

# **YOLO COUNTY**

Audit Report

## **COURT REVENUES**

*July 1, 2017, through June 30, 2021*



**MALIA M. COHEN**  
California State Controller

November 2023



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

November 20, 2023

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

The State Controller's Office audited Yolo County's court revenues for the period of July 1, 2017, through June 30, 2021.

Our audit found that the county underremitted \$589,879 in state court revenues to the State Treasurer because it:

- Underremitted the State Trial Court Improvement and Modernization Fund (Government Code section 77205) by \$283,149; and
- Underremitted the State DNA Identification Fund (Government Code section 76104.7) by \$306,730.

In addition, we found that the Superior Court of California, Yolo County made incorrect distributions related to fish and game violations, red-light traffic violator school violations, and the prioritization of installment payments.

We also identified deficiencies that are not significant to our audit objective, but warrant the attention of management. Specifically, we found that the court incorrectly imposed the Courthouse Construction penalty and parking entities incorrectly collected parking surcharges for the county's Courthouse Construction Fund.

The county made a payment of \$589,879 in June 2023.

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

Sincerely,

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

KT/am

County, Court, City, University, and District Representatives  
October 27, 2023  
Page 2 of 2

Attachment —Recipient Addresses

cc: The Honorable Oscar Villegas, Chair  
    Yolo County Board of Supervisors  
Lynda Gledhill, Executive Officer  
    California Victim Compensation Board  
Matt Espenshade, Manager  
    Internal Audit Services  
    Judicial Council of California  
Anita Lee, Senior Fiscal and Policy Analyst  
    Legislative Analyst's Office  
Sandeep Singh, Manager  
    Local Government Policy Unit  
    State Controller's Office  
Jennifer Montecinos, Manager  
    Tax Administration Section  
    State Controller's Office

## Recipient Addresses

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Tom Haynes, Interim Chief Financial Officer  
Yolo County  
P.O. Box 1268  
Woodland, CA 95776

Shawn C. Landry, Court Executive  
Officer  
Superior Court of California, Yolo County  
1000 Main Street  
Woodland, CA 95695

Elena Adair, Finance Director  
City of Davis  
23 Russell Boulevard, Suite 3  
Davis, CA 95616

Roberta Raper, Finance Director  
City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Evis Morales, Finance Officer  
City of Woodland  
300 First Street  
Woodland, CA 95695

Linda Braak, Director  
Customer Care and Planning  
University of California, Davis  
One Shields Drive  
Davis, CA 95616

Divinder Bains, Director of Fiscal Services  
Yuba Community College District  
425 Plumas Boulevard, Suite 200  
Yuba City, CA 95991

# Contents

## Audit Report

<b>Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Audit Authority.....</b>	<b>1</b>
<b>Objective, Scope, and Methodology .....</b>	<b>2</b>
<b>Conclusion .....</b>	<b>3</b>
<b>Follow-up on Prior Audit Findings.....</b>	<b>4</b>
<b>Views of Responsible Officials.....</b>	<b>4</b>
<b>Restricted Use .....</b>	<b>4</b>
<b>Schedule—Summary of Audit Findings Affecting Remittances to the State Treasurer .....</b>	<b>5</b>
<b>Findings and Recommendations.....</b>	<b>6</b>
<b>Observations and Recommendations .....</b>	<b>13</b>
<b>Attachment A—County’s Response to Draft Audit Report</b>	
<b>Attachment B—Superior Court’s Response to Draft Audit Report</b>	

# 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 Yolo County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2017, through June 30, 2021.

Our audit found that the county underremitted \$589,879 in state court revenues to the State Treasurer. In addition, we found that the Superior Court of California, Yolo County made incorrect distributions related to fish and game violations, red-light traffic violator school (TVS) violations, and the prioritization of installment payments.

We also identified deficiencies that are not significant to our audit objective, but warrant the attention of management. Specifically, we found that the court incorrectly imposed the Courthouse Construction Fund penalty and parking entities incorrectly collected surcharges for the county's Courthouse Construction Fund.

## 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 under the authority of GC section 68103, which requires 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.

The audit period was July 1, 2017, through June 30, 2021.

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 county personnel regarding the monthly TC-31 remittance process and MOE calculation.
- We interviewed court personnel regarding the revenue distribution process and the case management system.
- 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 case management systems 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, county, and cities for all fiscal years in the audit period.
- We performed analytical procedures using ratio analysis for state and county 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% of qualified revenues remitted to the State.

### Distribution Testing

- We assessed the priority of installment payments by haphazardly selecting a non-statistical sample of four installment payments to verify priority. Errors found were not projected to the intended (total) population.
- 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 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 40 cases for 10 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. 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.

Errors found were not projected to the intended (total) population.

We did not audit the financial statements of the county, the court, or the various agencies that issue parking citations. We did not review any court revenue remittances that the county and 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 instances of noncompliance with the requirements described in our audit objective. Specifically, we found that the county underremitted \$589,879 in state court revenues to the State Treasurer because it:

- Underremitted the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$283,149; and
- Underremitted the State DNA Identification Fund (GC section 76104.7) by \$306,730.

These instances of noncompliance are quantified in the Schedule and described in the Findings and Recommendations.

In addition, we found that the court made incorrect distributions related to fish and game violations, red-light TVS violations, and the prioritization of installment payments. These instances of noncompliance are non-monetary; they are described in the Findings and Recommendations section.

We also identified deficiencies that are not significant to our audit objective, but warrant the attention of management. Specifically, we found



that the court incorrectly imposed the Courthouse Construction Fund penalty and parking entities incorrectly collected surcharges for the county's Courthouse Construction Fund. These instances of noncompliance are described in the Observations and Recommendations section.

The county made a payment of \$589,879 in June 2023.

### **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, 2008, through June 30, 2016, issued June 30, 2017.

### **Views of Responsible Officials**

We issued a draft report on August 7, 2023. The county responded by letter dated August 17, 2023 (Attachment A), agreeing with the audit results. In addition, the court responded by letter dated August 16, 2023 (Attachment B), agreeing with the audit results.

### **Restricted Use**

This audit report is solely for the information and use of Yolo County; Superior Court of California, Yolo County; University of California, Davis; Yuba Community College District; City of Woodland; City of Davis; City of West Sacramento; 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 audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

November 20, 2023

**Schedule—**  
**Summary of Audit Findings Affecting Remittances to the State Treasurer**  
**July 1, 2017, through June 30, 2021**

Finding <sup>1</sup>	Fiscal Year				Total	Reference <sup>2</sup>
	2017-18	2018-19	2019-20	2020-21		
Underremitted 50% excess of qualified revenues State Trial Court Improvement and Modernization Fund — GC §77205	\$ 67,123	\$ 54,824	\$ 47,482	\$ 113,720	\$ 283,149	Finding 1
Underremitted DNA identification revenues State DNA Identification Fund — GC §76104.7	83,974	175,747	47,009	-	306,730	Finding 2
Total amount underremitted to the State Treasurer	<u>\$ 151,097</u>	<u>\$ 230,571</u>	<u>\$ 94,491</u>	<u>\$ 113,720</u>	<u>\$ 589,879</u>	

<sup>1</sup>The identification of state revenue account titles should be used to ensure proper recording when preparing the TC-31.

<sup>2</sup>See the Findings and Recommendations section.

# Findings and Recommendations

## **FINDING 1— Underremitted 50% excess of qualified revenues**

During our recalculation of the 50% excess of qualified revenues, we found that the county had used an incorrect qualified revenue amount in its calculation for each fiscal year. As a result of these errors, the county underremitted the 50% excess of qualified revenues by a net of \$283,149 for the audit period. The 50% excess of qualified revenues was incorrectly calculated because the county misinterpreted the required calculations.

For the audit period, the county provided support for its calculations of the 50% excess of qualified revenues. We reviewed the county's calculations and reconciled the qualified revenues to revenue collection reports provided by the county and the court. We noted that qualified revenues used in the calculations did not reconcile to the county's revenue collection reports, because the county had erroneously excluded qualified revenues from June 2021.

Furthermore, we noted that the county incorrectly excluded revenues collected for the Courthouse Construction Fund (GC section 76100), the Criminal Justice Facilities Construction Fund (GC section 76101), the Emergency Medical Services Fund (GC section 76104), the Maddy Emergency Medical Services Fund (GC section 76000.5), and city base fines (Vehicle Code [VC] section 42007[c]) from its calculation of the TVS fee (VC section 42007) during the audit period.

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 \$570,742 for the audit period.

Qualified revenues were understated for the following reasons:

- The county understated qualified revenues by \$153,970 for the audit period because it failed to include the revenues collected in June 2021.
- The county incorrectly excluded the following revenues from its calculation of the TVS fee (VC section 42007):
  - Courthouse Construction Fund (GC section 76100) – \$11,280;
  - Criminal Justice Facilities Construction Fund (GC section 76100) – \$11,299;
  - Emergency Medical Services Fund (GC section 76104) – \$112,805;
  - Maddy Emergency Medical Services Fund (GC section 76000.5) – \$112,805; and
  - City base fines (VC section 42007[c]) – \$168,583.

The following table shows the audit adjustments to qualified revenues:

	Fiscal Year				Totals
	2017-18	2018-19	2019-20	2020-21	
Qualified revenues reported	\$ 1,299,689	\$ 1,036,668	\$ 1,063,894	\$ 876,352	\$ 4,276,603
Audit adjustments:					
June 2021 understatements	-	-	-	153,970	153,970
GC section 76100 understatements	3,456	2,971	2,828	2,025	11,280
GC section 76101 understatements	3,481	2,971	2,828	2,019	11,299
GC section 76104 understatements	34,565	29,707	28,282	20,251	112,805
GC section 76000.5 understatements	34,565	29,707	28,282	20,251	112,805
VC section 42007(c) understatements	58,178	44,292	32,743	33,370	168,583
Total	134,245	109,648	94,963	231,886	570,742
Adjusted qualified revenues	\$ 1,433,934	\$ 1,146,316	\$ 1,158,857	\$ 1,108,238	\$ 4,847,345

As a result of miscalculating the qualified revenues, the county underremitted the 50% excess of qualified revenues by \$283,149 for the audit period.

The following table shows the excess qualified revenues, and—by comparing the 50% excess amount due to the State to the county’s actual remittance—the county’s underremittance to the State Treasurer.

Fiscal Year	Qualifying Revenues	Base Amount	Excess Amount Above the Base	50% Excess Amount Due the State	County Remittance to the State Treasurer	County Underremittance to the State Treasurer <sup>1</sup>
2017-18	\$ 1,433,934	\$ 880,798	\$ 553,136	\$ 276,568	\$ (209,445)	\$ 67,123
2018-19	1,146,316	880,798	265,518	132,759	(77,935)	54,824
2019-20	1,158,857	880,798	278,059	139,030	(91,548)	47,482
2020-21	1,108,238	880,798	227,440	113,720	-	113,720
Total						\$ 283,149

<sup>1</sup>Should be identified on the TC-31 as State Trial Court Improvement and Modernization Fund – GC §77205

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

Recommendation

We recommend that the county:

- Remit \$283,149 to the State Treasurer and report on the TC-31 an increase to the State Trial Court Improvement and Modernization Fund; and
- Ensure that the proper accounts are included in the calculation of each line item on the 50-50 Excess Split Revenue Computation Form.

County's Response

The County agrees with the finding. The under remittance was due to the miscalculation of [the] TVS fee (VC section 42007) and under reporting June 2021 qualified revenues. The County has reviewed procedures to ensure [that] proper accounts are included in the 50-50 Excess Split Revenue Computation Form.

The County remitted payment to the state on June 22, 2023 in the amount of \$283,149.

**FINDING 2—  
Underremitted DNA  
identification  
revenues**

During our reconciliation of state revenues, we found that the county had failed to remit revenues collected by the court to the State's DNA Identification Fund (GC section 76104.7) for a portion of the audit period. As a result of this error, the county underremitted the State's DNA Identification Fund (GC section 76104.7) by \$306,730 for the audit period. The error occurred because the county incorrectly reduced state revenues related to prior SCO audit findings twice.

For the audit period, the county and court provided support for the revenues remitted to the State via the TC-31 remittance process. We reviewed the monthly distribution reports and reconciled the State revenues to the TC-31 remittances for each month during the audit period. After completion of our reconciliation, we found that the monthly distribution reports supported more State revenues than the TC-31 remittances. We reviewed the remitted revenues and found that the county did not remit revenues collected for the State's DNA Identification Fund (GC section 76104.7) from April 2018 through October 2019.

During our discussions with the county, county staff members stated that no remittances were made during the period because of adjustments to the DNA identification revenue account made as a result of findings in the June 2011 SCO audit report. The county made eight adjustments to its revenue account; they resulted in a net reduction in the State's DNA identification revenues by \$306,730. The county stated that six of the adjustments were related to prior audit findings that reduced revenues, and two adjustments were for revenues collected in 2012 by the court. The adjustments created a negative balance in the county's DNA identification revenue account, resulting in the hiatus of remittances.

We reviewed the county's support for the adjustments and prior TC-31 remittances to verify their accuracy. During our review, we found that the county had reduced its TC-31 remittances from May 2011 through September 2011 by the same amount as the six reductions to DNA identification revenues made during the current audit period. Furthermore, we found that TC-31 remittances in 2012 matched the two positive adjustments made in the current audit period. As the TC-31 remittances had already been reduced in 2011, the adjustments made in 2018 were duplicative and resulted in a net underremittance to the State of \$306,730.

The incorrect adjustments had the following effect:

Account Title	Underremitted / (Overremitted)
State DNA Identification Fund – GC §76104.7	\$ 306,730
County General Fund	\$ (306,730)

GC section 76104.7(a) requires that an additional penalty of \$4 for every \$10 (or fraction thereof) be imposed upon each fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses.

GC section 76104.7(b) requires that 100% of these funds including interest earned be transferred to the SCO on the last day of each quarter for deposit in the State’s DNA Identification Fund.

Recommendation

We recommend that the county:

- Remit \$306,730 to the State Treasurer and report on the TC-31 an increase to the State’s DNA Identification Fund; and
- Review internal controls over remittance procedures to ensure that DNA identification penalties are collected and remitted in accordance with statutory requirements.

County’s Response

The County agrees with the finding. The error occurred due to the County incorrectly reducing state revenues as they related to a prior SCO audit finding. The County duplicated the credit in 2018, which had already been included on remittances in 2012. The county has reviewed procedures to ensure [that] DNA identification penalties are remitted in accordance with statutory requirements.

The County remitted payment to the state on June 22, 2023 in the amount of \$306,730.

**FINDING 3—  
Incorrect distribution  
of revenues from red-  
light traffic violator  
school violations**

During testing of red-light TVS cases, we found that the court had not properly distributed funds for the 30% red-light allocation (VC section 42007.3). This error occurred because the court misinterpreted the *Distribution Guidelines* and made clerical errors.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. We tested four red-light TVS cases, and found that the court had incorrectly distributed revenues from two of the four cases. For the two cases with distribution errors, we found that the court incorrectly converted the 30% red-light allocation revenues (VC section 42007.3) to the TVS fee (VC section 42007).

We discussed the error with court staff members, and determined that the distribution errors were due to isolated clerical errors made by staff members when entering the information into the court's system. As the issue was not systemic, and as the errors did not result in material underremittances to the State, we elected to not perform a revenue analysis.

VC section 42007.3(a)(1) states that the first 30% of the amount collected from red-light violations under VC section 42007 shall be allocated to the general fund of the city or county in which the offense occurred.

#### Recommendation

We recommend that the court:

- Strengthen internal controls for TVS cases to ensure that fines, penalties, and assessments are imposed and collected 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 in that the distribution errors were due to an isolated clerical error. The Court has strengthened internal controls and established routine internal audits of case financials and distributions per JCC testing sheets.

#### **FINDING 4— Incorrect distribution of revenues from fish and game violations**

During testing of fish and game cases, we found that the court had not properly distributed various state and county penalty assessments. This error occurred due to inadequacies in the court's legacy case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. We tested four fish and game cases, and found that the court incorrectly distributed revenues from two of the four cases. For the two cases with distribution errors, we found that the court had not properly distributed various state and county penalty assessments, including the State Penalty assessment (Penal Code [PC] section 1464), the 20% state surcharge (PC section 1465.7), and the State Court Facilities Construction penalty (GC section 70372[a]).

In our discussions with court staff members, they stated that the discrepancies were due to limitations in the court's legacy case management system, which was replaced in 2020. The distribution errors were corrected by the court with its new case management system and we verified the corrections.

We performed a revenue analysis of the fish and game revenues to determine the fiscal effect of the distribution errors. Based on the low

number of fish and game cases and the minor discrepancies per case, we determined that the errors did not result in material underremittance to the State.

PC section 1465.7(a) requires the courts to levy a state surcharge of 20% on the base fine used to calculate the state penalty assessment.

PC section 1464 requires the courts to levy a state penalty of \$10 for every \$10 (or fraction thereof) upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal cases.

GC section 70372(a) requires the courts to levy a state court construction penalty of \$5 for every \$10 (or fraction thereof) on each fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses.

#### Recommendation

We recommend that the court periodically verify the accuracy of its distributions using the JCC's testing sheets.

#### Court's Response

The Court agrees that the finding is a result of the limitations of the legacy case management system. Since the implementation of the new case management system in 2020, the distributions have been corrected. The Court has established routine internal audits of case financials and distributions per JCC testing sheets.

### **FINDING 5— Incorrect prioritization of installment payments**

During testing of court cases, we found that the court had incorrectly prioritized distributions of installment payments. The errors occurred because the court misinterpreted the *Distribution Guidelines*.

We verified, on a sample basis, distributions made by the court using its case management system for installment payments. For each sample case, we reviewed the distributions to determine whether the county correctly prioritized the distributions of installment payments according to PC section 1203.1d, subparagraph (b).

We tested four cases and found that the court did not distribute installment payments for any of them according to PC section 1203.1d, subparagraph (b). The court incorrectly distributed priority-four installment payments, including the criminal conviction assessment (GC section 70373) and court operations assessment (PC section 1465.8) as priority-three installment payments. Additionally, in one case tested, the court did not prioritize any distribution; instead, it prorated all fines evenly.

We did not measure the effect of the error because it would be impractical and difficult to redistribute revenues for every case involving installment payments.



PC section 1203.1d, subparagraph (b) requires that installment payments be disbursed in the following order of priority:

1. Restitution ordered to victims (PC section 1202.4[f]);
2. State surcharge (PC section 1465.7);
3. Fines, penalty assessments, and restitution fines (PC section 1202.4[b]); and
4. Other reimbursable costs.

#### Recommendation

We recommend that the court ensure that all surcharges, fines, penalties, and fees are distributed in accordance with the statutory priority requirements of PC section 1203.1d, subparagraph (b).

#### Court's Response

The Court agrees with the finding to the extent that the criminal conviction assessment (GC section 70373) and court operations assessment (PC section 1465.8) were distributed incorrectly. During the audit process, the Court made necessary changes to ensure the previously stated assessments were distributed according to PC section 1203.1d subparagraph (b). The one test case with the evenly prorated findings was a clerical error. The court has established an annual audit to ensure that all surcharges, fines, penalties and fees are distributed in accordance with the statutory priority requirements of PC section 1203.1d subparagraph (b).

# Observations and Recommendations

## **OBSERVATION 1— Incorrect collection of the Courthouse Construction Fund penalty**

During testing of court cases, we found that the court had incorrectly distributed revenues to Yolo County’s Courthouse Construction Fund (GC section 76100). This error occurred because the county and court misinterpreted the *Distribution Guidelines* and the county failed to close its Courthouse Construction Fund.

We verified, on a sample basis, distributions made by the court using its case management system for traffic and criminal cases. For each sample case, we recomputed the distributions and compared them to the actual distributions. During testing, we found that the court had incorrectly collected and distributed funds to the county’s Courthouse Construction Fund (GC section 76100).

We tested 32 cases for which the court imposed the additional \$7 penalty according to GC section 76000(a). In all 32 cases tested, we found that the court had incorrectly distributed \$2 for every \$10 base fine to the Courthouse Construction Fund (GC section 76101). As the county has already transferred responsibility for the court facilities to the JCC with no remaining bond debt, the county should have closed its Courthouse Construction Fund and transmitted any remaining funds to the State.

GC section 70402(a) states:

Any amount in a county’s courthouse construction fund established by GC section 76100 . . . shall be transferred to the State Court Facilities Construction Fund at the later of the following dates:

- (1) The date of the last transfer of responsibility for court facilities from the county to the Judicial Council. . . .
- (2) The date of the final payment of the bonded indebtedness for any court facility that is paid from that fund is retired.

### Recommendation

We recommend that the county close its Courthouse Construction Fund and the court correct its case management system to ensure that revenues are distributed in accordance with statutory requirements.

### County’s Response

The county agrees with the observation. The County Board of Supervisors adopted a resolution on June 27, 2023, directing the Interim Chief Financial Officer to close the Local Courthouse Construction fund and approved the distribution of the additional penalty of \$7.00 for every \$10.00 or fraction thereof, levied pursuant to Government Code section 76000 as follows: \$4.50 for the Local Criminal Justice Facilities Fund (Gov. Code 76101), \$2.00 to the Emergency Medical Services Fund (Gov. Code 76104) and \$0.50 to the Automated Fingerprint ID Fund (Gov. Code 76102).

The County closed the Courthouse Construction Fund and remitted payment to the state on June 29, 2023, in the amount of \$555,254.60.

### Court's Response

The Court was following the active Board of Supervisors Resolution regarding the \$7 distribution of GC section 76000(a). On June 28, 2023, the Board of Supervisors approved a new resolution to correct this issue. The new resolution took effect July 1, 2023, and the Court made all necessary changes to comply with the new resolution and with statutory requirements.

### **OBSERVATION 2— Incorrect collection of county parking surcharges**

During our analysis of parking surcharges remitted to the county, we found that the following entities had imposed and collected incorrect parking surcharges: City of Davis; City of West Sacramento; City of Woodland; University of California, Davis; and Yuba Community College District. The error occurred because the aforementioned entities misinterpreted the *Distribution Guidelines* 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 parking documentation, we found that the following entities incorrectly collected a total of \$12.50 in state and county parking surcharges on every parking violation collected in fiscal year 2017-18: City of Davis; City of West Sacramento; University of California, Davis; and Yuba Community College District. Furthermore, we found that the City of Woodland incorrectly collected a total of \$9.50 in state and county parking surcharges on every parking violation collected from July 2017 through September 2017. The parking entities should have collected \$11.00 in state and county parking surcharges.

As the county had transferred the responsibility for its court facilities to the JCC, the entities should not have collected \$2.50 for the Courthouse Construction Fund (GC section 76100). Instead, entities should have collected only \$1.00 for the Courthouse Construction Fund (GC section 76100) and \$2.50 for the Criminal Justice Facilities Construction Fund (GC section 76101). The parking entities did correctly distribute \$1.00 of each county surcharge to the county's general fund in accordance with GC section 76000(c).

GC section 76000(b) requires, provided that the board of supervisors has adopted a resolution stating that the implementation of this subdivision is necessary to the county, that for each authorized fund established pursuant to GC section 76100 or GC section 76101, for every parking offense where a parking penalty, fine, or forfeiture is imposed, an added penalty of \$2.50 be included in the total penalty, fine, or forfeiture.

GC section 76000(c) requires the county treasurer to deposit \$1.00 of every \$2.50 collected for the County Courthouse Construction Fund and the County 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 to the JCC, the authority to impose the \$2.50 penalty authorized by GC section 76000(b) must be reduced to \$1.00, except as money is needed to pay for construction provided for in GC section 76100 and undertaken prior to the transfer of responsibility for facilities from the county to the JCC.

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 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. GC section 70372 was amended by Statutes of 2021, Chapter 79, which abolished the Immediate and Critical Needs Account and made various changes to existing law.

GC section 76000.3 requires that parking agencies pay 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 parking entities collect and remit the required state and county parking surcharges, totaling \$11 per infraction, to the county.

**Attachment A—  
County’s Response to Draft Audit Report**

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# County of Yolo

www.yolocounty.org

TOM HAYNES  
Interim Chief Financial Officer

## DEPARTMENT OF FINANCIAL SERVICES

625 Court Street, Room 102  
PO BOX 1268  
WOODLAND, CA 95776  
PHONE: (530) 666-8190  
FAX: (530) 666-8215  
EMAIL: DFS@yolocounty.org

- Financial Leadership
- Budget & Financial Planning
- Treasury & Finance
- Tax & Revenue Collection
- Accounting & Financial Reporting
- Internal Audit

August 17, 2023

California State Controller's Office  
Lisa Kurokawa, Bureau Chief  
PO Box 942850  
Sacramento CA 94250

Re: Audit of Yolo County's court revenues for the period of July 1, 2017 through June 30, 2021 responses

Ms. Kurokawa:

Please accept this letter as Yolo County's response to the above-mentioned audit report and the transmittal letter accompanying the audit report.

### **Responses to finding:**

#### Finding 1 - Underremitted 50% excess of qualified revenues

The County agrees with the finding. The under remittance was due to the miscalculation of TVS fee (VC section 42007) and under reporting June 2021 qualified revenues. The County has reviewed procedures to ensure proper accounts are included in the 50-50 Excess Split Revenue Computation Form.

The County remitted payment to the state on June 22, 2023 in the amount of \$283,149.

#### Finding 2 – Underremitted DNA identification revenues

The County agrees with the finding. The error occurred due to the County incorrectly reducing state revenues as they related to a prior SCO audit finding. The County duplicated the credit in 2018, which had already been included on remittances in 2012. The county has reviewed procedures to ensure DNA identification penalties are remitted in accordance with statutory requirements.

The County remitted payment to the state on June 22, 2023 in the amount of \$306,730.

#### Finding 3 – Incorrect distribution of revenues from red-light TVS violations

The response for this finding needs to be addressed by the Yolo Superior Court. The County does not collect or distribute these funds.

#### Finding 4 – Incorrect distribution of revenues from fish and game violations

The response for this finding needs to be addressed by the Yolo Superior Court. The County does not collect or distribute these funds.

ASSURANCE OF ACCOUNTABILITY

Finding 5 – Incorrect prioritization of installment payments

The response for this finding needs to be addressed by the Yolo Superior Court. The County does not collect or distribute these funds.

Observation 1 – Incorrect collection of the Courthouse Construction Fund penalty

The county agrees with the observation. The County Board of Supervisors adopted a resolution on June 27, 2023, directing the Interim Chief Financial Officer to close the Local Courthouse Construction fund and approved the distribution of the additional penalty of \$7.00 for every \$10.00 or fraction thereof, levied pursuant to Government Code section 76000 as follows: \$4.50 to the Local Criminal Justice Facilities Fund (Gov. Code 76101), \$2.00 to the Emergency Medical Services Fund (Gov. Code 76104) and \$0.50 to the Automated Fingerprint ID fund (Gov. Code 76102).

The County closed the Courthouse Construction Fund and remitted payment to the state on June 29, 2023, in the amount of \$555,254.60.

Observation 2 – Incorrect collection of county parking surcharges

The response for this observation needs to be addressed by the external parking agencies. The county does not collect or distribute these funds.

Sincerely,



Tom Haynes  
Interim Chief Financial Officer

Cc: Shawn C. Landry, Court Executive Officer  
Gerardo Pinedo, Yolo County Administrator

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

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Superior Court of the State of California, County of Yolo

1000 Main Street  
Woodland, Ca. 95695  
530-406-6838

Shawn C. Landry, Court Executive Officer

August 16, 2023

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

RE: State Controller's Office (SCO) audited Yolo County's court revenues for the period of July 1, 2017, through June 30, 2021.

Dear Ms. Kurokawa,

The audit report identifies five findings, three of which pertain to the Yolo Superior Court's distribution of fines, fees, and penalties. Also included were two observations of which one pertains to Yolo Superior Court. The following is the Court's response to each of the three findings and one observation.

**FINDING 3 – Incorrect distribution of revenues from red-light TVS violations**

**Audit Finding:** During testing of red-light TVS cases, we found that the court had not properly distributed funds for the 30% red-light allocation (VC section 42007.3). This error occurred because the court misinterpreted the *Distribution Guidelines* and made clerical errors.

**Court Response:** The Court agrees with this finding in that the distribution errors were due to an isolated clerical error. The Court has strengthened internal controls and established routine internal audits of case financials and distributions per JCC testing sheets.

**FINDING 4 – Incorrect distribution of revenues from fish and game violations**

**Audit Finding:** During testing of fish and game cases, we found that the court had not properly distributed various state and county penalty assessments. This error occurred due to inadequacies in the court's legacy case management system.

**Court Response:** The Court agrees that the finding is a result of the limitations of the legacy case management system. Since the implementation of the new case management system in 2020, the distributions have been corrected. The Court has established routine internal audits of case financials and distributions per JCC testing sheets.

**FINDING 5 – Incorrect prioritization of installment payments**

**Audit Finding:** During testing of court cases, we found that the court had incorrectly prioritized distributions of installment payments. The errors occurred because the court misinterpreted the *Distribution Guidelines*.

**Court Response:** The Court agrees with the finding to the extent that the criminal conviction assessment (GC section 70373) and court operations assessment (PC section 1465.8) were distributed incorrectly. During the audit process, the Court made necessary changes to ensure the previously stated assessments were distributed according to PC section 1203.1d subparagraph (b). The one test case with the evenly prorated fines was a clerical error. The court has established an annual audit to ensure that all surcharges, fines, penalties and fees are distributed in accordance with the statutory priority requirements of PC section 1203.1d subparagraph (b).

**OBSERVATION 1 – Incorrect collection of the Courthouse Construction Fund penalty**

**Audit Observation:** During testing of court cases, we found that the court had incorrectly distributed revenues to Yolo County's Courthouse Construction Fund (GC section 76100). This error occurred because the county and court misinterpreted the *Distribution Guidelines* and the county failed to close its Courthouse Construction Fund.

**Court Response:** The Court was following the active Board of Supervisors Resolution regarding the \$7 distribution of GC section 76000(a). On June 28, 2023, the Board of Supervisors approved a new resolution to correct this issue. The new resolution took effect July 1, 2023, and the Court made all necessary changes to comply with the new resolution and with statutory requirements.

Sincerely,



Shawn C. Landry  
Court Executive Officer

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

**[www.sco.ca.gov](http://www.sco.ca.gov)**