

**Magisterial District Court 05-2-12
Financial Analysis Report
For the Period January 1, 2008
through December 31, 2010**

(Non-Audit Service)

December 5, 2011

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GUY A. TUMOLO
DEPUTY CONTROLLER

December 5, 2011

Honorable William K. Wagner
District Judge
Magisterial District 05-2-12
8105 Perry Highway
Pittsburgh, PA 15237

Subject: Magisterial District Court 05-2-12
Financial Analysis Report
For the Period January 1, 2008 through December 31, 2010

Dear Judge Wagner:

We performed certain procedures in an attempt to reconcile the cash balance and summarize Allegheny County's receipts and disbursements for Magisterial District Court 05-2-12 for the period January 1, 2008 through December 31, 2010. The accompanying Schedule of Known Cash Deficiencies and Schedule of Allegheny County Receipts and Disbursements are unaudited and are the responsibility of management. Our procedures were performed as a non-audit service. Therefore, this engagement is not covered by Generally Accepted Government Auditing Standards.

The jurisdiction of Magisterial District Court 05-2-12 includes Bradford Woods Borough, Franklin Park Borough, Marshall Township and McCandless Township. William K. Wagner served as the Judge at Magisterial District Court 05-2-12 from January 1, 2008 through December 31, 2010.

Our purpose was to determine whether all funds collected on behalf of Allegheny County have been properly assessed, reported and promptly remitted. Our procedures included documenting the processes and controls over cash, receipts and disbursements, checking the cash balance and undisbursed funds balance, and testing receipts, disbursements, and docket transactions.

Judge William K. Wagner
December 5, 2011

An examination report issued by the Commonwealth of Pennsylvania's Auditor General dated July 19, 2010 disclosed that at least \$59,690 was misappropriated from District Court 05-2-12 during the period from January 1, 2006 through August 31, 2008. The report indicates that a lapping scheme was utilized to perpetuate the fraud. As part of the scheme, cash that was misappropriated was replaced by checks and money orders from previous days that were not recorded as received. The checks and money orders were intentionally misapplied in the accounting records in a variety of ways.

The accompanying schedule of known cash deficiencies identifies only cash deficiencies that are reflected by the District Court's accounting records. As described above, transactions that occurred during the period to which we applied our procedures were not properly recorded in the accounting system. We have not conducted a fraud examination. Consequently, we are unable to verify the District Court's cash deficiencies at December 31, 2008, 2009, and 2010.

The perpetrator of the fraud was prosecuted and ordered by the Court to pay restitution. Court records indicate that as of November 16, 2011, \$15,010 in restitution was paid by the perpetrator.

We would like to thank the District Judge and the staff of Magisterial District Court 05-2-12 for their courtesy and cooperation.

Very truly yours,



Lori A. Churilla
Assistant Deputy Controller, Auditing



MARK PATRICK FLAHERTY
Controller

cc: Honorable James Burn Jr., President, County Council
Honorable William Russell Robinson, County Council
Honorable Dan Onorato, Chief Executive, Allegheny County
Mr. James M. Flynn Jr., County Manager, Allegheny County
Ms. Amy Griser, Budget Director, Allegheny County
Mr. Joseph Catanese, Director of Constituent Services, County Council
Ms. Jennifer Liptak, Budget Director, County Council
Ms. Claire C. Capristo, Esq., Chief Deputy Court Administrator
Mr. Andrew M. Simpson, Judicial Programs Analyst, AOPC
Mr. Guy A. Tumolo, Deputy Controller, County Controller's Office
Ms. Pamela Goldsmith, Communications Director, County Controller's Office

Magisterial District Court 05-2-12
Schedule of Known Cash Deficiencies
January 1, 2008 through December 31, 2010
(Unaudited)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Beginning Cash Balance	\$ 40,628	\$ 44,268	\$ 34,778
<u>Receipts</u>			
State	415,057	474,847	589,923
County	116,638	139,038	174,009
Local	122,751	147,001	153,005
Collateral/Bail	58,717	83,052	102,134
Restitution	11,684	21,274	14,276
Constables	47,166	59,796	38,123
Interest	<u>240</u>	<u>267</u>	<u>589</u>
Total Receipts	772,253	925,275	1,072,059
<u>Disbursements</u>			
State	415,057	474,847	589,923
County	116,564	138,284	169,033
County Escheats	2,264	1,816	1,712
Local	125,585	149,841	148,061
Collateral/Bail	50,644	74,553	86,650
Restitution	11,613	21,623	13,855
Constables	48,634	58,583	37,667
Transfers	9,563	9,101	15,079
Interest	<u>240</u>	<u>267</u>	<u>589</u>
Total Disbursements	780,164	928,915	1,062,569
Ending Cash Balance	<u>32,717</u>	<u>40,628</u>	<u>44,268</u>
<u>Liabilities</u>			
Due to Governments	\$ 17,095	\$ 21,672	\$ 24,099
Collateral Held	14,210	16,342	18,086
Due to Individuals	2,349	3,818	2,883
Reconciled Adjustments (See Note Below)	(937)	(907)	(800)
Other	<u>383</u>	<u>383</u>	<u>383</u>
Total Liabilities	<u>33,100</u>	<u>41,308</u>	<u>44,651</u>
Known Cash Deficiencies (See Report)	<u>\$ (383)</u>	<u>\$ (680)</u>	<u>\$ (383)</u>

Note: This line item includes numerous reconciling adjustments which date back to 1991 and are comprised of bank fees, errors, and other miscellaneous items.

Magisterial District Court 05-2-12
Schedule of Allegheny County Receipts and Disbursements
January 1, 2008 through December 31, 2010
(Unaudited)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Allegheny County Receipts			
January	\$ 8,347	\$ 8,772	\$ 9,495
February	9,411	10,888	9,454
March	10,589	13,597	11,830
April	11,184	12,942	19,158
May	8,119	10,700	14,727
June	9,646	13,322	15,249
July	11,371	13,406	17,137
August	10,768	11,040	13,674
September	8,398	12,233	19,735
October	9,735	10,178	20,255
November	10,728	11,428	11,701
December	<u>8,342</u>	<u>10,532</u>	<u>11,594</u>
Total County Receipts	<u>\$ 116,638</u>	<u>\$ 139,038</u>	<u>\$ 174,009</u>
Allegheny County Disbursements (See Note Below)			
January	\$ 10,532	\$ 11,594	\$ 8,330
February	8,347	8,772	9,495
March	9,411	10,888	9,454
April	10,589	13,597	11,830
May	11,184	12,942	19,158
June	8,119	10,700	14,727
July	9,646	13,322	15,249
August	11,371	13,406	17,137
September	10,768	11,040	13,674
October	8,398	12,233	19,735
November	9,735	10,178	20,255
December	<u>10,728</u>	<u>11,428</u>	<u>11,701</u>
Total County Disbursements	<u>\$ 118,828</u>	<u>\$ 140,100</u>	<u>\$ 170,745</u>
Less: Prior year collections disbursed in the current year	(10,532)	(11,594)	(8,330)
Plus: Current year collections disbursed in the subsequent year	<u>8,342</u>	<u>10,532</u>	<u>11,594</u>
Total County Disbursements	<u>\$ 116,638</u>	<u>\$ 139,038</u>	<u>\$ 174,009</u>
Difference	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Note: Funds received in a particular month are disbursed to Allegheny County by the 5th of the subsequent month.