

# MONO COUNTY

Audit Report

## COURT REVENUES

*July 1, 2018, through June 30, 2022*



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

June 2025



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CALIFORNIA STATE CONTROLLER

June 30, 2025

Ms. Janet Dutcher, CPA, CGFM, Director  
Mono County Finance Department  
25 Bryant Street  
Bridgeport, CA 93517

Mr. Lester Perpall, Court Executive Officer  
Superior Court of California, Mono County  
100 Thompson Way  
Mammoth Lakes, CA 93546

Dear Director Dutcher and Mr. Perpall:

The State Controller's Office (SCO) audited Mono County's (the county) court revenues for the period of July 1, 2018, through June 30, 2022.

Our audit found that the county underremitted a net of \$18,940 in state court revenues to the State Treasurer because it:

- Underremitted the State Trial Court Improvement and Modernization Fund (Government Code [GC] section 77205) by \$242,524;
- Overremitted the State's Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) by \$34,651;
- Overremitted the State's DNA Identification Fund (GC section 76104.6) by \$10,829;
- Overremitted the State's DNA Identification Fund (GC section 76104.7) by \$173,254;
- Overremitted the State's Domestic Violence Restraining Order Reimbursement Fund (Penal Code section 1203.097[a][5]) by \$2,425;
- Overremitted the State's Domestic Violence Training and Education Fund (Penal Code section 1203.097[a][5]) by \$2,425;
- Underremitted the State's General Fund (Vehicle Code section 40225[d]) by \$3,834;
- Underremitted the State Trial Court Trust Fund (GC section 76000.3) by \$6,835; and
- Overremitted the State Court Facilities Construction Fund (GC section 70372[b]) by \$10,669.

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Mr. Lester Perpall  
June 30, 2025  
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In addition, we found that the Superior Court of California, Mono County made incorrect distributions related to red-light and health and safety violations.

The county should remit \$18,940 to the State Treasurer via the Report to State Controller of Remittance to State Treasurer (TC-31), and include the Schedule of this audit report. On the TC-31, the county should specify the account name identified on the Schedule of this audit report and state that the amounts are related to the SCO audit period of July 1, 2018, through June 30, 2022.

The county should not combine audit finding remittances with current revenues on the TC-31. A separate TC-31 should be submitted for the underremitted amounts for the audit period. For your convenience, the TC-31 and directions for submission to the State Treasurer's Office are located on the SCO website at [www.sco.ca.gov/ard\\_trialcourt\\_manual\\_guidelines.html](http://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html).

The underremitted amounts are due no later than 30 days after receipt of this final audit report. The SCO will add a statutory 1.5% per month penalty on the applicable delinquent amounts if payment is not received within 30 days of issuance of this final audit report.

Once the county has paid the underremitted amounts, the Tax Programs Unit will calculate interest on the underremitted amounts and bill the county in accordance with GC sections 68085, 70353, and 70377.

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 questions regarding payments, TC-31s, or interest and penalties, please contact Jennifer Montecinos, Manager, Tax Administration Section, by telephone at 916-324-5961, or email at [lgpsdtaxaccounting@sco.ca.gov](mailto:lgpsdtaxaccounting@sco.ca.gov).

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June 30, 2025  
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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](mailto:lkurokawa@sco.ca.gov). Thank you.

Sincerely,

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

KAT/am

Copy: The Honorable Lynda Salcido, Chair  
Mono County Board of Supervisors  
Joe Meyer, Principal Manager  
Audit Services  
Judicial Council of California  
Lynda Gledhill, Executive Officer  
California Victim Compensation Board  
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

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the propriety of court revenues remitted to the State of California by Mono County (the county) on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2018, through June 30, 2022.

Our audit found that the county underremitted \$18,940 in state court revenues to the State Treasurer.

We also found that the Superior Court of California, Mono County (the court) made incorrect distributions related to red-light and health and safety violations.

## 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 during the period of July 1, 2018, through June 30, 2022. 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 the MOE calculation.
- We interviewed county and 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 system 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. 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. No errors were identified.
- 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 34 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 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 a net of \$18,940 in state court revenues to the State Treasurer because it:

- Underremitted the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$242,524;
- Overremitted the State's Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) by \$34,651;
- Overremitted the State's DNA Identification Fund (GC section 76104.6) by \$10,829;
- Overremitted the State's DNA Identification Fund (GC section 76104.7) by \$173,254;
- Overremitted the State's Domestic Violence Restraining Order Reimbursement Fund (Penal Code [PC] section 1203.097[a][5]) by \$2,425;
- Overremitted the State's Domestic Violence Training and Education Fund (PC section 1203.097[a][5]) by \$2,425;
- Underremitted the State's General Fund (Vehicle Code [VC] section 40225[d]) by \$3,834;
- Underremitted the State Trial Court Trust Fund (GC section 76000.3) by \$6,835; and
- Overremitted the State Court Facilities Construction Fund (GC section 70372[b]) by \$10,669.



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

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

The county should remit \$18,940 to the State Treasurer.

**Follow-up on  
Prior Audit  
Finding**

The county has satisfactorily resolved the findings noted in our prior audit report for the period of July 1, 2009, through June 30, 2016, issued on September 3, 2019. The implementation status of corrective actions is described in the Appendix.

**Views of  
Responsible  
Officials**

We issued a draft audit report on March 17, 2025. The county's representative responded by letter dated April 3, 2025, agreeing with the audit results. The court's representative responded by letter dated March 20, 2025, agreeing with the audit results. This final audit report includes the county's and the court's responses as Attachments A and B.

**Restricted Use**

This audit report is solely for the information and use the county, the court, 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 A. Tarvin, CPA  
Chief, Division of Audits

June 30, 2025

## Schedule—

# Summary of Audit Findings Affecting Remittances to the State Treasurer

### July 1, 2018, through June 30, 2022

Finding <sup>1</sup>	Fiscal Year				Total	Reference <sup>2</sup>
	2018-19	2019-20	2020-21	2021-22		
Underremitted 50% excess of qualified revenues						
State Trial Court Improvement and Modernization Fund — GC §77205	\$ 48,982	\$ 49,176	\$ 53,751	\$ 90,615	\$ 242,524	Finding 1
Incorrect distribution of revenues from speeding violations with traffic violator school						
State Emergency Medical Air Transportation and Children's Coverage Fund — GC §76000.10(c)	(10,971)	(11,444)	(12,236)	-	(34,651)	
State DNA Identification Fund — GC §76104.6	(3,429)	(3,576)	(3,824)	-	(10,829)	
State DNA Identification Fund — GC §76104.7	(54,856)	(57,220)	(61,178)	-	(173,254)	
Total	(69,256)	(72,240)	(77,238)	-	(218,734)	Finding 2
Incorrect distribution of domestic violence fees						
State Domestic Violence Restraining Order Reimbursement Fund — PC §1203.097(a)(5)	(869)	(1,023)	(533)	-	(2,425)	
State Domestic Violence Training and Education Fund — PC §1203.097(a)(5)	(869)	(1,023)	(533)	-	(2,425)	
Total	(1,738)	(2,046)	(1,066)	-	(4,850)	Finding 3
Incorrect distribution of parking surcharges						
State General Fund — VC §40225(d)		1,968	1,341	525	3,834	
State Trial Court Trust Fund — GC §76000.3	33	1,929	2,703	2,170	6,835	
State Court Facilities Construction Fund — GC §70372(b)	(33)	(3,897)	(4,044)	(2,695)	(10,669)	
Total	-	-	-	-	-	Finding 4
Net amount underremitted to the State Treasurer	\$ (22,012)	\$ (25,110)	\$ (24,553)	\$ 90,615	\$ 18,940	

<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 the 50% excess of qualified revenues**

During our recalculation of the 50% excess of qualified revenues, we found that the county had used incorrect qualified revenue amounts in its calculation for each fiscal year. These errors resulted in the county underremitting the 50% excess of qualified revenues to the State Treasurer by \$242,524 for the audit period. The 50% excess of qualified revenues was incorrectly calculated because the county misinterpreted the required calculations.

The county provided support for its calculation of the 50% 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 \$549,388 for the audit period. The net understatement of qualified revenues is as follows:

- The county incorrectly excluded the following revenues from its calculation of the traffic violator school (TVS) fee (VC section 42007):
  - County Courthouse Construction Fund (GC section 76100) and the County Criminal Justice Facilities Construction Fund (GC section 76101; \$1 per TVS case) – \$16,725;
  - Emergency Medical Services Fund (GC section 76104) and the county's Maddy Emergency Medical Services Fund (GC section 76000.5) – \$167,248; and
  - City base fines (VC section 42007[c]) – \$5,412.
- The county incorrectly reported the amounts collected for the following line items:
  - TVS fee (VC section 42007), resulting in a net understatement of \$25,251;
  - TVS fee (VC section 42007.1), resulting in an understatement of \$133,328;
  - State Penalty Fund (PC section 1464), resulting in a net understatement of \$40,306;
  - County base fines (PC section 1463.001), resulting in an overstatement of \$38,509;
  - County general fund (GC section 76000[c]), resulting in an understatement of \$5,101; and
  - Administrative screening fee (PC section 1463.07), resulting in a net understatement of \$1,087.

In addition, as noted in Finding 2, the court did not convert the amounts collected for the State's Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) and the State's DNA Identification Fund (GC sections 76104.6 and 76104.7) to the TVS fee (VC section 42007). The error resulted in an understatement of \$193,439 in qualified revenues for the TVS fee (VC section 42007) line item.

The following table shows the audit adjustments to qualified revenues:

	Fiscal Year				Totals
	2018-19	2019-20	2020-21	2021-22	
Qualified revenues reported	\$ 593,025	\$ 604,594	\$ 622,400	\$ 350,796	\$ 2,170,815
Audit adjustments:					
VC §42007(c) understatement	1,175	168	1,911	2,158	5,412
GC §76100, §76101 understatement	4,224	4,406	4,711	3,384	16,725
GC §76104, §76000.5 understatement	42,239	44,059	47,107	33,843	167,248
VC §42007 understatement	(31,028)	(31,061)	(38,572)	125,912	25,251
VC §42007.1 understatement	33,646	35,229	37,501	26,952	133,328
PC §1464 understatement	(3,436)	(3,391)	(3,309)	50,442	40,306
PC §1463.001 overstatement	(11,950)	(14,723)	(11,836)	-	(38,509)
GC §76000(c) understatement	1,912	(157)	1,766	1,580	5,101
PC §1463.07 understatement	(65)	(64)	(83)	1,299	1,087
VC §42007 understatement (Finding 2)	61,247	63,886	68,306	-	193,439
Total	97,964	98,352	107,502	245,570	549,388
Adjusted qualified revenues	\$ 690,989	\$ 702,946	\$ 729,902	\$ 596,366	\$ 2,720,203

As a result of miscalculating the qualified revenues, the county underremitted the 50% excess of qualified revenues by \$242,524 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 remittances—the county's underremittance to the State Treasurer.

Fiscal Year	Qualified 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>
2018-19	\$ 690,989	\$ 415,136	\$ 275,853	\$ 137,927	\$ 88,945	\$ 48,982
2019-20	702,946	415,136	287,810	143,905	94,729	49,176
2020-21	729,902	415,136	314,766	157,383	103,632	53,751
2021-22	596,366	415,136	181,230	90,615	-	90,615
Total						\$ 242,524

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

GC section 77205 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 \$242,524 to the State Treasurer and report on the TC-31 form an increase to the State Trial Court Improvement and Modernization Fund; and
- Ensure that the proper accounts are included in the calculations of each line item on the 50-50 Excess Split Revenue Computation Form.

We also recommend that the court establish separate accounts for the county's Courthouse Construction Fund (GC section 76100; \$1 per TVS case), Criminal Justice Facilities Construction Fund (GC section 76101; \$1 per TVS case), Emergency Medical Services Fund (GC section 76104), and Maddy Emergency Medical Services Fund (GC section 76000.5) revenues collected on TVS cases.

### County's Response

We concur with the finding that the County used incorrect qualified revenue amounts when calculating the 50-50 excess for each audited fiscal year. The County relied on the annual *Judicial Council of California Report of Revenues* provided by the Court to prepare the annual 50-50 Excess Report. After comparing the monthly remittances from the Superior Court with the SCO Auditor-generated 50% Excess Revenue Recalculation, we acknowledge the discrepancy and agree with the finding.

Planned Corrective Actions:

- Independent Verification of Revenue Data: Require an independent reconciliation of the qualified revenue figures by comparing the *Judicial Council of California Report of Revenues* with actual remittances from the Court.

## **FINDING 2— Incorrect distribution of revenues from speeding violations with traffic violator school**

During our testing of speeding TVS 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 case management system. The issue was corrected in June 2021 when the court implemented a new 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.

In two of four cases tested, we found that the court had incorrectly distributed revenues to the State's Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) and the State's DNA Identification Fund (GC sections 76104.6 and 76104.7) instead of converting the amounts collected for these funds to the TVS fee (VC section 42007).

The incorrect distributions had the following effect:

Account Title	Underremitted / (Overremitted)
State Emergency Medical Air Transportation and Children's Coverage Fund – GC § 76000.10(c)	\$ (34,651)
State DNA Identification Fund – GC § 76104.6	(10,829)
State DNA Identification Fund – GC § 76104.7	(173,254)
Total	<u>\$ (218,734)</u>
County DNA Identification Fund – GC § 76104.6	\$ (32,846)
County TVS fee – VC § 42007	251,220
Total	<u>\$ 218,374</u>

The distribution error caused an understatement of \$251,220 to the TVS Fee (VC section 42007). A net total of \$193,439 ( $\$251,220 \times 77\%$ ) should have been included in the MOE calculation (see Finding 1).

VC section 42007(a)(1) requires the court to collect a fee, in an amount equal to the total bail set forth on the uniform countywide bail schedule, from every person ordered or permitted to attend traffic violator school pursuant to VC section 41501 or 42005. As defined in this section, total bail includes all assessments, surcharges, and penalty amounts.

#### Recommendation

We recommend that the county offset subsequent remittances to the State Treasurer by \$218,734 and report on the TC-31 a decrease to the following accounts:

- The State's Emergency Medical Air Transportation and Children's Coverage Fund: \$34,651;
- The State's DNA Identification Fund (GC section 76104.6): \$10,829; and
- The State's DNA Identification Fund (GC section 76104.7): \$173,254.

We also recommend that the court:

- Continue to monitor its case management system 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.

#### County's Response

Mono County was not involved in the setup of the Superior Court's case management system and was unaware of the revenue misallocation. Our understanding is that the Court identified and corrected the misallocation error following the implementation of a new case management system. Based on the information available, revenue allocations have been accurate since September 1, 2015.

## Planned Corrective Action:

- Enhanced Communication with the Court: Establish a formal communication process between the County and the Superior Court to ensure timely updates on system changes affecting revenue allocations.
- Periodic Revenue Reconciliation: Conduct regular reconciliations between court-reported revenues and county financial records to identify and correct discrepancies promptly.

**FINDING 3—  
Incorrect distribution  
of revenues from  
domestic violence fees**

During our analysis of court collections, we found that the court had not properly distributed revenues from the domestic violence fee, resulting in an overremittance to the State of \$4,850. The error occurred because the court misinterpreted the *Distribution Guidelines*.

We found that the court had incorrectly distributed 38% of the domestic violence fee to the State's Domestic Violence Restraining Order Reimbursement Fund (PC section 1203.097) and the State's Domestic Violence Training and Education Fund (PC section 1203.097) instead of distributing the required one-third to the State. The court corrected the issue in June 2021 when it implemented a new case management system.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State's Domestic Violence Restraining Order Reimbursement Fund – PC §1203.097	\$ (2,425)
State's Domestic Violence Training and Education Fund – PC §1203.097	(2,425)
Total	<u>\$ (4,850)</u>
County Domestic Violence Programs Special Fund – PC §1203.097	<u>\$ 4,850</u>

PC section 1203.097(a)(5) requires that two-thirds of the domestic violence fees collected be posted to the county's domestic violence programs special fund. This section further requires that the remaining one-third be split evenly between the State's Domestic Violence Restraining Order Reimbursement Fund (one-sixth) and the State's Domestic Violence Training and Education Fund (one-sixth).

Recommendation

We recommend that the county reduce subsequent remittances to the State Treasurer by \$4,850 and report on the TC-31 a decrease to the following accounts:

- The State's Domestic Violence Restraining Order Reimbursement Fund: \$2,425; and
- The State's Domestic Violence Training and Education Fund: \$2,425.

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

County's Response

Mono County was not involved in the setup of the Superior Court's case management system and was unaware of the revenue misallocation. Our understanding is that the Court identified and corrected the misallocation error following the implementation of a new case management system. Based on the information available, revenue allocations have been accurate since June 2021.

## Planned Corrective Action:

- Enhanced Communication with the Court: Establish a formal communication process between the County and the Superior Court to ensure timely updates on system changes affecting revenue allocations.
- Periodic Revenue Reconciliation: Conduct regular reconciliations between court-reported revenues and county financial records to identify and correct discrepancies promptly.

**FINDING 4—  
Incorrect distribution  
of revenues from  
parking surcharges**

During our reconciliation of TC-31 revenues, we found that the county had not properly distributed parking surcharges to the State. The error occurred because the county misinterpreted the *Distribution Guidelines*.

We compared the actual revenues collected by the parking entities to the revenues reported by the county on the TC-31s. During our reconciliation, we found that the county had incorrectly distributed all parking surcharges to the State Court Facilities Construction Fund (GC section 70372[b]) for the audit period. The county should have distributed the revenues collected for the State's General Fund (VC section 40225[d]) and State's Trial Court Trust Fund (GC section 76000.3) to the corresponding fund.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State General Fund – VC §40225(d)	\$ 3,834
State Trial Court Trust Fund – GC §76000.3	6,835
State Court Facilities Construction Fund – GC §70372(b)	(10,669)
Total	<u>\$ -</u>

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.

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.

VC section 40225(d) requires 50% of any penalty collected on registration or equipment violations to be paid to the county for remittance to the State Treasurer.



### Recommendation

We recommend that the county report on the TC-31:

- An increase of \$3,834 to the State's General Fund;
- An increase of \$6,835 to the State's Trial Court Trust Fund; and
- A decrease of \$10,669 to the State Court Facilities Construction Fund.

We also recommend that the county distribute parking surcharges and equipment violations in accordance with statutory requirements.

### County's Response

Mono County misunderstood the *Distribution Guidelines* and incorrectly allocated parking surcharges, remitting them solely to the State Court Facilities Construction Fund.

Planned Corrective Action:

- **Reallocate Funds:** Identify and reallocate any misdirected parking surcharge funds to the appropriate recipients as outlined in the *Distribution Guidelines*.
- **Review and Update Internal Procedures:** Update the County's procedures for revenue allocation to ensure compliance with the *Distribution Guidelines*, incorporating checks and balances to prevent future errors.
- **Documentation of Allocation Process:** Create a comprehensive, documented process for parking surcharge allocation, ensuring transparency and accountability in the future.

### **FINDING 5— Incorrect distribution of revenues from red- light violations**

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 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. In one of one case tested that involved a base fine of \$110, we found that the court had incorrectly multiplied the amount required to be assessed for the State and county penalties by 12 portions of \$10 instead of 11 portions of \$10. In addition, the court incorrectly distributed 5% of the base fines to the county and 95% of the base fines to the Town of Mammoth Lakes instead of distributing 100% of the base fines to the Town of Mammoth Lakes.

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

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 case management system 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.

#### County's Response

Mono County was not involved in the setup of the Superior Court's case management system and was unaware of the revenue misallocation. We understand that the Court will correct the misallocation moving forward.

Planned Corrective Action:

- Enhanced Communication with the Court: Establish a formal communication process between the County and the Superior Court to ensure timely updates on system changes affecting revenue allocations.
- Periodic Revenue Reconciliation: Conduct regular reconciliations between court-reported revenues and county financial records to identify and correct discrepancies promptly.

#### **FINDING 6— Failure to assess the criminal laboratory analysis fee**

During our testing of health and safety violation cases, we found that the court had not assessed the criminal laboratory analysis fee (Health and Safety Code [HSC] section 11372.5). The error occurred because the court did not consistently order the fee.

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. In all four cases tested, we found that the court did not assess the criminal laboratory analysis fee (HSC section 11372.5).

We did not determine the effect of the error because it cannot be reversed, as the court cannot retroactively pursue collection from defendants.

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:

- Ensure that the criminal laboratory analysis fee (HSC section 11372.5) is ordered on applicable health and safety violation cases; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

We acknowledge the audit finding that the court did not consistently assess the \$50 criminal laboratory analysis fee required under Health and Safety Code section 11372.5 for applicable health and safety violation cases. We recognize the importance of ensuring compliance with statutory requirements and appreciate the identification of this oversight.

Planned Corrective Action:

- Ongoing Communication: Share audit findings and corrective measures with court leadership and staff to foster accountability and maintain ongoing awareness of compliance requirements.

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## Appendix— Summary of Prior Audit Findings

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The following table shows the implementation status of Mono County's corrective actions related to the findings contained in our prior audit report dated September 3, 2019.

Prior Audit Finding	Status
Finding 1— Overremitted 50% excess of qualified fines, fees, and penalties	Fully implemented
Finding 2— Underremitted Traffic Violator School Fee	Fully implemented
Finding 3— Underremitted equipment violation penalties	Fully implemented

**Attachment A—  
Mono County's Response to Draft Audit Report**

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## DEPARTMENT OF FINANCE AUDITOR-CONTROLLER COUNTY OF MONO

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Kim Bunn  
Assistant Finance Director  
Auditor-Controller

Janet Dutcher, CPA, CGFM, MPA  
Director of Finance

P.O. Box 556  
Bridgeport, California 93517  
(760) 932-5490  
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April 3, 2025

Lisa Kurokawa, Chief

Compliance Audits Bureau, Division of Audits, State Controller's Office

Post Office Box 942850

Sacramento, California 94250

**Subject:** Response to Audit Findings and Recommendations

Dear Ms. Kurokawa,

We appreciate the opportunity to review and respond to the audit findings and recommendations outlined in the report dated March 17, 2025. Below we address the accuracy of the findings, provide our perspectives on the conclusions and recommendations, and describe the corrective actions we plan to take.

We have reviewed the findings presented in the audit report.

- **FINDING 1:** Under remitted the 50% excess of qualified revenues.
  - **Response:** We concur with the finding that the County used incorrect qualified revenue amounts when calculating the 50-50 excess for each audited fiscal year. The County relied on the annual *Judicial Council of California Report of Revenues* provided by the Court to prepare the annual 50-50 Excess Report. After comparing the monthly remittances from the Superior Court with the SCO Auditor-generated 50% Excess Revenue Recalculation, we acknowledge the discrepancy and agree with the finding.
  - **Planned Corrective Actions**
    - **Independent Verification of Revenue Data:** Require an independent reconciliation of the qualified revenue figures by comparing the *Judicial Council of California Report of Revenues* with actual remittances from the Court.
- **FINDING 2:** Incorrect distribution of revenues from speeding violations with traffic violator school.
  - **Response:** Mono County was not involved in the setup of the Superior Court's case management system and was unaware of the revenue misallocation. Our understanding is that the Court identified and corrected the misallocation error following the implementation of a new case management system. Based on the information available, revenue allocations have been accurate since September 1, 2015.

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- **Planned Corrective Action:**
    - **Enhanced Communication with the Court:** Establish a formal communication process between the County and the Superior Court to ensure timely updates on system changes affecting revenue allocations.
    - **Periodic Revenue Reconciliation:** Conduct regular reconciliations between court-reported revenues and county financial records to identify and correct discrepancies promptly.
  - **FINDING 3:** Incorrect distribution of revenues from domestic violence fees.
    - **Response:** Mono County was not involved in the setup of the Superior Court's case management system and was unaware of the revenue misallocation. Our understanding is that the Court identified and corrected the misallocation error following the implementation of a new case management system. Based on the information available, revenue allocations have been accurate since June, 2021.
    - **Planned Corrective Action:**
      - **Enhanced Communication with the Court:** Establish a formal communication process between the County and the Superior Court to ensure timely updates on system changes affecting revenue allocations.
      - **Periodic Revenue Reconciliation:** Conduct regular reconciliations between court-reported revenues and county financial records to identify and correct discrepancies promptly.
  - **FINDING 4:** Incorrect distribution of revenues from parking surcharges
    - **Response:** Mono County misunderstood the Distribution Guidelines and incorrectly allocated parking surcharges, remitting them solely to the State Court Facilities Construction Fund.
    - **Planned Corrective Action:**
      - **Reallocate Funds:** Identify and reallocate any misdirected parking surcharge funds to the appropriate recipients as outlined in the Distribution Guidelines.
      - **Review and Update Internal Procedures:** Update the County's procedures for revenue allocation to ensure compliance with the Distribution Guidelines, incorporating checks and balances to prevent future errors.
      - **Documentation of Allocation Process:** Create a comprehensive, documented process for parking surcharge allocation, ensuring transparency and accountability in the future.
  - **FINDING 5:** Incorrect distribution of revenues from red light violations.
    - **Response:** Mono County was not involved in the setup of the Superior Court's case management system and was unaware of the revenue misallocation. We understand that the Court will correct the misallocation moving forward.
    - **Planned Corrective Action:**

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- **Enhanced Communication with the Court:** Establish a formal communication process between the County and the Superior Court to ensure timely updates on system changes affecting revenue allocations.
  - **Periodic Revenue Reconciliation:** Conduct regular reconciliations between court-reported revenues and county financial records to identify and correct discrepancies promptly.
- **FINDING 6:** Failure to assess the criminal laboratory analysis fee.
- **Response:** We acknowledge the audit finding that the court did not consistently assess the \$50 criminal laboratory analysis fee required under Health and Safety Code section 11372.5 for applicable health and safety violation cases. We recognize the importance of ensuring compliance with statutory requirements and appreciate the identification of this oversight.
  - **Planned Corrective Action:**
    - **Ongoing Communication:** Share audit findings and corrective measures with court leadership and staff to foster accountability and maintain ongoing awareness of compliance requirements.

We appreciate the efforts of the audit team in identifying areas for improvement and are committed to addressing the issues raised. Please let us know if further information or clarification is required. We look forward to continuing to work collaboratively to strengthen our processes and compliance.

Sincerely,



Janet Dutcher  
Mono County Finance Director



**Attachment B—  
Superior Court of California, Mono County's Response to  
Draft Audit Report**

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**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF MONO**

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**MARK MAGIT**  
Presiding Judge  
**GERALD F. MOHUN, JR.**  
Assistant Presiding Judge

**LESTER PERPALL**  
Court Executive Officer

**100 Thompsons Way**  
Mailing Address: P.O. Box 1037  
Mammoth Lakes, CA 93546

March 20, 2025

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

Dear Ms. Kurokawa,

The Superior Court of California Mono accepts the findings of the court revenue audit by the California State Controller for the period of July 1, 2018 through June 30, 2022.

Sincerely,

*Lester Perpall*

Lester Perpall  
Court Executive Officer

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

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