

**Magisterial District Court 23-3-07
County of Berks, Pennsylvania**

Magisterial District Judge Andrea J. Book

Annual Financial Report

As of December 31, 2010

Contents

Report Distribution List	1
Internal Auditor's Report	2
Statement of Assets, Liabilities and Fund Balance – Cash Basis	4
Statement of Receipts, Disbursements and Changes in Cash Balance - Cash Basis	5
Notes to Financial Statements	6
Internal Auditor's Report on Compliance and Internal Controls	9
Status of Prior Year Audit Results	10

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County of Berks, Office of the Controller

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Sandra M. Graffius, County Controller
Jack A. Linton, Esq., Solicitor

Internal Auditor's Report

Magisterial District Judge Andrea J. Book
Magisterial District Court 23-3-07
7191 Bernville Road
Bernville, PA 19506

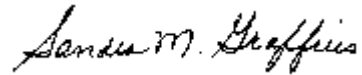
We have compiled the accompanying statement of assets, liabilities and fund balance – cash basis as of December 31, 2010 for Magisterial District Court 23-3-07, and the related statement of receipts, disbursements and changes in cash balance – cash basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As described in Note 1, the accounts of Magisterial District Court 23-3-07 are maintained, and the accompanying financial statements are prepared, on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We have included a report on our consideration of Magisterial District Court 23-3-07's internal control structure and on its compliance with laws and regulations. We have reviewed compliance and internal control matters in accordance with the Commonwealth of Pennsylvania Third Class County Code and County of Berks ordinances and resolutions and have included applicable comments related thereto in the respective report.



Sandra M. Graffius, Controller
February 17, 2011

Magisterial District Court 23-3-07
County of Berks, Pennsylvania
Statement of Assets, Liabilities and Fund Balance – Cash Basis
As of December 31, 2010

Assets	
Cash in bank	\$ 10,479
Cash on hand	<u>150</u>
Total assets	<u><u>\$ 10,629</u></u>
Liabilities and Fund Balance	
Liabilities	
Due to the County of Berks	\$ 4,992
Due to local authorities	2,402
Funds held in escrow	<u>3,085</u>
Total liabilities	<u>10,479</u>
Fund balance	<u>150</u>
Total liabilities and fund balance	<u><u>\$ 10,629</u></u>

The accompanying notes are an integral part of these financial statements.
See accountant's compilation report.

Magisterial District Court 23-3-07
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
For the Year Ended December 31, 2010

Receipts	\$ 411,733
Disbursements	
County of Berks	72,833
Commonwealth	275,901
Local authorities	41,879
Constable fees	8,389
Restitution, bail and collateral	<u>14,207</u>
Total disbursements	<u>413,209</u>
Cash disbursements in excess of receipts	(1,476)
Cash account balance as of January 1	<u>11,955</u>
Cash account balance as of December 31	<u><u>\$ 10,479</u></u>

The accompanying notes are an integral part of these financial statements.
See accountant's compilation report.

Magisterial District Court 23-3-07
County of Berks, Pennsylvania
Notes to Financial Statements
December 31, 2010

Note 1: Nature of the office and significant accounting policies

Nature of the office:

Magisterial district courts have jurisdiction over the preliminary stages of all criminal cases. They have jurisdiction over all traffic and non-traffic summary cases and jurisdiction in civil cases where the amount in controversy is \$8,000 or less. They do not have jurisdiction over matters pertaining to real estate, except landlord and tenant matters. Magisterial district courts collect fines, costs, restitution, and bail from defendants. The funds are then distributed to the Commonwealth, the County of Berks, local authorities, constables, and victims of illegal activities. Magisterial district courts are component units of Pennsylvania's Unified Judicial System.

Magisterial district courts are presided over by magisterial district judges. Appeals from magisterial district judge judgments are taken to the Court of Common Pleas.

Magisterial district judges are employees of the Commonwealth and the court secretaries are employees of the County of Berks.

Basis of accounting:

The books and records of Magisterial District Court 23-3-07 are maintained on the cash basis of accounting and, therefore, the financial statements presented herein do not purport to present the account balances and results of operations in conformity with generally accepted accounting principles. The cash basis of accounting is an other comprehensive basis of accounting.

Cash and cash equivalents:

Magisterial District Court 23-3-07 considers cash and equivalents to be cash on hand, on deposit and investments with a maturity of three months or less when purchased.

Cash accounts:

The financial statements compiled for Magisterial District Court 23-3-07 by the Office of the Controller reflect only cash account activity. The cash account is primarily a trust and agency account maintained and reconciled by Magisterial District Court 23-3-07. Administrative costs and expenses incurred by Magisterial District Court 23-3-07 are reflected on the books and records of the County of Berks and not on these financial statements.

**Magisterial District Court 23-3-07
County of Berks, Pennsylvania
Notes to Financial Statements - Continued
December 31, 2010**

Note 2: Cash and equivalents

The following cash accounts are in the name of Magisterial District Court 23-3-07, County of Berks, and are not reflected in the County of Berks financial statements:

Bank	Account Type	Bank Balance	Carrying Value
National Penn	checking	\$ 15,578	\$ 10,479
Cash	cash on hand	<u>150</u>	<u>150</u>
		<u>\$ 15,728</u>	<u>\$ 10,629</u>

Magisterial District Court 23-3-07 is a component unit of Pennsylvania's Unified Judicial System. The cash account for Magisterial District Court 23-3-07 is assigned its own tax identification number.

The account holds funds received by Magisterial District Court 23-3-07 primarily in a trust and agency capacity and use of these funds by Magisterial District Court 23-3-07 is restricted.

Amounts on deposit do not exceed \$250,000 and therefore are fully covered by FDIC insurance.

Note 3: Due to County of Berks

The amount due to the County of Berks is for collection of certain fines and costs related to violations of law within the County.

Note 4 Due to local authorities

The amount due to local authorities is for collection of certain fines and costs shared with local jurisdictions. The amount is related to violations of law that occurred within the local jurisdictions.

Magisterial District Court 23-3-07
County of Berks, Pennsylvania
Notes to Financial Statements - Continued
December 31, 2010

Note 5: Escrow accounts

Escrow accounts are comprised of the following:

Collateral	\$ 2,547
Server fees	38
Bail	<u>500</u>
	<u>\$ 3,085</u>

Collateral includes amounts paid by defendants that will be applied against fines, costs, bail and restitution when the amounts are determined by the court. Server fees are to be paid to constables for serving complaints, summons or notices, executing warrants, attendance at arraignments or hearings, providing courtroom security, and other services. Bail is the security or guarantee required and given for the release of a person, conditioned upon a written undertaking, in the form of a bail bond, that the person will appear in court.



County of Berks, Office of the Controller

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Internal Auditor's Report on Compliance and Internal Controls

Magisterial District Judge Andrea J. Book
Magisterial District Court 23-3-07
7191 Bernville Road
Bernville, PA 19506

In completing our internal audit of the Magisterial District Court 23-3-07 for the year ended December 31, 2010, we performed tests for compliance with certain financial provisions of laws, regulations, contracts, grants, and applicable policies. Noncompliance is considered a significant finding when it could have a direct and material effect on related financial information. The results of our tests disclosed no instances of noncompliance.

We also performed tests of Magisterial District Court 23-3-07's internal control over financial information and noted no significant findings in internal controls. Significant findings involve matters coming to our attention relating to deficiencies in the design or operation of the internal control over financial information that, in our judgment, could adversely affect Magisterial District Court 23-3-07's ability to adequately and properly record, process, summarize and report financial data.

This report is intended for the information and use of the County of Berks Board of Commissioners and Magisterial District Court 23-3-07's management. However, this report is a matter of public record and its distribution is not limited.

Sandra M. Graffius, Controller
February 17, 2011

**Magisterial District Court 23-3-07
County of Berks, Pennsylvania
Report on Internal Controls as of February 17, 2011
Status of Prior Year Results**

<u>Description of Condition</u>	<u>Corrective Action Implemented</u>
No prior year audit findings	N/A