



Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

www.courts.ca.gov

REPORT TO THE JUDICIAL COUNCIL

For business meeting on: January 17, 2013

Title	Agenda Item Type
Report to the Legislature: Trial Court Revenue, Expenditure, and Fund Balance Constraints for Fiscal Year 2011–2012	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	January 17, 2013
Recommended by	Date of Report
Administrative Office of the Courts Steven Jahr Administrative Director of the Courts	January 10, 2013
	Contact
	Zlatko Theodorovic, 916-263-1397 zlatko.theodorovic@jud.ca.gov

Executive Summary

The Administrative Office of the Courts recommends that the Judicial Council approve the *Report of Trial Court Revenue, Expenditure, and Fund Balance Constraints for Fiscal Year 2011–2012*, as required by Government Code sections 68502.5(b) and 77202.5(b), to be sent to the chairs of the Senate Committees on Budget and Fiscal Review and Judiciary and the Assembly Committees on Budget and Judiciary.

Recommendation

The Administrative Office of the Courts (AOC) recommends that the Judicial Council:

1. Approve the *Report of Trial Court Revenue, Expenditure, and Fund Balance Constraints for Fiscal Year 2011–2012*; and
2. Direct the AOC to submit the report to the Legislature.

Previous Council Action

The report on trial court expenditures has been required pursuant to Government Code section 68502.5(b) and submitted since FY 2000–2001. The report on trial court revenue, expenditure, and fund balance constraints has been required and submitted pursuant to the 2006 Budget Act and Government Code section 77202.5(b) since FY 2006–2007.

Rationale for Recommendation

Government Code sections 68502.5(b) and 77202.5(b) require the Judicial Council to report to the Legislature the following financial data from all fund sources, by individual trial court, with totals for all trial courts and each trial court: revenues; expenditures at the program, component, and object levels; and fund balances. The report must be submitted on or before December 31 after the end of each fiscal year.

Comments, Alternatives Considered, and Policy Implications

Since this report is required by the above referenced sections of the Government Code, no alternatives were considered. This report is not required to circulate for public comment.

Implementation Requirements, Costs, and Operational Impacts

Submission of this mandated report to the Legislature does not involve any implementation requirements, costs, or operational impacts for the trial courts.

Attachments

1. *Report of Trial Court Revenue, Expenditure, and Fund Balance Constraints for Fiscal Year 2011–2012*



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

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TANI G. CANTIL-SAKAUYE
Chief Justice of California
Chair of the Judicial Council

STEVEN JAHR
Administrative Director of the Courts

January 18, 2013

Hon. Mark Leno, Chair
Senate Committee on Budget and Fiscal
Review
State Capitol, Room 5100
Sacramento, California 95814

Hon. Bob Blumenfield, Chair
Assembly Committee on Budget
State Capitol, Room 6026
Sacramento, California 95814

Hon. Noreen Evans, Chair
Senate Committee on Judiciary
State Capitol, Room 4032
Sacramento, California 95814

Hon. Bob Wieckowski, Chair
Assembly Committee on Judiciary
State Capitol, Room 2013
Sacramento, California 95814

Re: Report of Trial Court Revenue, Expenditure, and Fund Balance Constraints for Fiscal Year
2011–2012, as required under Government Code sections 68502.5(b) and 77202.5(b)

Dear Senator Leno, Senator Evans, Assembly Member Blumenfield, and Assembly Member
Wieckowski:

Attached is the Judicial Council report required by Government Code sections 68502.5(b) and
77202.5(b) on trial court financial information for fiscal year 2011–2012. The council
respectfully reports the following financial data from all fund sources, by individual trial court,
with totals for all trial courts: revenues; expenditures at the program, component, and object
levels; and fund balances.

As noted, the revenue, expenditure, and fund balance information is consolidated from all fund
sources: General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund,
Proprietary Fund, and Fiduciary Fund. This information was compiled from data reported by the
trial courts as of June 30, 2012 in their FY 2011–2012 fourth quarter Quarterly Financial
Statements.

Attachment 1 displays the FY 2011–2012 total revenues in three categories: state financing sources, grants, and other financing sources. The majority of the courts’ revenue in the state financing sources category as well as their total revenue funding is provided by the Trial Court Trust Fund. State financing sources also include reimbursements of court interpreter and other costs. Grant funding for AB 1058 (Stats. 1996, ch. 957) child support commissioners/facilitators is a significant portion of grant revenue. Local fees and the recovery of costs for comprehensive collection programs are significant portions of other financing sources revenue.

Attachment 2 displays total expenditures either at the element or component level. Elements and components focus on expenditures as they relate to court functions and activities. The bulk of the program expenditures are for support of judges and courtrooms as well as services and activities necessary to support criminal, civil, and family and dependency case processing. Definitions for the court program element and component expenditures or component type displayed in Attachment 2 are provided in Attachment 5.

Attachment 3 displays total expenditures by object. An “object” refers to the type of costs incurred such as salaries, supplies, or equipment. Aside from prior year adjustments, the four areas with reported FY 2011–2012 expenditures were personal services, operating expenses and equipment, special items of expense, and capital costs. The personal services object refers to court employee salaries and benefits. Operating expenses and equipment includes, but is not limited to, contracted services, general expenses such as supplies, printing, and utilities, information technology, and equipment. Special items of expense comprise items such as juror costs, grand jury costs, and debt service. Lastly, capital costs are court construction expenditures. Nearly all of the courts’ expenditures relate to either personal services or operating expenses and equipment

Attachment 4 displays court fund balances by constraint classification consistent with Governmental Accounting Standards Board (GASB) Statement No. 54, which requires, for reporting periods beginning after June 15, 2010, fund balances to be reported within either the nonspendable, restricted, committed, assigned, or unassigned classifications (see definitions below). On October 20, 2006, the Judicial Council adopted a trial court fund balance policy that required courts to classify their fund balances according to various classifications, including statutory and contractual obligations, planned uses, and operating and emergency funds. On October 29, 2010, the council revised the policy to be consistent with the requirements of GASB Statement No. 54.

The trial courts’ ability to carry over unexpended funds, or fund balance, for use in the following year allows them to manage their budgets to meet near-term operational obligations as well as achieve intermediate and long-term goals. Government Code section 77203(b), as of June 30, 2014, will limit this ability to carry over fund balances to no more than 1 percent of the courts’ operating budget from the prior fiscal year. Of the FY 2011–2012 year-end fund balances totaling \$531 million statewide, spending pattern analysis indicates courts will likely draw upon roughly half of the statewide fund balance amount by June 30, 2013, and it is anticipated that

statewide fund balances will be reduced to the 1 percent limit, estimated to be between roughly \$20 million and \$25 million, by June 30, 2014.

Table 1 displays the classifications of FY 2011–2012 ending fund balances for all 58 trial courts combined. Of these fund balances, 35.5 percent of statewide fund balances were nonspendable or beyond the discretion of any individual court, and 64.5 percent were for planned uses (“assigned”), including, but not limited to, one-time employee compensation costs, professional services costs, one-time facilities, technology, and other infrastructure costs.

Table 1: Statewide Constraints on Ending Fund Balances as of June 30, 2012

Classifications	Amount	% of Total	
Nonspendable	\$27,063,969	5.1%	35.5%
Restricted	79,076,125	14.9%	
Committed	82,506,929	15.5%	
Assigned	342,451,787	64.5%	64.5%
Unassigned	17,265	<0.1%	<0.1%
Total	\$531,116,070	100.0%	100.0%

Definitions and examples for these constraint classifications are provided below:

Nonspendable Fund Balance. Funds that are either not expected to be converted to cash, including prepayments, or are legally or contractually required to be maintained intact. Examples of prepaid items are retirement contributions, rent, inventory, and insurance. Amounts that are legally or contractually required to be maintained intact include payroll impress accounts with third parties and the principal of a permanent fund.

Restricted Fund Balance. Funds on which constraints are imposed externally or by law. An example of an externally imposed constraint is monies received by a grantor that can be used only for the purpose defined by the grant such as AB 1058 child support enforcement grants. Constraints imposed by law include amounts of unspent revenues received the use of which is statutorily restricted, such as children’s waiting room revenues.

Committed Fund Balance. Funds specifically committed to satisfy contractual obligations and constraints imposed by formal action of the Judicial Council. The constraints related to contracts may reflect obligations that are expected to be met within the next fiscal year or crossing multiple years. The constraints imposed by the council include requiring courts to maintain a minimum operating and emergency reserve meant to address temporary cash flow shortages, budgetary deficits, and costs associated with unanticipated or emergency needs.¹

¹ At its August 31, 2012 business meeting, the Judicial Council approved a two-year suspension (FY 2012–2013 and FY 2013–2014) of the council requirement that trial courts maintain a minimum operating and emergency fund balance.

Assigned Fund Balance. Assigned funds are designated at the policy direction of each court's presiding judge or designee to address strategic goals of the courts. These funds are intended to be used for specific purposes or designations for which there is no current legal or contractual obligation, but are identified as part of courts' responsible fiscal planning in order to meet appropriate management objectives. The council's policy requires courts to report the assigned fund balance using specific categories, including one-time employee compensation costs, professional and consultant services costs, local infrastructure needs, one-time facility costs, and bridge funding. Examples include funds for furniture; equipment; start-up costs for a new courthouse that are not covered by the State Court Facilities Construction Fund; IT asset replacement or upgrades; or facility renovations not covered by the State Court Facilities Construction Fund. In addition, funds needed to cover anticipated employee benefit payments, such as payment of accrued vacation or sick leave that an employee decides to use during the fiscal year, would be reported here.

Unassigned Fund Balance. This is the residual classification for the General Fund and represents the General Fund balance that has not been identified as nonspendable, restricted, committed, or assigned for a specific purpose.²

If you have any questions related to this report, please contact Zlatko Theodorovic, Director, AOC Fiscal Services Office, at 916-263-1397.

Very truly yours,

Steven Jahr
Administrative Director of the Courts

SJ/CS

Attachments:

- Attachment 1: FY 2011–2012 Total Revenues—All Funds
- Attachment 2: FY 2011–2012 Total Expenditures by Component or Element—All Funds
- Attachment 3: FY 2011–2012 Total Expenditures by Object—All Funds
- Attachment 4: Constraints on Ending FY 2011–2012 Total Fund Balances—All Funds
- Attachment 5: Element and Component Definitions
- Attachment 6: Judicial Council Fund Balance Policy (as revised August 31, 2012)

² The General Fund is the only fund that can have a positive unassigned fund balance. Other governmental funds can have deficit unassigned fund balances if caused by nonspendable, restricted, or committed fund balances.

cc: Members of the Judicial Council
Hon. Bill Emmerson, Vice-chair, Senate Committee on Budget and Fiscal Review
Hon. Mimi Walters, Vice-chair, Senate Committee on Judiciary
Hon. Jeff Gorell, Vice-chair, Assembly Committee on Budget
Hon. Donald P. Wagner, Vice-chair, Assembly Committee on Judiciary
Ms. Diane F. Boyer-Vine, Legislative Counsel
Mr. Gregory P. Schmidt, Secretary of the Senate
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Ms. Peggy Collins, Principal Consultant, Joint Legislative Budget Committee
Ms. Margie Estrada, Policy Consultant, Office of Senate President pro Tempore Darrell Steinberg
Ms. Fredericka McGee, General Counsel, Office of Assembly Speaker John A. Pérez
Mr. Joe Stephenshaw, Consultant, Senate Committee on Budget and Fiscal Review
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Mr. Benjamin Palmer, Deputy Chief Counsel, Senate Committee on Judiciary
Mr. Mike Petersen, Consultant, Senate Republican Office of Policy
Mr. Drew Liebert, Chief Counsel, Assembly Committee on Judiciary
Mr. Mark Redmond, Consultant, Assembly Republican Office of Policy
Ms. Anita Lee, Fiscal and Policy Analyst, Legislative Analyst's Office
Mr. Jay Sturges, Principal Program Budget Analyst, Department of Finance
Ms. Jody Patel, Chief of Staff, Administrative Office of the Courts (AOC)
Mr. Curt Soderlund, AOC Chief Administrative Officer
Mr. Curtis L. Child, AOC Chief Operating Officer
Mr. Cory Jasperson, Director, AOC Office of Governmental Affairs
Ms. Andi Liebenbaum, Senior Governmental Affairs Analyst, AOC Office of Governmental Affairs
Mr. Zlatko Theodorovic, Director, AOC Fiscal Services Office
Mr. Peter Allen, Senior Manager, AOC Office of Communications
Mr. Steven Chang, Manager, AOC Fiscal Services Office
Mr. Colin Simpson, Supervising Budget Analyst, AOC Fiscal Services Office
Ms. Bernadine Gonzalez, AOC Court Operations Special Services Office



Judicial Council of California

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Director, Fiscal Services Office

Report Title: *Report of Trial Court Revenue, Expenditure, and Fund Balance Constraints for Fiscal Year 2011–2012*

Statutory Citation: Government Code sections 68502.5(b) and 77202.5(b)

Date of Report: January 2013

The Judicial Council has submitted a report to the Legislature in accordance with Government Code sections 68502.5(b) and 77202.5(b).

The following summary of the report is provided per the requirements of Government Code section 9795.

This Judicial Council report presents trial court financial information for fiscal year (FY) 2011–2012, including revenues; expenditures at the program, component, and object levels; and fund balance constraints. All data is reported for each trial court and includes totals for all trial courts as well.

Information was compiled from data reported by the trial courts for all fund sources in the FY 2011–2012 fourth quarter Quarterly Financial Statements. For FY 2011–2012, the trial courts reported revenues of \$2.416 billion, expenditures of \$2.447 billion, and fund balances totaling \$531.1 million, of which, based on Governmental Accounting Standards Board Statement No. 54 classifications, \$27.1 million was nonspendable, \$79.1 million restricted, \$82.5 million committed, \$342.5 million assigned, and \$17,265 unassigned.

The full report is available at www.courts.ca.gov/7466.htm.

A printed copy of the report may be obtained by calling 415-865-7966.

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As of December 5, 2012

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ADMINISTRATIVE OFFICE OF THE COURTS

Hon. Steven Jahr

*Administrative Director of the Courts
and Secretary of the Judicial Council*

**JUDICIAL COUNCIL OF CALIFORNIA
ADMINISTRATIVE OFFICE OF THE COURTS**

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*Chief Justice of California and
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Administrative Director of the Courts

Mr. Curt Soderlund
Chief Administrative Officer

**JUDICIAL AND COURT
ADMINISTRATIVE SERVICES DIVISION**

FISCAL SERVICES OFFICE

Mr. Zlatko Theodorovic
Director

Mr. Steven Chang
Manager

Mr. Colin Simpson
Supervising Budget Analyst / Primary Author of Report

FY 2011-2012 Total Revenues - All Funds
Source: FY 2011-2012 Quarterly Financial Statement (4th Quarter)

Court	Other Financing Sources												Total Other Financing Sources	Total
	Interest Income	Investment Income	Donations	Local Fees	Non-Fee Revenues	Enhanced Collections	Escheatment	Prior Year Revenue	County Program - Restricted	Reimbursement Other	Sale of Fixed Assets	Other Miscellaneous		
Alameda	158,475	-	-	1,207,885	154,057	-	-	2,317,577	931,015	270,138	-	83,221	5,122,369	104,472,838
Alpine	2,133	-	-	-	-	17,256	-	543	-	2,016	-	20,757	42,705	707,222
Amador	1,993	-	-	4,331	29,019	58,189	-	-	-	27,475	-	106	121,112	2,823,396
Butte	58,541	-	-	7,078	6,910	679,054	-	-	12,150	161,847	-	1,472	927,053	12,782,402
Calaveras	8,958	-	-	24,093	243	108,268	-	-	-	33,222	-	108	174,892	2,982,125
Colusa	7,263	-	-	33,652	-	16,244	-	-	-	707	-	1,242	59,109	1,953,478
Contra Costa	70,950	-	-	1,656,924	-	2,363,500	-	55,412	607,179	313,215	-	204,333	5,271,514	60,499,988
Del Norte	16,996	-	-	35,478	2,920	58,673	-	10,990	517	406	-	1,400	127,380	3,398,642
El Dorado	12,256	-	-	310,865	27,293	135,048	-	(42,968)	965,475	20,172	-	11,985	1,440,126	9,946,431
Fresno	74,125	-	-	1,230,729	272	1,705,147	-	(31,550)	216,052	335,887	4,800	26,994	3,562,458	58,678,586
Glenn	815	-	-	57,297	-	201,042	-	24,000	70,142	334	-	40,554	394,184	3,043,456
Humboldt	7,052	-	-	143,274	51,579	19,882	-	28,628	4,063	3,644	-	1,899	260,022	8,583,841
Imperial	35,344	-	1	240,969	31,503	1,143,241	4,000	-	233,218	138,921	-	1,061	1,828,259	13,004,246
Inyo	14,724	-	-	39,353	5,205	80,763	-	(4,167)	64,155	80,422	-	-	280,455	2,765,425
Kern	110,537	-	-	2,251,207	105,334	3,555,361	273,279	-	200,913	47,937	-	8,056,232	14,600,801	60,365,647
Kings	4,412	-	-	295,196	2,517	387,258	-	(1)	1,824	175	-	26,645	718,025	8,901,035
Lake	11,561	-	4,967	-	33,721	-	-	93,085	1,957	15,273	-	17	160,581	4,459,356
Lassen	7,193	-	537	32,369	27,906	245,139	-	-	800	-	-	-	313,944	3,562,153
Los Angeles	1,175,385	-	335,523	24,121,122	5,540,278	-	55,682	(1,774,313)	712,728	3,177,579	6,683	21,293	33,371,961	688,741,571
Madera	20,538	-	-	230,760	-	-	13,113	90,498	17,295	10,424	-	357	382,986	9,500,402
Marin	26,398	-	6	344,688	54,880	-	-	-	7,220	106,594	-	2,829	542,615	18,393,848
Mariposa	684	-	-	28,522	-	-	-	-	-	-	-	-	29,206	1,407,057
Mendocino	2,374	-	42	76,849	3,848	9,607	-	-	2,127	4,670	4,820	131,217	235,554	6,255,039
Merced	31,510	-	-	343,137	13,455	84,104	-	(20)	14,397	83,447	-	22,435	592,465	15,361,775
Modoc	480	-	-	5,298	924	69,054	-	717	54	-	-	-	76,527	1,340,986
Mono	12,194	-	-	78,718	-	-	3,315	45,657	-	2,400	-	682	142,966	1,735,758
Monterey	32,427	-	-	404,246	6,686	103,476	343	169,127	38,624	63,067	-	7,414	825,411	21,902,493
Napa	15,766	-	-	295,968	281,273	-	-	118,341	-	37,005	-	4,142	752,496	10,142,768
Nevada	6,235	-	2,972	65,436	10,301	231,021	-	-	83,265	84,960	-	5,646	489,836	7,601,236
Orange	200,683	6,126	-	4,625,030	700,250	4,830,363	-	(423,401)	8,938,264	1,437,808	-	1,605,353	21,920,477	199,312,703
Placer	19,346	-	-	151,165	29,179	-	-	-	10,633	346,777	-	1,818	558,917	17,524,075
Plumas	4,152	-	-	6,416	715	-	-	(75,375)	-	-	-	78	(64,015)	1,804,363
Riverside	138,417	-	127	9,117,387	1,507,137	7,513,194	36,685	(1,481,688)	5,065,208	14,224,907	-	27,182	36,148,557	130,986,490
Sacramento	130,169	-	-	1,336,092	26,968	1,228,111	-	-	853,899	608,044	-	31,541	4,214,825	92,279,519
San Benito	9,231	-	-	45,559	-	-	-	42,147	979	1,026	-	101	99,043	3,531,601
San Bernardino	53,817	-	-	426,236	5,351,553	-	305	(2,539)	485,195	939,938	-	38,790	7,293,295	103,130,131
San Diego	164,117	-	3,049	1,298,866	669,344	7,421,019	77,702	(100,542)	1,758,145	462,504	-	6,335	11,760,539	184,810,316
San Francisco	125,552	-	26,993	149,910	21,109	1,640,191	(18)	-	321,693	944,502	-	13,510	3,243,442	81,937,505
San Joaquin	161,858	-	-	216,056	2,044	140,419	-	13,820	550,850	73,378	-	22,675	1,181,100	35,551,386
San Luis Obispo	19,670	-	-	679,569	49,941	365,776	1,400	-	50,405	45,954	353,103	-	1,565,818	18,003,443
San Mateo	65,983	-	-	728,714	22,763	-	-	7,035	162,659	142,479	-	17,876	1,147,507	42,108,492
Santa Barbara	42,318	-	-	568,921	171,164	1,028,961	185,280	-	1,030,304	50,414	-	341,668	3,419,030	30,415,275
Santa Clara	157,930	-	47,311	1,460,830	-	801,774	880,751	46,213	326,665	1,849,578	-	2,409,796	7,980,847	112,994,849
Santa Cruz	17,861	-	-	506,531	6,356	338,079	-	-	59,489	244,954	-	14,631	1,187,900	15,621,205
Shasta	15,652	-	-	295,638	449	2,129,124	-	-	424,562	81,713	-	12,955	2,960,093	16,215,480
Sierra	390	-	-	-	140	25,008	-	(2,733)	-	29,797	-	26,229	78,831	738,760
Siskiyou	11,174	-	-	71,885	20	179,197	-	-	2,964	100	-	1,425	266,765	5,384,643
Solano	34,658	-	-	810,768	9,287	-	-	(59,297)	242,182	238,267	-	18,489	1,294,354	24,138,485
Sonoma	80,374	-	-	326,490	4,605	1,320,157	-	326,717	30,867	59,451	-	26	2,148,686	29,178,728
Stanislaus	37,078	-	-	1,145,107	-	442,580	-	(21,973)	164,894	458,575	-	-	2,226,260	23,382,837
Sutter	31,008	-	-	137,584	-	199,016	238	-	4,302	8,750	-	48,568	429,466	5,847,988
Tehama	15,375	-	-	5,130	440	-	-	-	-	4,297	-	877,711	902,954	4,822,359
Trinity	1,086	-	-	36,261	115	-	-	-	6,000	5,179	-	-	48,641	1,862,577
Tulare	43,618	-	-	729,251	269,785	1,965,787	299	-	124,835	28,916	-	7,918	3,170,410	23,312,615
Tuolumne	3,239	-	7,877	41,098	1,750	60,273	-	-	42,781	9,806	-	164,732	331,557	4,056,130
Ventura	25,591	-	500	876,790	2,297,178	4,958,641	14,388	25,740	-	87,040	-	15,443	8,301,309	43,717,831
Yolo	22,743	-	-	500,840	136,304	786,309	-	-	-	4,620	-	588	1,451,405	12,732,880
Yuba	8,551	-	-	164,958	2,220	556,714	-	-	5,000	4,567	-	44,502	786,511	5,720,352
Total	3,568,960	6,126	429,905	60,024,529	17,670,937	49,202,024	1,546,761	(604,319)	24,847,948	27,415,279	369,406	14,423,980	198,901,534	2,416,436,217

FY 2011-2012 Total Expenditures by Component or Element - All Funds
Source: FY 2011-2012 Quarterly Financial Statement (4th Quarter)

Court	Court Administration Program							Total Court Administration Program	Total
	Executive Office	Fiscal Services	Human Resources	Business & Facilities Services	Information Technology	Distributed Expenditures			
Alameda	1,905,704	3,146,093	1,578,980	7,388,304	10,583,205	-	24,602,286	103,054,846	
Alpine	12,261	67,777	2,737	25,451	76,222	4,726	189,173	598,181	
Amador	440,603	292,589	35,864	321,367	177,414	761	1,268,597	2,983,758	
Butte	305,492	533,373	850,624	293,590	533,057	508,227	3,024,363	12,922,111	
Calaveras	236,099	204,362	91,923	94,867	206,883	-	834,135	3,081,686	
Colusa	228,912	99,498	73,145	136,089	186,771	13,368	737,783	2,179,686	
Contra Costa	967,935	2,507,778	3,730,134	2,020,669	3,825,249	-	13,051,764	57,382,417	
Del Norte	174,281	273,832	153,237	46,020	132,118	69,945	849,432	3,464,624	
El Dorado	377,983	393,833	399,458	1,247,392	572,644	-	2,991,310	10,666,516	
Fresno	742,963	1,631,202	1,763,361	2,561,799	4,399,239	-	11,098,564	62,452,532	
Glenn	171,916	112,254	67,332	92,359	105,177	-	549,037	3,009,399	
Humboldt	177,163	318,138	128,438	418,092	393,446	196,955	1,632,233	7,764,987	
Imperial	421,177	322,825	454,536	333,606	379,330	-	1,911,473	12,995,444	
Inyo	166,897	97,133	97,013	309,492	206,583	(350)	876,768	3,034,668	
Kern	1,163,998	1,762,782	897,901	2,085,427	3,873,306	-	9,783,413	63,478,700	
Kings	486,433	366,845	282,164	813,080	367,989	-	2,316,510	9,186,004	
Lake	306,602	126,038	74,679	239,990	475,418	-	1,222,727	4,405,711	
Lassen	205,482	195,379	174,432	296,764	136,948	-	1,009,006	3,740,681	
Los Angeles	22,009,123	17,207,549	7,245,693	34,421,003	56,567,654	-	137,451,022	687,243,000	
Madera	346,344	375,959	219,576	270,868	255,176	540,838	2,008,760	9,824,623	
Marin	419,612	1,845,946	804,804	559,725	3,963,078	66,766	7,659,930	18,526,584	
Mariposa	84,712	131,176	32,370	251,685	140,282	-	640,225	1,543,651	
Mendocino	438,559	358,626	40,214	22,764	269,413	-	1,129,575	6,336,979	
Merced	247,033	469,641	252,000	593,652	1,137,006	200,343	2,899,676	13,900,262	
Modoc	124,530	113,774	56,174	15,326	167,551	0	477,356	1,306,493	
Mono	242,129	354,466	24,169	131,693	470,766	-	1,223,223	2,509,423	
Monterey	656,600	938,594	689,234	738,126	1,311,059	-	4,333,613	22,939,117	
Napa	483,201	383,618	300,592	193,715	886,668	130,136	2,377,929	9,925,494	
Nevada	265,967	364,293	818,508	177,108	888,577	-	2,514,452	8,227,745	
Orange	444,721	8,083,793	5,339,472	10,470,023	9,835,607	-	34,173,616	207,526,187	
Placer	706,681	543,421	957,904	898,966	1,042,942	-	4,149,913	17,467,603	
Plumas	146,922	86,157	33,151	14,636	175,593	38,169	494,628	1,845,351	
Riverside	2,341,628	3,972,662	4,637,769	6,597,045	10,581,008	-	28,130,112	137,417,730	
Sacramento	2,100,689	4,552,626	2,080,922	4,844,083	8,119,024	-	21,697,344	94,293,531	
San Benito	415,661	544,781	97,602	-	185,505	-	1,243,549	3,514,071	
San Bernardino	2,506,204	3,160,756	2,218,280	3,174,035	7,728,161	-	18,787,437	107,803,559	
San Diego	3,673,741	5,779,121	2,232,701	5,719,179	23,733,041	-	41,137,783	192,967,530	
San Francisco	978,276	2,362,739	4,962,579	2,241,419	5,835,866	-	16,380,879	74,216,118	
San Joaquin	775,430	1,018,528	550,629	865,319	2,673,248	-	5,883,153	35,461,399	
San Luis Obispo	640,298	430,386	393,898	571,192	1,684,783	-	3,720,557	17,167,170	
San Mateo	1,705,122	1,374,363	508,128	896,684	3,589,358	80,524	8,154,178	42,929,913	
Santa Barbara	770,871	1,182,691	482,206	262,502	2,836,066	-	5,534,337	31,648,518	
Santa Clara	2,766,615	3,493,508	2,066,142	8,872,405	7,047,190	-	24,245,860	109,390,876	
Santa Cruz	276,851	664,738	560,086	1,052,556	1,876,540	69,904	4,500,675	16,166,100	
Shasta	694,986	901,827	341,482	122,560	68,166	-	2,129,022	16,177,777	
Sierra	50,720	9,478	31,314	6,648	4,299	122,418	224,877	636,642	
Siskiyou	457,216	212,311	120,609	157,970	504,101	360,676	1,812,883	5,550,251	
Solano	728,480	968,327	679,899	871,652	1,039,130	-	4,287,488	25,549,794	
Sonoma	651,199	820,299	1,189,929	396,014	1,434,191	-	4,491,632	28,852,791	
Stanislaus	1,434,019	1,032,577	745,913	854,358	1,955,773	-	6,022,640	24,428,276	
Sutter	344,571	328,900	79,305	171,232	459,618	100,563	1,484,188	6,464,386	
Tehama	234,028	134,292	33,854	-	235,867	300,673	938,713	4,018,048	
Trinity	73,431	130,077	17,356	66,749	20,226	-	307,838	1,703,525	
Tulare	637,919	840,685	564,883	176,983	1,519,741	-	3,740,212	25,568,221	
Tuolumne	224,010	303,236	327,952	188,883	373,869	-	1,417,949	4,593,615	
Ventura	1,373,769	3,069,458	1,458,031	1,762,238	2,916,029	-	10,579,526	45,681,942	
Yolo	1,257,913	474,740	449,300	532,271	933,040	-	3,647,264	13,322,785	
Yuba	376,884	222,823	5,558	254,377	416,978	-	1,276,621	5,857,861	
Total	62,598,566	81,694,671	54,506,143	108,142,002	191,513,189	2,804,642	501,259,213	2,446,906,889	

FY 2011-2012 Total Expenditures By Object - All Funds
Source: FY 2011-2012 Quarterly Financial Statement (4th Quarter)

Court	Personal Services	Operating Expenses and Equipment	Special Items of Expense	Capital Costs	Internal Cost Recovery	Prior Year Expense Adjustments	Total
Alameda	81,412,193	22,664,027	931,526	-	0	(1,952,900)	103,054,846
Alpine	387,056	214,882	-	-	-	(3,756)	598,181
Amador	2,375,420	604,302	4,036	-	-	-	2,983,758
Butte	9,468,535	2,780,538	673,039	-	(0)	-	12,922,111
Calaveras	2,400,840	675,225	5,621	-	(0)	-	3,081,686
Colusa	1,355,438	820,837	3,369	-	-	42	2,179,686
Contra Costa	41,658,277	14,978,280	748,883	-	0	(3,023)	57,382,417
Del Norte	2,363,196	1,103,604	5,824	-	-	(8,000)	3,464,624
El Dorado	7,517,552	3,115,702	56,064	-	0	(22,802)	10,666,516
Fresno	48,830,730	13,229,329	411,409	-	(0)	(18,937)	62,452,532
Glenn	1,780,030	1,221,337	3,417	-	0	4,616	3,009,399
Humboldt	5,384,477	2,265,225	97,626	-	0	17,659	7,764,987
Imperial	8,868,887	4,039,978	86,579	-	(0)	-	12,995,444
Inyo	1,907,211	1,111,717	19,816	-	-	(4,076)	3,034,668
Kern	45,599,356	11,399,914	6,479,430	-	-	-	63,478,700
Kings	6,143,879	3,003,729	38,396	-	-	-	9,186,004
Lake	2,856,927	1,500,475	49,879	-	0	(1,571)	4,405,711
Lassen	2,571,062	1,104,477	65,142	-	(0)	-	3,740,681
Los Angeles	570,339,072	111,000,434	5,903,547	-	-	(54)	687,243,000
Madera	7,583,139	2,156,214	100,194	-	-	(14,924)	9,824,623
Marin	13,064,322	4,276,493	1,092,080	-	-	93,691	18,526,584
Mariposa	1,023,181	515,997	4,473	-	-	-	1,543,651
Mendocino	5,158,134	1,140,010	38,834	-	-	-	6,336,979
Merced	10,539,162	3,430,544	128,075	-	0	(197,520)	13,900,262
Modoc	872,433	429,621	4,455	-	-	(15)	1,306,493
Mono	1,423,589	967,968	111,447	-	0	6,419	2,509,423
Monterey	17,864,995	4,881,584	192,537	-	0	(1)	22,939,117
Napa	8,202,323	1,696,846	26,325	-	(0)	-	9,925,494
Nevada	5,906,109	2,310,046	11,251	-	-	-	8,227,406
Orange	166,758,283	39,491,156	1,276,749	-	-	-	207,526,187
Placer	14,348,620	3,008,247	110,736	-	(0)	-	17,467,603
Plumas	1,197,769	645,939	1,643	-	-	-	1,845,351
Riverside	102,958,274	32,736,232	1,723,224	-	0	(0)	137,417,730
Sacramento	78,220,572	15,035,500	1,037,459	-	0	-	94,293,531
San Benito	2,628,651	870,450	14,970	-	0	-	3,514,071
San Bernardino	84,939,246	22,096,103	789,974	-	0	(21,765)	107,803,559
San Diego	154,067,005	37,823,271	1,256,609	-	-	(179,355)	192,967,530
San Francisco	56,560,712	16,839,332	816,074	-	0	-	74,216,118
San Joaquin	27,587,686	7,506,089	378,867	-	(0)	(11,244)	35,461,399
San Luis Obispo	13,964,129	3,108,100	94,941	-	0	-	17,167,170
San Mateo	35,837,184	6,825,390	271,430	-	(0)	(4,091)	42,929,913
Santa Barbara	24,938,896	6,476,286	227,647	-	(0)	5,689	31,648,518
Santa Clara	90,653,682	15,529,822	720,620	2,500,000	0	(13,248)	109,390,876
Santa Cruz	11,707,924	4,341,525	116,650	-	0	-	16,166,100
Shasta	13,156,376	2,935,597	85,804	-	-	-	16,177,777
Sierra	376,394	260,248	-	-	-	-	636,642
Siskiyou	4,136,881	1,332,988	68,879	-	(0)	11,503	5,550,251
Solano	20,869,851	4,511,637	167,931	-	0	375	25,549,794
Sonoma	22,329,334	5,643,706	884,403	-	0	(4,651)	28,852,791
Stanislaus	19,518,763	4,814,137	133,846	-	0	(38,471)	24,428,276
Sutter	5,248,799	1,206,896	8,690	-	(0)	-	6,464,386
Tehama	3,178,896	837,366	4,920	-	(0)	(3,134)	4,018,048
Trinity	1,246,198	453,905	3,422	-	(0)	-	1,703,525
Tulare	18,745,292	6,611,667	211,522	-	0	(260)	25,568,221
Tuolumne	3,338,053	1,241,891	13,671	-	0	-	4,593,615
Ventura	35,546,024	9,769,904	394,665	-	(0)	(28,652)	45,681,942
Yolo	9,404,572	3,801,674	117,134	-	0	(594)	13,322,785
Yuba	4,165,244	1,702,412	12,957	-	(0)	(22,752)	5,857,861
Total	1,942,486,835	476,096,805	28,238,711	2,500,000	0	(2,415,802)	2,446,906,549

Constraints on Ending FY 2011-2012 Total Fund Balances - All Funds
Source: FY 2011-2012 Quarterly Financial Statement (4th Quarter)

Court	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
Alameda	-	14,669,517	-	15,436,916	-	30,106,433
Alpine	-	-	27,830	705,403	-	733,233
Amador	-	-	82,480	784,777	-	867,257
Butte	17,167	254,244	113,618	5,161,920	-	5,546,949
Calaveras	-	65,297	-	1,645,669	-	1,710,966
Colusa	315	60,095	16,146	1,737,720	-	1,814,276
Contra Costa	-	2,944,154	4,899,285	10,833,759	5,826	18,683,024
Del Norte	-	62,288	496,000	3,729,199	-	4,287,487
El Dorado	27,355	303,806	-	2,471,352	-	2,802,513
Fresno	376,459	1,798,100	7,013,018	-	-	9,187,577
Glenn	-	1,627	169,624	588,039	-	759,290
Humboldt	-	-	675,000	843,758	-	1,518,758
Imperial	91,186	3,346,294	1,274,633	4,381,466	-	9,093,579
Inyo	5,150	407,734	285,090	2,523,606	-	3,221,581
Kern	-	1,734,425	3,130,176	9,435,901	-	14,300,502
Kings	-	-	929,360	317,892	-	1,247,252
Lake	-	170	30,000	505,567	-	535,737
Lassen	-	463,191	-	808,226	-	1,271,417
Los Angeles	-	11,902,248	8,394,937	104,537,677	-	124,834,862
Madera	-	217,878	620,000	2,480,430	-	3,318,308
Marin	-	13,157	56,758	4,570,524	-	4,640,439
Mariposa	-	-	86,630	512,090	-	598,720
Mendocino	7,691	9,648	82,305	559,732	-	659,376
Merced	-	2,071,152	3,730,036	57,085	-	5,858,273
Modoc	-	4	-	164,851	-	164,855
Mono	-	-	362,508	958,638	-	1,321,146
Monterey	-	9,218	1,059,454	5,565,443	-	6,634,115
Napa	-	32,153	958,394	1,566,409	11,439	2,568,395
Nevada	30,900	154,706	334,169	117,985	-	637,759
Orange	25,657,151	1,719,302	3,804,292	23,112,679	-	54,293,424
Placer	-	33,721	392,000	2,667,459	-	3,093,180
Plumas	-	205,997	123,851	724,445	-	1,054,293
Riverside	44,856	1,451,869	4,171,051	11,462,002	-	17,129,778
Sacramento	-	111,209	-	23,426,639	-	23,537,848
San Benito	-	-	442,802	1,811,703	-	2,254,505
San Bernardino	-	15,973,552	13,844,588	3,022,704	-	32,840,844
San Diego	468,141	6,355,375	5,971,296	12,384,583	-	25,179,396
San Francisco	-	85,721	2,100,000	10,488,006	-	12,673,727
San Joaquin	-	395,301	360,001	567,885	-	1,323,187
San Luis Obispo	-	238,153	3,712,943	419,241	-	4,370,337
San Mateo	-	2,097,085	-	6,963,106	-	9,060,192
Santa Barbara	-	2,857,413	4,197,843	2,544,215	-	9,599,472
Santa Clara	-	2,572,993	2,942,130	22,774,968	-	28,290,091
Santa Cruz	-	125	1,040,020	2,099,044	-	3,139,189
Shasta	-	1,198,095	-	2,694,352	-	3,892,447
Sierra	-	-	10,000	151,645	-	161,645
Siskiyou	-	21,297	751,627	2,133,729	-	2,906,653
Solano	-	-	-	2,373,512	-	2,373,512
Sonoma	-	995,211	-	6,352,304	-	7,347,515
Stanislaus	-	1,104,559	947,936	6,513,025	-	8,565,520
Sutter	-	178,535	-	1,453,455	-	1,631,990
Tehama	-	-	1,150,143	954,228	-	2,104,371
Trinity	-	28,651	-	781,596	-	810,247
Tulare	337,090	-	-	1,909,830	-	2,246,920
Tuolumne	-	-	231,557	711,685	-	943,242
Ventura	-	24,533	648,773	4,936,079	-	5,609,385
Yolo	508	590,018	528,119	3,563,973	-	4,682,618
Yuba	-	316,303	308,506	451,660	-	1,076,469
Total	27,063,969	79,076,125	82,506,929	342,451,787	17,265	531,116,074

Element and Component Definitions

Element and Component	Definitions
Judges and Courtroom Support	<p>Includes salaries, benefits, and public agency retirement contributions for the following:</p> <ul style="list-style-type: none"> ▪ Judges ▪ Temporary judges ▪ Subordinate judicial officers (i.e., court commissioners, referees, and hearing officers) <p>Includes costs related to the assignment of active and retired judges (assigned judges) to expedite judicial business and to equalize judicial workload.</p> <p>Includes salaries, benefits, and other resource costs of personnel that directly support case adjudication as follows:</p> <ul style="list-style-type: none"> ▪ Courtroom clerks ▪ Secretarial support ▪ Attorneys providing legal research and other legal services to support case adjudication ▪ Court reporters, including transcript costs ▪ Court attendants providing in-courthouse custody to secure housing and movement of prisoners within the courtroom and court facility. <p>Does not include supervisors of courtroom staff, unless performing in court operations.</p>
Case Type Services	<p>Provides essential supportive programs and services that directly assist the court and parties in the adjudication and resolution of cases; ensures the public’s access to a safe, fair, and comprehensible court system.</p>
Criminal	<p>Services and activities—separate from and in addition to Judges and Courtroom Support—necessary to support criminal case processing</p> <p>Includes costs for counter clerks processing traffic matters</p>
Civil	<p>Services and activities—separate from and in addition to Judges and Courtroom Support—necessary to support civil case processing related to actions other than family and dependency cases. Also includes services and activities necessary to support a specialized civil calendar, provide assistance with the process and forms for small claims, provide dispute resolution assistance to the public, and support any auxiliary programs or services that do not fit in any of the above categories.</p> <p>Includes costs for counter clerks processing filings related to civil cases.</p>
Family and Children	<p>Services and activities—separate from and in addition to Judges and Courtroom Support—necessary to support family and dependency case processing, including the following:</p> <ul style="list-style-type: none"> ▪ Court-appointed counsel for children and parents in juvenile dependency proceedings ▪ Dependency mediation ▪ Psychiatric evaluations ▪ Costs associated with the Court Appointed Special Advocate program
Operational Support	<p>Activities that provide non-case-type specific support for court operations, including the management of files and calendars of the courts.</p>
Other Support Operations	<p>Staff and supervisory positions that are not dedicated to a specific courtroom or case-type services (i.e., criminal, civil, or family and children). Examples include staff who:</p> <ul style="list-style-type: none"> ▪ Perform activities that provide public access to the courts, including but not limited to staff who are dedicated to serving the public at the public counter or on the telephone and who are assigned to exhibit rooms ▪ Manage files and calendars ▪ Store and retrieve court records ▪ Perform clerical functions for the trial court’s appellate activities

Element and Component	Definitions
Court Interpreters	<p>Includes services performed by staff interpreters, certified and noncertified contract interpreters, and interpreter coordinators, defined as follows:</p> <ul style="list-style-type: none"> ▪ Staff interpreters are regular employees of the court and receive salary and benefits. ▪ Certified and noncertified contract interpreters are not court employees. Their services are provided per diem and funded as professional and consultant services. ▪ Interpreter coordinators perform the daily assignment of qualified court interpreters.
Jury Services	<p>Ensures the right to a jury trial through the management of juror summons, selection, and facilities in the court. Also includes juror compensation.</p> <p>Under Trial Court Trust Fund, includes criminal but <i>not</i> civil and grand jury costs for:</p> <ul style="list-style-type: none"> ▪ Jury commissioners, who are responsible for collecting lists of qualified prospective jurors, submitting lists to the court, and managing the jury program ▪ Jury fees, jury coordination, child and dependent care for jurors, and jury sequestration
Security	<p>Includes security services provided by marshals, private contract security personnel (i.e., Guardsmark), and court attendants whose primary purpose is court security.</p> <p>Includes the following types of security costs incurred by the court:</p> <ul style="list-style-type: none"> ▪ Personnel who provide courtroom and internal security ▪ Personnel who provide entrance screening security ▪ Personnel who provide in-courthouse custody to secure housing and movement of prisoners within the courtroom and court facility ▪ Personnel, up to the level of captain, who provide supervision or management of personnel providing court security at least 0.25 FTE ▪ Purchase and maintenance of security equipment
Enhanced Collections	<p>Includes activities performed to collect debt related to fines, fees, penalties, forfeitures, etc.</p> <p>Includes costs for the following:</p> <ul style="list-style-type: none"> ▪ Personnel who perform debt collection activities ▪ Services provided by contract debt collection agencies ▪ Operating expenses associated with debt collection activities
Other Non-court Operations	<p>Includes non-court operation activities and services, such as grand jury, pretrial services, small claims advisors, and dispute resolution programs.</p>
Executive Office	<p>As its primary responsibility, directs all administrative activities for the trial courts, including the following:</p> <ul style="list-style-type: none"> ▪ Court executive/administrative officer ▪ Deputy court executive or court administrative officer ▪ Secretarial and administrative support for the above <p>Includes costs for services provided to judicial officers.</p>
Fiscal Services	<p>Includes the chief financial officer and personnel associated with the development of court budgets, including accounting and all aspects of financial management.</p>
Human Resources	<p>Includes the following:</p> <ul style="list-style-type: none"> ▪ Personnel director, training officer, staff responsible for the recruitment and retention of qualified court employees, and staff charged with employee relations, including labor relations and collective bargaining ▪ Includes costs relating to in-house education and training for judicial officers and court staff (CJER, local programs, and all other providers, as well as consultant costs)

Element and Component	Definitions
Business and Facilities Services	<p>Includes the following activities and services:</p> <ul style="list-style-type: none"> ▪ Personnel and costs associated with building maintenance, providing business services and supplies, and procurement ▪ Telecommunication costs ▪ Contractual perimeter security services to control facility access ▪ Costs associated with legal and contractual services, intergovernmental charges and other charges associated with the courts, and any other administrative costs ▪ Activities associated with the management of court fixed assets
Information Technology	<p>Includes costs for the following:</p> <ul style="list-style-type: none"> ▪ Chief information officer and support personnel ▪ Computer equipment and activities needed to support the business of the court, including case management systems, criminal justice information systems, and electronic communication between law enforcement agencies and other courts ▪ Technology consulting services ▪ Technology training activities for judicial and non-judicial employees

FUND BALANCE POLICY

BACKGROUND

In the Supplemental Report of the 2006 Budget Act, the Legislature specified that the Judicial Council report on court reserves and provide its policy governing trial court reserves. On October 20, 2006 and revised on April 23, 2009, the Judicial Council approved a fund balance policy for trial courts. Financial accounting and reporting standards and guidelines have been established by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB). The Trial Court Financial Policy and Procedures Manual, in compliance with these standards and guidelines, specifies that the trial courts are responsible for the employment of “sound business, financial and accounting practices” to conduct their operations.

In addition, Government Code section 77203 specifies that the Judicial Council has the authority to authorize trial courts to carry over unexpended funds from one year to the next. Consistent with this provision, this policy provides courts with specific directions for identifying fund balance resources necessary to address statutory and contractual obligations on an accurate and consistent basis as well as maintaining a minimum level of operating and emergency funds. In addition, this policy provides the necessary structure to ensure funds are available to maintain service levels for various situations that confront the trial courts including a late state budget.

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is effective for financial statements for periods beginning after June 15, 2010, and will impact year-end closing statements for the fiscal year 2010–2011.

PURPOSE

Governmental agencies/entities report the difference between their assets and obligations as fund balance. Under GASB Statement 54, fund balances for governmental funds must be reported in classifications that comprise a hierarchy. The statement distinguishes between nonspendable and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Under GASB 54, the number of classifications has been expanded from 2 to 5.

The purpose of this policy is to establish uniform standards, consistent with GASB 54, for the reporting of fund balance by trial courts and to maintain accountability over the public resources used to finance trial court operations.

POLICY

As publicly funded entities, and in accordance with good public policy, trial courts must ensure that the funds allocated and received from the state and other sources are used efficiently and accounted for properly and consistently. The trial courts shall account for and report fund balance in accordance with established standards, utilizing approved classifications. Additionally, a fund balance can never be negative.

Fund Balance Classifications

Beginning with the most binding constraints, fund balance amounts must be reported in the following classifications:

- Nonspendable Fund Balance
- Restricted Fund Balance
- Committed Fund Balance
- Assigned Fund Balance
- Unassigned Fund Balance (General Fund only)

When allocating fund balance to the classifications and categories, allocations must follow the following prioritization:

1. Nonspendable Fund Balance
2. Restricted Fund Balance
3. Contractual commitments to be paid in the next fiscal year
4. The minimum calculated operating and emergency fund balance
5. Other Judicial Council mandates to be paid in the next fiscal year
6. Contractual commitments to be paid in subsequent fiscal years
7. Assigned Fund Balance designations
8. Unassigned Fund Balance

If there is insufficient fund balance to cover any or all of the first five priorities, the shortfall should be explained in detail in attached footnotes. Also, there are additional reporting requirements when the amount allocated to the operating and emergency category is below the minimum required.

Nonspendable Fund Balance

Nonspendable Fund Balance includes amounts that cannot be spent because they are either (a) not in spendable form (not expected to be converted to cash) or (b) legally or contractually required to be maintained intact. Examples include:

- Inventories
- Prepaid amounts Long-Term Loans and Notes Receivable
- Principal of a permanent (e.g., endowment) fund

This represents the ‘newest’ classification in comparison to the descriptions used before the creation of GASB 54. To some extent, the remaining 4 classifications are somewhat mirrored in the prior definitions.

Restricted Fund Balance

Restricted Fund Balance includes amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

- Externally imposed
Imposed externally by grantors, creditors, contributors, or laws or regulations of other governments (i.e., monies received by a grantor that can only be used for that purpose defined by the grant).
- Imposed by Law (Statutory)
A restricted fund balance that consists of unspent, received revenues whose use is statutorily restricted (e.g., children’s waiting room and dispute resolution program funding).

Committed Fund Balance

Committed Fund Balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Judicial Council. These committed amounts cannot be used for any other purpose unless the Judicial Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Committed Fund Balance must also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. While the requirement to include contractual commitments is a policy decision of the Judicial Council, the type, number and execution of contracts is within the express authority of presiding judges or their designee.

[The following struckthrough language is suspended as of August 31, 2012]

~~The Judicial Council has authorized a stabilization arrangement (Operating and Emergency fund category) to be set aside for use in emergency situations or when revenue shortages or budgetary imbalances might exist. The amount is subject to controls that dictate the circumstances under which the court would spend any of the minimum operating and emergency fund balance.~~

~~Each court must maintain a minimum operating and emergency fund balance at all times during a fiscal year as determined by the following calculation based upon the prior fiscal year’s ending total unrestricted general fund expenditures (excluding special revenue, debt service, permanent, proprietary, and fiduciary funds), less any material one-time expenditures (e.g., large one-time contracts):~~

~~———— Annual General Fund Expenditures
 ———— 5 percent of the first \$10,000,000
 ———— 4 percent of the next \$40,000,000
 ———— 3 percent of expenditures over \$50,000,000~~

~~If a court determines that it is unable to maintain the minimum operating and emergency fund balance level as identified above, the court must immediately notify the Administrative Director of the Courts, or designee, in writing and provide a plan with a specific timeframe to correct the situation.~~

Assigned Fund Balance

This is a fund balance that is constrained by the Presiding Judge, or designee, with the intent that it be used for specific purposes or designations that are neither unspendable, restricted nor committed.

Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. Assigned amounts are based on estimates and explanations of the methodology used to compute or determine the designated amount must be provided.

Assigned fund balances include:

- All remaining amounts that are reported in governmental funds, other than general fund, that are not classified as nonspendable and are neither restricted nor committed and
- Amounts in the general fund that are intended to be used for a specific purpose in accordance with the provision identified by the Presiding Judge, or designee.

Courts will identify assigned fund balances according to the following categories:

1. **One-time facility – Tenant improvements** Examples include carpet and fixture replacements.
2. **One-time facility – Other Examples** include amounts paid by the AOC on behalf of the courts.
3. **Statewide Administrative Infrastructure Initiatives.** Statewide assessment in support of technology initiatives (e.g., California Case Management System and Phoenix) will be identified in this designation.
4. **Local Infrastructure (Technology and non-technology needs)** Examples include interim case management systems and non-security equipment.
5. **One-time employee compensation (Leave obligation, retirement, etc.)** Amounts included in this category are exclusive of employee compensation amounts already included in the court's operating budget and not in a designated fund balance category.
 - a. One-time leave payments at separation from employment. If amounts are not already accounted for in a court's operating budget, estimated one-time payouts for vacation or annual leave to employees planning to separate from employment within the next fiscal year should be in this designated fund balance sub-category. This amount could be computed as the average amount paid out with separations or other leave payments during the last three years. Any anticipated non-normal or unusually high payout for an individual or individuals should be added to at the average amount calculated.

In a footnote, the court should note the amount of its employees' currently earned leave balance that is more than the established designated fund balance. The amount would be determined by multiplying the hours of earned vacation or annual leave on the payroll

records for each employee times his or her current salary rate minus the designated fund balance established.

- b. Unfunded pension obligation. If documented by an actuarial report, the amount of unfunded pension obligation should be included as a designated fund balance. Employer retirement plan contributions for the current fiscal year must be accounted for in the court's operating budget.

In a footnote, the court should note the amount of the current unfunded pension obligation that is in excess of the established designated fund balance.

- c. Unfunded retiree health care obligation. If documented by an actuarial report, the amount of unfunded retiree health care obligation should be included as a designated fund balance.

The current year's unfunded retiree health care obligation contains: (i) the current year Annual Required Contribution (ARC) based on a 30-year amortization of retiree health costs as of last fiscal year-end **and** (ii) the prior year retiree health care obligation **less** (iii) the retiree health care employer contributions and any transfers made to an irrevocable trust set up for this purpose. The current year's unfunded retiree health care obligation is to be added to the prior year's obligation.

Note: The ARC amounts are located in each court's actuarial report, which is entitled "Postretirement Benefit Valuation Report".

In a footnote, the court should note the amount of the cumulative unfunded retiree health care obligation that is in excess of the established designated fund balance.

- d. Workers compensation (if managed locally). The amount estimated to be paid out in the next fiscal year.
 - e. Use of reserve funds for liquidation of outstanding leave balances for employees in a layoff situation, consistent with the requirements of GASB 45; other examples would include reserving funds for the implementation of "enhanced retirement" or "golden handshake" programs in the interest of eliminating salaries at the "high end" or "top step", and thereby generating salary savings or rehires at the low end of a pay scale for position(s), but realizing one-time costs in the interest of longer term savings for the court.
6. **Professional and consultant services.** Examples include human resources, information technology, and other consultants.
 7. **Security.** Examples include security equipment; and pending increases for security service contracts.
 8. **Bridge Funding.** A court may choose to identify specific short or intermediate term funding amounts needed to address future needs that are otherwise not reportable, nor fit the criteria, in either restricted nor committed classifications, that it believes are necessary to

identify through specific designations. These designations must be listed with a description in sufficient detail to determine their purpose and requirements.

9. **Miscellaneous (required to provide detail).** Any other planned commitments that are not appropriately included in one of the above designated fund balance sub-categories should be listed here with a description in sufficient detail to determine its purpose and requirements.

Unassigned Fund Balance – for General Fund Use Only

Unassigned Fund Balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other fund balance and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The general fund is the only fund that shall report a positive unassigned fund balance amount.