

***Westmoreland County  
Controller***

**AUDITING DEPARTMENT**

**Jeffrey Balzer**

**County Controller**

Audit of

Westmoreland County Clerk of Courts

Financial Statements – Modified Cash Basis  
For the period January 1, 2020 to December 31, 2020

Prepared for

Westmoreland County  
Board of Commissioners

Audit of

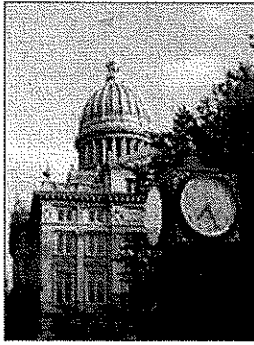
Westmoreland County Clerk of Courts

Presented by

Jeffrey Balzer  
County Controller

And

Westmoreland County Auditing Department



## **Westmoreland County Controller's Office**

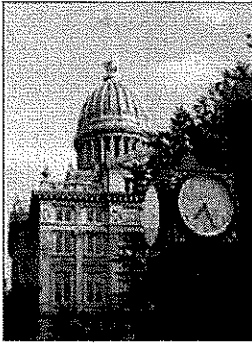
2 North Main St., Suite 111  
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*Jeffrey Balzer, Controller*

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Westmoreland County Clerk of Courts  
Audit Distribution List  
For the period January 1, 2020 to December 31, 2020

1. Bryan Kline, Clerk of Courts
2. Board of Commissioners
3. Honorable Rita D. Hathaway, President Judge
4. Timothy L. DeFoor, Pennsylvania Auditor General
5. Geoff Moulton, Court Administrator of Pennsylvania
6. Amy Ceraso, Director of Judicial Automation, AOPC



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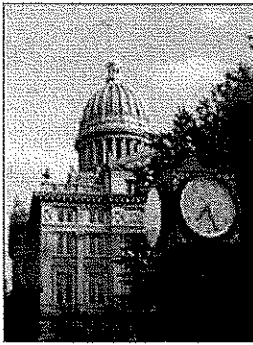
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Clerk of Courts  
For the period January 1, 2020 to December 31, 2020

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*On the web at...* [www.co.westmoreland.pa.us](http://www.co.westmoreland.pa.us)

August 4, 2021

Bryan Kline  
Westmoreland County Clerk of Courts  
2 North Main Street, Suite 203  
Greensburg, PA 15601

Dear Mr. Kline:

Transmitted herewith for your information is a copy of the audit of the Westmoreland County Clerk of Courts Office, the purpose of which is to express an opinion on the fairness of the presentation of the financial statements for the period January 1, 2020 to December 31, 2020.

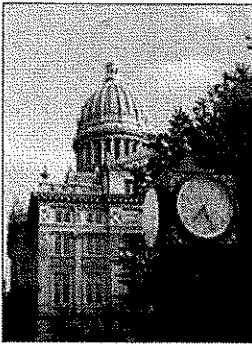
Normally, a formal post audit conference is held at the conclusion of the fieldwork to discuss the results with the auditee. Since there were no findings, a post audit conference is not necessary.

In line with the policy of this office under which all official audit reports are considered to be public information, a report will be released to the news media or general public upon request.

If there are any questions you may have or comments you desire to make concerning this report, please do not hesitate to contact this office.

Sincerely,

Jeffrey Balzer  
County Controller



## Westmoreland County Controller's Office

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### ***Independent Auditor's Report***

August 4, 2021

Bryan Kline  
Westmoreland County Clerk of Courts  
2 North Main Street, Suite 203  
Greensburg, PA 15601

Dear Mr. Kline:

We have audited the Statement of Assets, Liabilities and Undisbursed Receipts- Modified Cash Basis, of the Westmoreland County Clerk of Courts Office as of December 31, 2020, and the related Statement of Cash Receipts, Disbursements and Balance-Modified Cash Basis for the year then ended, as listed in the Table of Contents, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Westmoreland County Clerk of Courts' preparation and fair presentation of the financial statements 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 the Westmoreland County Clerk of Courts' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the Statement of Assets, Liabilities, and Undisbursed Receipts-Modified Cash Basis, of the Westmoreland County Clerk of Courts as of December 31, 2020 and its Cash Receipts, Disbursements, and Balance-Modified Cash Basis for the year then ended on the basis of accounting as described in Note 1.

***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. These financial statements are prepared on the modified 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2021 on our consideration of the Westmoreland County Clerk of Courts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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.

***Other Matters***

As discussed in Note 1, the financial statements present only the Westmoreland County Clerk of Courts' agency fund activity for the year ended December 31, 2020, and is not intended to be a complete presentation of the Westmoreland County Clerk of Courts' financial position or results of operation on the modified cash basis of accounting.

Sincerely,



Jeffrey Balzer  
County Controller

Westmoreland County Clerk of Courts  
Statement of Assets, Liabilities and Undisbursed Receipts-  
Modified Cash Basis  
As of December 31, 2020

Assets:

Petty Cash	\$	400.00	
Cash - FNB Account		796,348.28	
Due to Clerk of Courts (Restitution)		<u>424.00</u>	
 Total Assets			 797,172.28

Liabilities & Undisbursed Receipts:

Due to Individuals		547,212.52	
Due to Taxing Entities		249,345.76	
Fund Balance - Cash Drawer		400.00	
Due to County (Restitution)		424.00	
Post Period Entry from Monthly Reconciliation		<u>(35.00)</u>	
 Total Liabilities & Undisbursed Receipts			 <u>797,347.28</u>
 Variance			 <u>\$ (175.00)</u>

Note: The accompanying notes are an integral part of the financial statements.



Westmoreland County Clerk of Courts  
Statement of Cash Receipts, Disbursements and Balance-  
Modified Cash Basis  
For the Period January 1, 2020 to December 31, 2020

Cash Balance at 12/31/19:		\$ 1,032,160.65
<u>Receipts:</u>		
County Receipts	2,521,912.80	
State Receipts	1,620,076.90	
Bail/Coll/Rest/Ref/ETC	1,155,737.57	
Park PD	2.77	
Local Fines & Costs	163,145.56	
Escheats / PA Treasury	124,741.90	
D & A	1,618.89	
<i>Subtotal</i>		5,587,236.39
NSF		(16,490.28)
Total Receipts		5,570,746.11
<u>Disbursements:</u>		
County Disbursements	2,571,662.68	
State Disbursements	1,659,624.76	
Restitution	1,183,996.21	
Refunds	177,057.52	
Local	169,133.69	
Park PD	7.55	
Escheats	121,123.90	
D & A	1,587.60	
<i>Subtotal</i>		5,884,193.91
Void Checks		(77,670.43)
Total Disbursements		5,806,523.48
NSF Adjustment		(35.00)
Cash Balance 12/31/20:		\$ 796,348.28

Note: The accompanying notes are an integral part of the financial statements.

Westmoreland County Clerk of Courts  
Notes to the Financial Statements  
For the period January 1, 2020 to December 31, 2020

Note # 1: Nature of Entity and Summary of Significant Accounting Policies

The Reporting Entity-The financial statements present only the agency fund account of the Clerk of Courts office for the year ended December 31, 2020 on the modified cash basis of accounting, and is not intended to be a complete presentation of the Magisterial District Court's financial position or results of operation on the modified cash basis of accounting.

Basis of Accounting - The books and records of the Westmoreland County Clerk of Courts Office are maintained on the modified cash basis of accounting and, therefore, the financial statements presented herein do not purport to present the results of operations in conformity with accounting principles generally accepted in the United States of America.

Receipts, which include fees collected for restitution, state fines and costs, and County fees, are recorded as cash is received.

Disbursements, which include payments to the County Treasurer, Pennsylvania Department of Revenue, local municipalities, court ordered disbursements, etc., are recorded when the actual payments are made. Undisbursed receipts result from collections in the current and prior years that have not been paid out at the financial statement date, resulting in balances due to various taxing entities and individuals.

Undisbursed receipts arise from collections during the audit period not paid as of the end of the period, resulting in balances due to the Westmoreland County Treasurer, the Pennsylvania Department of Revenue, other taxing entities, and to individuals.

Note 2: Cash, Cash Equivalents and Investments, & Deposits:

All of the First National Bank deposits of the Westmoreland County Clerk of Courts Office are either insured or collateralized per Act 72 of the Commonwealth of Pennsylvania. Deposits collateralized per Act 72 of the Commonwealth of Pennsylvania, dated August 6, 1971 (act 72) are secured by pooled collateral as permitted per the Act.

At December 31, 2020, the Westmoreland County Clerk of Courts Office's Checking account had a carrying value of \$796,383.28 and a bank balance of \$909,440.80. All balances were covered by federal depository insurance. At December 31, 2020, the Westmoreland County Clerk of Courts Office's petty cash fund totaled \$400.00.

Note 3: Scope of the Examination:

The scope of our audit did not include a sufficient examination of the Common Pleas Criminal Court Case Management System (CPCMS), which was implemented by the Administrative Office of the Pennsylvania Courts in December of 2003.

The Clerk of Courts Office is a user of the CPCMS system and does not have control over the access and processing activity of the system. Also, a "Report on Controls at a Service Organization, SSAE 16" engagement was not performed under the authority of the AOPC. Consequently, we do not express an opinion on the Common Pleas Criminal Court Case Management System (CPCMS).

Additionally, the Clerk of Courts is custodian of evidence, including drugs, weapons, cash, and other items used in criminal court trials. These items stored as evidence are not assets of the County and no market value has been determined. This evidence is outside the scope of the receipt and disbursement activity of the office. The scope of our audit did not include the evidence in the custody of the Clerk of Courts Office.

Westmoreland County Clerk of Courts Office  
Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards*

August 4, 2021

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Westmoreland County Clerk of Courts, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated August 4, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk of Courts' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Courts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement(s) 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 by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Westmoreland County Clerk of Courts Office  
Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards*  
(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk of Courts' financial statements are free from 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 financial statements. 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*.

**Purpose of this Report**

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

Sincerely,

  
Jeffrey Balzer  
County Controller