




Lehigh County
Pennsylvania

OFFICE OF THE CONTROLLER

Mark Pinsley MBA
COUNTY CONTROLLER

Nanton John CIA, CFE
DEPUTY CONTROLLER

TO: Final Report Distribution
FROM: Mark Pinsley, County Controller 
DATE: September 11, 2025
RE: Lehigh County Magisterial District Court Audit Summary

We have recently completed financial audits of each Lehigh County Magisterial District Court (MDC) for the calendar years ended December 31, 2022 and 2023. Separate written reports were issued to each Magisterial District Judge. A summary of "*Statement of Receipts, Disbursements, and Changes in Cash Balance*" appears on page three. Our audit report number 25-25 is attached.

The results of our current audit are:

- The County of Lehigh received the proper amounts due from the Magisterial District Courts.
- The Magisterial District Courts are in general compliance with the applicable financial AOPC guidelines.

Attachment



COUNTY OF LEHIGH, PENNSYLVANIA
OFFICE OF THE CONTROLLER
MAGISTERIAL DISTRICT COURT SUMMARY REPORT

For the Calendar Years 2022 and 2023

COUNTY OF LEHIGH, PENNSYLVANIA
MAGISTERIAL DISTRICT COURT SUMMARY REPORT

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INDEPENDENT AUDITOR'S REPORT

Carolynn Perry, Magisterial District Judge Administrator
Lehigh County Courthouse
455 West Hamilton Street
Allentown, PA 18101-1614

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying *Statement of Receipts and Disbursements and Changes in Cash Balance* of each Lehigh County Magisterial District Court for the years ended December 31, 2022 and 2023 (hereinafter referred to as the Schedules), and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial activity arising from cash transactions of the Lehigh County Magisterial District Courts for the years ended December 31, 2022 and 2023, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Lehigh County Magisterial District Courts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements were 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. Our opinion is not modified with respect to this matter.

Also discussed in Note 1, the financial statements present only the Lehigh County Magisterial District Courts' 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 years ended December 31, 2022 and 2023 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of certain internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

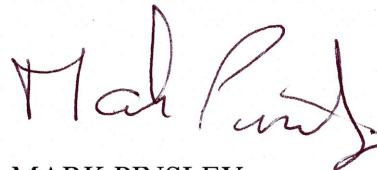
In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of (auditee's) internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lehigh County Magisterial District Courts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2025 on our consideration of Lehigh County Magisterial District Courts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements 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* in considering management's internal control over financial reporting and compliance.



MARK PINSLEY
County Controller

September 11, 2025
Allentown, Pennsylvania

Audited by: Daniel Aquilino

Final Distribution:

Administrative Office of Pennsylvania Courts
Phillips Armstrong, County Executive
Auditor General of Pennsylvania
Board of Commissioners
Edward Hozza, Director of Administration
Magisterial District Judges
Carolynn Perry, Magisterial District Judge Administrator
Timothy Reeves, Chief Fiscal Officer
The Honorable J. Brian Johnson, President Judge
Stephanie Szabo, Deputy Court Administrator
Kerry Turtzo, Court Administrator
Reina Zabala, Executive Aide to the MDJ Administrator

COUNTY OF LEHIGH, PENNSYLVANIA
MAGISTERIAL DISTRICT COURT SUMMARY REPORT

*Statement of Receipts, Disbursements,
and Changes in Cash Balance
For the Years Ended December 31, 2022 and 2023
(NOTE 1)*

Receipts:	<u>2022</u>	<u>2023</u>
Office Receipt Activity	9,083,229	9,893,424
Bank Account Interest	5,071	23,758
	<hr/>	<hr/>
Total Receipts.....	9,088,300	9,917,182
	<hr/>	<hr/>
Disbursements:		
Commonwealth of Pennsylvania - Costs and Fines	4,658,746	5,051,482
County of Lehigh – Costs and Fines (NOTE 3)	1,655,919	1,819,949
Municipalities - Cost and Fines	1,578,656	1,655,317
Server Fees (NOTE 2)	615,206	685,835
Refunds	488,988	641,277
Restitution	62,902	70,676
Commonwealth of Pennsylvania – Interest	5,071	23,758
	<hr/>	<hr/>
Total Disbursements	9,065,488	9,948,294
	<hr/>	<hr/>
Receipts Over (Under) Disbursements	22,813	-31,112
Cash Balance, January 1	488,726	511,539
Cash Balance, December 31	<u>511,539</u>	<u>480,428</u>

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

COUNTY OF LEHIGH, PENNSYLVANIA
MAGISTERIAL DISTRICT COURT OFFICES SUMMARY REPORT

*Notes to Financial Statement
For the Years Ended December 31, 2022 and 2023*

1. Summary of Significant Accounting Policy

A. Reporting Entity

A portion of the 14 Magisterial District Courts' 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. Changes in Office Operations

District Court 31-2-03 ceased operations on October 28, 2023 and was not included in the summary compilation. See audit report #23-21.

2. Server Fees

Constables receive payment for services rendered from two sources. The Magisterial District Court 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.

3. Act 77 Compliance

Act 77 of 2022 of the Pennsylvania Crime Victims Act requires that counties establish a separate fund called the Crime Victim Services and Compensation Fund (CVSC). In this fund, 30% of costs in excess of \$60 must be deposited to this fund, which is administered by the Commonwealth of Pennsylvania. The remaining 70% must be deposited to the Local Victim Services Fund (LVSF), which is administered by the County of Lehigh. These funds are included in costs and fines paid to the County, and are kept in a separate fund that is restricted for use by the District Attorney. The County is in compliance with the Act as of December 31, 2023.



**Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with
Government Auditing Standards**

Carolynn Perry, Magisterial District Judge Administrator
Lehigh County Courthouse
455 W Hamilton Street
Allentown, PA 18101-1614

We have recently completed financial audits of each Lehigh County Magisterial District Court, in accordance with the auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller of the United States; the accompanying *Statement of Receipts and Disbursements and Changes in Cash Balance* summary for the years January 1, 2022 to December 31, 2023 (hereafter referred to as the Schedules) and have issued our report thereon dated September 11, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedules, we considered the Magisterial District Courts' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedules, but not for the purpose of expressing an opinion on the effectiveness of management's internal control. Accordingly, we do not express an opinion on the effectiveness of the Magisterial District Courts' 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Magisterial District Courts' Schedules 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*.

Our audit also included sufficient and appropriate tests for fraud, waste and abuse and we included in our report any material (either quantitatively or qualitatively) instances we noted however, our audit procedures would not necessarily identify all instances of fraud, waste and abuse that may be reportable.

Management's Response to the Audit

If provided, the Magisterial District Judge Administrator's response to our audit is included in this report. We did not audit the Magisterial District Judge Administrator's response and, accordingly, we do not express an opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Magisterial District Judges, the Court, others within the entity, 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.



MARK PINSLEY
County Controller

September 11, 2025
Allentown, PA