



COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18109-2400  
(610) 782-3082 FAX: (610) 871-2897

GLENN ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Report Distribution  
**FROM:** Glenn Eckhart, County Controller G.E.  
**DATE:** August 23, 2016  
**RE:** Audit of Magisterial District Court #31-1-05

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We have completed a financial audit of Magisterial District Court #31-1-05, County of Lehigh, Pennsylvania for the period January 1, 2014 to December 31, 2015. Our audit report number 16-23 is attached.

The results of our audit are:

- The County of Lehigh received the proper amounts due from Magisterial District Court #31-1-05.
- The Magisterial District Judge is in general compliance with the applicable financial AOPC guidelines.

Attachment

MDJ/D'AMORE

**COUNTY OF LEHIGH, PENNSYLVANIA**  
**MAGISTERIAL DISTRICT COURT #31-1-05**

*Financial Audit*  
*For the Period January 1, 2014 to December 31, 2015*

AUDIT REPORT NO. 16-23

COUNTY OF LEHIGH, PENNSYLVANIA  
MAGISTERIAL DISTRICT COURT #31-1-05

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JOHN A. FALK  
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Magisterial District Judge Michael D. D'Amore  
Magisterial District Court #31-1-05  
1007 Union Boulevard  
Allentown, PA 18109

We have audited the accompanying Statement of Receipts and Disbursements and the Changes in Cash Balance of Magisterial District Court #31-1-05 for the period January 1, 2014 to December 31, 2015 as listed in the Table of Contents. The financial statements are the responsibility of Magisterial District Court #31-1-05's management. Our responsibility is to express an opinion on the Statement of Receipts and Disbursements and the Changes in Cash Balance based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 discussed in Note 1, the financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Also, as discussed in Note 1, the financial statements present only the Magisterial District Court #31-1-05 financial activity and does not purport to, and does not, present fairly the assets, liabilities, and results of operations of the County of Lehigh for the period January 1, 2014 to December 31, 2015 in conformity with the cash receipts and disbursements basis of accounting.

In our opinion, the Statement of Receipts and Disbursements and Changes in Cash Balance referred to above presents fairly, in all material respects, the financial activity arising from cash transactions of the Magisterial District Court #31-1-05 for the period January 1, 2014 to December 31, 2015, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 18, 2016 on our consideration of Magisterial District Court #31-1-05's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



GLENN ECKHART  
County Controller

August 18, 2016  
Allentown, Pennsylvania

Audited by: Thomas Schweyer and Daniel Aquilino

Final Distribution:

Allentown Parking Authority  
Allentown School District  
Auditor General of Pennsylvania  
Board of Commissioners  
Borough of Catasauqua  
Catasauqua School District  
City of Allentown  
Hanover Township  
Lehigh Valley International Airport  
Thomas Muller, County Executive  
Timothy Reeves, Fiscal Officer  
The Honorable Edward D. Reibman, President Judge  
H. Gordon Roberts, Magisterial District Judge Administrator  
Andrew Simpson, AOPC

COUNTY OF LEHIGH, PENNSYLVANIA  
MAGISTERIAL DISTRICT COURT #31-1-05

*Statement of Receipts and Disbursements  
and Changes in Cash Balance  
for the Period January 1, 2014 to December 31, 2015  
(NOTE 1)*

	<u>2014</u>	<u>2015</u>
Receipts:		
Office Receipt Activity	\$ 804,301	\$ 813,470
Bank Account Interest	82	84
	-----	-----
Total Receipts .....	804,383	813,554
	-----	-----
Disbursements:		
Pennsylvania Department of Revenue-Costs & Fines	455,558	477,509
Lehigh County Fiscal Office-Costs and Fines	130,785	137,892
Allentown City – Costs and Fines	71,318	61,931
Server Fees (NOTE 2)	63,116	57,103
Refunds	25,336	20,771
Catasauqua Borough – Costs :& Fines	15,439	10,959
Restitution	14,881	16,046
Allentown Parking Authority – Costs and Fines	13,106	16,437
Allentown City School District – Costs and Fines	9,187	10,117
Hanover Township – Costs and Fines	2,052	2,673
Catasauqua School District – Costs and Fines	204	292
Lehigh Valley International Airport	325	1,158
Pennsylvania Department of Revenue - Interest	82	84
	-----	-----
Total Disbursements .....	801,389	812,972
	-----	-----
Receipts Over (Under) Disbursements .....	2,994	582
Cash Balance, January 1 .....	33,187	36,181
	-----	-----
Cash Balance, December 31 .....	\$ 36,181	\$ 36,763
	=====	=====

The accompanying notes to financial statement are an integral part of this statement.

COUNTY OF LEHIGH, PENNSYLVANIA  
MAGISTERIAL DISTRICT COURT #31-1-05

*Notes to Financial Statement*  
*For the Period January 1, 2014 to December 31, 2015*

**1. Summary of Significant Accounting Policy**

**A. Reporting Entity**

A portion of the Magisterial District Court #31-1-05's financial activity is a part of the County of Lehigh's reporting entity, included in the general fund and is subject to annual financial audit by external auditors. The remaining financial activity is part of other governmental entities. This report is only for internal audit purposes.

**B. Basis of Accounting**

The accounting records of the County of Lehigh and the Statement of Receipts and Disbursements and Changes in Cash Balance are maintained on the cash receipts and disbursements basis of accounting. Under this basis of accounting, revenue is recognized when cash is received and expenditures are recognized when paid. This differs from Generally Accepted Accounting Principles (GAAP) which requires the accrual basis of accounting.

**C. Administrative Guidelines**

An automated *Clerical Procedures Manual* is published by the Administrative Office of Pennsylvania Courts (AOPC). Each magisterial district court is required to follow the procedures mandated under the authority of Rule 505 of the Pennsylvania Rules of Judicial Administration.

**D. Magisterial District Judge During the Audit Period**

Michael D. D'Amore was the Magisterial District Judge for the period January 1, 2014 to December 31, 2015.

**2. Server Fees**

Constables receive payment for services rendered from two sources. The magisterial district judge pays the constable for services rendered and recovers the cost from the defendant when the case is paid-in-full. However, when the defendant is found not guilty, sentenced to confinement, or cannot pay the assessments, the County of Lehigh pays the constable. As such, the costs represented in the financial statements are not inclusive of server costs incurred and paid for by the County of Lehigh.



# COUNTY OF LEHIGH

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Magisterial District Judge Michael D. D'Amore  
Magisterial District Court #31-1-05  
1007 Union Boulevard  
Allentown, PA 18109

We have audited the financial statements of Magisterial District Court #31-1-05 for the period January 1, 2014 to December 31, 2015 and have issued our report thereon dated August 18, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In planning and performing our audit, we considered Magisterial District Court #31-1-05's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statement of Receipts and Disbursements and the Changes in Cash Balance but not for the purpose of expressing an opinion on the effectiveness of the Magisterial District Court #31-1-05's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Magisterial District Court #31-1-05's internal control over financial reporting.

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 misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such as 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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

As part of obtaining reasonable assurance about whether the Magisterial District Court #31-1-05's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and other affected county offices and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read 'GLENN ECKHART', written in a cursive style.

GLENN ECKHART  
County Controller

August 18, 2016  
Allentown, Pennsylvania