SAN JOAQUIN COUNTY

Final Audit Report

COURT REVENUES

July 1, 2020, through June 30, 2024

MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

June 2026

S25-CRV-0010

STATE CONTROLLER'S OFFICE | DIVISION OF AUDITS

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MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

June 30, 2026

Dear County, Court, City, District, and Department Representatives:

The State Controller's Office audited San Joaquin County's (the county) court revenues for the period of July 1, 2020, through June 30, 2024.

Our audit found that the county's remittances to the State Treasurer were substantially correct. The findings identified in this report do not have a significant effect on those remittances.

However, we found that the county miscalculated the 50 percent excess of qualified revenues and did not properly report revenues on the Report to State Controller of Remittance to State Treasurer (TC-31) form. In addition, we found that the Superior Court of California, San Joaquin County made incorrect distributions related to red-light, fish and game, and health and safety violations. We also found that the county's Revenue and Recovery Division made incorrect distributions related to health and safety violations.

We also identified a deficiency that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the City of Escalon, the City of Lathrop, the City of Lodi, the City of Manteca, the City of Mountain House, the City of Ripon, the City of Stockton, the City of Tracy, the Stockton Unified School District, and the California Department of Parks and Recreation did not collect county parking surcharges properly.

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Please mail a copy of the TC-31 and documentation supporting the corresponding adjustments to the attention of the following individual:

Tax Programs Unit Supervisor
Bureau of Tax, Administration, and Government Compensation
Local Government Programs and Services Division
State Controller's Office
Post Office Box 942850
Sacramento, CA 94250

If you have any questions regarding the audit findings, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at 916-327-3138 or email at lkurokawa@sco.ca.gov. Thank you.

Sincerely,

Original signed by
Kimberly A. Tarvin, CPA
Chief, Division of Audits

Attachment—Recipient Addresses

Copy: The Honorable Sonny Dhaliwal, Chair
San Joaquin County Board of Supervisors
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CONTENTS

SUMMARY

The State Controller's Office (SCO) audited the propriety of court revenues remitted to the State of California by San Joaquin County (the county) on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2020, through June 30, 2024.

Our audit found that the county's remittances to the State Treasurer were substantially correct. However, we found that the county miscalculated the 50 percent excess of qualified revenues and did not properly report revenues on the TC-31. In addition, we found that the Superior Court of California, San Joaquin County (the court) made incorrect distributions related to red-light, fish and game, and health and safety violations. We also found that the county's Revenue and Recovery Division made incorrect distributions related to health and safety violations.

We also identified a deficiency that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the City of Escalon, the City of Lathrop, the City of Lodi, the City of Manteca, the City of Mountain House, the City of Ripon, the City of Stockton, the City of Tracy, the Stockton Unified School District, and the California Department of Parks and Recreation did not collect county parking surcharges properly.

The findings identified in this report do not have a significant effect on those remittances.

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 receive 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 is 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.

The SCO publishes the *Trial Court Revenue Distribution Guidelines* (*Distribution Guidelines*) to provide direction on the distribution of fines, fees, forfeitures, penalties, and assessments. The *Distribution Guidelines* group code sections that share similar exceptions, conditions, or distributions into a series of nine tables.

The Judicial Council of California (JCC) provides forms and worksheets to ensure the proper calculation and distribution of fines, fees, forfeitures, penalties, and assessments. The guidance includes forms used to compute the annual maintenance-of-effort (MOE) calculation and worksheets to verify the more complex revenue distributions.

AUDIT AUTHORITY

We conducted this audit in accordance with GC section 68103, which authorizes the SCO to review the county's reports and records to ensure that all fines and forfeitures have been transmitted. In addition, GC section 68104 authorizes the SCO to examine records maintained by the court. Furthermore, GC section 12410 provides the SCO with general audit authority to superintend the fiscal concerns of the State.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our audit objective was to determine the propriety of the court revenues remitted to the State Treasurer pursuant to the TC-31 process during the period of July 1, 2020, through June 30, 2024. To achieve our objective, we performed the following procedures.

General

- We gained an understanding of the county and the court's revenue collection and reporting processes, and of the criteria that were significant to our audit objective.
- We interviewed the county's personnel regarding the monthly TC-31 remittance process, the revenue distribution process, and the MOE calculation.
- We interviewed the court's personnel regarding the revenue distribution process and the case management system (CMS).
- We reviewed documents supporting the transaction flow.
- We scheduled monthly TC-31 remittances prepared by the county and the court showing court revenue distributions to the State.
- We performed a review of the complete TC-31 remittance process for revenues collected and distributed by the county and the court.
- We assessed the reliability of data from the CMS based on interviews and our review of documents supporting the transaction flow. We determined that the data was sufficiently reliable for purposes of this report.

Cash Collections

- We scheduled monthly cash disbursements prepared by the county and the court showing court revenue distributions to the State, the county, and cities for all fiscal years in the audit period.
- We performed analytical procedures using ratio analysis for the State's and the county's revenues to assess the reasonableness of the revenue distributions based on statutory requirements.

- We recomputed the annual MOE calculation for all fiscal years in the audit period to verify the accuracy and completeness of the 50 percent excess of qualified revenues remitted to the State.

Distribution Testing

- We assessed the priority of installment payments by haphazardly selecting a non-statistical sample of two installment payments to verify priority. No errors were identified.

- We scheduled parking surcharge revenues collected from entities that issue parking citations within the county to ensure that revenues were correct, complete, and remitted in accordance with state statutory requirements. We contacted entities that did not remit the required parking surcharges and reviewed their required distributions.

- We performed a risk evaluation of the county and the court, and identified violation types that are prone to errors, due to either their complexity or statutory changes during the audit period.

  Based on the risk evaluation, we haphazardly selected a non-statistical sample of 62 cases for 11 violation types. We were not able to identify the case population due to the inconsistent timing of when tickets were issued versus when they were paid, and the multitude of entities that remit collections to the county for remittance to the State. Errors found were not projected to the intended (total) population. We tested the sample as follows:

  - We recomputed the sample case distributions and compared them to the actual distributions.

  - We calculated the total dollar amount of significant underremittances and overremittances to the State and the county.

We did not review any court revenue remittances that the county or the court may be required to make under GC sections 70353 and 77201.1(b), included in the TC-31.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

CONCLUSION

As a result of performing the audit procedures, we found that the county's remittances to the State Treasurer are substantially correct. However, we found that the county miscalculated the 50 percent excess of qualified revenues and did not properly report revenues on the TC-31. In addition, we found that the court made incorrect distributions related to red-light, fish and game, and health and safety violations. We also found that the county's Revenue and Recovery Division made incorrect distributions related to health and safety violations.

We also identified a deficiency that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the City of Escalon, the City of Lathrop, the City of Lodi, the City of Manteca, the City of Mountain House, the City of Ripon, the City of Stockton, the City of Tracy, the Stockton Unified School District, and the California Department of Parks and Recreation did not collect county parking surcharges properly.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

The county has satisfactorily resolved the findings noted in our prior audit report for the period of July 1, 2015, through June 30, 2019, issued on November 19, 2021, with the exception of

Findings 1, 3, and 5 of this audit report. The implementation status of corrective actions is described in the Appendix.

VIEWS OF RESPONSIBLE OFFICIALS

We discussed our audit results with representatives of the county, the court, and the City of Ripon during an exit conference conducted on February 11, 2026. At the exit conference, the representatives agreed with the audit results. Representatives of the county and the court requested to bypass the draft audit report by email on February 11, 2026. Representatives of the City of Escalon, the City of Ripon, and the City of Tracy requested to bypass the draft report by email on February 11, 2026. The county's representative responded by letter on February 11, 2026, agreeing with the audit results. The court's representative responded by letter on February 18, 2026, agreeing with the audit results. This final report includes the county and the court's responses as Attachments A and B.

RESTRICTED USE

This report is solely for the information and use of the county, the court, the City of Escalon, the City of Lathrop, the City of Lodi, the City of Manteca, the City of Mountain House, the City of Ripon, the City of Stockton, the City of Tracy, the Stockton Unified School District, the California Department of Parks and Recreation, the JCC, 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 and is available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA

Chief, Division of Audits

June 30, 2026

SCHEDULE—SUMMARY OF AUDIT FINDINGS AFFECTING REMITTANCES TO THE STATE TREASURER

July 1, 2020, through June 30, 2024

The following table provides a summary of the audit findings affecting remittances to the State Treasurer:

Finding	Fiscal Year (FY) 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Finding 2 – Incorrect reporting of revenues on the TC-31					
State – DNA Identification Fund – GC section 76104.6	-522,649	-504,015	-474,673	-455,742	-1,957,079
State – DNA Identification Fund – GC section 76104.7	522,649	504,015	474,673	455,742	1,957,079
Total Finding 2	0	0	0	0	0
Total net amount underremitted to the State Treasurer	**$0**	**$0**	**$0**	**$0**	**$0**

The identification of state revenue account titles should be used to ensure proper recording when preparing the TC-31.

FINDINGS AND RECOMMENDATIONS

Finding 1—Incorrect Calculation of the 50 Percent Excess of Qualified Revenues (Repeat Finding)

During our recalculation of the 50 percent excess of qualified revenues, we found that the county had used incorrect qualified revenue amounts in its calculation for each fiscal year. However, the county's errors did not result in underremittances to the State Treasurer, as the qualified revenues were below the base amount for the county for all four fiscal years under audit. The 50 percent excess of qualified revenues was incorrectly calculated because the county misinterpreted the required calculations.

The county provided support for its calculation of the 50 percent excess of qualified revenues during the audit period. We reviewed the county's calculation and reconciled the qualified revenues to revenue collection reports.

We recalculated the county's qualified revenues based on actual court revenues collected for each fiscal year. After our recalculation, we found that the county had understated qualified revenues by a net of $913,136 for the audit period. The county understated qualified revenues for the following reasons:

- In FY 2020-21 and FY 2021-22, the county incorrectly excluded a portion of the following revenues from its calculation of the traffic violator school (TVS) fee (VC [Vehicle Code] section 42007[c]):
    - TVS fee (VC section 42007);
    - The county's Courthouse Construction Fund (GC section 76100; $1 per TVS case);

  - The county's Criminal Justice Facilities Construction Fund (GC section 76101; $1 per TVS case);
  - City base fines (VC section 42007[c]); and
  - The county's Emergency Medical Services Fund (GC section 76104).

- In FY 2022-23 and FY 2023-24, the county incorrectly excluded a portion of the revenues collected for the TVS fee (VC section 42007) from its calculation of the TVS fee (VC section 42007) line item. In addition, the county incorrectly included 100 percent of the following revenues collected instead of the required 77 percent in its calculation of the line item:
  - The county's Courthouse Construction Fund (GC section 76100; $1 per TVS case);
  - The county's Criminal Justice Facilities Construction Fund (GC section 76101; $1 per TVS case);
  - City base fines (VC section 42007[c]); and
  - The county's Emergency Medical Services Fund (GC section 76104).

The following table shows the audit adjustments to qualified revenues:

Revenue Analysis	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Qualified revenues reported	$2,773,563	$2,607,908	$2,234,907	$2,346,017	$9,962,395
Audit adjustments:					
VC section 42007 understatement	355,402	323,316	93,628	140,790	913,136
Total audit adjustments	355,402	323,316	93,628	140,790	913,136
Adjusted qualified revenues	**$3,128,965**	**$2,931,224**	**$2,328,535**	**$2,486,807**	**$10,875,531**

Despite the miscalculation of qualified revenues, there is no underremittance due to the lack of excess revenues that exceed the base.

The following table shows our recalculation of the county's excess of qualified revenues:

Fiscal Year	Qualifying Revenues	Base Amount	Excess Amount Above the Base	50% Excess Amount Due the State	County Remittance to the State Treasurer	County Under-remittance to the State Treasurer
2020-21	$3,128,965	$3,694,810	-$565,845	$0	$0	$0
2021-22	2,931,224	3,694,810	-763,586	0	0	0
2022-23	2,328,535	3,694,810	-1,366,275	0	0	0
2023-24	2,486,807	3,694,810	-1,208,003	0	0	0
Total						**$0**

As discussed in Finding 1 of our prior audit report dated November 19, 2021, the county used incorrect qualified revenue amounts in its calculation of the 50 percent excess of qualified revenues. This is a repeat finding, as the county did not correct the errors noted in our prior audit report.

Criteria

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

Recommendation

We recommend that the county ensure that the proper amounts are included in the calculations of each line item on the 50-50 Excess Split Revenue Computation Form.

County's Response

The County agrees with the finding and will make efforts to ensure the proper amounts are included in the calculations of each line item on the 50-50 Excess Split Revenue Computation Form.

Finding 2—Incorrect Reporting of DNA Identification Revenues on the TC-31 Form

During our reconciliation of TC-31 revenues, we found that the county had not properly reported revenues on the TC-31 remittance form. The error occurred because the county inadvertently reported revenues on incorrect line items on the TC-31 form.

We compared the actual revenues collected by the court and parking entities to the revenues reported by the county on the TC-31s. During our reconciliation, we found that the county had incorrectly reported the following on its TC-31:

- The State's DNA Identification Fund (GC section 76104.6) revenues on the State's DNA Identification Fund (GC section 76104.7) line item; and
- The State's DNA Identification Fund (GC section 76104.7) revenues on the State's DNA Identification Fund (GC section 76104.6) line item.

The following table shows the effect of the incorrect distributions:

Account Title	Underremitted/ Overremitted
State – DNA Identification Fund – GC section 76104.6	**-$1,957,079**
State – DNA Identification Fund – GC section 76104.7	**1,957,079**
Total	**$0**

Criteria

Penal Code (PC) section 1463.001 requires the State's and the county's penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the county report on the TC-31 a decrease of $1,957,079 to the State's DNA Identification Fund (GC section 76104.6) and an increase of $1,957,079 to the State's DNA Identification Fund (GC section 76104.7).

County's Response

> The County agrees with the finding and will report the recommended correction on the TC-31.

Finding 3—Incorrect Distribution of Revenues from Red-Light Violations (Repeat Finding)

During our testing of red-light cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its CMS.

We verified, on a sample basis, distributions made by the court using its CMS. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In six of the ten cases tested, we found the following errors:

- For a FY 2020-21 county case involving a violation of VC section 21453(a), a FY 2023-24 county case involving a violation of VC section 21453(a), and a FY 2023-24 county case involving a violation of VC section 21457(a), we found that the county base fines

(PC section 1463.001) were overstated and the revenues collected for the county red-light allocation (PC section 1463.11) were understated.

- For a FY 2023-24 county case involving a violation of VC section 21453(c), we found that the court had not distributed 30 percent of the following revenues to the county red-light allocation (PC section 1463.11):
    - County base fines (PC section 1463.001);
    - The State Penalty Fund (PC section 1464);
    - The county's Criminal Justice Facilities Construction Fund (GC section 76101);
    - The county's Emergency Medical Services Fund (GC section 76104);
    - The county's Automated Fingerprint Identification and Digital Image Photographic Suspect Booking Identification System Fund (GC section 76102); and
    - The State Court Facilities Construction Fund (GC section 70372[a]).
- For a FY 2020-21 city case involving a violation of VC section 21454(c), we found that the court had not distributed 30 percent of the following revenues to the city red-light allocation (PC section 1463.11):
    - County base fines (PC section 1463.001);
    - City base fines (PC section 1463.002);
    - The State Penalty Fund (PC section 1464);
    - The county's Courthouse Construction Fund (GC section 76100);
    - The county's Criminal Justice Facilities Construction Fund (GC section 76101);
    - The county's Emergency Medical Services Fund (GC section 76104);

- The county's Automated Fingerprint Identification and Digital Image Photographic Suspect Booking Identification System Fund (GC section 76102);
- The State's Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]); and
- The State Court Facilities Construction Fund (GC section 70372[a]).

- For a FY 2023-24 city case involving a violation of VC section 21453(c), we found that the court had not distributed 30 percent of the following revenues to the city red-light allocation (PC section 1463.11):
  - County base fines (PC section 1463.001);
  - City base fines (PC section 1463.002);
  - The State Penalty Fund (PC section 1464);
  - The county's Criminal Justice Facilities Construction Fund (GC section 76101);
  - The county's Emergency Medical Services Fund (GC section 76104);
  - The county's Automated Fingerprint Identification and Digital Image Photographic Suspect Booking Identification System Fund (GC section 76102); and
  - The State Court Facilities Construction Fund (GC section 70372[a]).

We performed an analysis of the county and the city red-light allocation (PC section 1463.11) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material effect on the revenues remitted to the State.

As discussed in Finding 4 of our prior audit report dated November 19, 2021, the court did not properly distribute the related revenues on red-light violations. This is a repeat finding, as the court did not correct the errors noted in our prior audit report.

Criteria

PC section 1463.11(a) requires that the first 30 percent of red-light violation base fines, state and county penalties (PC sections 1463 and 1464, and GC sections 76000 and 76000.10, respectively) collected be distributed to the general fund of the county or city where the violation occurred.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the court:

- Correct its CMS to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The Court agrees with this finding. This error is due to case management system (CMS) limitations and should be corrected once a new case management system is implemented.

Finding 4—Incorrect Distribution of Revenues from Fish and Game Violations

During our testing of fish and game cases, we found that the court had not proportionally allocated the total fines ordered by the judge. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its CMS.

We verified, on a sample basis, distributions made by the court using its CMS. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In three of the four cases tested, we found the following errors:

- For two FY 2020-21 cases, we found that the revenues collected for the State's Fish and Game Preservation Fund (Fish and Game Code [FGC] section 13003), the county's fish and wildlife propagation fund (FGC section 13003), and the State Trial Court Improvement and Modernization Fund (GC section 68090.8) were overstated. We also found that the revenues collected for the following funds were understated:
  - The State Penalty Fund (PC section 1464);
  - The State's DNA Identification Fund (GC sections 76104.6 and 76104.7);
  - The county's Courthouse Construction Fund (GC section 76100);
  - The county's Criminal Justice Facilities Construction Fund (GC section 76101);
  - The county's Emergency Medical Services Fund (GC section 76104);
  - The county's Automated Fingerprint Identification and Digital Image Photographic Suspect Booking Identification System Fund (GC section 76102);
  - The State Court Facilities Construction Fund (GC section 70372[a]); and
  - The State's General Fund (PC section 1465.7).

- For a FY 2023-24 case, we found that the revenues collected for the State's Fish and Game Preservation Fund (FGC section 13003), the State's General Fund (PC section 1465.7), and the State Trial Court Improvement and Modernization Fund (GC section 68090.8) were understated. We also found that the revenues collected for the following funds were overstated:
  - The county's fish and wildlife propagation fund (FGC section 13003);
  - The State Penalty Fund (PC section 1464);
  - The State's DNA Identification Fund (GC section 76104.7);
  - The county's Criminal Justice Facilities Construction Fund (GC section 76101); and
  - The State Court Facilities Construction Fund (GC section 70372[a]).

We performed an analysis of the State's Fish and Game Preservation Fund (FGC section 13003) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material effect on the revenues remitted to the State.

Criteria

PC section 1463.004(a) states:

> If a sentencing judge specifies only the total fine or forfeiture, or if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines or forfeitures, provided that the aggregate monthly distributions resulting from the calculations are the same as would be produced by strict observance of the statutory distributions.

Recommendation

We recommend that the court:

- Correct its CMS to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The Court agrees with this finding. Incorrect distributions were due to clerical errors in setting up the distribution in CMS. This will be corrected with the new CMS and staff training.

Finding 5—Failure to Properly Assess the Criminal Laboratory Analysis Fee (Repeat Finding)

During our testing of health and safety cases, we found that the court and the county's Revenue and Recovery Division had not consistently assessed or programmed the criminal laboratory analysis fee (Health and Safety Code [HSC] section 11372.5) as a fine subject to state and county penalty assessments, the 20 percent state surcharge, or the two percent state automation fee. The error occurred because the court did not consistently order the fee.

We verified, on a sample basis, distributions made by the court and the county's Revenue and Recovery Division using their CMSs. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In the four court cases tested, we found the following errors:

- For a FY 2020-21 case, we found that the court had not programmed the criminal laboratory analysis fee (HSC section 11372.5) as a fine subject to state and county penalty assessments, the 20 percent state surcharge, or the two percent state automation fee. Instead, the court incorrectly assessed a criminal laboratory analysis fee (HSC section 11372.5) of $195 instead of the required $50.

- For a FY 2020-21 case, we found that the court had not programmed the criminal laboratory analysis fee (HSC section 11372.5) as a fine subject to state and county penalty assessments, the 20 percent state surcharge, or the two percent state automation fee.

- For two FY 2023-24 cases, we found that the court had not assessed the criminal laboratory analysis fee (HSC section 11372.5).

In the four county Revenue and Recovery Division cases tested, we found the following errors:

- For two cases (from FY 2021-22 and FY 2022-23), we found that the county's Revenue and Recovery Division had not assessed the criminal laboratory analysis fee (HSC section 11372.5).

- For the other two cases (from FY 2021-22 and FY 2023-24), we found that the county's Revenue and Recovery Division had not programmed the criminal laboratory analysis fee (HSC section 11372.5) as a fine subject to state and county penalty assessments, the 20 percent state surcharge, or the two percent state automation fee.

We did not determine the effect of the error because it cannot be reversed, as the court and the county's Revenue and Recovery Division cannot retroactively assess the fee or recalculate the base fine enhancements.

As discussed in Findings 3 and 7 of our prior audit report dated November 19, 2021, the court and the county's Revenue and Recovery Division did not consistently assess or program the criminal laboratory analysis fee (HSC section 11372.5) as a fine subject to state and county penalty assessments, the 20 percent state surcharge, or the two percent state automation fee. This is a repeat finding as the court and the county's Revenue and Recovery Division did not correct the distribution errors noted in our prior audit report.

Criteria

HSC section 11372.5(a) requires defendants convicted of violating specific Health and Safety Code sections regulating controlled substances to pay a $50 criminal laboratory analysis fee for each separate offense, and requires the court to increase the total fine as necessary to include the increment.

Recommendation

We recommend that the court and the county's Revenue and Recovery Division ensure that the criminal laboratory analysis fee (HSC section 11372.5) is ordered on applicable health and safety cases, and correct their CMSs to ensure that revenues are distributed in accordance with statutory requirements.

County's Response

> The County agrees with the finding and the Court and County's Revenue and Recovery Division will make efforts to ensure that the criminal laboratory analysis fee (HSC section 11372.5) is ordered on applicable health and safety violation cases and correct its CMSs to ensure that revenues are distributed in accordance with statutory requirements.

Court's Response

> Court Administration is working with the Criminal Supervising Judge to educate and remind judicial officers of the need to consistently apply the $50 Criminal Lab Fee to the charges described in HS[C section] 11372.5 on all applicable sentences. On November 18, 2025, the Criminal Supervising Judge sent a communication to all judicial officers about the $50 Criminal Lab Fee to be assessed on applicable charges pursuant to HS[C section] 11372.5.

OBSERVATION AND RECOMMENDATION

Observation—Incorrect Remittance of County Parking Surcharges

During our analysis of parking surcharges remitted to the county, we found that the following parking entities had imposed and collected incorrect parking surcharges:

- Cities – the City of Escalon, the City of Lathrop, the City of Lodi, the City of Manteca, the City of Mountain House, the City of Ripon, the City of Stockton, and the City of Tracy;
- The Stockton Unified School District; and
- The California Department of Parks and Recreation.

The error occurred because these entities were unaware of the statutory requirements relating to parking surcharges.

External parking agencies are required to collect revenues for parking violations and remit the revenues to the county. Revenues are remitted to the county on a monthly basis and collection reports are included to support the remitted revenues. During our analysis of the collection reports, we found that the aforementioned parking entities incorrectly collected a total of $12.50 in state and county parking surcharges on every parking violation instead of the required $11.00.

The county paid off the bonded indebtedness for court facilities on May 28, 2022. Therefore, entities in the county should not have collected $2.50 for the county's Courthouse Construction Fund (GC section 76100). Instead, parking entities should have collected only $1.00 for the county's Courthouse Construction Fund (GC section 76100). The $1.00 should have then been deposited in the county's general fund in accordance with GC section 76000(c).

Criteria

GC section 76000(b) requires each parking agency to pay the county treasurer $2.50 for each fund established in accordance with GC section 76100 or 76101 for each parking violation.

GC section 76000(c) requires the county treasurer to deposit $1.00 of every $2.50 collected for the county's Courthouse Construction Fund and the county's Criminal Justice Facilities Construction Fund into the county's general fund.

GC section 76000(d) states that, upon the transfer of responsibility for court facilities from the county to the JCC, the authority to impose the $2.50 penalty from the county's Courthouse Construction Fund shall be reduced to $1.00.

GC section 70372(b) requires the issuing agencies to collect a state surcharge of $4.50 for every parking penalty, fine, or forfeiture, for deposit in the State Court Facilities Construction Fund.

During the first year of the audit period, GC section 70372(f) required that one-third of the $4.50 be deposited in the State Court Facilities Construction Fund and two-thirds be deposited in the Immediate and Critical Needs Account. Statutes of 2021, Chapter 79 abolished the Immediate and Critical Needs Account and made various changes to existing law. GC section 70372(f) currently requires that the $4.50 be deposited in the State Court Facilities Construction Fund.

GC section 76000.3 requires that parking agencies remit to the State Treasurer a state surcharge of $3.00 on each parking violation, for deposit in the State's Trial Court Trust Fund.

Recommendation

We recommend that the county and parking entities collect and remit the required state and county parking surcharges, totaling $11 per infraction, to the county.

APPENDIX—SUMMARY OF PRIOR AUDIT FINDINGS

The following table shows the implementation status of San Joaquin County's corrective actions related to the findings contained in our prior audit report dated November 19, 2021.

Prior Audit Finding	Status
Finding 1— Underremitted the 50 percent excess of qualified revenues	Not implemented; see Finding 1
Finding 2— Incorrect distribution of county revenues	Fully implemented
Finding 3— Failure to program the criminal laboratory analysis fee as a fine	Not implemented; see Finding 5
Finding 4— Incorrect distribution of red-light violations	Not implemented; see Finding 3
Finding 5— Incorrect distribution of red-light TVS violations	Fully implemented
Finding 6— Incorrect assessment of fees	Fully implemented
Finding 7— Inconsistent assessment of criminal laboratory analysis fee	Not implemented; see Finding 5

ATTACHMENT A—SAN JOAQUIN COUNTY'S RESPONSE TO FINDINGS

JEFFERY M. WOLTKAMP, CPA
AUDITOR-CONTROLLER
SAN JOAQUIN COUNTY

ASSISTANT AUDITOR –CONTROLLER
Jian Ou-Yang

CHIEF DEPUTIES
Randipa Gauba – Accounting
Janice McCutcheon, CPA – Internal Audit
Lori Rolleri – Payroll
Stanley Lawrence – Property Tax

February 11, 2026

VIA ELECTONIC MAIL

Lisa Kurokawa
Chief, Compliance Bureau
Division of Audits
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250

RE: San Joaquin County Court Revenue Audit (S25-CRV-0010) July 1, 2020, through June 30, 2024

Dear Ms. Kurokawa,

The County of San Joaquin has reviewed the State Controller's Office draft audit report on court revenues for the period referenced above. We acknowledge the findings and offer the following responses.

Finding 1 – Incorrect calculation of 50 percent excess of qualified revenues (repeat finding)

The County agrees with the finding and will make efforts to ensure the proper amounts are included in the calculations of each line item on the 50-50 Excess Split Revenue Computation Form.

Finding 2 – Incorrect reporting of DNA identification revenues on the TC-31

The County agrees with the finding and will report the recommended correction on the TC-31.

Finding 3 – Incorrect distribution of red-light violations

This finding pertains to Court distributions. The County defers to the Court for the primary explanation and corrective actions related to this finding. We concur with the Court's response and remain available to provide support as needed.

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Finding 4 – Incorrect distribution of fish and game violations

This finding pertains to Court distributions. The County defers to the Court for the primary explanation and corrective actions related to this finding. We concur with the Court's response and remain available to provide support as needed.

Finding 5 – Failure to properly assess the criminal laboratory analysis fee

The County agrees with the finding and the Court and County's Revenue and Recovery Division will make efforts to ensure that the criminal laboratory analysis fee (HSC section 11372.5) is ordered on applicable health and safety violation cases and correct its CMSs to ensure that revenues are distributed in accordance with statutory requirements.

The County would like to thank the State Controller's Office – Division of Audits for their expertise and assistance during this audit.

Sincerely,

Jeffery Woltkamp

Jeffery M. Woltkamp, CPA
Auditor-Controller

Cc: Sandy Regalo, County Administrator
Stephanie Bohrer, Court Executive Officer

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ATTACHMENT B—SUPERIOR COURT OF CALIFORNIA, SAN JOAQUIN COUNTY'S RESPONSE TO FINDINGS

Superior Court of California, County of San Joaquin
Stockton Branch, Accounting Department
180 E. Weber Avenue, 13th Floor
Stockton, CA 95202

February 18, 2026

VIA ELECTONIC MAIL

Lisa Kurokawa
Chief, Compliance Bureau
Division of Audits
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250

RE: San Joaquin County Court Revenue Audit (S25-CRV-0010) July 1, 2020, through June 30, 2024

Dear Ms. Kurokawa,

The Court has reviewed the State Controller's Office draft audit report on court revenues for the period referenced above. We acknowledge the findings and offer the following responses.

Finding 1 – Incorrect calculation of 50 percent excess of qualified revenues (repeat finding)

This finding pertains to the County. The Court defers to the County for primary explanation and corrective actions related to this finding. We concur with the County's response and remain available to provide support as needed.

Finding 2 – Incorrect reporting of DNA identification revenues on the TC-31

This finding pertains to the County. The Court defers to the County for primary explanation and corrective actions related to this finding. We concur with the County's response and remain available to provide support as needed.

Finding 3 – Incorrect distribution of red-light violations

The Court agrees with this finding. This error is due to case management system (CMS) limitations and should be corrected once a new case management system is implemented.

Finding 4 – Incorrect distribution of fish and game violations

The Court agrees with this finding. Incorrect distributions were due to clerical errors in setting up the distribution in CMS. This will be corrected with the new CMS and staff training.

Finding 5 – Failure to properly assess the criminal laboratory analysis fee

Court Administration is working with the Criminal Supervising Judge to educate and remind judicial officers of the need to consistently apply the $50 Criminal Lab Fee to the charges described in HS 11372.5 on all applicable sentences. On November 18, 2025, the Criminal Supervising Judge sent a communication to all judicial officers about the $50 Criminal Lab Fee to be assessed on applicable charges pursuant to HS 11372.5.

The Superior Court of California, County of San Joaquin appreciates the professional manner which your staff, Chun (Justin) Yeung, conducted the audit and provided supporting information.

Sincerely,

Stephanie Bohrer
Court Executive Officer