



**County Controller**

Stephen J. Barron, Jr., CFE

**Audit Manager**

Frank S. Kedl, CIA

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Independent Auditors' Report

**NORTHAMPTON COUNTY  
OFFENDERS' SUPERVISION FEE  
ACCOUNT (ACT 35)**

Fiscal Year Ended June 30, 2011

**Office of the Controller  
County of Northampton  
Pennsylvania**

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
Northampton County Offenders' Supervision Fee Account (Act 35)  
For the Year Ended June 30, 2011

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Solicitor

INDEPENDENT AUDITORS' REPORT

Members of the Northampton County Council  
John Stoffa, County Executive  
Court of Common Pleas, F. P. Kimberly McFadden, President Judge  
County of Northampton, Pennsylvania

We have audited the accompanying Statement of Revenues and Expenditures of the Northampton County Offenders' Supervision Fee Account (Act 35), as of and for the year ended June 30, 2011. This financial statement is the responsibility of the County of Northampton Court Administration on behalf of the Northampton County Court of Common Pleas. Our responsibility is to express an opinion on this statement 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 Statement of Revenues and Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement of Revenues and Expenditures of the Northampton County Offenders' Supervision Fee Account (Act 35). We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the accompanying financial statement is intended to present the results of operations of only that portion of the General Fund assigned the cost center entitled "Adult Probation" of the County of Northampton, Pennsylvania for the Northampton County Offenders' Supervision Fee Account (Act 35) for the year ended June 30, 2011 and is not intended to present fairly the financial position and results of operations of the County of Northampton, Pennsylvania, in conformity with accounting principles generally accepted in the United States of America.

Members of the Northampton County Council  
John Stoffa, County Executive  
Court of Common Pleas, F. P. Kimberly McFadden, President Judge

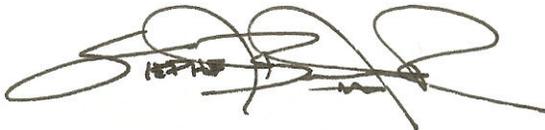
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In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Northampton County Offenders' Supervision Fee Account as of June 30, 2011 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2012 on our consideration of the Northampton County Court Administration's 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 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* and should be considered in assessing the results of our audit.

This report is intended for the information and use of the County Council, the County Executive, Court Administration, the Court of Common Pleas and the Pennsylvania Board of Probation and Parole. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stephen J. Barron, Jr.", with a stylized flourish extending to the right.

Stephen J. Barron, Jr., CFE  
County Controller

February 22, 2012

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
 Northampton County Offenders' Supervision Fee Account (Act 35)  
 Statement of Revenues and Expenditures  
 For the Year Ended June 30, 2011

BALANCE, July 1, 2010	\$	-0-
<i>Collections:</i>		
Amount Retained by County (Note 2)		209,845
Amount Reimbursed by Commonwealth (Note 3)		<u>205,530</u>
TOTAL COLLECTIONS		<u>415,375</u>
TOTAL AVAILABLE		415,375
<i>Expenditures:</i>		
Adult Probation: Salaries, Benefits and Operating Expenses		<u>415,375</u>
TOTAL EXPENDITURES		<u>415,375</u>
BALANCE, June 30, 2011	\$	<u>-0-</u>

The accompanying notes are an integral part of the financial statement.

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
Northampton County Offenders' Supervision Fee Account (Act 35)  
Notes to Financial Statement  
For the Year Ended June 30, 2011

NOTE 1: Summary of Significant Accounting Policies

Basis of Accounting

The County of Northampton, Pennsylvania uses the modified accrual basis of accounting for its general fund. Under a modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liabilities are incurred.

Basis of Presentation-Fund Accounting

The accounts of the County of Northampton, Pennsylvania are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

Financial Reporting Entity

The Adult Probation Division represents one of many divisions accounted for by the County of Northampton, Pennsylvania in its General Fund. Its revenues and expenditures are accounted for within the fund through the use of a specifically assigned cost center.

The Pennsylvania Code, Title 37, Chapter 68, Section 68.54 Audit Reporting Requirements

Title 37 of The Pennsylvania Code, Chapter 68 County Offender Supervision Fee Program, Section 68.54 Audits states that "Independent audits shall be conducted, by or on behalf of, county or state officials at least annually to determine the county's compliance to statutes, court orders, policies and procedures."

NOTE 2: Administration of Program

Title 37, Chapter 68, Section 68.21 states that "The sentencing judge of the court of common pleas shall impose upon an offender, as a condition of supervision, a monthly supervision fee unless the court of a supervising agency designated by the court determines that it should be reduced, waived or deferred" based upon criteria set forth in Section 68.21.

Further, Section 68.22 states "The president judge of the court of common pleas shall appoint an appropriate person to implement the Program. The designated official shall develop policies and procedures which clearly

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
Northampton County Offenders' Supervision Fee Account (Act 35)  
Notes to Financial Statement  
For the Year Ended June 30, 2011

communicate the importance of fee collection and monitoring of payments to managers, supervisors and probation officers.”

In addition, Section 68.51 explains “The president judge of the court of common pleas and the board of county commissioners/county executive shall designate an appropriate county agency to be responsible for collection of supervision fees. ... The collecting agency shall deposit, at least monthly, 50% of the fees collected into the County Offender Supervision Fund. The remaining 50% shall be deposited with the county clerk of courts for transmittal to the Board through the Department of Revenue.”

NOTE 3: Amount Reimbursed by the Commonwealth

This amount includes reimbursement of funds remitted to the Commonwealth for the time period May 2010 to April 2011. Actual collections remitted to the State for the Period July 1, 2010 to June 30, 2011 amounted to \$209,356.43.



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Solicitor

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Members of the Northampton County Council  
John Stoffa, County Executive  
Court of Common Pleas, F. P. Kimberly McFadden, President Judge  
County of Northampton, Pennsylvania

We have audited the Statement of Revenues and Expenditures of the Northampton County Offenders' Supervision Fee Account (Act 35), as of and for the year ended June 30, 2011 and have issued our report thereon dated February 22, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the Statements of Changes in Assets and Liabilities - Cash Basis of the Northampton County Offenders' Supervision Fee Account (Act 35) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the County of Northampton, Pennsylvania, Court Administration's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statements of Changes in Assets and Liabilities - Cash Basis, but not for the purpose of expressing an opinion on the effectiveness of the County of Northampton, Pennsylvania, Court Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Northampton, Pennsylvania, Court Administration's 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,

Members of the Northampton County Council  
John Stoffa, County Executive  
Court of Common Pleas, F. P. Kimberly McFadden, President Judge

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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.

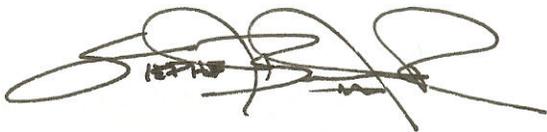
Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northampton County Offenders' Supervision Fee Account's financial statements 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*.

This communication is intended solely for the information and use of the management of the County of Northampton, Pennsylvania, the Administrative Office of Pennsylvania Courts and the PA Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stephen J. Barron, Jr.", with a stylized flourish extending to the right.

Stephen J. Barron, Jr., CFE  
County Controller

February 22, 2012