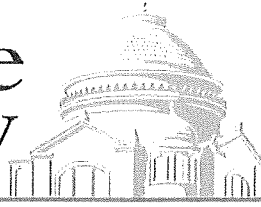


**Luzerne
County**

Pennsylvania • Established 1786



OFFICE OF THE CONTROLLER

Magisterial District 11-3-04

Examination Report

Review Period

January 1, 2018 to December 31, 2018

Michelle A. Bednar
Luzerne County Controller

Fieldwork Performed by:
Nancy L. DeFluri

Michelle A. Bednar
County Controller
(570) 825-1629
Michelle.Bednar@luzernecounty.org

Mark F. Majikes
Deputy Controller
(570) 825-1619
Mark.Majikes@luzernecounty.org

Luzerne County

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Letter of Agreement for Review Services

THIS AGREEMENT, entered into as of September 10, 2019 by and between District Court 11-3-04 of the County of Luzerne in the State of Pennsylvania, here in after referred to as the District Judge and the Luzerne County Controller's Office, hereafter referred to as the Auditor.

WITNESSETH THAT:

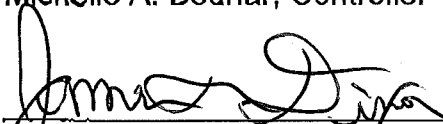
The agency and the Auditor agree as follows:

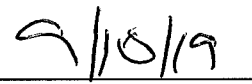
1. The Auditor shall, in a professional manner, perform the following services:
 - A. For the period January 1, 2018 to December 31, 2018
 - B. The Auditor shall review the records of the District Judge and shall issue a report on the review.
 - C. The Auditor's report and such other reports and services as required or agreed upon shall be furnished to the Board of Commissioners, the Controller, and the governing body of each political subdivision which is entitled or has the right to receive any monies or funds from the District Judge.
 - D. The Auditor shall familiarize himself with directives from the Administrative Office of Pennsylvania Courts regarding audits of the Minor Judiciary system.
2. The objective of our review is to ensure that the District Judge has remitted the correct amount of funds to the County.
3. The District Judge shall furnish the following to the Auditor:
 - A. All income records, receipts and disbursement summaries, undisbursed receipt summaries, reconciled bank statements, cancelled checks, supporting documents and other related records as requested.
 - B. Copies of the District Judge's policy directives, contracts, leases, budgets, and other such information as may be required in the conduct of this audit.
 - C. Adequate working space and other facilities for the conduct of the audit.
 - D. Assistance by the District Judge's staff – which is considered desirable and necessary – including, but not limited to, the preparation of account analyses, summaries, and other working papers, which may reduce the time required for the review.

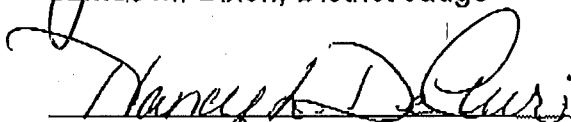
- 4. The Auditor does not conduct the review in accordance with generally accepted auditing standards. Therefore, although the auditor may obtain reasonable assurance that the records are free of material misstatements; a material misstatement may remain undetected.
- 5. The Auditor agrees to retain all working papers, programs, and other documents prepared or obtained during the course of the review for a period of three years and to make them available upon request during this period for the use of the District Judge.
- 6. Additionally, the Auditor is responsible for ensuring that individuals with authority or responsibility are aware of any findings that may come to the Auditor's attention.
- 7. As part of our review process we will request from management written confirmation concerning representations made to us in connection with the review.

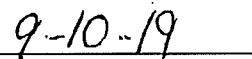

Michelle A. Bednar, Controller


Date


James M. Dixon, District Judge


Date


Nancy L. DeFuri, Auditor II


Date

Auditor: Nancy L. DeFluri

District Judge: James M. Dixon

District Number: 11-3-04

STATEMENT OF ACCOUNT FOR THE PERIOD

January 1, 2018 thru December 31, 2018

<u>LUZERNE COUNTY FINES & COSTS</u>	\$89,979.55
<u>ADD: ESCHEATED FUNDS</u>	\$719.81
<u>TOTAL</u>	<u>\$90,699.36</u>
<u>LESS: PAID TO LUZERNE COUNTY</u>	<u>\$90,699.36</u>
<u>BALANCE DUE LUZERNE COUNTY AS OF 12/31/2018</u>	<u>\$0.00</u>

Magisterial District Court 11-3-04

Paid to Luzerne County

2/5/2018	17411	County of Luzerne	\$5,283.32
3/5/2018	17460	County of Luzerne	\$8,330.33
4/6/2018	17523	County of Luzerne	\$8,244.78
5/3/2018	17568	County of Luzerne	\$7,543.38
6/5/2018	17620	County of Luzerne	\$7,931.97
7/5/2018	17681	County of Luzerne	\$8,070.43
8/3/2018	17731	County of Luzerne	\$8,196.37
9/6/2018	17794	County of Luzerne	\$6,748.72
10/3/2018	17823	County of Luzerne	\$8,403.68
11/6/2018	17869	County of Luzerne	\$7,591.31
12/5/2018	17908	County of Luzerne	\$7,507.03
1/8/2019	17955	County of Luzerne	\$6,848.04
Total			\$90,699.36

Escheat Report

March 2018	\$239.37
June 2018	\$166.53
October 2018	\$180.59
January 2019	\$133.33
Total	\$719.81

LUZERNE COUNTY AUDIT
EXIT CONFERENCE

Date: October 17, 2019
Audi tee: District Judge James M. Dixon
District#: 11-3-02

PARTICIPANTS:

District Judge: James Dixon
Clerk / Typist 5: Lori Paisley
Clerk / Typist 5: Nancy Forsythe
Clerk / Typist 5: Michael Marchetti
Clerk / Typist 5: Jamie Marie Koskulitz

Auditor: Nancy L. DeFluri

The records of the District were reviewed for the period January 1, 2018 to December 31, 2018. The records examined included bank reconciliations, pre-warrant notices, warrants, voided transactions, various system generated reports, payment plans, open case files and any other items deemed necessary.

Management of the District Court is responsible for establishing and maintaining a system of internal controls to ensure the security of assets. The objectives of such a system are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use and that transactions are executed in accordance with prescribed policies as established by the administrative Office of Pennsylvania Courts. (AOPC)

Except for the findings below, District Court 11-3-04 has complied with AOPC policies and procedures in all respects.

Findings: Our review found two instances of stale checks being cashed. In other words, the banking institution honored (cashed) these checks after 60 days, even though "void after 60 days" was clearly printed on the checks. Because this action constituted an error on the part of the bank, the bank returned the funds to the magistrate, thereby creating an overage on the books. We recommend the magistrate's office review our findings and adjust your check register accordingly.

District Judge: _____

Controller: _____

Auditor: _____

Verification of review: The auditor has presented the above findings and observations as well as the financial statement at the exit conference.

Michelle A. Bednar
County Controller
(570) 825-1629
Michelle.Bednar@luzernecounty.org



Mark F. Majikes
Deputy Controller
(570) 825-1619
Mark.Majikes@luzernecounty.org

October 22, 2019

Mr. Tim McGinley
200 N River Street
Wilkes Barre, PA 18711

Dear Mr. McGinley,

We have reviewed the records underlying the accompanying financial statement of District Court 11-3-04 Luzerne County Pennsylvania, for the period January 1, 2018 to December 31, 2018. This financial statement is the responsibility of the District Court's Management.

Magisterial District 11-3-04 includes the following Municipalities:

West Hazleton Borough

Jeddo Borough

Hazle Township

We did not conduct our review in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards would require that we plan and perform our audit to obtain reasonable assurance about whether the financial statement is free of material misstatements. Therefore, although the auditor may have obtained reasonable assurance that the records are free of material misstatements; a material misstatement may have remained undetected.

Compliance with laws and regulations applicable to the District Justice system are the responsibility of the District Justice management. As a part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed test of District Court 11-3-04 compliance with certain provisions of laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, District Court 11-3-04 is in compliance, in all respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that District Court 11-3-04 had not complied, in all material respects, with those provisions.

Very truly yours,

A handwritten signature in cursive script, reading "Michelle A. Bednar". The signature is written in black ink and is positioned above the printed name and title.

Michelle A. Bednar
Luzerne County Controller

Cc: C. David Pedri, County Manager

DISTRICT COURT 11-3-04
LUZERNE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 to DECEMBER 31, 2018

This report was distributed to:

The Honorable James M. Dixon	Magisterial District Judge
Mr. C. David Pedri	Luzerne County Manager
Mr. Tim McGinley	Luzerne County Council Chair
The Honorable Eugene DePasquale	Pennsylvania Auditor General
Mr. Andrew M. Simpson	PA Judicial Programs Dept.

Municipal Officials:

- West Hazleton Borough
- Hazle Township
- Jeddo Borough

This report is a matter of public record and is available online at <http://www.luzernecounty.org>, found under Audit Reports on the Luzerne County Controller's section of the website. A hardcopy is also available for review at the Luzerne County Controller's Office.

Media questions about this report may be directed to the Luzerne County Controller's Office at 20 North Pennsylvania Blvd., Suite 213, Wilkes-Barre, PA 18701 or via e-mail to Controllers.Office@luzernecounty.org