




Lehigh County
Pennsylvania

OFFICE OF THE CONTROLLER

Mark Pinsley, MBA
COUNTY CONTROLLER

Nanton John, CFE
DEPUTY CONTROLLER

TO: Final Report Distribution
FROM: Mark Pinsley, County Controller 
DATE: March 20, 2025
RE: 2023 Sheriff's Office Audit

We have completed our financial audit of the Sheriff's Office for calendar year 2023. Our report number 25-08 is attached. We sincerely thank the Sheriff's Office Operations staff for their assistance and cooperation during the audit. In addition, we want to recognize the dedicated effort by the office for their successful migration, (during 2022) to Tyler Technologies Softcode system for both operational processing and accounting.

The results of our audit are:

- The *Statement of Receipts, Disbursements and Change in Fund Balance for the Calendar year ended December 31, 2023* presents fairly, in all material aspects, the financial activity for the Sheriff's Office.
- In response to the 2020 audit concerning the review of undisbursed real estate and personal property case funds, a considerable effort was undertaken by the Sheriff's office beginning in 2023 for proper disposition of those cases. See Schedule of Prior Audit Findings and Recommendations (pages 10-11).

Please feel free to contact me if you have any questions.

Attachment



COUNTY OF LEHIGH, PENNSYLVANIA

SHERIFF'S OFFICE

*Financial Audit
For the Calendar Year Ended December 31, 2023*

AUDIT REPORT NO. 25-08

COUNTY OF LEHIGH, PENNSYLVANIA
SHERIFF'S OFFICE

Table of Contents

Page(s)

Background.....	1
Opinion of Mark Pinsley Lehigh County Controller.....	2-4
Statement of Receipts, Disbursements, and Changes in Fund Balance for the Calendar Year Ended December 31, 2023.....	5
Notes to Financial Statement.....	6-7
Comments on Compliance and Internal Controls.....	8-9
Schedule of Prior Audit Findings and Recommendations..... (Report #22-08 issued August 10, 2022)	10-11
Sheriff's Office Response.....	12

COUNTY OF LEHIGH, PENNSYLVANIA
SHERIFF'S OFFICE

Background

The mission of the Lehigh County Sheriff's Office is to offer the highest quality in law enforcement services and attentiveness to all of the people of Lehigh County. Unlike municipal police departments, which investigate crimes and respond to emergencies, the Sheriff's Office is primarily responsible for enforcing court orders and maintaining security within the judicial system.

Deputies play a crucial role in carrying out court directives by serving a variety of legal documents issued by the Court of Common Pleas. These include civil complaints, subpoenas requiring individuals to testify in court, eviction notices, criminal warrants, and protection-from-abuse orders.

The Sheriff's Office maintains security across the county's judicial system. Deputies provide armed protection for judges, courtrooms, and county buildings, ensuring that legal proceedings occur without threats, disruptions, or acts of violence. They screen individuals entering courthouses, respond to security incidents, and may be assigned to specific courtrooms when cases present heightened safety concerns.

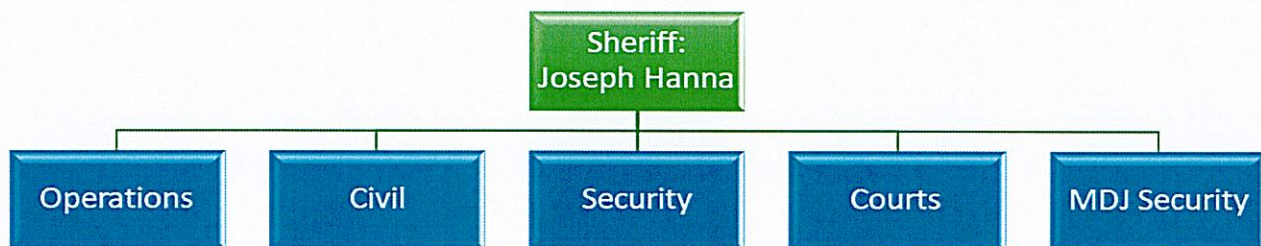
Other core functions include the transportation of prisoners, enforcement of court-ordered property sales (real estate and personal property), the issuance of permits to carry a concealed weapon within the Commonwealth of Pennsylvania, and to investigate and apprehend fugitives who have not appeared in court, violated bail conditions, or escaped custody. Additionally, when courts issue injunctions or emergency orders related to civil unrest, such as labor disputes or mass protests, the Sheriff's Office is responsible for enforcing those rulings and ensuring public order.

On September 17th, 2021, the Lehigh County Sheriff's Office was officially awarded State Accreditation following a unanimous vote from PLEAC (Pennsylvania Law Enforcement Accreditation Commission) at a formal meeting held on July 20, 2021 at the Pennsylvania Chiefs of Police Annual Conference.

During 2022, the Sheriff's Office successfully implemented the Tyler Technologies Softcode system for both operational processing and accounting.



Lehigh County Sheriff Departments:





OFFICE OF THE CONTROLLER

Mark Pinsley, MBA Nanton John, CFE
COUNTY CONTROLLER DEPUTY CONTROLLER

INDEPENDENT AUDITOR'S REPORT

Joseph Hanna, Sheriff
Lehigh County Sheriff's Office
Lehigh County Courthouse, Room 253
455 West Hamilton Street
Allentown, PA 18101-1614

Report on Financial Statements

Opinion

We have audited the accompanying Statements of Receipts, Disbursements and Changes in Fund Balance of the Sheriff's Office for the calendar year ending December 31, 2023 (hereinafter referred to as the Schedules) and the related notes to the Schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the financial activity arising from cash transactions of the Sheriff's Office for the calendar year ending December 31, 2023, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Sheriff's Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements were prepared on the 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.

Also, as discussed in Note 1, the Schedules present only the Sheriff's Office's financial activity and does not purport to, and does not, present fairly the assets, liabilities, and results of operations of the County of Lehigh for the calendar year ending December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of certain internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

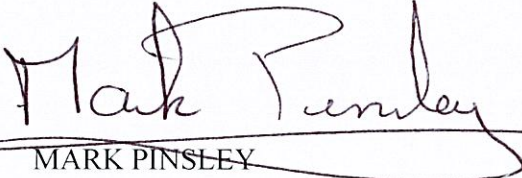
In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 Sheriff's Office internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's Office ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2025 on our consideration of the Sheriff's Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, 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 in considering management's internal control over financial reporting and compliance.


MARK PINSLEY
County Controller

Allentown, Pennsylvania
March 19, 2025

Audited by: Joseph Buick and Nam Tran

xc: Phillips Armstrong, County Executive
Board of Commissioners
Edward Hozza, Director of Administration
The Honorable J. Brian Johnson, President Judge
Timothy Reeves, Chief Fiscal Officer
David Faust, Chief Deputy Sheriff
Kenneth Gray, Captain Deputy Sheriff
Tara Schantz, Clerical Supervisor, Sheriff's Office
Kerry Turtzo, Court Administrator

COUNTY OF LEHIGH, PENNSYLVANIA
SHERIFF'S OFFICE

*Statement of Receipts, Disbursements, and
Change in Fund Balance for the
Year Ended December 31, 2023*
(NOTE 1)

Receipts:		
Real Estate Sales	(NOTE 2)	\$8,224,812
Service Requests	(NOTE 3)	330,495
Gun Permits and Licenses	(NOTE 4)	157,013
Personal Property Sales	(NOTE 5)	130,660
Grants and Reimbursements	(NOTE 6)	161,431
Other		<u>120</u>
Total Receipts		<u>9,004,531</u>
Disbursements:		
Real Estate Sale Distributions	(NOTE 2)	10,117,081
County of Lehigh	(NOTE 7)	856,367
Commonwealth of Pennsylvania	(NOTE 8)	162,453
Personal Property Sale Distributions	(NOTE 5)	68,898
Gun Permit Refunds		7,082
Service Request Refunds		<u>20</u>
Total Disbursements		<u>11,211,901</u>
Excess of Disbursements Over Receipts		(2,207,370)
Fund Balance, January 1	(NOTE 9)	<u>4,456,057</u>
Fund Balance, December 31	(NOTE 9)	<u>2,248,687</u>

The accompanying notes are an integral part of this statement.

COUNTY OF LEHIGH, PENNSYLVANIA
SHERIFF'S OFFICE

Notes to Financial Statement
For the Year Ended December 31, 2023

1. **Summary of Significant Accounting Policies**

A. Reporting Entity

The Sheriff's Office financial activity is a part of the County of Lehigh's reporting entity, included in the general fund, and is subject to annual financial audit by external auditors. This report is only for internal audit purposes.

B. Basis of Accounting

The accounting records of the County of Lehigh and the Statement of Receipts, Disbursements and Change in Fund Balance for the year ended December 31, 2023 are maintained on the cash receipts and disbursements basis of accounting. Under this basis of accounting, revenue is recognized when cash is received and disbursements are recognized when paid. This differs from Generally Accepted Accounting Principles (GAAP) which requires the accrual basis of accounting.

2. **Real Estate Sales and Distributions**

Real estate sales represent deposits paid when real estate cases are filed with the Sheriff's Office and proceeds from sheriff sales of real estate. Distributions are made from sale proceeds to satisfy liens filed against the real estate (mortgages, taxes, water and sewer, etc.), Sheriff Office fees, and refunds.

3. **Service Requests**

Service Requests are fees paid to the Sheriff's Office for delivery of documents related to civil court cases.

4. **Gun Permits and Licenses**

Gun Permits and Licenses are fees paid for permits to carry concealed weapons and licenses to sell firearms and precious metals.

5. Personal Property Sales and Distributions

Personal Property sales represent deposits paid when personal property cases are filed with the Sheriff's Office and proceeds from sheriff sales of personal property. Distributions are made from sale proceeds to satisfy civil judgments for unpaid judgments (services, rent, etc.), Sheriff Office fees, and refunds.

6. Grants and Reimbursements

Grants and reimbursements include funding from the Commonwealth of Pennsylvania for deputy training and equipment, various state grants, and fees paid for security services provided for external (non-Lehigh County) parties.

7. County of Lehigh

Disbursements to the County of Lehigh are transfers of net revenues from the Sheriff's Office to the County for the following:

Sheriff sale and service request fees	\$552,429
Gun permits and licenses	142,387
Grants, reimbursements, and other	<u>161,551</u>
Total	\$856,367

8. Commonwealth of Pennsylvania

Disbursements to the Commonwealth of Pennsylvania are for the state's share of service fees, gun permits, and licenses.

9. Fund Balance

Fund balances are comprised of the following components:

	<u>January 1</u>	<u>December 31</u>
Undisbursed proceeds from Real Estate Sales	\$4,322,690	\$2,115,888
Undisbursed proceeds from Pers Prop Sales	71,437	77,175
State's share of fees, permits, and licenses	<u>61,930</u>	<u>55,624</u>
Total	\$4,456,057	\$2,248,687



OFFICE OF THE CONTROLLER

Mark Pinsley, MBA
COUNTY CONTROLLER

Nanton John, CFE
DEPUTY CONTROLLER

**Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with
Government Auditing Standards**

Joseph Hanna, Sheriff
Lehigh County Sheriff's Office
Lehigh County Courthouse, Room 253
455 West Hamilton Street
Allentown, PA 18101-1614

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 the *Government Auditing Standards* issued by the Comptroller of the United States; the accompanying Statements of Receipts, Disbursements and Changes in Fund Balance of the Sheriff's Office for the calendar year ending December 31, 2023 (hereafter referred to as the Schedules) and have issued our report thereon dated March 19, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedules, we considered the Sheriff's Office internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedules, but not for the purpose of expressing an opinion on the effectiveness of management's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's Office's internal control over financial reporting.

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, 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. 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 to those charged with governance.

Our consideration of internal control over financial reporting 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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff’s Office’s Schedules 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*.

Our audit also included sufficient and appropriate tests for fraud, waste and abuse and we included in our report any material (either quantitatively or qualitatively) instances we noted however, our audit procedures would not necessarily identify all instances of fraud, waste and abuse that may be reportable.


Management’s Response to the Audit

If provided, the Sheriff’s Office response to our audit is included in this report. We did not audit the Sheriff’s Office response and, accordingly, we do not express an opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of management, and Phillips Armstrong, County Executive; Edward Hozza, Director of Administration; Board of Commissioners; The Honorable J. Brian Johnson, President Judge; Timothy Reeves, Chief Fiscal Officer; and Kerry Turtzo, Court Administrator, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



MARK PINSLEY
County Controller

Allentown, Pennsylvania
March 19, 2025

COUNTY OF LEHIGH, PENNSYLVANIA
SHERIFF'S OFFICE

Schedule of Prior Audit Findings and Recommendations
(Report #22-8 issued August 10, 2022)

1. Undistributed Balances

Condition #1 Real Estate: Undistributed real estate balances have decreased significantly since 2017 (\$3m at 12/31/2017 compared to \$1m at 12/31/2020). Of the 231 total cases at 12/31/2020, 164 pertained to years prior to 2019. Based on testing, many of the older cases were identified as needing to be escheated, or in some cases, written off.

Condition #2 Personal Property: Undistributed personal property balances have increased since 2017 (\$84,833 at 12/31/2017 compared to \$97,105 at 12/31/2020). Of the 441 total cases at the end of 2020, 208 pertained to years prior to 2019. Based on testing, many of the older cases were identified as needing to be escheated, or in some cases, written off.

Recommendation: It is recommended that the following steps be performed to comply with the Pennsylvania Unclaimed Property Act:

- The Sheriff's Office should identify all undisbursed real estate and personal property cases that have been adjudicated and are three years and older. A review should be performed to validate that a reasonable attempt has been made to locate the recipient.
- A comprehensive list of all cases where a reasonable attempt to locate the receipt was performed should be forwarded to the Law department/Solicitor. These cases should be reviewed to determine whether they are subject to Pennsylvania's Unclaimed Property Act.
- All cases subject to Pennsylvania's Unclaimed Property Act should be provided to the Office of Fiscal Affairs to be properly escheated with the state, or in some instances written-off.
- Procedures should be created to ensure adjudicated undistributed real estate and personal property balances remain current and are escheated in a timely manner.

Management Response:

Pursuant to your recommendation to escheat and/or write-off real estate cases, our Office personnel has been in the process of reviewing each outstanding case and preparing these for closure. In conducting our due diligence, our Office has exhausted internal efforts to locate recipients who are entitled to receive funds.

Following your recommendations, a list of each of these cases is being prepared for submittal to the Department of Law for review. Pending the determination of the Department of Law, our Office is prepared to escheat and/or write-off these real estate/personal property cases with the Fiscal Office in Lehigh County.

Personnel responsible for accounting will provide the Office Manager with Real Estate and Personal Property ledgers prepared monthly. This measure is necessary to ensure cases are expeditiously closed.

Current Status:

The Sheriff's Office has continued their effort to monitor and close undisbursed real estate and personal property cases during 2023 and 2024. The Office has worked closely with their solicitor and the Office of Fiscal Affairs for the proper identification of escheated funds.

Real Estate: In 2023, the number of undisbursed cases prior to 2019 dropped 43% at 12/31/2023 when compared to 12/31/2020, 94 vs. 164 respectively. In addition, 39 cases were closed in March 2024, totaling \$533k.

Personal Property: In 2023, the number of undisbursed cases prior to 2019 dropped 58% at 12/31/2023 when compared to 12/31/2020, 87 vs. 208 respectively. In addition, 18 cases were closed in March 2024, totaling \$2k.

OFFICE OF THE SHERIFF

Lehigh County Pennsylvania

Joseph N. Hanna
Sheriff

David A. Faust
Chief Deputy- Administration
Troy Evans
Chief Deputy - Operations



455 W. Hamilton Street
Allentown, PA 18102
P: 610-782-3175
F: 610-820-3368

To: Mark Pinsley, County Controller
From: Joseph N. Hanna, Sheriff
Date: March 19, 2025
Re: Audit Report Response

RECEIVED
MAR 21 2025
CONTROLLER'S OFFICE
LEHIGH COUNTY

Controller Pinsley, as your Office has recently concluded our Financial Audit for the calendar year ended December 31, 2023, I would like to take this opportunity to comment.

I commend and extend high praise to Nanton P. John, Nam Tran and Joseph Buick for a most in-depth and comprehensive examination of our Office. They were exemplary in their professionalism and patience with my staff, which served to advance a most arduous and tedious process.

Just as important to me, are the valuable recommendations you and your staff have provided throughout the past several audits. The willingness of you and your staff to serve as a resource promotes a government of fiscal integrity and optimum- efficiency.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to read 'Joseph N. Hanna', written over a horizontal line.

Joseph N. Hanna
Sheriff
County of Lehigh