



County of Berks, Office of the Controller

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

Berks County Services Center
633 Court Street, 12th Floor
Reading, PA 19601-4311
Phone (610) 478-6150
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October 8, 2015

Magisterial District Judge David E. Glass
Magisterial District Court 23-3-01
321 North Furnace Street, Suite 180
Birdsboro, PA 19508

Re: Internal Auditor's Report

Dear Magisterial District Judge Glass:

We have completed our audit of the financial statements for Magisterial District Court 23-3-01 for the year ended December 31, 2014, and have attached the report for your review and consideration.

Since there was no significant deficiency or instance of non-compliance noted during the audit, no response is required and the attached report is the final report.

This report is intended for the use of Magisterial District Court 23-3-01's management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

I would like to thank you for your cooperation and for the courtesies extended by your staff to mine during the course of our audit. If you have any questions concerning our audit or the attached report, I would be glad to discuss them with you.

Yours truly,

Sandra M. Graffius

**Magisterial District Court 23-3-01
County of Berks, Pennsylvania**

Magisterial District Judge David E. Glass

Financial Audit

For the Period January 1, 2014 to December 31, 2014

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Internal Auditor's Report

Magisterial District Judge David E. Glass
Magisterial District Court 23-3-01
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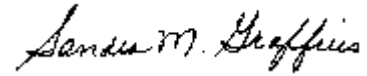
We have audited the Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis for the year ended December 31, 2014. This financial statement is the responsibility of Magisterial District Court 23-3-01's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the accounts of Magisterial District Court 23-3-01 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.

In our opinion, the financial statement referred to above presents fairly, in conformity with the cash basis of accounting, the cash account balance of Magisterial District Court 23-3-01, as of December 31, 2014, and the revenues it received and expenditures it paid for the years then ended on the basis of accounting described in Note 1.

This report is intended for the information of the County of Berks Board of Commissioners and Magisterial District Court 23-3-01's management. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Sandra M. Graffius". The signature is written in a cursive style with a large initial 'S'.

Sandra M. Graffius, Controller
October 8, 2015

**Magisterial District Court 23-3-01
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
For the Year Ended December 31, 2014**

| | |
|--|-------------------------|
| Receipts | \$ 527,825 |
| Disbursements | |
| County of Berks | 91,044 |
| Commonwealth | 293,983 |
| Local authorities | 97,269 |
| Constable fees | 8,543 |
| Restitution, bail and collateral | 32,127 |
| Other | <u>133</u> |
| Total disbursements | <u>523,099</u> |
| Cash receipts in excess of disbursements | 4,726 |
| Cash account balance as of January 1 | <u>17,018</u> |
| Cash account balance as of December 31 | <u><u>\$ 21,744</u></u> |

Magisterial District Court 23-3-01
County of Berks, Pennsylvania
Notes to Financial Statements
December 31, 2014

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 \$12,000 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 23-3-01 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 23-3-01 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 23-3-01 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 23-3-01. Administrative costs and expenses incurred by Magisterial District Court 23-3-01 are reflected on the books and records of the County of Berks and not on these financial statements.

**Magisterial District Court 23-3-01
County of Berks, Pennsylvania
Notes to Financial Statements - Continued
December 31, 2014**

Note 2: Cash and equivalents

The following cash accounts are in the name of Magisterial District Court 23-3-01, County of Berks, and are not reflected in the County of Berks financial statements:

| <u>Bank</u> | <u>Account Type</u> | <u>Bank Balance</u> | <u>Carrying Value</u> |
|-------------|---------------------|-------------------------|---------------------------|
| M&T | checking | <u>\$ 31,947</u> | <u>\$ 21,744</u> |
| | | <u>\$ 31,947</u> | <u>\$ 21,744</u> |

Magisterial District Court 23-3-01 is a component unit of Pennsylvania's Unified Judicial System. The cash account for Magisterial District Court 23-3-01 is assigned its own tax identification number.

The account holds funds received by Magisterial District Court 23-3-01 primarily in a trust and agency capacity and use of these funds by Magisterial District Court 23-3-01 is restricted.

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



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Internal Auditor's Report on Compliance and Internal Controls

Magisterial District Judge David E. Glass
Magisterial District Court 23-3-01
321 North Furnace Street, Suite 180
Birdsboro, PA 19508

In planning and performing our audit of the financial statements of Magisterial District Court 23-3-01 as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Magisterial District Court 23-3-01's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Magisterial District Court 23-3-01's internal control. Accordingly, we do not express an opinion on the effectiveness of the Magisterial District Court 23-3-01's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended for the information of the County of Berks Board of Commissioners and Magisterial District Court 23-3-01's management. However, this report is a matter of public record and its distribution is not limited.

Sandra M. Graffius, Controller
October 8, 2015