



# County of Berks, Office of the Controller

---

**Berks County Services Center**

633 Court Street, 12th Floor

Reading, PA 19601-4311

Phone (610) 478-6150

Fax (610) 478-6890

**Sandra M. Graffius, County Controller**

Jack A. Linton, Esq., Solicitor

October 8, 2015

Magisterial District Judge Thomas H. Xavios  
Magisterial District Court 23-3-09  
1259 North 10<sup>th</sup> Street  
Reading, PA 19604

RE: Internal Auditor's Report

Dear Magisterial District Judge Xavios:

We have completed our audit of the financial statements for Magisterial District Court 23-3-09 for the year ended December 31, 2014 and have attached the Final report. This report is intended for the use of Magisterial District Court 23-3-09'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 the courtesies extended by your staff to mine. If you have any questions concerning the attached report, I would be glad to discuss them with you.

Yours truly,

Sandra M. Graffius

**Magisterial District Court 23-3-09  
County of Berks, Pennsylvania**

**Magisterial District Judge Thomas H. Xavios**

**Annual Financial Report**

**As of December 31, 2014**

## **Contents**

Report Distribution List	1
Internal Auditor's Report	2
Statement of Receipts, Disbursements and Changes in Cash Balance - Cash Basis	4
Notes to Financial Statements	5
Internal Auditor's Report on Compliance and Internal Controls	7
Status of Prior Year Audit Results	8

## **Report Distribution List**

1. Thomas H. Xavios, Magisterial District Judge
2. Christian Y. Leinbach, County Commissioner Chair
3. Kevin S. Barnhardt, County Commissioner
4. Mark C. Scott, County Commissioner
5. Carl Geffken, Chief Operations Officer
6. Paul M. Yatron, President Judge
7. Steve Weber, District Court Administrator
8. Faith I. Phillips, Special Courts Administrator
9. Eugene A. DePasquale, Pennsylvania Auditor General
10. Andrew M. Simpson, Judicial Programs Department
11. Reinsel, Kuntz, Leshner LLP, Certified Public Accountants
12. Carole Snyder, Managing Director, City of Reading
13. Roger Brubaker, Director of Financial Services, Reading School District
14. Patrick B. Mulligan, Executive Director, Reading Parking Authority
15. Audit File



# County of Berks, Office of the Controller

---

**Berks County Services Center**  
633 Court Street, 12th Floor  
Reading, PA 19601-4311  
Phone (610) 478-6150  
Fax (610) 478-6890

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

## Internal Auditor's Report

Magisterial District Judge Thomas H. Xavios  
Magisterial District Court 23-3-09  
1259 North 10th Street  
Reading, PA 19604

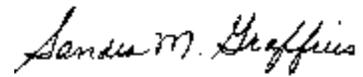
We have audited the Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis for the year ended December 31, 2014. This financial statement is the responsibility of Magisterial District Court 23-3-09's management. Our responsibility is to express an opinion on the financial statement 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 23-3-09 are maintained, and the accompanying financial statement is 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 present fairly, in conformity with the cash basis of accounting, the cash account balance of Magisterial District Court 23-3-09, as of December 31, 2014, and the revenues it received and expenditures it paid for the year 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 23-3-09's management. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Sandra M. Graffius".

Sandra M. Graffius, Controller  
October 8, 2015

**Magisterial District Court 23-3-09**  
**County of Berks, Pennsylvania**  
**Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis**  
**For the Year Ended December 31, 2014**

Receipts	\$ 1,825,057
Disbursements	
County of Berks	718,777
Commonwealth	452,339
Local authorities	487,776
Constable fees	31,977
Restitution, bail and collateral	133,503
Other	<u>73</u>
Total disbursements	<u>1,824,445</u>
Cash receipts in excess of disbursements	612
Cash account balance as of January 1	<u>105,376</u>
Cash account balance as of December 31	<u><u>\$ 105,988</u></u>

**Magisterial District Court 23-3-09**  
**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 23-3-09 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 23-3-09 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 23-3-09 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 23-3-09. Administrative costs and expenses incurred by Magisterial District Court 23-3-09 are reflected on the books and records of the County of Berks and not on these financial statements.

**Magisterial District Court 23-3-09  
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 23-3-09, County of Berks, and are not reflected in the County of Berks financial statements:

Bank	Account Type	Bank Balance	Carrying Value
Vist	Checking	\$ 114,013	\$ 105,988
		<u>\$ 114,413</u>	<u>\$ 105,988</u>

Magisterial District Court 23-3-09 is a component unit of Pennsylvania's Unified Judicial System. The cash account for Magisterial District Court 23-3-09 is assigned its own tax identification number.

The account holds funds received by Magisterial District Court 23-3-09 primarily in a trust and agency capacity and use of these funds by Magisterial District Court 23-3-09 is restricted.

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



# 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  
Fax (610) 478-6890

## Internal Auditor's Report on Compliance and Internal Controls

Thomas H. Xavios  
Magisterial District Judge  
Magisterial District Court 23-3-09  
County of Berks, Pennsylvania

In planning and performing our audit of the financial statements of Magisterial District Court 23-3-09 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 23-3-09'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 23-3-09's internal control. Accordingly, we do not express an opinion on the effectiveness of the Magisterial District Court 23-3-09'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 23-3-09's management. However, this report is a matter of public record and its distribution is not limited.

Sandra M. Graffius, Controller  
October 8, 2015

**Magisterial District Court 23-3-09  
County of Berks, Pennsylvania  
Report on Internal Controls as of October 8, 2015  
Status of Prior Year Results**

<u>Description of Condition</u>	<u>Corrective Action Implemented</u>
Backlog of unserved warrants	Yes <sup>1</sup>

---

<sup>1</sup> Correction action is currently in process. Magisterial District Court 23-3-09 has decreased the backlog of unserved warrants from 18,017 at 02/25/14 to 2,647 at 02/05/15. Noted as a *Discussion Item* for audit year 2014.