,358	(4)
Non-Consecutive Jail Time*	4,425	5,299
Sheriff's Fee*	1,827,885	7,145,967
Total	121,835,188	87,174,653

Town

Fiscal Year 2010		
Source	Circuit Amount	District Amount
Town Interest	92,791	89,539
Town Fines	8,356,169	7,645,984
Town Costs	92,541	150,136
Total	8,541,502	7,885,659

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.

	Fiscal Year 2010
Source	Amount
<u>FEES</u>	
Chancery	32,661
Circuit Court Clerk	3,991,259
Copies	1,974,341
Court Reporter	123,992
Criminal	1,411,472
Filing Financing Statements	223,669
Judgment Docket	830,375
Land Assessment Appraisal	131
Law	6,603,394
Marriage Licenses	563,188
Marriages Performed	22,299
Passports	353,421
Pawnbrokers License	161
Postage	11,815
Qualifying Notaries	267,927
Recording Deeds And Contract	22,614,136
Register Fictitious Name	318,846
Secure Remote Access	33,265
Wills And Administration	2,580,926

	Fiscal Year 2010
Source	Amount
<u>COMMISSIONS</u>	
General Receiver	6,527
Grantee Tax	4,592,010
Grantor Tax	1,183,113
Hunting And Fishing Licenses	8,834
Local Collections	448,104
Local Deed Tax	67,552
Local Tax Penalty	36
Wills And Administration	36,818
<u>OTHER</u>	
Deputy Salary Supplements Provided By Locality	50,104
Ex-Officio Salary	149
Interest Earned	51,209
Miscellaneous	74,271
Total	48,476,003

3. State Compensation Board Reimbursement

The Compensation Board reimburses the local governments 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 Administrations

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 judges between Circuit and District Courts by applying a 2:1 ratio. We allocated two Circuit Court judges for every one District Court judge taking into account the processing serving performed for the Circuit Courts.

5. Code 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.

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 Local Governments received Excess Fees in fiscal year 2010.

Counties				Cities
Accomack	Dinwiddie	King George	Rockbridge	Alexandria
Arlington	Fairfax	Loudoun	Rockingham	Charlottesville
Augusta	Fauquier	Louisa	Shenandoah	Chesapeake
Bedford	Franklin	Mecklenburg	Spotsylvania	Hampton
Botetourt	Frederick	Montgomery	Stafford	Lynchburg
Campbell	Gloucester	New Kent	Warren	Norfolk
Caroline	Greene	Orange	Washington	Suffolk
Chesterfield	Hanover	Powhatan	Wythe	Virginia Beach
Clarke	Henrico	Prince William	York	Williamsburg
Culpeper	Isle of Wight	Roanoke		

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

8. Obtaining Report in Electronic Format

An electronic copy of this report is available on the Internet. To locate this report, access the Auditor of Public Accounts' Reports page at <http://www.apa.virginia.gov>.