



County of Berks, Office of the Controller

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

December 6, 2016

Mr. James P. Troutman
Clerk of Courts
Office of the Clerk of Courts
County of Berks, Pennsylvania

Re: Accountant's Compilation Report

Dear Mr. Troutman:

We have completed our compilation of the financial statements for the Office of the Clerk of Courts as of December 31, 2014 and 2015 and have attached the final report. This report is intended for the use of the Office of the Clerk of Court'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

Office of the Clerk of Courts
County of Berks, Pennsylvania
James P. Troutman, Clerk of Courts
Financial Statement Compilation
As of December 31, 2014 and 2015

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Report Distribution List

1. James P. Troutman, Clerk of Courts
2. Christian Y. Leinbach, County Commissioner Chair
3. Kevin S. Barnhardt, County Commissioner
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6. James M. Polyak, Esq., Solicitor for the Clerk of Courts
7. Eugene A. DePasquale, Pennsylvania Auditor General
8. Reinsel, Kuntz, Leshner LLP, Certified Public Accountants
9. Audit File



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Accountant's Compilation Report

Mr. James P. Troutman
Clerk of Courts
Office of the Clerk of Courts
County of Berks, Pennsylvania

Report on the Financial Statements

We have compiled the accompanying financial statements of the Office of the Clerk of Courts, which comprise the statement of assets and liabilities – cash basis as of December 31, 2014 and 2015, and the related statement of receipts, disbursements and changes in cash balance – cash basis for the years then ended, and the related notes to the financial statements. We have not audited the accompanying financial statements and, accordingly, do not express an opinion on the financial statements.

Management's Responsibility for the Financial Statements

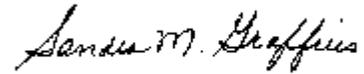
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances.

Accountant's Responsibility

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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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
December 6, 2016

**Office of the Clerk of Courts
County of Berks, Pennsylvania
Statement of Assets and Liabilities – Cash Basis
As of December 31, 2014 and 2015**

Assets

	<u>2014</u>	<u>2015</u>
Cash in bank FCR	\$ 1,244,785	\$ 1,366,190
Cash in bank Bail	554,398	462,304
Change Fund/Petty Cash	50	50
	\$ 1,799,233	\$ 1,828,544

Liabilities

Escrow - escheats, fines, cost and restitution	\$ 820,017	\$ 933,040
Bail Escrow	507,480	433,507
Due to the County of Berks	232,589	219,929
Due to Commonwealth	147,672	139,494
Due to collection agency	62,823	66,086
Due to local authorities	15,078	23,348
Due to Treatment Access Service Center	7,040	6,101
Due to Prothonotary	5,050	5,456
Due to Automation Fund	1,434	1,533
Due to County-Petty Cash/Change Fund	50	50
	\$ 1,799,233	\$ 1,828,544

The accompanying notes are an integral part of these financial statements.

**Office of the Clerk of Courts
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
As of December 31, 2014 and 2015**

Receipts

	<u>2014</u>	<u>2015</u>
State fines, costs and restitution	\$ 1,897,675	\$ 1,927,030
County of Berks fines, costs and restitution	1,629,092	1,597,325
Restitution and refunds - all	1,259,909	1,106,931
Adult probation supervision fees	812,558	807,875
Alcohol Safe Driving program	564,925	566,529
Sheriff Central Processing and Video Taping	497,145	477,941
Adult probation fees	273,589	305,720
Local Fines	271,066	248,561
Collection agency fees	142,263	147,400
Treatment Access Service Center	98,138	95,731
Prothonotary fees	69,229	71,611
Automation fees	19,061	19,411
Other program fees	11,548	11,785
Total Receipts	<u>7,546,198</u>	<u>7,383,850</u>

Disbursements

State fines, costs and restitution	1,869,893	1,934,267
County of Berks fines, costs and restitution	1,619,784	1,613,572
Restitution and refunds - all	1,200,677	1,066,828
Adult probation supervision fees	810,342	808,820
Alcohol Safe Driving program	564,766	566,534
Sheriff Central Processing and Video Taping	499,500	476,815
Adult probation fees	272,856	303,039
Local Fines	277,302	241,211
Collection agency fees	142,488	144,761
Treatment Access Service Center	98,111	96,670
Prothonotary fees	69,048	71,204
Automation fund	18,975	19,312
Other program fees	11,525	11,506
Total Disbursements	<u>7,455,267</u>	<u>7,354,539</u>

Cash receipts in excess of disbursements

90,931

29,311

Cash account balance as of January 1

1,708,252

1,799,183

Cash account balance as of December 31

\$ 1,799,183

\$ 1,828,494

The accompanying notes are an integral part of these financial statements.

**Office of the Clerk of Courts
County of Berks, Pennsylvania
Notes to Financial Statements
As of December 31, 2014 and 2015**

Note 1: Nature of the Office and Significant Accounting Policies

Nature of the Office:

The Office of the Clerk of Courts prepares and maintains the records for the Criminal Division of the Court of Common Pleas. The Clerk signs and affixes the Seal of the Courts to all writs and processes, administers oaths and affirmations, and assumes custody of the seal and records of the Court. The Clerk certifies and distributes orders of the Court. The Clerk also certifies and prepares bills of costs for the defendants and utilizes the computerized financial management system to disburse fines, costs and restitution.

Basis of accounting:

The books and records of the Office of the Clerk of Courts 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 another comprehensive basis of accounting.

Cash and cash equivalents:

The Office of the Clerk of Courts considers cash and equivalents to be cash on hand, cash on deposit, and investments with a maturity of three months or less when purchased.

Cash accounts:

The financial statements compiled for the Office of the Clerk of Courts reflect primarily trust and agency account activity. These accounts are maintained and reconciled by the Office of the Clerk of Courts. Administrative costs and expenses incurred by the Office of the Clerk of Courts are reflected on the books and records of the County of Berks and not on these financial statements.

**Office of the Clerk of Courts
County of Berks, Pennsylvania
Notes to Financial Statements
As of December 31, 2014 and 2015**

Note 2: Cash and equivalents

The following cash accounts are in the name of the County of Berks, Office of the Clerk of Courts, and are reflected in the County of Berks financial statements:

Bank	Account Type	Bank Balance 12/31/2014	Carrying Value 12/31/2014
National Penn	government banking	\$ 1,268,943	\$ 1,244,785
National Penn	government banking	284,711	284,712
National Penn	government banking	260,390	260,390
Sovereign	government banking	9,296	9,296
		<u>\$ 1,823,340</u>	<u>\$ 1,799,183</u>

Bank	Account Type	Bank Balance 12/31/2015	Carrying Value 12/31/2015
National Penn	government banking	\$ 1,423,449	\$ 1,366,190
National Penn	government banking	260,391	260,391
National Penn	government banking	192,626	192,617
Sovereign	government banking	9,296	9,296
		<u>\$ 1,885,762</u>	<u>\$ 1,828,494</u>

These accounts hold funds received by the Office of the Clerk of Courts in a trust and agency capacity and use of these funds, by the Office of the Clerk of Courts, is restricted. Each account earns interest. Amounts on deposit in excess of FDIC limits are collateralized by the financial institution with securities held by that entity.

Note 3: Bail escrow

These are bail amounts, set forth by the courts, that are paid to the Office of the Clerk of Courts by various defendants or paid on their behalf by others.

SUPPLEMENTAL INFORMATION

**Office of the Clerk of Courts
County of Berks, Pennsylvania
Schedule of County of Berks
Revenues and Direct Expenditures
As of December 31, 2014 and 2015**

	<u>2014</u>	<u>2015</u>
<u>Revenues</u>	<u>\$ 1,443,571</u>	<u>\$ 1,409,204</u>
<u>Direct Expenditures</u>		
Salaries and Wages	\$ 1,398,777	\$ 1,427,780
Fringe Benefits	379,279	410,785
Postage	31,371	33,960
Microfilm Processing	31,319	32,928
Software/Hardware Maintenance	10,840	26,130
Bank Charges	17,686	19,223
Office Supplies	16,110	18,031
Other General Expenditures	4,312	7,177
Copier Replacement/Maintenance	3,312	6,884
Books and Subscriptions	3,055	5,424
Telephone/Internet/Cable	3,202	4,743
Travel/Conference/Training	2,254	1,838
Association Dues	600	600
Professional Fees	2,856	402
Advertising	-	326
Contracted Services	128	70
Tuition Reimbursement	698	-
Total Direct Expenditures	<u><u>\$ 1,905,799</u></u>	<u><u>\$ 1,996,301</u></u>