

SAN BERNARDINO COUNTY

Audit Report

COURT REVENUES

July 1, 2006, through June 30, 2014



BETTY T. YEE
California State Controller

June 2017



BETTY T. YEE
California State Controller

June 30, 2017

Oscar Valdez, Auditor-Controller/Treasurer/
Tax Collector
San Bernardino County
268 W. Hospitality Lane, 4th Floor
San Bernardino, CA 92415

Nancy Eberhardt, Court Executive Officer
Superior Court of California, San Bernardino
County
247 W. 3rd Street, 11 Floor
San Bernardino, CA 92415

Dear Mr. Valdez and Ms. Eberhardt:

The State Controller's Office audited San Bernardino County's court revenues for the period of July 1, 2006, through June 30, 2014.

Our audit found that the county underremitted \$229,070 in court revenues to the State Treasurer because it:

- Overremitted the 50% excess of qualified fines, fees and penalties by \$118,144;
- Underremitted state parking surcharges and equipment violation fines by \$543,977;
- Overremitted state domestic violence fees by \$48,572;
- Underremitted state funds related to comprehensive collection program costs by \$124,722; and
- Overremitted penalties and fines from red-light traffic violator school and red-light violations by \$272,913.

The county should remit \$229,070 to the State Treasurer.

The county should differentiate the individual accounts making up this amount on the bottom portion of the monthly Report to State Controller of Remittance to State Treasurer form (TC-31), in accordance with standard remittance procedures. The county should state on the TC-31 that the account adjustments relate to the SCO audit for the period of July 1, 2006, through June 30, 2014.

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

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

Ranae Harkins, Supervisor
Division of Accounting and Reporting
Bureau of Tax Administration & Government Compensation
Post Office Box 942850
Sacramento, CA 94250-5872

Oscar Valdez, Auditor-Controller/
Treasurer/Tax Collector
Nancy Eberhardt, Court Executive Officer

-2-

June 30, 2017

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

The county disputes certain facts related to the conclusions and recommendations contained in this audit report. The SCO has an informal audit review process for resolving disputes. To request a review, the county should submit a written request for a review, along with supporting documents and information pertinent to the disputed issue(s), within 60 days of receiving this final report. The review request should be submitted to Richard J. Chivaro, Chief Counsel, State Controller's Office, Post Office Box 942850, Sacramento, CA 94250-0001. In addition, please provide a copy of the request letter to Elizabeth González, Bureau Chief, State Controller's Office, Division of Audits, Post Office Box 942850, Sacramento, CA 95250-5874.

If you have any questions, please contact Ms. González by telephone at (916) 324-0622 or by email at egonzalez@sco.ca.gov.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/as

cc: Grant Parks, Manager
Internal Audit Services
Judicial Council of California
Robert Lovingood, Chairman
San Bernardino County Board of Supervisors
Julie Nauman, Executive Officer
Victim Compensation and Government Claims Board
Anita Lee, Senior Fiscal and Policy Analyst
Legislative Analyst's Office
Don Lowrie, Fiscal Analyst
Division of Accounting and Reporting
State Controller's Office
Ranae Harkins, Supervisor, Tax Programs Unit
Division of Accounting and Reporting
State Controller's Office
Richard J. Chivaro, Chief Counsel
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) performed an audit to determine the propriety of court revenues remitted to the State of California by San Bernardino County on the Report to State Controller of Remittance to State Treasurer form (TC-31) for the period of July 1, 2006, through June 30, 2014.

Our audit found that the county underremitted \$229,070 in court revenues to the State Treasurer because it:

- Overremitted the 50% excess of qualified fines, fees and penalties by \$118,144;
- Underremitted state parking surcharges and equipment violation fines by \$543,977;
- Overremitted state domestic violence fees by \$48,572;
- Underremitted state funds related to comprehensive collection program costs by \$124,722; and
- Overremitted penalties and fines from red-light traffic violator school and red-light violations by \$272,913.

The county should remit \$229,070 to the State Treasurer.

Background

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

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

Objectives, Scope, and Methodology

Our audit objective was to determine whether the county and court remitted court revenues pursuant to the TC-31 process in a timely manner to the State Treasurer for the period of July 1, 2006, through June 30, 2014.

To meet our objective, we performed the following procedures:

General

- Gained an understanding of the county and court's revenue collection and reporting processes by interviewing key personnel and reviewing documentation supporting the transaction flow
- Scheduled monthly TC-31 remittances prepared by the county and the court showing court revenue distributions to the State

Cash Collections

- Scheduled monthly cash disbursements prepared by the county and the court showing court revenue distributions to the State, county, and cities
- Performed analytical reviews to assess the reasonableness of the revenue distributions
- Recomputed the annual maintenance-of-effort (MOE) calculation to check the accuracy and completeness of the 50% excess of qualified fines, penalties, and assessments remitted to the State

Distribution Testing

- Selected non-statistical samples of 40 cases for each type of criminal, civil, or traffic violation for all fiscal years during the audit period
- Recomputed sample case distributions and compared them to actual distributions
- Quantified the total effect of any material overremittances and/or underremittances to the State, county, or cities; errors found will not be projected to the population

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

We did not audit the county and court's financial statements. We considered the county and court's internal controls only to the extent necessary to plan the audit. We did not review the timeliness of 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.

Conclusion

San Bernardino County underremitted \$229,070 in court revenues to the State Treasurer. The underremittances are summarized in Schedule 1 and described in the Findings and Recommendations section of this report.

The county should remit \$229,070 to the State Treasurer.

**Follow-up on Prior
Audit Findings**

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

**Views of
Responsible
Officials**

We issued a draft audit report on May 19, 2017. Oscar Valdez, Auditor-Controller and Nancy Eberhardt, Court Executive Officer jointly responded by letter dated June 8, 2017. The response is included as an attachment to this report.

Restricted Use

This final report is solely intended for the information and use of San Bernardino County, the San Bernardino County Courts, the Judicial Council of California, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the 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

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

June 30, 2017

Findings and Recommendations

FINDING 1— Overremitted the 50% excess of qualified fines, fees, and penalties

San Bernardino County overremitted by \$118,144 the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the eight fiscal years starting July 1, 2006, and ending June 30, 2014.

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

The error occurred because:

- As stated in Finding 2, the noted cities and colleges did not remit parking surcharges starting July 2006 through June 2014. A total of \$109,456 should have been included in the MOE.
- As stated in Finding 5, the court included additional criteria to compute its offset of revenues from the comprehensive collection program. The adjustments caused increases and decreases in the county's qualified MOE revenue accounts starting July 2006 through June 2001. As a result, County Base Fine and county share of state penalty revenues increased by \$70,930 and \$99,501, respectively. County Traffic Violator School (TVS) bail and \$24 TVS fee revenues decreased by \$51,316 and \$23,293, respectively. A net total of \$95,822 should have been included in the MOE.
- As noted in Finding 6, the court made distribution errors in the calculation of red light and red-light TVS cases from July 2006 through June 2014. TVS bail qualifying revenue was overstated. A total of \$441,569 should not have been included in the MOE.

The qualified revenues reported for FY 2006-07 were \$20,411,156. The excess, above the base of \$8,163,193, is \$12,247,963. This amount should be divided equally between the county and the State, resulting in \$6,123,982 excess due the State. The county remitted a payment of \$6,109,366, resulting in an underremittance of \$14,616.

The qualified revenues reported for FY 2007-08 were \$20,362,594. The excess, above the base of \$8,163,193, is \$12,199,401. This amount should be divided equally between the county and the State, resulting in \$6,099,701 excess due the State. The county remitted a payment of \$6,108,974, resulting in an overremittance of \$9,273.

The qualified revenues reported for FY 2008-09 were \$19,439,900. The excess, above the base of \$8,163,193, is \$11,276,707. This amount should be divided equally between the county and the State, resulting in \$5,638,354 excess due the State. The county remitted a payment of \$5,660,438, resulting in an overremittance of \$22,084.

The qualified revenues reported for FY 2009-10 were \$15,477,914. The excess, above the base of \$8,163,193, is \$7,314,721. This amount should be divided equally between the county and the State, resulting in \$3,657,361 excess due the State. The county remitted a payment of \$3,670,915, resulting in an overremittance of \$13,554.

The qualified revenues reported for FY 2010-11 were \$15,662,835. The excess, above the base of \$8,163,193, is \$7,499,642. This amount should be divided equally between the county and the State, resulting in \$3,749,821 excess due the State. The county remitted a payment of \$3,756,696, resulting in an overremittance of \$6,875.

The qualified revenues reported for FY 2011-12 were \$13,876,013. The excess, above the base of \$8,163,193, is \$5,712,820. This amount should be divided equally between the county and the State, resulting in \$2,856,410 excess due the State. The county remitted a payment of \$2,879,533, resulting in an overremittance of \$23,123.

The qualified revenues reported for FY 2012-13 were \$12,973,333. The excess, above the base of \$8,163,193, is \$4,810,140. This amount should be divided equally between the county and the State, resulting in \$2,405,070 excess due the State. The county remitted a payment of \$2,434,654, resulting in an overremittance of \$29,584.

The qualified revenues reported for FY 2013-14 were \$12,762,057. The excess, above the base of \$8,163,193, is \$4,598,864. This amount should be divided equally between the county and the State, resulting in \$2,299,432 excess due the State. The county remitted a payment of \$2,327,699, resulting in an overremittance of \$28,267.

The following table shows the net effect of the over- and underremittances:

Account Title	Underremitted/ (Overremitted)
State Trial Court Improvement and Modernization Fund - GC §77205	
FY 2006-07	\$ 14,616
FY 2007-08	(9,273)
FY 2008-09	(22,084)
FY 2009-10	(13,554)
FY 2010-11	(6,875)
FY 2011-12	(23,123)
FY 2012-13	(29,584)
FY 2013-14	(28,267)
County General Fund	118,144

Recommendation

The county should reduce remittances by \$118,144 to the State Treasurer and report on the TC-31 a decrease to the State Trial Court Improvement and Modernization Fund. The county also should make the corresponding account adjustments.

County Response

Except for the issues that pertain to the cities of Redlands and Rialto, the County concurs with Finding 1 and has reported corrections and post audit adjustments to the State Treasurer in the month of August 2016 with collections for the months of July 2015 through June 2016; reported on the FY 2015/16 MOE 50% excess payment CO 36 1048, with the remainder expected to be reported in month of August 2017 with collections for the months of July 2016 through June 2017; reported on the FY 2016/17 MOE 50% excess payment.

Superior Court Response

The court recognizes this finding as a county issue.

SCO Comment

The County agrees with Finding 1 except for issues pertaining to the Cities of Rialto and Redlands as discussed in Finding 2. In addition, Finding 1 has been revised to reflect the additional supporting documents provided by the City of Rialto.

**FINDING 2—
Underremitted state
parking surcharges
and equipment
violation fines**

Various cities and colleges in the county did not distribute county parking penalties, state parking surcharges, and the state share of 50% equipment/tag violation fines starting July 2006 through June 2014. City and college parking enforcement personnel indicated that the required distribution was inadvertently overlooked.

VC section 40200.4 requires the processing agencies to deposit with the county treasurer all sums due the county from parking violations. GC section 76000(c) requires the county to deposit the \$2.50 parking penalty in both the County Courthouse Construction Fund and Criminal Justice Facilities Construction Fund, from each parking fine or forfeiture collected. Further, this section requires \$1 of each \$2.50 parking penalty to be distributed to the County General Fund.

GC section 70372(b) requires the issuing agencies to distribute a state surcharge of \$4.50 to the State Court Facilities Construction Fund for every parking fine or forfeiture starting January 2009. GC section 76000.3 requires the issuing agencies to distribute to the State Trial Court Trust Fund an additional state surcharge of \$3 for every parking fine or forfeiture starting December 2009.

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

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State General Fund (Equipment Violations) - VC §40225(d)	\$ 369,025
State Court Facilities Construction Fund - GC §70372(b) - Parking Violations	79,573
State Court Facilities Construction Fund - ICNA - GC §70372(b) - Parking Violations	51,878
State Trial Court Trust Fund - GC §76000.3(a)	43,501
County General Fund - GC §76000(b)	109,455
County Courthouse Construction Fund - GC §76100	82,091
County Criminal Justice Facilities Construction Fund - GC §76101	82,091
<u>City and College Accounts</u>	-
California State University, San Bernardino	(119,050)
City of Chino	(158,390)
City of Grand Terrace	(17,054)
City of Needles	(2,816)
City of Redlands	(328,181)
City of Rialto	(175,365)
Crafton Hills College	(8,863)
San Bernardino Valley College	(7,895)

In addition, the incorrect distributions for parking surcharges and penalties affected the revenues reported to the State Trial Court Improvement and Modernization Fund under the MOE formula pursuant to GC section 77205. A net total of \$117,840 should have been included in the MOE calculation (see Finding 1).

Recommendation

The county and affected issuing agencies should agree on a plan to pay the total underremittance of \$543,977 to the State Treasurer and report on the TC-31, increases of \$369,025 to the State General Fund, \$51,878 to the State Court Facilities Construction Fund – ICNA, \$79,573 to the State Court Facilities Construction Fund, and \$43,501 to the State Trial Court Trust Fund. The county also should make the corresponding account adjustments. The SCO will follow up in the next audit.

County Response

Except for the issues that pertain to the cities of Redlands and Rialto, the County concurs with Finding 2 and has reported corrections and post audit adjustments to the State Treasurer in the months of November 2015 through September 2016 with collections for the months of September 2015 through July 2016; reported on TC-31 RA CO 36 1013, CO 36 1036-1038, CO 36 1053-1054, CO 36 1015-1016, CO 36 1050-1051 and CO 36 1053-1054.

Superior Court Response

The court recognizes this finding as a county issue.

SCO Comment

For the penalty payments required by GC sections 70372 and 76000(b), as well as Vehicle Code (VC) section 40225, the county can compel payment in a court of law. However, GC section 76000.3 requires that the issuing agency shall make payment directly to the State Treasurer; therefore, the county does not have the authority to compel the issuing agency to pay any unpaid amounts. The SCO will collect payments owed the State.

Generally a statute of limitation affects only legal remedies. It will not extinguish the debt or obligation. The statute of limitations, if applicable, would not prevent the Controller from pursuing any administrative remedies available to it, such as an offset. Also, in accordance with Civil Procedure section 338, the SCO would have three years from the date of discovery of the audit error to bring its action.

After reviewing the supporting documents provided by the city of Rialto, we concurred and reduced the city of Rialto’s underremittance from \$469,239.95 to \$175,365.39 in the current audit period. We revised Findings 1 and 2 in the final report to reflect the changes.

Although the City of Redlands has not been responsive to the county’s request, it provided us with its actual amount of parking collections in the current audit period. Thus, the city of Redland’s parking underremittance is accurate and will remain unchanged in the final report.

**FINDING 3—
Overremitted
domestic violence fees**

Central Collections overremitted domestic violence fees to the State by allocating two-thirds of all domestic violence fees instead of one-third starting July 2011 through June 2014. In addition, from January 2013 through June 2014, the department imposed a domestic violence fee of \$400 instead of the required \$500.

PC section 1203.097(a)(5) requires that two-thirds of the domestic violence fees be posted to the county’s domestic violence fund and one-third remitted to the State. The remaining one-third should be split evenly between the State Domestic Violence Restraining Order Reimbursement Fund and the State Domestic Violence Training and Education Fund. In addition, starting January 1, 2013, domestic violence fees were increased to a minimum of \$500.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State Domestic Violence Restraining Order Reimbursement Fund - PC § 1203.097 (a)(5)	\$ (24,286)
State Domestic Violence Training and Education Fund - PC § 1203.097 (a)(5)	(24,286)
County Domestic Violence Programs Special Fund - PC § 1203.097	48,572

Recommendation

The county should reduce subsequent remittances by \$48,572 to the State Treasurer and report on the TC-31 decreases of \$24,286 to the State Domestic Violence Restraining Order Reimbursement Fund and \$24,286 to the State Domestic Violence Training and Education Fund. The county should also make the corresponding account adjustments.

Central Collections should establish formal procedures to ensure that state domestic violence fees are correctly distributed in accordance with statutory requirements. A redistribution should be made for the collection period starting July 2014 through the date the current system is revised.

County Response

The County concurs with Finding 3 with the following exception: Central Collections is not authorized to impose or reduce the domestic violence fee. Penal Code (PC) 1203.097(a)(5) states that "If, after a hearing in open court, the court finds that the defendant does not have the ability to pay, the court may reduce or waive this fee. If the court exercises its discretion to reduce or waive the fee, it shall state the reason on the record." Central Collections will continue to collect the amounts ordered by the Court. The redistribution amount for the collection period beginning July 2014 has been calculated and submitted for inclusion in a future TC-31. This is an ongoing manual process due to individual accounts being initially set up with the incorrect distribution (facility) codes. These accounts are in the process of being identified and corrected.

Superior Court Response

The court recognizes this finding as a county issue.

SCO Comment

The SCO will follow up on the implementation of the corrections in the next audit.

**FINDING 4—
Underremitted the
2% State Automation
Fee**

From July 2006 through June 2014, the county Auditor-Controller’s Office incorrectly included the 2% State Automation Fee in both State DNA Identification Funds.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State Trial Court Improvement and Modernization Fund (2% Automation) - GC §68090.8	\$ 444,825
State DNA Identification Fund (Prop 69) - GC §76104.6	(167,237)
State DNA Identification Fund - GC §76104.7	(277,588)

Recommendation

The county should make the corresponding account adjustments and report on the TC-31 an increase of \$444,825 to the State Trial Court Improvement and Modernization Fund and decreases of \$167,237 and \$277,588 to the State DNA Identification Fund (Prop 69) and State DNA Identification Fund, respectively. Additionally, a reallocation should be made from July 2014 through the date on which the system is corrected.

County Response

The County concurs with Finding 4. The reallocation amount for the collection period beginning July 2014 and ending December 2015 has been calculated and submitted for inclusion in a future TC-31. This allocation error was corrected in December 2015.

Superior Court Response

The court recognizes this finding as a county issue.

SCO Comment

The SCO will follow up on the implementation of the corrections in the next audit.

**FINDING 5—
Incorrect distribution
of comprehensive
collections program
costs**

The court's comprehensive collection program did not equitably distribute operating costs. The program did not include all of the collection resources when computing the percentage offset cost for each account.

Court personnel discovered the error and prepared an adjustment to equitably redistribute operating costs for the period of July 2006 through June 2014. The original percentage cost offsets were from revenues taken from a data list that included revenues reported from Visa and Master Card only. The new adjustment included revenues reported from Discover cards, debit cards, online pay, partial revenues collected that were referred to Central Collections, and the reversing of dual and triplicate entries.

PC section 1463.007 allows a court collecting entity that implemented a comprehensive collection program satisfying specific statutory requirements to deduct program operating costs from program revenue collections. This section further allows a county collecting entity to distribute those amounts to the county treasury prior to distribution of those revenues to the State, court, county, and cities. The program must have a separate and distinct revenue collection activity that identifies total collections received from qualifying accounts and their related operational costs.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State General Fund (20% State Surcharge) - PC §1465.7	\$ 71,386
State General Fund (Health and Safety) - H&SC §11372.5	2
State General Fund (Evidence of Financial Responsibility of Vehicle) - PC §1463.22(c)	(5,308)
State Motor Vehicle Account - VC §11208(c)	(1,055)
State Transportation Fund - PC §1463.22(b)	(1,527)
State Trial Court Improvement and Modernization Fund (2% Automation) - GC §68090.8	27,212
State Fish and Game Preservation Fund - F&G §13003	190
State Fish and Game Preservation Fund - F&G §12021	19
State Restitution Fund - PC §1202.4	219,221
State Restitution Fund - PC §1001.90	443
State Restitution Fund - PC §1463.18	7,126
State Domestic Violence Restraining Order Reimbursement Fund - PC §1203.097(a)(5)	1,283
State Domestic Violence Training and Education Fund - PC §1203.097(a)(5)	1,283
State Penalty Fund - PC §1464	182,530
State Penalty Fund (Proof of Correction) - VC §40611	(6,334)
State Penalty Fund (Fish & Game Assessment) - PC §1464	430
State Trial Court Trust Fund (Court Operations Assessment) - PC §1465.8	(209,728)
State Court Facilities Construction Fund - GC §70372(a) - Criminal Violations	62,415
State Court Facilities Construction Fund - ICNA - GC §70372(a) - Criminal Violations	103
State Court Facilities Construction Fund - ICNA - VC §40611 - Proof of Correction	(36,291)
State Court Facilities Construction Fund - ICNA - VC §42007.1 - Traffic Violator School	(21,774)
State Court Facilities Construction Fund - ICNA - GC §70373 - Assessment on Misdemeanor and Felony Convictions	24,430
State Court Facilities Construction Fund - ICNA - GC §70373 - Assessment on Infractions	(208,070)
State Emergency Medical Air Transportation Act Fund - GC §76000.10	(2,534)
State DNA Identification Fund (Prop 69) - GC §76104.6	2,800
State DNA Identification Fund - GC §76104.7	20,768
State Court Facilities Trust Fund (Night Court) - VC §42006	(5,129)
State Trial Court Trust Fund Filing Fees - GC §68085	831
County Traffic Violator School Fee - VC §42007	(66,644)
County Traffic Violator School Fee - VC §42007.1	(23,293)
County General Fund (State Penalty 30%) - PC §1464	99,501
County Base Fines and Forfeitures - PC §1463.001	94,573
County Maddy Emergency Medical Services Fund - GC §76000.5	(6,305)
County Maddy Emergency Medical Services Fund - GC §76104	84,276
County General Fund Red Light Violations - GC §1463.11	(1,471)
County DNA Identification Fund (Prop 69) - GC §76104.6	8,401
County DNA Identification Fund - GC §76104.7	(2,169)
County Alcohol Abuse and Prevention Fund - PC §1463.25	31,333
County AIDS Education Program - PC §1463.23	341
County Automated Fingerprint Identification Fund - PC §76102	14,518
County Special Account Alcohol and Program Services Fees - PC §1463.16	27,254
County Special Account Additional Penalty Lab Fees - PC §1463.14	26,873
County Fish and Wildlife Propagation Fund - F&G §13003	198
County Criminal Justice Facilities Construction Fund - GC §76101	73,249
County Criminalistics Lab Fund - H&S §11372.5	3,330
County General Fund Diversion Program Admin Fees - PC §1001.15	354
County Drug Program Fund - H&S §11372.7	11
County Domestic Violence Programs Special Fund - PC §1203.097	5,413
County Special Account AIDS Education - PC §1463.23	141
County General Fund Adult Restitution Administrative Fee - PC §1202.4(l)	23,845
County Registration Fee - PC §987.5	882
County Child Safety Belt Fines Administration	(1,288)
County Child Safety Belt Fines	(2,871)
County Other Fees and Fines	57,074
County Courthouse Construction Fund - GC §76100	(5,224)
Court Civil Assessment - PC §1214.1	(566,336)

(continued)

Account Title	Underremitted/ (Overremitted)
Court Victim Restitution Administration Fee - PC § 1203.1(l)	3,388
Court California Traffic Safety Fee	(4,833)
Court Fee for Installment Accounts - PC § 13205	(74,692)
Court Copy and Fax Fees	1,987
Court Uninsured Motorists Admin Fund - PC§ 1463.22	(9,243)
Court Other Fees	(388)
Court Other Funds	(576)
Court Uniform Civil Filing Fees	11,729
<u>Local Agencies and Cities</u>	
Adelanto	200
Apple Valley	(2,462)
Barstow	779
Big Bear	1,504
Chino	13,017
Chino Hills	2,887
Colton	10,007
Fontana	(4,470)
Grand Terrace	2,241
Hesperia	57
Highland	3,870
Loma Linda	5,892
Montclair	8,289
Needles	114
Ontario	26,286
Rancho Cucamonga	20,678
Redlands	6,788
Rialto	(417)
Rialto Unified School District	(5)
Rim of the World School District	(5)
San Bernardino	34,663
Snowline School District	(354)
South Coast Air Quality Management District	10
Twentynine Palms	(753)
Upland	12,338
Victorville	(2,770)
Yucaipa	2,946
Yucca Valley	(255)

In addition, the incorrect distributions of comprehensive collection program costs affected the revenues reported to the State Trial Court Improvement and Modernization Fund under the MOE formula pursuant to GC section 77205. A net total of \$95,822 should have been included in the MOE calculation.

Recommendation:

The county should remit \$124,722 to the State Treasurer and report on the TC-31 the aforementioned state accounts. The county should also make the corresponding account adjustments.

County Response

The county recognizes this finding as a superior court issue.

Superior Court Response

The Court concurs with the finding and has reported corrections and post-audit adjustments to the State Treasurer in the months July 2016

through August 2016 with collections for the months of May and June 2016; reported on TC-31 RA CO 36 1044-1047 and CO 36 1049-1051.

SCO Comment

The SCO will follow up on the implementation of the corrections in the next audit.

**FINDING 6—
Incorrect distribution
of red-light and red-
light traffic violator
school bail**

The court made the following errors for regular red-light traffic violations:

- The court did not distribute 30% of State Court Facilities Construction Fund, State Court Facilities Construction Fund – ICNA and State Emergency Medical Air Transportation (EMAT) Act Fund to the arresting agencies starting June 2006 through June 2014.
- The court understated the State Penalty Fund from January 2013 through June 2014.
- The court incorrectly distributed 30% of County Emergency Medical Services (EMS) and County Emergency Medical Services additional penalties causing the EMS Fund to be underremitted from January 2007 through June 2014.

In addition, the court did not distribute the full amount of EMS, additional EMS, and State Court Construction penalties from June 2006 through July 2014 on red-light TVS violations. This caused the County TVS fee to be overstated.

PC section 1463.11 requires 30% of base fines, state and county penalties, (PC section 1463 and section 1464, GC Section 76100, respectively) pursuant to red-light violations to be distributed to the general fund of the county or city in which the offense occurred. GC section 70372(a) State Court Construction penalties are not referenced in this statute; however, GC section 70372(a) is subject to the distribution requirements in accordance with PC section 1463. Therefore, State Court Construction penalties are subject to the 30% allocation. The remaining 70% should be distributed in accordance with PC section 1463 or VC section 42007 when TVS is elected. Additionally, pursuant to PC section 1463.11, the 30% excludes the State Surcharge and other penalty assessments such as GC section 76000.5 (EMS).

VC section 42007.3 requires 30% of the total TVS bail to be allocated to the arresting agency for red-light TVS violations. After the specific distributions are made the remaining portion is to be distributed pursuant to VC section 42007.

The incorrect distributions had the following effect:

Account Title	Red Light	Red Light TVS	Underremitted/ (Overremitted)
State Penalty Fund - PC § 1464	\$152,407	\$ -	\$ 152,407
State Court Facilities Construction Fund - GC § 70372(a) - Criminal Violations	(236,145)	59,985	(176,160)
State Court Facilities Construction Fund - ICNA - GC § 70372(a) - Criminal Violations	(298,232)	67,926	(230,306)
State EMAT Act Fund - GC § 76000.10	(18,854)	-	(18,854)
County Emergency Medical Services Fund - GC § 76000.5	419,400	72,320	491,720
County Emergency Medical Services Fund - GC § 76104	-	120,117	120,117
County Red Light Violations (30%) Fund - PC § 1463.11	(763)	13,005	12,242
County Traffic Violator School Fund - VC § 42000.7	-	(573,466)	(573,466)
<u>City Fine Revenue Accounts:</u>			
Adelanto	(6)	67	61
Apple Valley	(44)	410	366
Barstow	(25)	332	307
Big Bear	(3)	122	119
Chino	(214)	3,837	3,623
Chino Hills	(53)	1,745	1,692
Colton	(117)	836	719
Fontana	(334)	4,206	3,872
Grand Terrace	(382)	5,238	4,856
Hesperia	(32)	1,245	1,213
Highland	(1,434)	13,495	12,061
Loma Linda	(1,143)	18,852	17,709
Montclair	(320)	5,035	4,715
Needles	(2)	1,097	1,095
Ontario	(621)	6,773	6,152
Rancho Cucamonga	(471)	8,208	7,737
Redlands	(108)	3,022	2,914
Rialto	(109)	6,372	6,263
San Bernardino	(6,564)	81,004	74,440
Twentynine Palms	(9)	741	732
Upland	(605)	19,679	19,074
Victorville	(5,109)	56,375	51,266
Yucaipa	(77)	1,188	1,111
Yucca Valley	(31)	234	203

In addition, the incorrect distributions for red-light TVS bail affected the revenues reported to the State Trial Court Improvement and Modernization Fund under the MOE formula pursuant to GC section 77205. A net total of \$441,569 should not have been included in the MOE calculation.

Recommendation

The county should reduce subsequent remittances by \$272,913 to the State Treasurer and report on the TC-31, an increase of \$152,407 to the State Penalty Fund and decreases of \$176,160 to the State Court Facilities Construction Fund, \$230,306 to the State Court Facilities Construction Fund – ICNA, and \$18,854 to the State EMAT Act Fund.

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

County Response

The county recognizes this finding as a superior court issue.

Superior Court Response

The court concurs with the finding and has reported corrections and post-audit adjustments to the State Treasurer in the months July 2016 through November 2016 with collections for the months of May through September 2016; reported on TC-31 RA CO 36 1044-1047, CO 36 1049-1051, CO 361052-1054, CO 36 1058-1060 and CO 36 1061-1063.

SCO Comment

The SCO will follow up on the implementation of the corrections in the next audit.

**FINDING 7—
Incorrect distribution
of administrative
screening fees and
citation processing
fees**

The court did not impose administrative screening fees and citation processing fees from July 2006 through June 2014.

PC section 1463.07 requires a \$25 fee from each person arrested and released on his/her recognizance upon conviction for any criminal offense other than an infraction and a \$10 fee from each person cited and released by any peace officer in the field or at a jail facility upon conviction of any criminal offense other than an infraction.

Failure to impose administrative screening fees and citation processing fees caused deposits in the county general fund to be understated. In addition, the incorrect distribution of fees affect the revenues reported to the State Trial Court Improvement and Modernization Fund.

Recommendation

The court should include administrative screening fees and citation processing fees in sentencing guidelines used by its Judicial Officers and update its case management system to assess these fees.

County Response

The county recognizes this finding as a superior court issue.

Superior Court Response

The court concurs with the finding and began assessing the fees related to PC 1463.07 as of September 2016.

SCO Comment

The SCO will follow up on the implementation of the corrections in the next audit.

**FINDING 8—
Incorrect distribution
of court operations
assessment fees**

The court and Central Collections incorrectly imposed court operations assessment fees of \$30 from June 2013 through July 2014.

Starting July 1, 2011, PC section 1465.8 requires an assessment of \$40 shall be imposed on every conviction for a criminal offense, including traffic offenses, except parking offenses.

Failure to impose court operation fees causes deposits in the state fund to be understated when the fee is imposed at less than the minimum required by statute.

Recommendation

The court and Central Collections should update their case management systems to assess the correct fees.

County Response

The county recognizes this finding as a superior court issue.

Superior Court Response

The court concurs with the finding and corrected the fee amount being imposed prior to the audit, though it occurred during the timeframe being examined. The correction was implemented in November 2014.

SCO Comment

The SCO will follow up on the implementation of the corrections in the next audit.

Schedule 1— Summary of Audit Findings by Fiscal Year July 1, 2006, through June 30, 2014

Findings ¹	Fiscal Year							Total	Reference ²	
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13			2013-14
Overremitted the 50% excess of qualified fines, fees, and penalties:										
State Trial Court Improvement and Modernization Fund - GC §77205	\$ 14,616	\$ (9,273)	\$ (22,084)	\$ (13,554)	\$ (6,875)	\$ (23,123)	\$ (29,584)	\$ (28,267)	\$ (118,144)	Finding 1
Understated state parking surcharges and equipment violation fines										
State Court Facilities Construction Fund - GC §70372(b) - Parking Violations	-	-	6,054	21,420	15,609	11,915	10,750	13,825	79,573	Finding 2
State Court Facilities Construction Fund - ICNA - GC §70372(b) - Parking Violations	-	5,343	9,775	10,710	7,805	5,957	5,375	6,913	51,878	Finding 2
State Trial Court Trust Fund - GC §76000.3(a)	-	-	-	-	7,059	11,897	10,744	13,801	43,501	Finding 2
State General Fund (Equipment Violations) - VC §40225(d)	-	2,915	77,093	114,359	113,720	60,938	-	-	369,025	Finding 2
Overremitted domestic violence fees										
State Domestic Violence Restraining Order Reimbursement Fund - PC §1203.097(a)(5)	-	-	-	-	-	(6,045)	(8,266)	(9,975)	(24,286)	Finding 3
State Domestic Violence Training and Education Fund - PC §1203.097(a)(5)	-	-	-	-	-	(6,045)	(8,266)	(9,975)	(24,286)	Finding 3
Underremitted the 2% State, automation fee:										
State Trial Court Improvement and Modernization Fund (2% Automation) - GC §68090.8	28,750	42,703	47,270	46,904	60,695	65,748	74,131	78,624	444,825	Finding 4
State DNA Identification Fund (Prop 69) - GC §76104.6	(20,331)	(23,050)	(24,304)	(23,854)	(21,276)	(19,126)	(17,867)	(17,429)	(167,237)	Finding 4
State DNA Identification Fund - GC §76104.7	(8,419)	(19,653)	(22,966)	(23,050)	(39,419)	(46,622)	(56,264)	(61,195)	(277,588)	Finding 4
Superior Court										
Incorrect distribution of Comprehensive Collections Program Costs										
State General Fund (20% State Surcharge) - PC §1465.7	13,912	1,100	11,447	13,619	10,145	9,808	10,265	1,090	71,386	Finding 5
State General Fund (Health and Safety) - H&SC §11372.5	136	(11)	(24)	10	(2)	(87)	(9)	(11)	2	Finding 5
State General Fund (Evidence of Financial Responsibility of Vehicle) - PC §1463.22(c)	(1,064)	(177)	(304)	(1,046)	(1,438)	(769)	(363)	(147)	(5,308)	Finding 5
State Motor Vehicle Account - VC §11208(c)	-	-	-	-	-	(387)	(353)	(315)	(1,055)	Finding 5
State Transportation Fund - PC §1463.22(b)	(321)	(53)	(69)	(303)	(417)	(229)	(90)	(45)	(1,527)	Finding 5
State Trial Court Improvement and Modernization Fund (2% Automation) - GC §68090.8	6,479	198	(89)	6,350	9,798	3,439	608	429	27,212	Finding 5
State Fish and Game Preservation Fund - F&G §13003	(8)	49	8	12	(32)	24	61	76	190	Finding 5
State Fish and Game Preservation Fund - F&G §12021	(1)	9	1	1	(21)	6	9	15	19	Finding 5
State Restitution Fund - PC §1202.4	832	1,625	10,966	75,343	98,178	26,380	2,647	3,250	219,221	Finding 5
State Restitution Fund - PC §1001.90	(51)	(203)	(226)	480	551	(152)	(37)	81	443	Finding 5
State Restitution Fund - PC §1463.18	21	(610)	(101)	3,183	3,183	1,229	282	(61)	7,126	Finding 5
State Domestic Violence Restraining Order Reimbursement Fund - PC §1203.097(a)(5)	7	7	(187)	733	910	(17)	(108)	(62)	1,283	Finding 5
State Domestic Violence Training and Education Fund - PC §1203.097(a)(5)	7	7	(187)	733	910	(17)	(108)	(62)	1,283	Finding 5
State Penalty Fund - PC §1464	7,745	1,060	(3,791)	53,408	84,687	30,137	2,655	6,629	182,530	Finding 5
State Penalty Fund (Proof of Correction) - VC §40611	(129)	26	35	(1,039)	(1,629)	(1,600)	(1,355)	(643)	(6,334)	Finding 5
State Penalty Fund (Fish & Game Assessment) - PC §1464	(9)	70	39	56	11	33	127	103	430	Finding 5
State Trial Court Trust Fund (Court Operations Assessment) - PC §1465.8	(14,579)	(1,905)	278	(39,387)	(81,237)	(44,604)	(18,750)	(9,544)	(209,728)	Finding 5
State Court Facilities Construction Fund - GC §70372(a) - Criminal Violations	4,560	(745)	(2,337)	19,079	31,018	9,303	1,579	(42)	62,415	Finding 5
State Court Facilities Construction Fund - ICNA - GC §70372(a) - Criminal Violations	-	-	122	(1,503)	1,775	2,352	293	(2,936)	103	Finding 5
State Court Facilities Construction Fund - ICNA - VC §40611 - Proof of Correction	-	-	102	(5,916)	(9,511)	(9,135)	(7,725)	(4,106)	(36,291)	Finding 5
State Court Facilities Construction Fund - ICNA - VC §42007.1 - Traffic Violator School	-	-	(13)	(4,450)	(5,962)	(4,987)	(3,289)	(3,073)	(21,774)	Finding 5
State Court Facilities Construction Fund - ICNA - GC §70373 - Assessment on Misdemeanor and Felony Convictions	-	-	190	4,715	12,124	5,816	1,367	218	24,430	Finding 5
State Court Facilities Construction Fund - ICNA - GC §70373 - Assessment on Infractions	-	-	584	(52,401)	(88,113)	(41,876)	(10,894)	(15,370)	(208,070)	Finding 5
State Emergency Medical Air Transportation Act Fund - GC §76000.10	-	-	-	-	(222)	(1,349)	517	(1,480)	(2,534)	Finding 5
State DNA Identification Fund (Prop 69) - GC §76104.6	(301)	(115)	(279)	1,220	2,169	699	(211)	(382)	2,800	Finding 5
State DNA Identification Fund - GC §76104.7	1,869	1,860	1,261	4,812	7,830	2,945	1,191	(1,000)	20,768	Finding 5
State Court Facilities Trust Fund (Night Court) - VC §42006	(526)	(34)	(97)	(1,028)	(1,514)	(977)	(723)	(230)	(5,129)	Finding 5
State Trial Court Trust Fund Filing Fees - GC §68085	794	1	5	-	-	13	18	-	831	Finding 5

Schedule 1 (continued)

Incorrect distribution of red light and red light traffic violator school bail										
State Penalty Fund - PC §1464	-	-	-	-	-	-	50,802	101,605	152,407	Finding 6
State Court Facilities Construction Fund - GC §70372(a) - Criminal Violations	(851)	(1,701)	(1,701)	6,381	(19,271)	(53,006)	(53,006)	(53,005)	(176,160)	Finding 6
State Court Facilities Construction Fund - ICNA - GC §70372(a) - Criminal Violations	-	-	6,175	(20,787)	(53,924)	(53,924)	(53,923)	(53,923)	(230,306)	Finding 6
State Emergency Medical Air Transportation Act Fund - GC §76000.10	-	-	-	-	-	(3,771)	(7,541)	(7,542)	(18,854)	Finding 6
Net amount underpaid (overpaid) to the State Treasurer	<u>\$ 33,138</u>	<u>\$ (557)</u>	<u>\$ 92,646</u>	<u>\$195,210</u>	<u>\$137,314</u>	<u>\$ (69,209)</u>	<u>\$ (105,311)</u>	<u>\$ (54,161)</u>	<u>\$ 229,070</u>	

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

²See the Findings and Recommendations section.

**Schedule 2—
Summary of Underremittances by Month
State Trial Court Trust Fund
July 1, 2006, through June 30, 2014**

Month	Fiscal Year								Total ¹
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
July	\$ 66	\$ -	\$ 23	\$ -	\$ 588	\$ 992	\$ 896	\$ 1,150	\$ 3,715
August	66	-	23	-	588	992	896	1,150	3,715
September	66	-	23	-	588	992	897	1,150	3,716
October	66	-	23	-	588	992	897	1,150	3,716
November	66	-	23	-	588	992	897	1,150	3,716
December	66	-	24	-	588	992	897	1,150	3,717
January	66	-	24	-	588	993	897	1,150	3,718
February	66	-	24	-	588	993	897	1,150	3,718
March	66	-	24	-	588	993	897	1,150	3,718
April	66	-	24	-	589	993	897	1,150	3,719
May	67	-	24	-	589	993	897	1,150	3,720
June	67	1	24	-	589	993	897	1,151	3,722
Total underremittances to the State Treasurer	\$ 794	\$ 1	\$ 283	\$ -	\$ 7,059	\$ 11,910	\$ 10,762	\$ 13,801	\$ 44,610

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

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

**Schedule 3—
Summary of Underremittances by Month
State Trial Court Improvement and Modernization Fund
July 1, 2006, through June 30, 2014**

Month	Fiscal Year								Total ²
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
July	\$ 2,935	\$ 3,576	\$ 3,940	\$ 4,438	\$ 5,875	\$ 5,766	\$ 6,229	\$ 6,587	\$ 39,346
August	2,935	3,575	3,940	4,438	5,875	5,766	6,229	6,587	39,345
September	2,935	3,575	3,939	4,438	5,875	5,766	6,229	6,587	39,344
October	2,936	3,575	3,939	4,438	5,875	5,766	6,228	6,588	39,345
November	2,936	3,575	3,939	4,438	5,875	5,766	6,228	6,588	39,345
December	2,936	3,575	3,939	4,438	5,874	5,766	6,228	6,588	39,344
January	2,936	3,575	3,939	4,438	5,874	5,766	6,228	6,588	39,344
February	2,936	3,575	3,939	4,438	5,874	5,765	6,228	6,588	39,343
March	2,936	3,575	3,939	4,438	5,874	5,765	6,228	6,588	39,343
April	2,936	3,575	3,939	4,438	5,874	5,765	6,228	6,588	39,343
May	2,936	3,575	3,939	4,437	5,874	5,765	6,228	6,588	39,342
June	17,552	3,575	3,939	4,437	5,874	5,765	6,228	6,588	53,958
Total underremittances to the State Treasurer	<u>\$ 49,845</u>	<u>\$ 42,901</u>	<u>\$ 47,270</u>	<u>\$ 53,254</u>	<u>\$ 70,493</u>	<u>\$ 69,187</u>	<u>\$ 74,739</u>	<u>\$ 79,053</u>	<u>\$486,742</u>

Includes MOE underremittance as follows¹

Fiscal Year							
2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<u>\$ 14,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

¹The amounts represent the underremittances from Finding 1.

²This is a supplemental schedule for the SCO to calculate penalties and interest. The grand total is listed to facilitate the review process.

**Schedule 4—
Summary of Underremittances by Month
State Court Facilities Construction Fund
July 1, 2006, through June 30, 2014**

Month	Fiscal Year								Total ¹
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
July	\$ 380	\$ -	\$ 504	\$ 3,906	\$ 3,885	\$ 1,768	\$ 1,027	\$ 1,152	\$ 12,622
August	380	-	504	3,906	3,885	1,768	1,027	1,152	12,622
September	380	-	504	3,906	3,885	1,768	1,027	1,152	12,622
October	380	-	504	3,906	3,885	1,768	1,027	1,152	12,622
November	380	-	504	3,907	3,885	1,768	1,027	1,152	12,623
December	380	-	504	3,907	3,886	1,768	1,027	1,152	12,624
January	380	-	505	3,907	3,886	1,768	1,027	1,152	12,625
February	380	-	505	3,907	3,886	1,768	1,028	1,152	12,626
March	380	-	505	3,907	3,886	1,768	1,028	1,152	12,626
April	380	-	505	3,907	3,886	1,768	1,028	1,152	12,626
May	380	-	505	3,907	3,886	1,769	1,028	1,152	12,627
June	380	-	505	3,907	3,886	1,769	1,028	1,153	12,628
Total underremittances to the State Treasurer	<u>\$ 4,560</u>	<u>\$ -</u>	<u>\$ 6,054</u>	<u>\$ 46,880</u>	<u>\$ 46,627</u>	<u>\$ 21,218</u>	<u>\$ 12,329</u>	<u>\$ 13,825</u>	<u>\$151,493</u>

NOTE: Delinquent State Court Facilities Construction Fund remittances not remitted to the SCO within 45 days of the end of the month in which the fees were collected are subject to penalty, pursuant to GC section 70353. The SCO will calculate and bill the county for the penalty amount after the county pays the underlying amount owed.

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

**Schedule 5—
Summary of Underremittances by Month
State Court Facilities Construction Fund – Immediate
Critical Needs Account
July 1, 2006, through June 30, 2014**

Month	Fiscal Year								Total ¹
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
July	\$ -	\$ 445	\$ 1,412	\$ 1,285	\$ 1,808	\$ 1,177	\$ 586	\$ 594	\$ 7,307
August	-	445	1,412	1,285	1,808	1,177	586	594	7,307
September	-	445	1,412	1,285	1,808	1,177	586	594	7,307
October	-	445	1,412	1,285	1,808	1,177	586	594	7,307
November	-	445	1,412	1,285	1,809	1,177	586	594	7,308
December	-	445	1,412	1,285	1,809	1,177	586	594	7,308
January	-	445	1,412	1,285	1,809	1,177	586	594	7,308
February	-	445	1,412	1,286	1,809	1,177	586	594	7,309
March	-	445	1,413	1,286	1,809	1,177	586	594	7,310
April	-	446	1,413	1,286	1,809	1,177	587	595	7,313
May	-	446	1,413	1,286	1,809	1,177	587	595	7,313
June	-	446	1,413	1,286	1,809	1,178	587	595	7,314
Total underremittances to the State Treasurer	\$ -	\$ 5,343	\$ 16,948	\$ 15,425	\$ 21,704	\$ 14,125	\$ 7,035	\$ 7,131	\$ 87,711

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

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

**Schedule 6—
Summary of Overremittances by Month
July 1, 2006, through June 30, 2014**

Month	Fiscal Year								Total ¹
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	
July	\$ (3,882)	\$ (4,794)	\$ (6,563)	\$ (15,693)	\$ (27,571)	\$ (26,487)	\$ (23,227)	\$ (23,401)	\$ (131,618)
August	(3,882)	(4,794)	(6,563)	(15,693)	(27,572)	(26,487)	(23,227)	(23,401)	(131,619)
September	(3,882)	(4,794)	(6,563)	(15,693)	(27,572)	(26,487)	(23,227)	(23,401)	(131,619)
October	(3,882)	(4,794)	(6,563)	(15,693)	(27,572)	(26,487)	(23,227)	(23,401)	(131,619)
November	(3,882)	(4,794)	(6,563)	(15,693)	(27,572)	(26,487)	(23,228)	(23,402)	(131,621)
December	(3,882)	(4,794)	(6,563)	(15,693)	(27,572)	(26,487)	(23,228)	(23,402)	(131,621)
January	(3,883)	(4,794)	(6,563)	(15,693)	(27,572)	(26,487)	(23,228)	(23,402)	(131,622)
February	(3,883)	(4,794)	(6,563)	(15,693)	(27,572)	(26,487)	(23,228)	(23,402)	(131,622)
March	(3,883)	(4,794)	(6,563)	(15,693)	(27,572)	(26,488)	(23,228)	(23,402)	(131,623)
April	(3,883)	(4,794)	(6,564)	(15,693)	(27,572)	(26,488)	(23,228)	(23,402)	(131,624)
May	(3,883)	(4,795)	(6,564)	(15,694)	(27,572)	(26,488)	(23,228)	(23,402)	(131,626)
June	(3,883)	(4,795)	(6,564)	(15,694)	(27,572)	(26,488)	(23,228)	(23,402)	(131,626)
Total underremittances to the State Treasurer	<u>\$ (46,590)</u>	<u>\$ (57,530)</u>	<u>\$ (78,759)</u>	<u>\$ (188,318)</u>	<u>\$ (330,863)</u>	<u>\$ (317,848)</u>	<u>\$ (278,732)</u>	<u>\$ (280,820)</u>	<u>\$ (1,579,460)</u>

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

**Attachment—
County and Superior Court’s Joint
Response to Draft Audit Report**

AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR

- 268 West Hospitality Lane, Fourth Floor
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 890-4045
- 268 West Hospitality Lane, First Floor
San Bernardino, CA 92415-0360 • (909) 387-8308 • Fax (909) 890-5797



Matt Brown
Assistant Auditor-Controller/Treasurer/Tax Collector

John Johnson
Assistant Auditor-Controller/Treasurer/Tax Collector

June 8, 2017

Elizabeth Gonzalez
Bureau Chief, Division of Audits
California State Controller's Office
Post Office Box 942850
Sacramento, CA 94520-5874



247 West Third Street,
San Bernardino, CA 92415
www.sb-court.org

Dear Ms. Gonzalez:

This letter is submitted on behalf of San Bernardino County ("County") and the San Bernardino County Court ("Court"), in response to the letter dated May 19, 2017, from Jeffrey V. Brownfield, CPA (Chief, Division of Audits) regarding the audit of San Bernardino County's court revenues for the period of July 1, 2006, through June 30, 2014. With respect to the draft audit report, dated May 2017, the County is responding to Findings 1, 2, 3, and 4, and the Court is responding to Findings 5, 6, 7, and 8.

County's Response to Findings 1 – 4:

Finding 1 – "Overremitted the 50% excess of qualified fines, fees, and penalties"

The County concurs with Finding 1, that the "County overremitted the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the eight fiscal years starting July 1, 2006, and ending June 30, 2014" with the following exception: While the State requires that cities impose parking citation surcharges on each parking citation collected, the County cannot enforce cities to either impose the parking citation surcharge or remit the parking citation surcharge to the County. Government Code Section 70372(b) states "each agency that elects to process parking violations shall pay the county treasurer..." and "the county treasurer shall transmit these sums..." Since the cities of Redlands and Rialto did not pay the county treasurer, the county treasurer cannot transmit these sums to the State.

On April 28, 2016, on behalf of the City of Rialto, George N. Harris II sent an official response by email to the State Controller's Office ("SCO") (see attached, "Attachment 1"), addressed to Auditor Steven Noguchi, objecting to the SCO's demand that the City remit \$469,239.95 for parking citation penalties. The City of Rialto objected on the grounds that the State's claim was time-barred by the 1 year statute of limitation under Code of Civil Procedure Section 340, the Government Claims Act, and the Rialto Municipal Code. On June 6, 2017, the City of Rialto sent an additional letter (see attached, "Attachment 2") to the County of San Bernardino Auditor-Controller/Treasurer/Tax Collector, to dispute the SCO's updated finding that the City of Rialto had underremitted \$466,918 during the audit period. The City of Rialto reasserted each of the legal arguments asserted in its 2016 letter (Attachment 1), and stated that, according to records in the City's possession, the City of Rialto had underremitted \$175,365.39 (see attached, "Attachment 3").

The City of Redlands has been nonresponsive to the County's repeated communications to address these matters.

At this time, the County's attempts to coordinate with the cities of Redlands and Rialto and agree on a plan to pay their respective total underremitted amount has been unsuccessful, although the City of Rialto has indicated in its letter dated June 6, 2017, that it is willing to discuss a plan for repayment.

In conclusion, except for the issues that pertain to the cities of Redlands and Rialto, the County concurs with Finding 1 and has reported corrections and post audit adjustments to the State Treasurer in the month of August 2016 with collections for the months of July 2015 through June 2016; reported on the FY 2015/16 MOE 50% excess payment CO 36 1048, with the remainder expected to be reported in month of August 2017 with collections for the months of July 2016 through June 2017; reported on the FY 2016/17 MOE 50% excess payment.

Finding 2 – "Underremitted state parking surcharges and equipment violation fines"

The County concurs with Finding 2, that "various cities and colleges in the county did not distribute county parking penalties, state parking surcharges, and the state share of 50% equipment/tag violation fines starting July 2006 through June 2014" with the following exception: While the State requires that cities impose parking citation surcharges on each parking citation collected, the County cannot enforce cities to either impose the parking citation surcharge or remit the parking citation surcharge to the County. Government Code Section 70372(b) states "each agency that elects to process parking violations shall pay the county treasurer..." and "the county treasurer shall transmit these sums..." Since the cities of Redlands and Rialto did not pay the county treasurer, the county treasurer cannot transmit these sums to the State.

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The City of Redlands has been nonresponsive to the County's repeated communications to address these matters.

At this time, the County's attempts to coordinate with the cities of Redlands and Rialto and agree on a plan to pay their respective total underremitted amount has been unsuccessful, although the City of Rialto has indicated in its letter dated June 6, 2017, that it is willing to discuss a plan for repayment.

In conclusion, except for the issues that pertain to the cities of Redlands and Rialto, the County concurs with Finding 2 and has reported corrections and post audit adjustments to the State Treasurer in the months of November 2015 through September 2016 with collections for the months of September 2015 through July 2016; reported on TC-31 RA CO 36 1013, CO 36 1036-1038, CO 36 1053-1054, CO 36 1015-1016, CO 36 1050-1051 and CO 36 1053-1054.

Finding 3 – “Overremitted Domestic Violence Fees”

The County concurs with Finding 3 with the following exception: Central Collections is not authorized to impose or reduce the domestic violence fee. Penal Code (PC) 1203.097(a)(5) states that “If, after a hearing in open court, the court finds that the defendant does not have the ability to pay, the court may reduce or waive this fee. If the court exercises its discretion to reduce or waive the fee, it shall state the reason on the record.” Central Collections will continue to collect the amounts ordered by the Court. The redistribution amount for the collection period beginning July 2014 has been calculated and submitted for inclusion in a future TC-31. This is an ongoing manual process due to individual accounts being initially set up with the incorrect distribution (facility) codes. These accounts are in the process of being identified and corrected.

Finding 4 – “Underremitted the 2% State Automation Fee”

The County concurs with Finding 4. The reallocation amount for the collection period beginning July 2014 and ending December 2015 has been calculated and submitted for inclusion in a future TC-31. This allocation error was corrected in December 2015. No other adjustments are required.

Court’s Response to Findings 5 - 8

Finding 5: Incorrect Distribution of Comprehensive Collections Program Costs

The Court concurs with the finding and has reported corrections and post-audit adjustments to the State Treasurer in the months July 2016 through August 2016 with collections for the months of May and June 2016; reported on TC-31 RA CO 36 1044-1047 and CO 36 1049-1051.

Finding 6: Incorrect Distribution of Red-light and Red-light Traffic Violator School Bail

The Court concurs with the finding and has reported corrections and post-audit adjustments to the State Treasurer in the months July 2016 through November 2016 with collections for the months of May through September 2016; reported on TC-31 RA CO 36 1044-1047, CO 36 1049-1051, CO 36 1052-1054, CO 36 1058-1060 and CO 36 1061-1063.

Finding 7: Incorrect Distribution of Administration Screening Fees

The Court concurs with the finding and began assessing the fees related to PC 1463.07 as of September 2016.

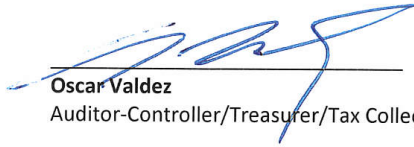
Finding 8: Incorrect Distribution of Court Operations Assessment Fees

The Court concurs with the finding and corrected the fee amount being imposed prior to the audit, though it occurred during the timeframe being examined. The correction was implemented in November 2014.

Audit findings 5-8 listed above resulted in a net over-remittance to the State Controller and, as a result, the Court was previously notified by SCO auditors that there would be no penalty associated with these corrections.

If you have any questions about the response to any given finding, please contact Jason Redden, jason.redden@atc.sbcounty.gov for county-related items or Bob Fleshman, RFleshman@sb-court.org for court-related items.

Sincerely,



Oscar Valdez
Auditor-Controller/Treasurer/Tax Collector



Nancy Eberhardt
Court Executive Officer

OV:JC:PWC:JR:NCSE:BF:adp

cc: Oscar Valdez, Auditor-Controller/Treasurer/Tax Collector
John Johnson, Assistant Auditor-Controller/Treasurer/Tax Collector
Vanessa Doyle, Chief Deputy, Central Collection, Auditor-Controller/Treasurer/Tax Collector
Joon Cho, Chief Deputy Controller, Auditor-Controller/Treasurer/Tax Collector
Phebe W. Chu, Deputy County Counsel, County of San Bernardino
Bob Fleshman, Deputy Court Executive Officer, Finance and Communications, Superior Court of
California, County of San Bernardino

Attachments



City of Rialto

California

SENT VIA EMAIL

Steven Noguchi
Auditor
State Controller's Office
Division of Audits / Local Government Compliance Bureau

Mr. Noguchi:

This letter serves as the City of Rialto's (the "City") official response to the demand by the State Controller's Office's (the "State") that the City remit \$469,239.95 for parking citation penalties.

Government Code Sections 70372, 70375, and 76000 require the City to charge a penalty for parking citations, and remit the penalty to the County for deposit in the State Treasurer's Office. The City was notified by the County of San Bernardino, on behalf of the State, on October 6, 2015 that the City must now remit penalties for Fiscal years 2007 (which actually includes the latter half of calendar year 2006) through 2011, ending with September of 2011. In other words, almost five years after the final month audited, the State is demanding the City pay almost a half million dollars. Moreover, the amount demanded is arbitrary, speculative, and based on unrelated citation activity in recent years, which is likely quite different from activity during the audit period. The State has not provided legal authority justifying its use of an estimate.

Based on these facts, the City respectfully refuses to remit such amounts allegedly owed to the State. The applicable statute of limitations for recovering such amounts by the State is one (1) year, and with the most recent penalties being due over four (4) years ago, there is no justifiable basis for the State's claim.

1. The State's claim is time-barred by the 1 year statute of limitation under Code of Civil Procedure Section 340, the Government Claims Act, and the Rialto Municipal Code.

The State is time-barred by Code of Civil Procedures Sections 313 and 340 from trying to pursue, without adequate evidence, amounts allegedly owed to the State from four years prior. This limitation exists for good reason, especially where a public agency is concerned. This limitations serves to protect the City from stale claims and, where public funds and tight budgets are concerned, to "promote predictability and stability." (See, e.g., *Shively v. Bozanich* (2003) 31 Cal.4th 1230, 1246.) Additionally, these statutes exist because of the importance of supporting

Attachment 1

claims with reliable evidence, and to avoid the risk that the “passage of time threatens the loss of evidence, the fading of memories...” (See, e.g., *Norgart v. Upjohn Co.* (1999) 21 Cal.4th 383, 409-10.)

This is especially important in the current case. Because the State did not timely pursue claims for alleged failures to remit the penalties, the State is relying on speculative estimates based on averages and inapplicable criteria, without providing any legal justification authorizing it to do so. This is resulting in a figure which is likely significantly inflated, without potential for evidence to support it. It is precisely to avoid situations like these that the applicable statute of limitations exists.

a. *The Cause of Action accrued for each missed remittance after 45 days of collection, likely not extending beyond early 2012 for any missed remittance.*

The State is claiming it is owed remittances from the City under Government Code Sections 70372, 70375, 70377, and 76000. Pursuant to California Government Code Section 70377, the penalties the City is required to charge and remit to the State must be remitted “to the State Treasurer no later than 45 days after the end of the month in which the ... penalties were collected.” Similarly, for amounts collected under Section 76000 or 76000.3, the City would be required to remit payments to the County treasurer on a monthly basis after collection.

For example, assuming there is a 60 day period for payment of a parking citation, penalties assessed in January of 2007 would be due to the City around the end of March. Amounts due under Section 70372 and 70375 would be required to be remitted to the County for transmittal to the State 45 days thereafter – approximately the end of May of 2007. Amounts collected pursuant to Sections 76000 and 76000.3 would need to be remitted within 1 month.

Each month’s remittance constitutes a new cause of action for determining when the statutory period of limitations will begin (see, e.g., in the context of challenging a tax, *Howard Jarvis Taxpayers Ass’n v. City of La Habra* (2001) 25 Cal. 4th 809, 818.) So, assuming conservatively that the last remittance for September 2011 was due to the state in January of 2012 (after the payment period and 45 day statutory remittance period), this would mean that the applicable statute of limitations would begin to run from this date.

Each month’s remittance constitutes a new cause of action for determining when the statutory period of limitations will begin (see, e.g., in the context of challenging a tax, *Howard Jarvis Taxpayers Ass’n v. City of La Habra* (2001) 25 Cal. 4th 809, 818.)

Assuming, conservatively, that the last remittance for September 2011 was due to the State in January of 2012 (after the payment period and 45 day statutory remittance period), this would mean that the applicable statute of limitations would begin to run from this date.

Attachment 1

b. *The applicable statute of limitation for collection on a penalty derived from statute is one (1) year.*

In the absence of an express statute of limitation for any cause of action, Part 2, Title 2 of the California Code of Civil Procedure applies. Section 340 provides for the applicable statute of limitation with respect to penalties. Specifically, the statute of limitation for “An action upon a statute for a forfeiture or penalty to the people of this state” is one (1) year. For purposes of Section 340, a penalty constitutes any law compelling a party to pay other than what is necessary to compensate him or her for a legal damage done. (*See, e.g., Brandenburg v. Eureka Redevelopment Agency* (2007) 152 Cal.App.4th 1350.) Additionally, the statutes at issue (i.e. Gov’t Code Section 70372) expressly designate the amount to be remitted as a “penalty.” For comparison sake, the statutes governing Transient Occupancy Tax provide for an express 4 year statute of limitation for collection of unpaid TOT. No such statute of limitation is provided with respect to the penalties for which the State is seeking compensation.

In *Myers v. Eastwood Care Ctr., Inc.* (1982) 31 Cal.3d 628, penalties were established for violations of the Long-Term Care, Health, Safety and Security Act (the “Act”) by a skilled nursing facility. After a series of inspections, the State asserted violations of the Act and cited the skilled nursing facility. (*Id.* at 630.) The violations dated less than a year prior to the citations. (*Id.*) Two months later (still less than a year after the violations), after the facility contested the violations, the State set up a conference on the citations and proposed penalties, in accordance with the Act. (*Id.*) When no agreement could be reached, the State sued for collection of the penalties. (*Id.* at 631.) The Supreme Court held that the one year statute of limitation under CCP 340 applied because, like in the case for Rialto, the liability occurs as a result of a penalty under statute. (*Id.* at 632.) Had the State not acted timely to begin statutorily required procedures for appealing the citation under the Act, the action would have been barred.

Unlike in *Myers*, the State has not taken any action to collect the amounts due under Government Code Section 70372, 70375, or 76000 until October of 2015. Even with the most conservative of estimations, this is well over 1 year after the date upon which a cause of action would accrue - i.e. 45 days after the City collected the penalty. Based on this statute of limitation, the latest penalties which the State could make a claim for would be penalties due to be remitted in October of 2014. However, in the current case, the latest penalties to be remitted would have been due, under the most conservative of estimates, in early 2012. As such, the State will not be able to enforce payment of the penalty because it is barred by the one year statute of limitation.

c. *The State’s claim is barred for failure to file an Administrative Claim under Chapter 1.14 of the Rialto Municipal Code, which requires a claim be submitted within 1 year of the accrual of the cause of action.*

Similarly, to the extent the State is attempting to collect for unpaid penalties from the City, the State is required to submit a governmental claim under the Government Claims Act and the

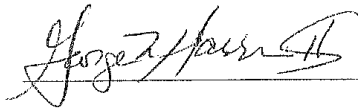
Attachment 1

Rialto Municipal Code. Section 313 of the California Code of Civil Procedure, in conjunction with the Government Claims Act (commencing with Section 810 of the Government Code) explicitly require a claim for money damages be made against the City as the appropriate administrative remedy. Chapter 1.14 of the Rialto Municipal Code and, specifically, Section 1.14.050, requires that "Claims relating to any other cause of action [other than action for death, injury to person or to personal property, or growing crops] shall be presented within one year after the accrual of the cause of action."

The State has yet to file an administrative claim in compliance with the Rialto Municipal Code and the California Government Code. Based on the analysis above, the causes of action accrued several years prior to the October 6, 2015 correspondence from the State and the County. As such, the State has failed to present its claim within the time limits set forth in the Rialto Municipal Code and the Government Claims Act, and is therefore time-barred from proceeding with this claim against the City.

In sum, without any further legal justification compelling the City to remit payments for an Audit period dating back almost 5 to 9 years, and without reliable evidence demonstrating the accuracy (or even, the reasonable basis of estimation) of amounts allegedly due, the City respectfully declines to pay the amount demanded by the State. Otherwise, an argument could be made that the payments, without legal justification, would be a gift of public funds.

Please do not hesitate to contact us with any questions.



George N. Harris II
Assistant to the City Administrator/Director of Administrative Services
City Of Rialto | 150 S. Palm Ave, Rialto, CA 92376

City Attorney:
Fred Galante | Partner
Aleshire & Wynder, LLP | 18881 Von Karman Ave., Suite 1700, Irvine, CA 92612
Tel: (949) 223-1170 | Dir: (949) 250-5410 | Fax: (949) 223-1180 | fgalante@awattorneys.com | awattorneys.com



City of Rialto California

June 6, 2017

SENT VIA EMAIL

Guy Martinez
Accountant II
Auditor-Controller/Treasurer/Tax Collector
Management Services Section
County of San Bernardino

RE: City of Rialto's Response to Finding #2 in the State Controller's Office Draft Court Revenue Audit for San Bernardino County

Mr. Martinez:

This letter serves as the City of Rialto's (the "City") response to the State Controller's Office Draft Court Revenue Audit for San Bernardino County (the "Draft Audit"). The purpose of this letter is to dispute Finding #2 as it relates to the City, in particular the amount of \$466,918 allegedly underremitted by the City during the audit period.

The City was notified by the County of San Bernardino (the "County"), on behalf of the State, on October 6, 2015 that the City must now remit parking penalties in the amount of \$469,239.95 for fiscal years 2007 (which actually includes the latter half of calendar year 2006) through 2011, ending with September of 2011. In other words, almost five years after the final month audited, the State demanded the City pay almost a half million dollars. The amount demanded is arbitrary, speculative, and based on unrelated citation activity in recent years, which is likely quite different from activity during the audit period. The State and County have not provided legal authority justifying its use of an estimate.

The City responded by letter dated April 28, 2016, and did not receive a formal response from the State or County. On June 24, 2016, the County informed the City that the amount demanded had been updated to \$466,918. On July 11, 2016, the City responded with the letter attached as Attachment 1, which informed the County the City still had not received a formal response to the City's April 28, 2016 letter. The City reasserts each of the arguments made in its April 28, 2016 letter.

On May 30, 2017, the City received notice by email from the County of the Draft Audit. Finding #2 in the Draft Audit indicates the City underremitted \$466,918 during the applicable time period. Like the initial demand from the County and State, this amount is based on estimates of the amount of

parking citations issued by the City during the applicable time period. The estimates are based on more recent citation activity in the City, and are inherently inaccurate and speculative. The City cannot remit payments based on these estimates.

Moreover, the amount of Finding #2 is contradicted by records in the City's possession. These records indicate the amount in Finding #2 should be \$175,365.39. A summary of these records is attached as Attachment 2 to this letter.

The Draft Audit's recommendation for Finding #2 states in part that "[t]he county and affected issuing agencies should agree on a plan to pay the total underremittance of \$814,567 to the State Treasurer." Without waiving any arguments the City may raise, including but not limited to those arguments in its April 28, 2016 letter, the City is willing to discuss such a plan for repayment. However, any amounts the City may remit to the County must be based on records or other evidence of actual amounts due, and cannot be based on estimates that are inherently inaccurate and speculative.

Based on the above reasons, the City disputes Finding #2 in the Draft Audit as it relates to amounts allegedly underremitted by the City.

Thank you for the opportunity to respond to the Draft Audit, and please contact the City if you need any other information from the City to respond to the Draft Audit.

Sincerely,



Kyle Johnson, CGFM
Finance Manager
Administrative Services – Finance Division
City of Rialto

Attachment 3

January	February	March	April	May	June	July	August	September	October	November
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5.00	\$ 10.00	N/A

January	February	March	April	May	June	July	August	September	October	November
\$ (5.00)	\$ -	\$ 5.00	\$ 5.00	\$ -	\$ -	\$ -	\$ 5.00	\$ (5.00)	\$ -	\$ 1,987.80

January	February	March	April	May	June	July	August	September	October	November
\$ 6,225.50	\$ 4,666.50	\$ 7,984.42	\$ 6,339.50	\$ 5,988.75	\$ 5,858.00	\$ 6,576.00	\$ 4,750.00	\$ 5,475.25	\$ 6,929.00	\$ 5,995.25

January	February	March	April	May	June	July	August	September	October	November
\$ 6,138.75	\$ 5,933.67	\$ 9,569.75	\$ 8,412.00	\$ 6,352.25	\$ 5,679.50	\$ 4,669.25	\$ 7,050.50	\$ 5,172.00	\$ 4,701.25	\$ 3,404.00

January	February	March	April	May	June	July	August	September	October	November
\$ 4,022.00	\$ 3,872.50	\$ 4,870.75	\$ 5,857.50	\$ 3,486.25	\$ 3,976.00	N/A	N/A	N/A	N/A	N/A

N/A Records Not Available.

Attachment 3

December	2007		
\$ 5.00	TOTAL	\$	20.00
<hr/>			
December	2008		
\$ 2,391.25	TOTAL	\$	4,384.05
<hr/>			
December	2009		
\$ 6,974.25	TOTAL	\$	73,762.42
<hr/>			
December	2010		
\$ 4,031.00	TOTAL	\$	71,113.92
<hr/>			
December	2011		
N/A	TOTAL	\$	26,085.00
TOTAL SURCHARGES			\$ 175,365.39

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

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