

CONTRA COSTA COUNTY

Audit Report

COURT REVENUES

July 1, 2008, through June 30, 2014



BETTY T. YEE
California State Controller

December 2015



BETTY T. YEE
California State Controller

December 31, 2015

Honorable Robert Campbell
Auditor/Controller
Contra Costa County
625 Court Street, Finance Building, Room 103
Martinez, CA 94553

Steve Nash, Court Executive Officer
Superior Court of California
Contra Costa County
725 Court Street
Martinez, CA 94553

Dear Mr. Campbell and Mr. Nash:

The State Controller's Office audited Contra Costa County's court revenues for the period of July 1, 2008, through June 30, 2014.

Our audit found that the county under-remitted \$749,188 in court revenues to the State Treasurer because it:

- Over-remitted 50% excess of qualified fines, fees, and penalties by \$102,851;
- Under-remitted equipment/tag violations by \$47,610;
- Under-remitted state parking fines and surcharges by \$9,578;
- Under-remitted state court facilities construction penalties from Traffic Violator School violations by \$1,031,780;
- Over-remitted Emergency Medical Air Transportation penalties from Traffic Violator School violations by \$322,926; and
- Under-remitted state court facility construction penalties from red-light violations by \$85,997.

The county should differentiate the individual accounts making up this amount on the bottom portion of the monthly TC-31, Remittance to State Treasurer, in accordance with standard remittance procedures. The county should state on the TC-31 that the account adjustments relate to the SCO audit for the period of July 1, 2008, through June 30, 2014.

Please mail a copy of the TC-31 and documentation supporting the corresponding adjustment(s) to the attention of the following individuals:

Jerry Zhou, Audit Manager
Division of Audits
State Controller's Office
Post Office Box 942850
Sacramento, CA 94250-5874

Cindy Giese, Collections Supervisor
Division of Accounting and Reporting
Bureau of Tax Administration
Post Office Box 942850
Sacramento, CA 94250-5872

Once the county has paid the underremitted Trial Court Trust Fund, Trial Court Improvement Fund, and State Court Facilities Construction Fund amounts, we will calculate a penalty on the underremitted amount in accordance with Government Code sections 68085, 70353, and 70377.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622 or by email at egonzalez@sco.ca.gov.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/lis

Attachment

cc: John Gioza, Chairperson
Contra Costa County Board of Supervisors
John Judnick, Senior Manager
Internal Audit Services
Judicial Council of California
Julie Nauman, Executive Officer
Victim Compensation and Government Claims Board
Anita Lee
Legislative Analyst's Office
Michael Gungon, Fiscal Analyst
Division of Accounting and Reporting
State Controller's Office
Cindy Giese, Supervisor, Tax Programs Unit
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) performed an audit to determine the propriety of court revenues remitted to the State of California by Contra Costa County for the period of July 1, 2008, through June 30, 2014.

Our audit found that the county under-remitted \$749,188 in court revenues to the State Treasurer because it:

- Over-remitted 50% excess of qualified fines, fees, and penalties by \$102,851;
- Under-remitted equipment/tag violations by \$47,610;
- Under-remitted state parking fines and surcharges by \$9,578;
- Under-remitted state court facilities construction penalties from Traffic Violator School violations by \$1,031,780;
- Over-remitted Emergency Medical Air Transportation penalties from Traffic Violator School violations by \$322,926; and
- Under-remitted state court facility construction penalties from red-light violations by \$85,997.

Background

State statutes govern the distribution of court revenues, which include fines, penalties, assessments, fees, restitutions, bail forfeitures, and parking surcharges. Whenever the State is entitled to a portion of such money, the court is required by Government Code (GC) section 68101 to deposit the State's portion of court revenues with the county treasurer as soon as practical and provide the county auditor with a monthly record of collections. This section further requires that the county auditor transmit the funds and a record of the money collected to the State Treasurer at least once a month.

GC section 68103 requires that the SCO determine whether or not all court collections remitted to the State Treasurer are complete. GC section 68104 authorizes the State Controller to examine records maintained by any court. Furthermore, GC section 12410 provides the SCO with general audit authority to ensure that state funds are properly safeguarded.

Objective, Scope, and Methodology

Our audit objective was to determine whether the county completely and accurately remitted court revenues in a timely manner to the State Treasurer for the period of July 1, 2008, through June 30, 2014. We did not review the timeliness of any remittances the county may be required to make under GC sections 70353, 77201.1(b)(1), and 77201(b)(2).

To meet our objective, we reviewed the revenue-processing systems within the county's Superior Court and Auditor-Controller's Office.

We performed the following procedures:

- Reviewed the accuracy of distribution reports prepared by the county that show court revenue distributions to the State, the county, and the cities located within the county
- Gained an understanding of the county's revenue collection and reporting processes by interviewing key personnel and reviewing documents supporting the transaction flow
- Analyzed various revenue accounts reported in the county's monthly cash statements for unusual variations and omissions
- Evaluated the accuracy of revenue distribution, using as criteria various California codes and the SCO's *Manual of Accounting and Audit Guidelines for Trial Courts*
- Expanded any tests that revealed errors to determine the extent of any incorrect distributions

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We did not audit the county's financial statements. We considered the county's internal controls only to the extent necessary to plan the audit. This report relates solely to our examination of court revenues remitted and payable to the State of California. Therefore, we do not express an opinion as to whether the county's court revenues, taken as a whole, are free from material misstatement.

Conclusion

Contra Costa County underremitted \$749,188 in court revenues to the State Treasurer. The underremittances are summarized in Schedule 1 and described in the Findings and Recommendations section of this report.

Follow-Up on Prior Audit Findings

The county has satisfactorily resolved the findings noted in our prior audit report, issued October 29, 2010.

Views of Responsible Officials

We issued a draft audit report on October 26, 2015. Elizabeth Verigin, Assistant Auditor-Controller, responded by letter dated November 13, 2015 (Attachment A), agreeing with the audit results. Further, Stephen Nash, Court Executive Officer, responded by letter dated November 13, 2015 (Attachment B), agreeing with the audit results.

Restricted Use

This report is solely for the information and use of Contra Costa County, the Contra Costa County Courts, the Judicial Council of California, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

December 31, 2015

Findings and Recommendations

FINDING 1— Over-remitted excess of qualified fines, fees, and penalties

The Contra Costa County over-remitted by \$102,851 the 50% of the qualified excess of fines, fees, and penalties to the State Treasurer for the six-fiscal-year period starting July 1, 2008, ending June 30, 2014.

Government Code (GC) section 77205 requires Contra Costa County to remit 50% of the qualified revenues that exceed the amount specified in GC section 77201.1 (b) (2) for fiscal year (FY) 1998-99, and each fiscal year thereafter, to the State Trial Court Improvement Fund.

The error occurred because incorrect entries were used in the county and court's distribution working papers and from the fiscal impact of conditions identified in this report's findings as follows:

- For the FY 2008-09 through FY 2013-14, the county distributed 100% of its red light Traffic Violator School (TVS) bail from the county base fine portion as its 23% TVS bail. The county red light base fine portion of TVS bail should have been distributed as TVS bail. Therefore, \$25,585 should have been included in the Maintenance of Effort (MOE) calculation.
- As noted in Finding 2, the county's collection agency, Clancy Systems, included state equipment/tag violations in the parking surcharges from July 2011 through June 2014. The \$2 parking surcharge is subject to the MOE; therefore, \$8,882 should not have been included in the MOE calculation.
- As noted in Finding 3, the California State University of East Bay did not remit parking surcharges from July 2008 through June 2014. The \$2 parking surcharge is subject to the MOE; therefore, \$2,910 should have been included in the MOE calculation.
- As noted in Finding 4, for FY 2008-09 through FY 2013-14, the state court facility construction penalties Immediate and Critical Needs Account (ICNA) were not deducted from TVS bail. A total of \$468,642 ($608,626 \times 0.77$) should not have been included in the MOE calculation.
- As noted in Finding 5, Emergency Medical Air Transportation (EMAT) penalties were distributed from TVS bail from January 2011 through June 2014. A total of \$248,653 ($322,926 \times 77\%$) should have been included in the MOE calculation.
- As noted in Finding 6, for FY 2008-09 through FY 2013-14, the state court facility construction penalties Immediate and Critical Needs Account were not deducted from red-light traffic violations. A total of \$5,324 ($7,099 \times .75$) should not have been included in the MOE calculation.

The qualified revenues reported for FY 2008-09 were \$6,633,928. The excess, above the base of \$4,486,486, is \$2,147,442; that amount should be divided equally between the county and State, resulting in \$1,073,721 excess due the State. The county remitted a previous payment of \$1,093,353, causing an over-remittance of \$19,632.

The qualified revenues reported for FY 2009-10 were \$6,171,236. The excess, above the base of \$4,486,486, is \$1,684,750; that amount should be divided equally between the county and State, resulting in \$842,375 excess due the State. The county remitted a previous payment of \$916,573, causing an over-remittance of \$74,198.

The qualified revenues reported for FY 2010-11 were \$6,720,718. The excess, above the base of \$4,486,486, is \$2,234,232; that amount should be divided equally between the county and State, resulting in \$1,117,116 excess due the State. The county remitted a previous payment of \$1,149,141, causing an over-remittance of \$32,025.

The qualified revenues reported for FY 2011-12 were \$7,089,856. The excess, above the base of \$4,486,486, is \$2,603,370; that amount should be divided equally between the county and State, resulting in \$1,301,685 excess due the State. The county remitted a previous payment of \$1,303,008, causing an over-remittance of \$1,323.

The qualified revenues reported for FY 2012-13 were \$6,586,527. The excess, above the base of \$4,486,486, is \$2,100,041; that amount should be divided equally between the county and State, resulting in \$1,050,020 excess due the State. The county remitted a previous payment of \$1,038,339, causing an under-remittance of \$11,682.

The qualified revenues reported for FY 2013-14 were \$6,363,215. The excess, above the base of \$4,486,486, is \$1,876,729; that amount should be divided equally between the county and State, resulting in \$938,364 excess due the State. The county remitted a previous payment of \$925,720, causing an under-remittance of \$12,645.

The under- and over-remittances had the following effect:

<u>Account Title</u>	<u>Underremitted/ (Overremitted)</u>
Trial Court Improvement Fund–GC §77205	
FY 2008-09	\$ (19,632)
FY 2009-10	(74,198)
FY 2010-11	(32,025)
FY 2011-12	(1,323)
FY 2012-13	11,682
FY 2013-14	12,645
County General Fund	102,851

Recommendation

The county should offset subsequent remittances by \$102,851 to the State Treasurer and report on the remittance advice form (TC-31) a decrease to the State Trial Court Improvement Fund – GC section 77205. The county should also make the corresponding account adjustments.

County's Response

The Auditor-Controller agreed with Finding 1.

Superior Court's Response

The Superior Court recognizes this finding as the County Auditor-Controller's issue.

SCO's Comment

The finding remains as stated.

**FINDING 2—
Under-remitted
Equipment/Tag
Violations**

The County of Contra Costa did not distribute to the State all of the 50% qualified equipment/tag violations from July 2011 through June 2014. The county collection agency, Clancy Systems, indicated that it believed that the 50% penalty of the equipment tag violation was to be included as part of the parking surcharge.

Vehicle Code (VC) section 40225(d) allows equipment and registration tag violations to be processed as civil penalties. Upon proof of correction, the civil penalty is reduced to \$10. Civil penalties collected on equipment and tag violations are distributed 50% to the issuing/processing agency and 50% to the State Treasurer.

GC section 76000(c) requires the county to deposit the \$2.50 parking surcharge from each parking fine collected in the County Courthouse Construction Fund and Criminal Justice Facilities Fund. Further, this section requires \$1 of each \$2.50 parking surcharge to be distributed to the State General Fund. GC section 70372 requires the county to distribute to the State Court Facility Construction Fund an additional penalty of \$4.50 for every parking fine or forfeiture starting January 2009. GC section 76000.3 requires the county to distribute to the State Trial Court Trust Fund an additional penalty of \$3.00 for every parking fine or forfeiture starting December 2009.

The incorrect distributions for equipment/tag violations, parking surcharges, and fines affect the revenues reported to the State Trial Court Improvement Fund under the MOE formula pursuant to GC section 77205. The inappropriate distribution had the following effect:

<u>Account Title</u>	<u>Underremitted/ (Overremitted)</u>
State Equipment tag – VC §40225d	\$ 80,919
State Court Facility Construction Fund – GC §70372(b) (\$3.00)	(13,323)
State Trial Court Trust Fund – GC §76000.3	(13,323)
State Court Facility Construction Fund – GC §70372(b) (\$1.50)	(6,663)
County General Fund	(20,018)
County Criminal Justice Facility Fund	(6,662)
Courthouse Construction Fund	(6,662)
Cities:	
Oakley	(5,460)
Danville	(3,955)
Brentwood	(2,466)
Moraga	(722)
Pinole	(659)
Crockett	(387)
Alamo	(237)
El Cerrito	(146)
Blackhawk	(102)
Pittsburg	(68)
San Pablo	(45)
Pleasant Hill	(13)
California Highway Patrol	(8)

Recommendation

The county should remit \$47,610 to the State Treasurer and report on the remittance advice form (TC-31) an increase of 80,919 to the State General Fund – VC section 40225(d) and decreases of \$13,323 to the State Court Facilities Construction Fund (ICNA) – GC section 70372(b), \$13,323 to State Trial Court Trust Fund – GC section 76100.3, and \$6,663 to the State Court Facilities Construction Fund – GC section 70372. The county should also make the corresponding account adjustments.

The county should establish formal procedures to ensure that equipment/tag violations are correctly distributed in accordance with statutory requirements. A redistribution should be made for the collection period starting July 2014 through the date on which the current system is revised.

County’s Response

The Auditor-Controller agreed with Finding 2.

Superior Court’s Response

The Superior Court recognizes this finding as the County Auditor-Controller’s issue.

SCO’s Comment

The finding remains as stated.

**FINDING 3—
Under-remitted State
Parking Fines and
Surcharges**

The California State University of East Bay, Concord campus did not distribute county and state parking surcharges and fines starting July 2008 through June 2014. College parking enforcement personnel indicated that the required distribution was inadvertently overlooked.

VC section 40200.4 requires the processing agencies to deposit with the county treasurer all sums due the county from parking violations.

GC section 76000(c) requires the county to deposit the \$2.50 parking surcharge from each parking fine collected in the County Courthouse Construction Fund and Criminal Justice Facilities Fund. Further, this section requires \$1 of each \$2.50 parking surcharge to be distributed to the State General Fund.

GC section 70372 requires the county to distribute to the State Court Facility Construction Fund an additional penalty of \$4.50 for every parking fine or forfeiture starting January 2009.

GC section 76000.3 requires the county to distribute to the State Trial Court Trust Fund an additional penalty of \$3.00 for every parking fine or forfeiture starting December 2009.

The incorrect distributions for parking surcharges and fines affect the revenues reported to the State Trial Court Improvement Fund under the MOE formula pursuant to GC Section 77205. In addition, the inappropriate distribution had the following effect:

<u>Account Title</u>	<u>Underremitted/ (Overremitted)</u>
State Court Facility Construction Fund – GC §70372(b) (\$3.00)	\$ 4,188
State Trial Court Trust Fund – GC §76000.3	3,294
State Court Facility Construction Fund – GC §70372(b) (\$1.50)	2,096
County General Fund	2,910
County Courthouse Construction Fund	2,183
County Jail Facility Fund	2,183
California State University of East Bay	(16,854)

Recommendation

The county should remit \$9,576 to the State Treasurer and report on the remittance advice form (TC-31) increases of \$4,188 to the State Court Facilities Construction Fund (ICNA) – GC section 70372(b), \$3,294 to State Trial Court Trust Fund – GC section 76100.3, and \$2,094 to the State Court Facilities Construction Fund – GC section 70372. The county should also make the corresponding account adjustments.

County’s Response

The Auditor-Controller agreed with Finding 3.

Superior Court’s Response

The Superior Court recognizes this finding as the County Auditor-Controller’s issue.

SCO’s Comment

The finding remains as stated.

**FINDING 4—
Under-remitted State
Court Facilities
Construction
Penalties from TVS
Violations**

The Contra Costa County Superior Court did not accurately apply the full \$5 state court facilities construction penalty to TVS violations from January 2009 through June 2014. In addition, EMS penalties were applied at a rate greater than the \$4 penalty. Court personnel indicated that the required distribution was inadvertently overlooked.

Starting January 1, 2009, GC section 70372(a) requires a component of \$5 on every \$10 base fine or portion thereof to be distributed to the State Court Facilities Construction Fund. In addition, effective January 1, 2009, for all traffic school violations, VC section 42007 requires a component total of \$5 out of TVS bail to be distributed to the State Court Facilities Construction Fund.

The incorrect distribution of penalties affect the revenues reported to the State Trial Court Improvement Fund under the MOE formula pursuant to GC section 77205. In addition, the inappropriate distribution had the following effect:

<u>Account Title</u>	<u>Underremitted/ (Overremitted)</u>
State Court Facilities Construction Fund – (ICNA) – GC §70372	\$ 1,031,780
County General Fund	(608,626)
EMS Fund	(423,154)

Recommendation

The county should remit \$1,031,780 to the State Treasurer and report on the remittance advice form (TC-31) an increase to the State Court Facility Construction Fund. The county should also make the corresponding account adjustments.

County’s Response

The Auditor-Controller agreed with Finding 4.

Superior Court’s Response

The Superior Court agreed with Finding 4.

**FINDING 5—
Over-remitted
Emergency Medical
Air Transportation
(EMAT) Penalties
from Traffic Violator
School Violations**

The Superior Court of Contra Costa County levied a \$4 state EMAT penalty on TVS bail starting January 2011 through June 2014. Court personnel indicated that the required distribution was inadvertently overlooked.

Starting January 1, 2011, GC section 76000.1 requires a \$4 penalty upon every fine levied on criminal offenses including traffic offenses, but excluding parking offenses. However, upon the election of traffic school, the fine and penalties are converted to TVS bail as mandated by VC section 42007. Therefore, because EMAT penalties are not included in the exceptions listed within VC section 42007, they should remain as TVS bail.

The incorrect distributions of state EMAT penalties affect the revenues reported to the State Trial Court Improvement Fund under the MOE formula pursuant to GC section 77205. In addition, the inappropriate distribution had the following effect:

<u>Account Title</u>	<u>Underremitted/ (Overremitted)</u>
Emergency Medical Air Transportation Act Fund County General Fund	\$ (322,926) 322,926

Recommendation

The county should offset subsequent remittances by \$322,926 to the State Treasurer to be reported on a TC-31 as a decrease to the State Emergency Medical Air Transportation Act Fund. The court should take steps to ensure that EMAT penalties are distributed in accordance with the statutory requirements. A redistribution should be made for the period of July 2014 through the date on which the current system is revised.

County’s Response

The Auditor-Controller agreed with Finding 5.

Superior Court’s Response

The Superior Court agreed with Finding 5.

**FINDING 6—
Under-remitted State
Court Facility
Construction
Penalties from Red-
Light Violations**

The Contra Costa County Courts did not distribute the full \$5 state court facility construction penalty from red-light traffic violations from January 2009 through June 2014. Court personnel indicated that the required distribution was inadvertently overlooked.

Starting January 1, 2009, GC section 70372(a) requires a component of \$5 on every \$10 base fine or portion thereof to be distributed to the State Court Facilities Construction Fund.

PC section 1463.11 requires 30% of base fines and state and county penalties (PC sections 1463 and 1464, GC section 76100, respectively) pursuant to red light violations to be distributed to the general fund of the county or city in which the offense occurred. State court facility construction penalties are not referenced in this statute; however, GC section 70372(a) is subject to the distribution requirements in accordance with PC section 1463. Therefore, state court facility construction penalties are subject to the 30% allocation. The remaining 70% should be distributed in accordance with PC section 1463, which includes GC section 70372(a).

The incorrect distributions for red light violations affect the revenues reported to the State Trial Court Improvement Fund under the Maintenance of Effort formula pursuant to GC section 77205. In addition, the inappropriate distribution had the following effect:

Account Title	Underremitted/ (Overremitted)
State Court Facility Construction Fund	
GC § 70372	\$ 85,997
County General Fund	(7,127)
Cities:	
Richmond	(13,890)
San Ramon	(9,057)
Antioch	(8,325)
Concord	(7,507)
Walnut Creek	(6,663)
Pittsburg	(6,576)
Pleasant Hill	(4,162)
San Pablo	(3,984)
Danville	(3,458)
Brentwood	(3,214)
El Cerrito	(3,164)
Lafayette	(2,382)
Oakley	(2,286)
Orinda	(928)
Pinole	(863)
Martinez	(767)
Hercules	(520)
Moraga	(513)
Clayton	(348)
Kensington	(263)

Recommendation

The county should offset subsequent remittances by \$85,997 to the State Treasurer and report on the remittance advice form (TC-31) an increase to the State Court Facility Construction Fund, GC section 70372.

The county should also make the corresponding account adjustments. A redistribution should be made from July 2014 through the date on which the current system is revised.

The Contra Costa County Superior Court should implement procedures to improve the output records to adequately provide a complete and timely distribution of red-light traffic violations to comply with statutory requirements.

County's Response

The Auditor-Controller agreed with Finding 6.

Superior Court's Response

The Superior Court agreed with Finding 6.

Schedule 1— Summary of Audit Findings by Fiscal Year July 1, 2008, through June 30, 2014

Description of Findings ¹	Code	Fiscal Year						Total ²	
		08-09	09-10	10-11	11-12	12-13	13-14		
County									
Over-remitted Excess of Qualified Fines, Fees and Penalties (50% split):									
AB233 MOE 50% Split	GC §77205	(19,632)	(74,198)	(32,025)	(1,323)	11,682	12,645	(102,851)	Finding 1
Under-remitted Equipment Tag Violations:									
VC §40225d					26,973	26,973	26,973	80,919	Finding 2
GC §70372 (f) (2)					(4,441)	(4,441)	(4,441)	(13,323)	
GC §70372 (f) (2)					(2,221)	(2,221)	(2,221)	(6,663)	
GC §76000.3					(4,441)	(4,441)	(4,441)	(13,323)	
Under-remitted Parking Fines and Surcharges (Cal State)									
GC §70372 (f) (2)		300	1,542	681	501	513	651	4,188	Finding 3
GC §70372 (f) (2)		150	771	341	251	257	326	2,096	
GC §76000.3			948	681	501	513	651	3,294	
Court									
Under-remitted State Court Facility Construction Penalties from Traffic Violation School:									
GC §70372		64,286	241,212	206,665	203,229	154,629	161,759	1,031,780	Finding 4
Over-remitted Emergency Medical Air Transportation Penalties									
GC §76000.1				(28,575)	(111,303)	(91,196)	(91,852)	(322,926)	Finding 5
Under-remitted State Court Facility Construction Penalties from Red Light – Violations									
GC §70372		3,741	17,418	21,175	17,033	14,166	12,464	85,997	Finding 6
TOTAL		48,845	187,694	168,943	124,758	106,434	112,514	749,188	

Legend: GC = Government Code; VC = Vehicle Code

¹ The identification of State revenue account titles should be used to ensure proper recording when preparing the Remittance Advice Form TC-31 to the State Treasurer.

² See the Finding[s] and Recommendation[s] section.

**Schedule 2—
Summary of Underremittances by Month
Trial Court Trust Fund
July 1, 2008, through June 30, 2014**

State Trial Court Trust Fund – Combined

Month	Fiscal Year						Total ¹
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
July	\$ –	\$ –	\$ 69	\$ 39	\$ 12	\$ 60	
August	–	–	102	27	12	39	
September	–	–	48	–	3	45	
October	–	–	27	36	24	60	
November	–	–	87	42	54	48	
December	–	–	27	27	21	48	
January	–	105	84	15	15	54	
February	–	219	39	57	90	78	
March	–	228	54	63	72	33	
April	–	144	39	45	45	39	
May	–	159	63	81	72	90	
June	–	93	42	69	93	57	
Total underremittances to the State Treasurer	\$ –	\$ 948	\$ 681	\$ 501	\$ 513	\$ 651	\$ 3,294

NOTE: Delinquent Trial Court Trust Fund remittances not remitted to the SCO within 45 days of the end of the month in which the fees were collected are subject to penalty, pursuant to Government Code section 68085(h). The SCO will calculate and bill the county for the penalty after the county pays the underlying amount owed.

¹ This is a supplemental schedule for the SCO Division of Accounting and Reporting to calculate penalties and interests. Only the grand total is listed, to facilitate the review process.

Schedule 3— Summary of Underremittances by Month Trial Court Improvement Fund July 1, 2008, through June 30, 2014

State Trial Court Improvement Trust Fund - Combined

Month	Fiscal Year						Total ²
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
July	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
August	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-
January	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-
June ¹	-	-	-	-	11,682	12,645	-
Total underremittances to the State Treasurer	\$ -	\$ -	\$ -	\$ -	\$ 11,682	\$ 12,645	\$ 24,327

NOTE: Delinquent Trial Court Improvement Fund remittances not remitted to the SCO within 45 days of the end of the month in which the fees were collected are subject to penalty, pursuant to Government Code section 68085(h). The SCO will calculate and bill the county for the penalty amount after the county pays the underlying amount owed.

¹ The amounts are from Maintenance-of-effort (Finding 1)

² This is a supplemental schedule for the SCO Division of Accounting and Reporting to calculate penalties and interest. Only the grand total is listed, to facilitate the review process.

**Schedule 4—
Summary of Underremittances by Month
State Court Facilities Construction Fund
July 1, 2008, through June 30, 2014**

State Court Facility Construction Fund - Combined

Month	Fiscal Year						Total ¹
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
July	\$ -	\$ 23,143	\$ 19,043	\$ 20,135	\$ 15,534	\$ 12,149	
August	-	21,425	19,952	22,187	17,522	12,681	
September	-	20,472	19,283	19,158	15,576	14,739	
October	-	20,552	18,828	17,634	15,476	18,868	
November	-	19,353	17,910	16,854	11,479	15,189	
December	-	21,230	19,441	16,730	10,404	14,878	
January	23	19,952	19,850	17,103	13,530	13,296	
February	45	19,981	16,998	15,252	13,038	11,402	
March	68	25,279	21,481	20,652	15,216	13,343	
April	24,219	23,699	19,416	18,715	14,600	16,436	
May	23,250	23,516	17,422	19,161	14,646	15,603	
June	20,874	22,344	19,234	17,432	12,544	16,616	
Total underremittances to the State Treasurer	\$ 68,479	\$ 260,946	\$ 228,858	\$ 221,013	\$ 169,565	\$ 175,200	\$ 1,124,061

NOTE: Delinquent State Court Facilities Construction Fund remittances not remitted to the SCO within 45 days of the end of the month in which the fees were collected are subject to penalty, pursuant to Government Code section 70377. The SCO will calculate and bill the county for the penalty amount after the county pays the underlying amount owed.

¹ This is a supplemental schedule for the SCO Division of Accounting and Reporting to calculate penalties and interests. The grand total is listed to facilitate the review process.

**Schedule 5—
Summary of Overremittances by Month
July 1, 2008, through June 30, 2014**

Overremittances – Combined

Month	Fiscal Year						Total ¹
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	
July	\$ -	\$ -	\$ -	\$ (11,170)	\$ (9,801)	\$ (7,328)	
August	-	-	-	(12,066)	(10,413)	(7,512)	
September	-	-	-	(10,686)	(9,393)	(8,792)	
October	-	-	-	(9,819)	(9,469)	(10,902)	
November	-	-	-	(9,438)	(7,313)	(8,842)	
December	-	-	-	(9,314)	(6,887)	(8,713)	
January	-	-	-	(9,366)	(8,162)	(7,766)	
February	-	-	-	(10,772)	(7,919)	(6,638)	
March	-	-	-	(9,670)	(8,582)	(8,000)	
April	-	-	(10,047)	(10,147)	(8,627)	(9,587)	
May	-	-	(8,715)	(10,302)	(8,329)	(9,242)	
June	(19,632)	(74,198)	(41,842)	(10,982)	(7,399)	(9,631)	
Total overremittances to the State Treasurer	\$ (19,632)	\$ (74,198)	\$ (60,604)	\$ (123,732)	\$ (102,294)	\$ (102,953)	\$ (483,413)

¹ This is a supplemental schedule for the SCO Division of Accounting and Reporting to calculate penalties and interests. The grand total is listed to facilitate the review process.

**Attachment A—
County Auditor-Controller's Response
to Draft Audit Report**

Office of the Auditor-Controller
Contra Costa County

Robert R. Campbell
Auditor-Controller

625 Court Street
Martinez, California 94553-1282
Phone (925) 646-2181
Fax (925) 646-2649



Elizabeth A. Verigin
Assistant Auditor-Controller

Harjit S. Nahal
Assistant Auditor-Controller

November 13, 2015

Elizabeth Gonzales
Chief, Local Government Compliance Bureau
State Controller's Office, Division of Audits
PO Box 942850
Sacramento, CA 94250-5874

Dear Ms. Gonzales,

The County has reviewed the draft audit report of court revenues prepared by your Office for the period of July 1, 2008 through June 30, 2014, received on November 2, 2015. The County has prepared the following responses.

Finding 1

The County concurs with the finding. The County has made the necessary adjustment to correct future distributions and the Court has advised the County that it has made the necessary adjustments to correct future distributions. The County will submit a TC-31 for \$102,851 to offset the prior incorrect distributions.

Finding 2

The County concurs with the finding and has established formal procedures to ensure that equipment/tag violations are correctly distributed in accordance with statutory requirements. The County will submit a TC-31 and \$47,610 payment for the prior incorrect distributions.

Finding 3

The County concurs with the finding and has contacted California State University of East Bay to submit County and State surcharges collected for parking citations to the County Auditor-Controller. The County will submit a TC-31 and \$9,576 payment for the prior incorrect distributions.

Finding 4

The County concurs with the finding and the Court has advised the County that it has made the necessary adjustments to correct the distribution prospectively as of May 2015. The County will submit a TC-31 and \$1,031,780 payment for the prior incorrect distributions.

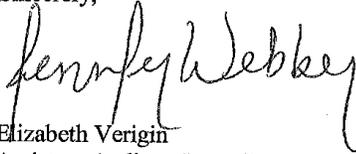
Finding 5

The County concurs with the finding and the Court has advised the County that it has made the necessary adjustments to correct the distribution prospectively as of July 2015. The County will submit a TC-31 for \$322,926 to offset prior incorrect distributions.

Finding 6

The County concurs with the finding and the Court has advised the County that it has made the necessary adjustments to correct the distribution prospectively as of May 2015. The County will submit a TC-31 and \$85,997 payment for the prior incorrect distributions.

Sincerely,



Elizabeth Verigin
Assistant Auditor-Controller

By: Jennifer Webber
Chief Accountant

**Attachment B—
Superior Court’s Response to
Draft Audit Report**

Stephen H. Nash
Court Executive Officer

Superior Court of California

COUNTY OF CONTRA COSTA
725 COURT STREET
P.O. BOX 431
MARTINEZ, CA 94553-0091



November 13, 2015

Mr. Jeffrey V. Brownfield, CPA
Chief, Division of Audits
State Controller's Office

Ms. Elizabeth González
Chief, Local Government Compliance Bureau
State Controller's Office

Dear Mr. Brownfield and Ms. González:

Thank you for providing the opportunity to respond to the draft Court Revenue Audit Report for Contra Costa. The Court is only responding to findings 4 through 6 that are concerning the Court.

Finding 4 – Under-remitted State Court Facilities Construction Penalties from TVS Violations

The Court agrees with the distribution error identified in this finding and has updated the distribution spreadsheet to correct the distribution error. The Court will work with the County to make the necessary remittance and accounting adjustments identified in the finding.

Finding 5 – Over-remitted EMAT Penalties from TVS Violations

The Court agrees with the distribution error identified in this finding. The Court has updated its traffic case management system and distribution spreadsheet to correct the distribution error. The Court will work with the County to make the necessary remittance and accounting adjustments identified in the finding.

Finding 6 – Under-remitted State Court Facility Construction Penalties from Red-Light Violations

The Court agrees with the distribution error identified in this finding and has updated the distribution spreadsheet to correct the distribution error. The Court will work with the County to make the necessary remittance and accounting adjustments identified in the finding.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen H. Nash".

Stephen H. Nash
Court Executive Officer

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>