DISTRICT COURT 38-2-08

MONTGOMERY COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2006 TO DECEMBER 31, 2009

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Independent Auditor's Report

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 38-2-08, Montgomery County, Pennsylvania (District Court), for the period January 1, 2006 to December 31, 2009, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S § 401(c). This Statement is the responsibility of the District Court's management. Our responsibility is to express an opinion on this Statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An examination includes examining, on a test basis, evidence supporting the Statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Section 401(c) of *The Fiscal Code* to audit the accounts of each district court to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 401(c) of *The Fiscal Code*.

In our opinion, the Statement referred to above presents, in all material respects, the operations of the District Court as it pertains to receipts made on behalf of the Commonwealth for the period ended December 31, 2009, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statement and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency 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 control deficiency, or combination of control deficiencies, that adversely affects the District Court's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the District Court's Statement that is more than inconsequential will not be prevented or detected by the District Court's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the District Court's internal control.

Our consideration of internal control over reporting on the Statement 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 significant deficiencies or material weaknesses, as defined above, in internal control over reporting on the Statement.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report (Continued)

This report is intended solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the District Court and is not intended to be and should not be used by anyone other than these specified parties.

July 29, 2010

JACK WAGNER
Auditor General

JACK WAGNER

AUDITOR GENERAL

DISTRICT COURT 38-2-08
MONTGOMERY COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2006 TO DECEMBER 31, 2009

Receipts:		
Department of Transportation		
Title 75 Fines	$ 359,529	
Motor Carrier Road Tax Fines	300	
Overweight Fines	763	
Littering Law Fines	866	
Child Restraint Fines	1,375	
Department of Revenue Court Costs	380,216	
Crime Victims' Compensation Bureau Costs	39,861	
Crime Commission Costs/Victim Witness Services Costs	40,515	
Domestic Violence Costs	11,108	
Emergency Medical Service Fines	151,471	
CAT/MCARE Fund Surcharges	456,765	
Judicial Computer System Fees	174,511	
Access to Justice Fees	43,451	
Criminal Justice Enhancement Account Fees	205	
Judicial Computer Project Surcharges	933	
Constable Service Surcharges	23,629	
Miscellaneous State Fines	3,221	
Total receipts (Note 2)		$ 1,688,719
Disbursements to Commonwealth (Note 3)		(1,688,480)
Balance due Commonwealth (District Court) per settled reports (Note 4)		239
Examination adjustments (Exhibit 1)		(239)
Adjusted balance due Commonwealth (District Court) for the period January 1, 2006 to December 31, 2009		$ -

Notes to the Statement of Receipts and Disbursements are an integral part of this report.

DISTRICT COURT 38-2-08
MONTGOMERY COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2006 TO DECEMBER 31, 2009

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

2. Receipts

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Commonwealth. These fines, costs, fees, and surcharges represent collections made on traffic, non-traffic, civil, and criminal cases filed with the District Court.

3. Disbursements

Total disbursements are comprised as follows:

District Court checks issued to:

Department of Revenue	$ 1,688,480

4. Balance Due Commonwealth (District Court) For The Period January 1, 2006 To December 31, 2009

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue. It does not reflect adjustments disclosed by our examination. Refer to Exhibit 1.

5. Magisterial District Judge Serving During Examination Period

Jay S. Friedenberg served at District Court 38-2-08 for the period January 1, 2006 to December 31, 2009.

DISTRICT COURT 38-2-08
MONTGOMERY COUNTY
EXHIBIT 1
FOR THE PERIOD
JANUARY 1, 2006 TO DECEMBER 31, 2009

Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments

Month	Year	Examination Adjustments	Explanation
April	2006	$ (141)	1
June	2007	(88)	1
April	2009	(10)	2
Total		$ (239)	

1. District Court 38-2-01 was closed in January 2004 and all cases were transferred to District Court 38-2-08. Monies collected at District Court 38-2-01 were disbursed to the appropriate parties, including fines and costs due the State, at the time of disposition. The cases were successfully appealed from the closed District Court 38-2-01 and the money was then transferred, from the amount due the State for that particular month, to the County for eventual refund to the defendant.

2. The amount reflected represents an immaterial adjustment to the case balance.

JACK WAGNER

AUDITOR GENERAL

DISTRICT COURT 38-2-08
MONTGOMERY COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2006 TO DECEMBER 31, 2009

This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmont Pines
Court Administrator of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Jay S. Friedenberg	Magisterial District Judge
The Honorable Diane Morgan	Controller
The Honorable James R. Matthews	Chairman of the Board of Commissioners
Michael R. Kehs, Esquire	District Court Administrator

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at www.auditorgen.state.pa.us.