

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

**Statements of Judicial Operations and  
Supplementary Schedules  
Years Ended June 30, 2015 and 2014  
With Report of Independent Auditors**

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**  
Statements of Judicial Operations  
and Supplementary Schedules  
Years Ended June 30, 2015 and 2014

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## **REPORT OF INDEPENDENT AUDITORS**

The Members of the Judicial Auditing Agency  
Commonwealth of Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying Judicial Department of Pennsylvania statements of judicial operations for the years ended June 30, 2015 and 2014, and the related notes (the financial statements).

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the budgetary basis of accounting described in Note 1; this includes determining that the budgetary 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 Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 entity's 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 entity's 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 Judicial Department of Pennsylvania operating activity for the years ended June 30, 2015 and 2014, in accordance with the budgetary basis of accounting described in Note 1, and to the extent as described in Note 2.



***Basis of Accounting and Scope***

We draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements are prepared on the budgetary 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.

As described in Note 2, the financial statements do not purport to show all transactions of the Judicial Department of Pennsylvania.

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the Schedules of Services, Supplies, and Other Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information included in the Schedules of Services, Supplies, and Other Expenses is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information included in the Schedules of Services, Supplies, and Other Expenses is fairly stated in all material respects, in relation to the financial statements as a whole.

*Mitchell & Titus, LLP*

October 2, 2015

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Statements of Judicial Operations

Years Ended June 30, 2015 and 2014

	<b>Supreme Court (Note 5)</b>	<b>Rules Committees</b>	<b>PA Board of Law Examiners</b>	<b>Judicial Council</b>	<b>Interbranch Commission</b>
<b>Appropriations and augmentations</b>					
State appropriation of the Commonwealth of Pennsylvania (Note 2)	\$ 13,754,000	\$ 1,491,000	\$ -	\$ 141,000	\$ 308,000
Federal appropriation of the Commonwealth of Pennsylvania	-	-	-	-	-
Augmentations and fees (Note 3)	450,270	3,340	2,320,509	18	-
Total appropriations and augmentations	<u>14,204,270</u>	<u>1,494,340</u>	<u>2,320,509</u>	<u>141,018</u>	<u>308,000</u>
<b>Disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse</b>					
Salaries and benefits (Note 4)					
Justices/Judges	1,864,991	-	-	-	-
Staff personnel	12,239,956	1,247,157	1,174,100	70,846	243,734
Total salaries and benefits	<u>14,104,947</u>	<u>1,247,157</u>	<u>1,174,100</u>	<u>70,846</u>	<u>243,734</u>
<b>Other</b>					
Rental of equipment and office space	1,369,489	6,486	7,269	7,382	25,728
Capital expenses	44,687	-	43,401	-	-
Services, supplies, and other expenses	1,280,484	159,750	964,620	65,066	31,826
Expenses of Justices/Judges of appellate courts (Note 5)	92,000	-	-	-	-
Grant payments	-	-	-	-	-
Total other	<u>2,786,660</u>	<u>166,236</u>	<u>1,015,290</u>	<u>72,448</u>	<u>57,554</u>
Total disbursements	<u>16,891,607</u>	<u>1,413,393</u>	<u>2,189,390</u>	<u>143,294</u>	<u>301,288</u>
Amounts lapsed (Note 6)	-	-	-	-	-
Amounts encumbered (Note 7)	111,268	80,947	9,550	724	6,712
Amounts payable or subject to potential lapse (Note 6)	31,395	-	121,569	-	-
Total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse	<u>17,034,270</u>	<u>1,494,340</u>	<u>2,320,509</u>	<u>144,018</u>	<u>308,000</u>
<b>Excess (deficiency) of appropriations and augmentations over (under) total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse (Note 8)</b>	<b>(2,830,000)</b>	<b>-</b>	<b>-</b>	<b>(3,000)</b>	<b>-</b>
<b>Other funding sources (uses) (Note 9)</b>					
Court-authorized use of Act 49 funds	2,830,000	-	-	3,000	-
Court-authorized transfers in of appropriated funds	26,000	-	-	-	-
Court-authorized transfers out of appropriated funds	(26,000)	-	-	-	-
Total other funding sources (uses)	<u>2,830,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
<b>Total appropriations, augmentations, and other funding sources (uses)</b>	<b>\$ 17,034,270</b>	<b>\$ 1,494,340</b>	<b>\$ 2,320,509</b>	<b>\$ 144,018</b>	<b>\$ 308,000</b>
<b>Total prior year</b>	<b>\$ 17,399,926</b>	<b>\$ 1,344,138</b>	<b>\$ 2,200,213</b>	<b>\$ 106,000</b>	<b>\$ 308,000</b>
% change	(2.10)%	11.17%	5.47%	35.87%	0.00%

The accompanying notes are an integral part of these financial statements.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Statements of Judicial Operations *(continued)*

Years Ended June 30, 2015 and 2014

	<b>Superior Court (Note 5)</b>	<b>Commonwealth Court (Note 5)</b>	<b>Court Administrator</b>	<b>Judicial Center Operations</b>	<b>District Court Administrators</b>
<b>Appropriations and augmentations</b>					
State appropriation of the Commonwealth of Pennsylvania (Note 2)	\$ 27,207,000	\$ 16,536,000	\$ 9,953,000	\$ 675,000	\$ 17,276,000
Federal appropriation of the Commonwealth of Pennsylvania	-	-	-	-	-
Augmentations and fees (Note 3)	274,567	194,290	160,497	415,295	72,925
Total appropriations and augmentations	<u>27,481,567</u>	<u>16,730,290</u>	<u>10,113,497</u>	<u>1,090,295</u>	<u>17,348,925</u>
<b>Disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse</b>					
Salaries and benefits (Note 4)					
Justices/Judges	4,754,529	2,766,885	-	-	-
Staff personnel	22,841,325	13,075,533	10,884,120	846,547	22,998,078
Total salaries and benefits	<u>27,595,854</u>	<u>15,842,418</u>	<u>10,884,120</u>	<u>846,547</u>	<u>22,998,078</u>
<b>Other</b>					
Rental of equipment and office space	2,673,633	976,786	523,922	6,872	-
Capital expenses	436,214	3,441	5,268	3,151	-
Services, supplies, and other expenses	1,585,740	1,160,924	975,298	437,847	27,046
Expenses of Justices/Judges of appellate courts (Note 5)	116,049	92,000	-	-	-
Grant payments	-	-	-	-	-
Total other	<u>4,811,636</u>	<u>2,233,151</u>	<u>1,504,488</u>	<u>447,870</u>	<u>27,046</u>
Total disbursements	<u>32,407,490</u>	<u>18,075,569</u>	<u>12,388,608</u>	<u>1,294,417</u>	<u>23,025,124</u>
Amounts lapsed (Note 6)	-	-	-	-	-
Amounts encumbered (Note 7)	329,186	132,587	155,207	76,741	214,838
Amounts payable or subject to potential lapse (Note 6)	12,891	57,134	63,682	2,137	28,963
Total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse	<u>32,749,567</u>	<u>18,265,290</u>	<u>12,607,497</u>	<u>1,373,295</u>	<u>23,268,925</u>
<b>Excess (deficiency) of appropriations and augmentations over (under) total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse (Note 8)</b>	<b>(5,268,000)</b>	<b>(1,535,000)</b>	<b>(2,494,000)</b>	<b>(283,000)</b>	<b>(5,920,000)</b>
<b>Other funding sources (uses) (Note 9)</b>					
Court-authorized use of Act 49 funds	5,268,000	1,535,000	2,494,000	283,000	5,855,000
Court-authorized transfers in of appropriated funds	55,000	40,000	-	-	65,000
Court-authorized transfers out of appropriated funds	(55,000)	(40,000)	-	-	-
Total other funding sources (uses)	<u>5,268,000</u>	<u>1,535,000</u>	<u>2,494,000</u>	<u>283,000</u>	<u>5,920,000</u>
<b>Total appropriations, augmentations, and other funding sources (uses)</b>	<b>\$ 32,749,567</b>	<b>\$ 18,265,290</b>	<b>\$ 12,607,497</b>	<b>\$ 1,373,295</b>	<b>\$ 23,268,925</b>
<b>Total prior year</b>	<b>\$ 29,515,158</b>	<b>\$ 17,357,327</b>	<b>\$ 11,564,512</b>	<b>\$ 1,307,362</b>	<b>\$ 20,823,764</b>
% change	<u>10.96%</u>	<u>5.23%</u>	<u>9.02%</u>	<u>5.04%</u>	<u>11.74%</u>

The accompanying notes are an integral part of these financial statements.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Statements of Judicial Operations *(continued)*

Years Ended June 30, 2015 and 2014

	<b>Court Management Education</b>	<b>UJS Security</b>	<b>Access to Justice (Note 10)</b>	<b>Statewide Judicial Computer System (Note 10)</b>	<b>Integrated Criminal Justice System (Note 11)</b>
<b>Appropriations and augmentations</b>					
State appropriation of the Commonwealth of Pennsylvania (Note 2)	\$ 73,000	\$ 2,002,000	\$ -	\$ -	\$ 2,372,000
Federal appropriation of the Commonwealth of Pennsylvania	-	-	-	-	-
Augmentations and fees (Note 3)	-	-	11,182,678	54,456,273	-
Total appropriations and augmentations	<u>73,000</u>	<u>2,002,000</u>	<u>11,182,678</u>	<u>54,456,273</u>	<u>2,372,000</u>
<b>Disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse</b>					
Salaries and benefits (Note 4)					
Justices/Judges	-	-	-	-	-
Staff personnel	-	385,975	-	29,370,939	396,866
Total salaries and benefits	<u>-</u>	<u>385,975</u>	<u>-</u>	<u>29,370,939</u>	<u>396,866</u>
<b>Other</b>					
Rental of equipment and office space	-	781	-	1,858,855	-
Capital expenses	-	12,033	-	1,570,101	2,600
Services, supplies, and other expenses	6,890	33,239	-	10,482,953	1,469,050
Expenses of Justices/Judges of appellate courts (Note 5)	-	-	-	-	-
Grant payments	-	-	10,245,140	-	-
Total other	<u>6,890</u>	<u>46,053</u>	<u>10,245,140</u>	<u>13,911,909</u>	<u>1,471,650</u>
Total disbursements	<u>6,890</u>	<u>432,028</u>	<u>10,245,140</u>	<u>43,282,848</u>	<u>1,868,516</u>
Amounts lapsed (Note 6)	-	-	-	-	-
Amounts encumbered (Note 7)	1,110	3,781	-	10,966,465	503,279
Amounts payable or subject to potential lapse (Note 6)	-	1,566,191	937,538	206,960	205
Total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse	<u>8,000</u>	<u>2,002,000</u>	<u>11,182,678</u>	<u>54,456,273</u>	<u>2,372,000</u>
<b>Excess (deficiency) of appropriations and augmentations over (under) total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse (Note 8)</b>	65,000	-	-	-	-
<b>Other funding sources (uses) (Note 9)</b>					
Court-authorized use of Act 49 funds	-	-	-	-	-
Court-authorized transfers in of appropriated funds	-	-	-	-	-
Court-authorized transfers out of appropriated funds	(65,000)	-	-	-	-
Total other funding sources (uses)	<u>(65,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total appropriations, augmentations, and other funding sources (uses)</b>	<u>\$ 8,000</u>	<u>\$ 2,002,000</u>	<u>\$ 11,182,678</u>	<u>\$ 54,456,273</u>	<u>\$ 2,372,000</u>
<b>Total prior year</b>	<u>\$ 22,000</u>	<u>\$ 2,002,000</u>	<u>\$ 10,441,115</u>	<u>\$ 59,033,653</u>	<u>\$ 2,372,000</u>
% change	<u>(63.64)%</u>	<u>0.00%</u>	<u>7.10%</u>	<u>(7.75)%</u>	<u>0.00%</u>

The accompanying notes are an integral part of these financial statements.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Statements of Judicial Operations *(continued)*

Years Ended June 30, 2015 and 2014

	<b>Courts of Common Pleas</b>	<b>Common Pleas Senior Judges</b>	<b>Common Pleas Education</b>	<b>Ethics Committee</b>	<b>Problem Solving Courts (Note 12)</b>
<b>Appropriations and augmentations</b>					
State appropriation of the Commonwealth of Pennsylvania (Note 2)	\$ 100,636,000	\$ 3,715,000	\$ 1,138,000	\$ 57,000	\$ 103,000
Federal appropriation of the Commonwealth of Pennsylvania	-	-	-	-	-
Augmentations and fees (Note 3)	313,883	-	236	-	-
Total appropriations and augmentations	<u>100,949,883</u>	<u>3,715,000</u>	<u>1,138,236</u>	<u>57,000</u>	<u>103,000</u>
<b>Disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse</b>					
Salaries and benefits (Note 4)					
Justices/Judges	116,091,125	4,852,248	-	-	-
Staff personnel	-	-	277,337	-	-
Total salaries and benefits	<u>116,091,125</u>	<u>4,852,248</u>	<u>277,337</u>	<u>-</u>	<u>-</u>
<b>Other</b>					
Rental of equipment and office space	-	-	146	-	-
Capital expenses	-	-	-	-	-
Services, supplies, and other expenses	88,535	147,090	672,737	46,344	10,391
Expenses of Justices/Judges of appellate courts (Note 5)	-	-	-	-	-
Grant payments	-	-	-	-	-
Total other	<u>88,535</u>	<u>147,090</u>	<u>672,883</u>	<u>46,344</u>	<u>10,391</u>
Total disbursements	<u>116,179,660</u>	<u>4,999,338</u>	<u>950,220</u>	<u>46,344</u>	<u>10,391</u>
Amounts lapsed (Note 6)	-	-	-	-	-
Amounts encumbered (Note 7)	37,440	220,262	169,195	10,656	92,609
Amounts payable or subject to potential lapse (Note 6)	23,783	67,400	18,821	-	-
Total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse	<u>116,240,883</u>	<u>5,287,000</u>	<u>1,138,236</u>	<u>57,000</u>	<u>103,000</u>
<b>Excess (deficiency) of appropriations and augmentations over (under) total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse (Note 8)</b>	<u>(15,291,000)</u>	<u>(1,572,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other funding sources (uses) (Note 9)</b>					
Court-authorized use of Act 49 funds	15,068,000	1,572,000	-	-	-
Court-authorized transfers in of appropriated funds	223,000	-	-	-	-
Court-authorized transfers out of appropriated funds	-	-	-	-	-
Total other funding sources (uses)	<u>15,291,000</u>	<u>1,572,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total appropriations, augmentations, and other funding sources (uses)</b>	<u>\$ 116,240,883</u>	<u>\$ 5,287,000</u>	<u>\$ 1,138,236</u>	<u>\$ 57,000</u>	<u>\$ 103,000</u>
<b>Total prior year</b>	<u>\$ 108,298,965</u>	<u>\$ 4,816,000</u>	<u>\$ 1,138,023</u>	<u>\$ 57,000</u>	<u>\$ 103,000</u>
% change	<u>7.33%</u>	<u>9.78%</u>	<u>0.02%</u>	<u>0.00%</u>	<u>0.00%</u>

The accompanying notes are an integral part of these financial statements.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Statements of Judicial Operations *(continued)*

Years Ended June 30, 2015 and 2014

	<b>Magisterial District Judges</b>	<b>Magisterial District Judge Education</b>	<b>Philadelphia Municipal Court (Note 13)</b>	<b>County Court Reimbursements (Note 14)</b>	<b>Federal Court Improvement Project (Note 15)</b>
<b>Appropriations and augmentations</b>					
State appropriation of the Commonwealth of Pennsylvania (Note 2)	\$ 73,522,000	\$ 671,000	\$ 6,857,000	\$ 36,900,000	\$ -
Federal appropriation of the Commonwealth of Pennsylvania	-	-	-	-	1,130,000
Augmentations and fees (Note 3)	419,473	26,853	28,696	-	20,518
Total appropriations and augmentations	<u>73,941,473</u>	<u>697,853</u>	<u>6,885,696</u>	<u>36,900,000</u>	<u>1,150,518</u>
<b>Disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse</b>					
Salaries and benefits (Note 4)					
Justices/Judges	81,603,631	-	7,310,387	-	-
Staff personnel	-	286,974	1,360,172	-	842,781
Total salaries and benefits	<u>81,603,631</u>	<u>286,974</u>	<u>8,670,559</u>	<u>-</u>	<u>842,781</u>
<b>Other</b>					
Rental of equipment and office space	-	-	-	-	4,249
Capital expenses	-	-	-	-	4,117
Services, supplies, and other expenses	136,364	554,182	233,596	-	87,385
Expenses of Justices/Judges of appellate courts (Note 5)	-	-	-	-	-
Grant payments	136,200	-	-	36,636,796	-
Total other	<u>272,564</u>	<u>554,182</u>	<u>233,596</u>	<u>36,636,796</u>	<u>95,751</u>
Total disbursements	<u>81,876,195</u>	<u>841,156</u>	<u>8,904,155</u>	<u>36,636,796</u>	<u>938,532</u>
Amounts lapsed (Note 6)	-	-	-	-	-
Amounts encumbered (Note 7)	115,666	15,073	48,962	-	8,342
Amounts payable or subject to potential lapse (Note 6)	150,612	4,624	13,579	40,204	203,644
Total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse	<u>82,142,473</u>	<u>860,853</u>	<u>8,966,696</u>	<u>36,677,000</u>	<u>1,150,518</u>
<b>Excess (deficiency) of appropriations and augmentations over (under) total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse (Note 8)</b>	<u>(8,201,000)</u>	<u>(163,000)</u>	<u>(2,081,000)</u>	<u>223,000</u>	<u>-</u>
<b>Other funding sources (uses) (Note 9)</b>					
Court-authorized use of Act 49 funds	8,201,000	163,000	2,081,000	-	-
Court-authorized transfers in of appropriated funds	-	-	-	-	-
Court-authorized transfers out of appropriated funds	-	-	-	(223,000)	-
Total other funding sources (uses)	<u>8,201,000</u>	<u>163,000</u>	<u>2,081,000</u>	<u>(223,000)</u>	<u>-</u>
<b>Total appropriations, augmentations, and other funding sources (uses)</b>	<u>\$ 82,142,473</u>	<u>\$ 860,853</u>	<u>\$ 8,966,696</u>	<u>\$ 36,677,000</u>	<u>\$ 1,150,518</u>
<b>Total prior year</b>	<u>\$ 77,924,456</u>	<u>\$ 802,503</u>	<u>\$ 7,851,646</u>	<u>\$ 36,740,000</u>	<u>\$ 1,104,823</u>
% change	<u>5.41%</u>	<u>7.27%</u>	<u>14.20%</u>	<u>(0.17)%</u>	<u>4.14%</u>

The accompanying notes are an integral part of these financial statements.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Statements of Judicial Operations *(continued)*

Years Ended June 30, 2015 and 2014

	<b>Federal Veterans Court Process Evaluation Grant (Note 16)</b>	<b>Federal State Justice Institute Weighted Case Load Project Grant (Note 17)</b>	<b>Federal ARRA-Specialty Courts IT Project Grant (Note 18)</b>	<b>Federal STOP Violence Against Women Grant (Note 19)</b>	<b>Judicial Conduct Board</b>
<b>Appropriations and augmentations</b>					
State appropriation of the Commonwealth of Pennsylvania (Note 2)	\$ -	\$ -	\$ -	\$ -	\$ 1,577,000
Federal appropriation of the Commonwealth of Pennsylvania	197,000	80,000	-	222,000	-
Augmentations and fees (Note 3)	-	-	-	-	3,481
Total appropriations and augmentations	<u>197,000</u>	<u>80,000</u>	<u>-</u>	<u>222,000</u>	<u>1,580,481</u>
<b>Disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse</b>					
Salaries and benefits (Note 4)					
Justices/Judges	-	-	-	-	-
Staff personnel	-	-	-	-	1,433,453
Total salaries and benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,433,453</u>
<b>Other</b>					
Rental of equipment and office space	-	-	-	-	-
Capital expenses	-	-	-	-	-
Services, supplies, and other expenses	105,052	63,890	-	-	76,373
Expenses of Justices/Judges of appellate courts (Note 5)	-	-	-	-	-
Grant payments	-	-	-	17,098	-
Total other	<u>105,052</u>	<u>63,890</u>	<u>-</u>	<u>17,098</u>	<u>76,373</u>
Total disbursements	<u>105,052</u>	<u>63,890</u>	<u>-</u>	<u>17,098</u>	<u>1,509,826</u>
Amounts lapsed (Note 6)	-	-	-	-	-
Amounts encumbered (Note 7)	-	-	-	-	68,899
Amounts payable or subject to potential lapse (Note 6)	91,948	16,110	-	204,902	1,756
Total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse	<u>197,000</u>	<u>80,000</u>	<u>-</u>	<u>222,000</u>	<u>1,580,481</u>
<b>Excess (deficiency) of appropriations and augmentations over (under) total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse (Note 8)</b>	-	-	-	-	-
<b>Other funding sources (uses) (Note 9)</b>					
Court-authorized use of Act 49 funds	-	-	-	-	-
Court-authorized transfers in of appropriated funds	-	-	-	-	-
Court-authorized transfers out of appropriated funds	-	-	-	-	-
Total other funding sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total appropriations, augmentations, and other funding sources (uses)</b>	<u>\$ 197,000</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 222,000</u>	<u>\$ 1,580,481</u>
<b>Total prior year</b>	<u>\$ 200,000</u>	<u>\$ 80,000</u>	<u>\$ 279,000</u>	<u>\$ -</u>	<u>\$ 1,580,923</u>
% change	<u>(1.50)%</u>	<u>0.00%</u>	<u>-</u>	<u>-</u>	<u>(0.03)%</u>

The accompanying notes are an integral part of these financial statements.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Statements of Judicial Operations *(continued)*

Years Ended June 30, 2015 and 2014

	<b>Court of Judicial Discipline</b>	<b>2015 Total</b>	<b>2014 Total</b>	<b>% Change</b>
<b>Appropriations and augmentations</b>				
State appropriation of the Commonwealth of Pennsylvania (Note 2)	\$ 468,000	\$ 317,432,000	\$ 317,432,000	0.00%
Federal appropriation of the Commonwealth of Pennsylvania	-	1,629,000	1,659,000	(1.81)%
Augmentations and fees (Note 3)	792	70,344,594	74,070,860	(5.03)%
Total appropriations and augmentations	<u>468,792</u>	<u>389,405,594</u>	<u>393,161,860</u>	<u>(0.96)%</u>
<b>Disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse</b>				
Salaries and benefits (Note 4)				
Justices/Judges	-	219,243,796	205,891,014	6.49%
Staff personnel	364,410	120,340,303	111,884,110	7.56%
Total salaries and benefits	<u>364,410</u>	<u>339,584,099</u>	<u>317,775,124</u>	<u>6.86%</u>
<b>Other</b>				
Rental of equipment and office space	-	7,461,598	7,082,818	5.35%
Capital expenses	-	2,125,013	3,843,017	(44.70)%
Services, supplies, and other expenses	23,384	20,926,056	20,598,665	1.59%
Expenses of Justices/Judges of appellate courts (Note 5)	-	300,049	308,680	(2.80)%
Grant payments	-	47,035,234	46,498,624	1.15%
Total other	<u>23,384</u>	<u>77,847,950</u>	<u>78,331,804</u>	<u>(0.62)%</u>
Total disbursements	<u>387,794</u>	<u>417,432,049</u>	<u>396,106,928</u>	<u>5.38%</u>
Amounts lapsed (Note 6)	-	-	142,864	(100.00)%
Amounts encumbered (Note 7)	80,998	13,460,497	17,104,277	(21.30)%
Amounts payable or subject to potential lapse (Note 6)	-	3,866,048	3,904,791	(0.99)%
Total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse	<u>468,792</u>	<u>434,758,594</u>	<u>417,258,860</u>	<u>4.91%</u>
<b>Excess (deficiency) of appropriations and augmentations over (under) total disbursements, amounts lapsed, amounts encumbered, and amounts payable or subject to potential lapse (Note 8)</b>	-	(45,353,000)	(24,097,000)	88.21%
<b>Other funding sources (uses) (Note 9)</b>				
Court-authorized use of Act 49 funds	-	45,353,000	24,097,000	88.21%
Court-authorized transfers in of appropriated funds	-	409,000	1,427,000	(71.34)%
Court-authorized transfers out of appropriated funds	-	(409,000)	(1,427,000)	(71.34)%
Total other funding sources (uses)	<u>-</u>	<u>45,353,000</u>	<u>24,097,000</u>	<u>88.21%</u>
<b>Total appropriations, augmentations, and other funding sources (uses)</b>	<u>\$ 468,792</u>	<u>\$ 434,758,594</u>	<u>\$ 417,258,860</u>	<u>4.19%</u>
<b>Total prior year</b>	<u>\$ 485,353</u>			
<b>% change</b>		<u>(3.41)%</u>		

The accompanying notes are an integral part of these financial statements.

# JUDICIAL DEPARTMENT OF PENNSYLVANIA

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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## **NOTE 1 BASIS OF PRESENTATION**

The Judicial Department of Pennsylvania, commonly referred to as the Unified Judicial System (UJS) or Judiciary, prepares its financial statements on the Commonwealth's budgetary basis of accounting, which is essentially a cash receipts and disbursements basis modified for appropriations and encumbrances. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States.

## **NOTE 2 SCOPE OF FINANCIAL STATEMENTS**

The accompanying financial statements do not purport to show all transactions of the Judicial Department. The statements omit certain cash receipt and disbursement transactions relating to goods, services, and chambers staff statutorily provided to the Courts of Common Pleas and Magisterial District Judges by the counties of Pennsylvania, juror reimbursement costs, and transactions from prior-year appropriations.

At the state level, the government of the Commonwealth of Pennsylvania consists of three separate coequal branches: the executive, the legislative, and the judicial branches. The judicial branch is comprised of a court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Municipal Court, and Magisterial District Courts. The judicial branch has the core governmental function of the delivery of fair, timely and accessible justice to the Commonwealth's citizens. The financial activity presented in these Statements of Judicial Operations and Supplementary Schedules is also included within the Commonwealth of Pennsylvania's Comprehensive Annual Financial Report for the years ended June 30, 2015 and 2014, prepared in accordance with accounting principles generally accepted in the United States applicable to governments.

## JUDICIAL DEPARTMENT OF PENNSYLVANIA

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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### NOTE 3 AUGMENTATIONS AND FEES

Augmentations and fees consist of Statewide Judicial Computer System (JCS) augmentations drawn from the JCS Augmentation Account; fees charged by the Prothonotaries of the appellate courts; Act 119 of 1996 (Jen and Dave's Law) fees transferred to the JCS to support the program to disseminate criminal charge information as required by that act; PA Board of Law Examiners' fees charged to sit for the law exam for admittance to the bar in Pennsylvania and remitted to the PA Treasury; Access to Justice (ATJ) funds generate and support indigent civil legal services; administrative fees associated with COBRA payments by former Judiciary employees to continue medical benefits and charges for certain dependents and survivors for coverage; public access charges collected from individuals and organizations for information from the JCS and the Administrative Office of Pennsylvania Courts (AOPC); tuition fees charged by the Minor Judiciary Education Board for attendance at continuing education courses by non-attorneys seeking to become Magisterial District Judges; continuing legal education fees paid by attorneys who attend the Minor Judiciary Education Board's classes; fees associated with the Court Interpreter Program; Pennsylvania Judicial Center assessments to non-state funded related entities for centralized costs (e.g., mail room, facility support) and charges for expenses incurred (e.g., postage, telephone); proceeds from sale of miscellaneous unused assets; Medicare Part D prescription subsidies; E-Commerce fees; state and other grant reimbursements; and program income directly generated by the federal grant programs. These amounts support operations of the judiciary and are reported as augmentations and fees in the accompanying financial statements.

### NOTE 4 HEALTH PLAN CREDITS AND HEALTH CARE CONTRIBUTIONS

#### Health Plan Credits

Certain Judicial Department health plan costs are based on actual benefits paid plus an administrative fee over the plan's contract year. During the contract year, monthly premiums are paid to the contract administrator, and then reconciled to the actual benefits paid and administrative fees due at the end of the plan's contract year. Any differences in this calculation will result in an additional amount due to or due from the Judiciary. During the fiscal years ended June 30, 2015 and 2014, the Judiciary received health plan credits of \$4,780,004 and \$6,640,260, respectively, resulting from the prior contract year reconciliations (settlements). The credits result from the Judiciary's medical claims experience being better (lower) than expected, and were used to reduce benefit costs as reported on the salaries and benefits line of this financial statement.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 4 HEALTH PLAN CREDITS AND HEALTH CARE CONTRIBUTIONS**  
*(continued)*

Health Care Contributions

Active judges and active staff contribute 1% of gross salary towards the cost of health care benefits and retirees contribute 1% of gross monthly pension toward the cost of health care benefits. During the fiscal years ended June 30, 2015 and June 30, 2014, total health care contributions were \$2,494,621 and \$2,420,041, respectively. These contributions were used to reduce the current-year benefit costs as reported on the salaries and benefits line of this financial statement.

**NOTE 5 EXPENSES OF JUSTICES/JUDGES OF APPELLATE COURTS**

The justices/judges of the appellate courts receive reimbursement for authorized business expenses in accordance with the Judiciary's court-related business expense policies and procedures. Such payments have been recorded as disbursements in the accompanying financial statements.

The appellate courts' General Appropriations and Justices'/Judges' Expenses Appropriations are combined for financial statement reporting purposes.

**NOTE 6 AMOUNTS LAPSED, AND AMOUNTS PAYABLE OR SUBJECT TO POTENTIAL LAPSE**

For financial statement purposes, the excess of appropriations and augmentations over disbursements and encumbrances to date is considered the "amounts payable or subject to potential lapse." The actual lapse amount will be determined after all disbursements properly chargeable to the appropriations are determined and a formal lapse document (created by an administrative procedure) is issued.

In the Fiscal Year ended June 30, 2014, amounts lapsed for the Federal American Recovery and Reinvestment Act of 2009 (ARRA) – Specialty Courts IT Project Grant was \$142,864. More information pertaining to this grant can be found in Note 18.

Funds not expended by the State Board of Law Examiners are not subject to lapse, but are rolled forward into the next fiscal year. Additionally, \$1,569,972 of fiscal year 2014-2015 funds are associated with the UJS Security appropriation whose spending authorization extends beyond June 30, 2015. These amounts are reported on the amounts encumbered and amounts payable or subject to potential lapse lines of this financial statement.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements

Years Ended June 30, 2015 and 2014

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**NOTE 7      AMOUNTS ENCUMBERED**

Encumbrances, under which purchase orders, contracts, and other commitments (both actual and expected) for disbursements are recorded in order to reserve that portion of the applicable appropriation, are used as an extension of formal budgetary integration in the accounting system. Encumbrances are not included in the reported disbursements.

**NOTE 8      FUNDING TO SUPPLEMENT THE GENERAL APPROPRIATION ACT**

The General Appropriation Act for fiscal year 2014-2015 did not fully fund salaries and benefits of judges and other expenditures. The difference between funding needs and appropriated state funding of \$45,353,000 in fiscal year 2014-2015 was met by supplemental funding provided by Act 49 of 2009 as detailed in the summary of court-authorized use of Act 49 funds in Note 9.

The General Appropriation Act for fiscal year 2013-2014 did not fully fund salaries and benefits of judges and other expenditures. The difference between funding needs and appropriated state funding of \$24,097,000 in fiscal year 2013-2014 was met by supplemental funding provided by Act 49 of 2009 as detailed in the summary of court-authorized use of Act 49 funds in Note 9. After the close of that fiscal year, it became apparent that more funds were drawn than needed to supplement fiscal year 2013-2014 funding and in November 2014, \$264,000 was returned to the Act 49 account.

**NOTE 9      OTHER FUNDING SOURCES (USES)**

The Fiscal Code (72 P.S. Section 1793-E) authorizes the Supreme Court to transfer funds among the various Judiciary appropriations, to transfer funds during the year from the JCS Augmentation Account to avoid deficits, and to transfer funds from these appropriations to the JCS Augmentation Account during June.

Also, Act 49 of 2009 (42 Pa.C.S.A. Section 3733.1) provides funds from a 97-month surcharge beginning December 8, 2009 and ending December 31, 2017 levied on the same base as the \$10 Act 122 fees, excluding traffic citations, to supplement state funding of the Judiciary as discussed in Note 8. The Act appropriates these funds to the Supreme Court, and the funds drawn are reflected in these financial statements as court-authorized use of Act 49 funds to supplement the General Appropriation Act.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 9 OTHER FUNDING SOURCES (USES) (continued)**

Two statutory changes enacted in July 2014 affect revenue collections beginning in FY 2014-15. Act 113, signed by the Governor July 9, 2014, amended 42 Pa.C.S.A. Section 3733.1 to increase the \$10.25 surcharge for Judiciary operations by \$1 and extend the sunset date by three years to December 31, 2017. Act 126, signed by the Governor July 10, 2014, enacted 72 P.S. Section 1795.1-E to create an additional \$10 surcharge for Judiciary operations with an expiration date of December 31, 2017. Both acts were implemented by August 8, 2014, resulting in a \$21.25 surcharge to help fund Judiciary operations.

The Judiciary funds shortfalls beginning with internal transfers among appropriations where possible, and then supplements with Act 49 funds. Should funding needs remain unmet, funds may be drawn from the JCS Augmentation Account. The following charts are presented in the order shown on the financial statements.

Court-Authorized Use of Act 49 Funds

Details of court-authorized use of Act 49 funds follow:

	<b>Year Ended June 30</b>	
	<b>2015</b>	<b>2014</b>
<i>Court-authorized use of Act 49 funds during the year</i>		
Supreme Court	\$ 2,830,000	\$ 3,001,000
Superior Court	5,268,000	2,048,000
Commonwealth Court	1,535,000	620,000
Court Administrator	2,494,000	1,403,000
Judicial Center Operations	283,000	169,000
District Court Administrators	5,855,000	3,480,000
Courts of Common Pleas	15,068,000	7,197,000
Common Pleas Senior Judges	1,572,000	1,101,000
Magisterial District Judges	8,201,000	3,988,000
Magisterial District Judge Education	163,000	108,000
Philadelphia Municipal Court	2,081,000	965,000
Judicial Council	3,000	-
Court of Judicial Discipline	-	17,000
<b>Total</b>	<b>\$ 45,353,000</b>	<b>\$ 24,097,000</b>

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

**NOTE 9 OTHER FUNDING SOURCES (USES) (continued)**

During fiscal year 2014-2015, with the increased \$21.25 surcharge in effect by August 8, 2015, revenue was generated in the amount of \$39,735,781. A total of \$45,353,000 was used during the fiscal year to supplement UJS funding. Prior year Act 49 funding was needed in fiscal year 2014-2015 to cover UJS operating costs. During fiscal year 2013-2014, the \$10.25 surcharge generated \$24,425,344. A total of \$24,097,000 was used during the fiscal year to supplement UJS funding. The funds in the Act 49 account do not lapse, and may be drawn in subsequent fiscal years.

Court-Authorized Transfers of Appropriated Funds

A summary of court-authorized transfers of appropriated funds among various appropriations follows:

	<b>Year Ended June 30</b>	
	<b>2015</b>	<b>2014</b>
<i>Court-authorized transfers in of appropriated funds</i>		
Supreme Court <sup>(1)</sup>	\$ 26,000	\$ 192,000
Superior Court <sup>(1)</sup>	55,000	45,000
Commonwealth Court <sup>(1)</sup>	40,000	40,000
Court Administrator	-	51,000
Courts of Common Pleas	223,000	160,000
District Court Administrators	65,000	-
Philadelphia Municipal Court (Note 13)	-	939,000
<b>Total</b>	<b>409,000</b>	<b>1,427,000</b>
<i>Court-authorized transfers out of appropriated funds</i>		
Supreme Court Justices' Expenses <sup>(1)</sup>	26,000	7,000
Rules Committees	-	150,000
Judicial Council	-	35,000
Superior Court Judges' Expenses <sup>(1)</sup>	55,000	45,000
Commonwealth Court Judges' Expenses <sup>(1)</sup>	40,000	40,000
Court Management Education	65,000	51,000
Philadelphia Traffic Court (Note 13)	-	939,000
County Court Reimbursements (Note 14) <sup>(2)</sup>	223,000	160,000
<b>Total</b>	<b>409,000</b>	<b>1,427,000</b>
<b>Total court-authorized transfers of appropriated funds, net</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>(1)</sup> The General Appropriation and Justices'/Judges' Expenses Appropriation are combined for financial statement reporting purposes.

<sup>(2)</sup> These transfers were from the Juror Cost Reimbursement appropriation in fiscal year 2014-2015 and in fiscal year 2013-2014

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 9 OTHER FUNDING SOURCES (USES) (continued)**

Court-Authorized Transfers of JCS Funds

As noted above, transfers from the JCS Augmentation Account may be made during the year to eliminate deficits among Judiciary appropriations and would be reflected in these financial statements as Court-authorized transfers of JCS funds. No such transfers have been made from the JCS Augmentation Account since fiscal year 2010-2011.

**NOTE 10 ACCESS TO JUSTICE ACCOUNT/STATEWIDE JUDICIAL COMPUTER SYSTEM**

The Judiciary receives substantial funding each year from dedicated restricted revenues, which are earmarked for particular purposes. These revenue streams result from court activities (including filing fees) and are collected by the courts, and from filings in recorder of deeds offices. The Access To Justice (ATJ) account and the Statewide Judicial Computer System (JCS) are both funded by filing fees as shown in the chart below. Magisterial district court costs and fines provided by Act 64 of 1987 supplement the filing fees directed to JCS.

<u>Filing Fees<sup>(1)</sup></u>	<u>ATJ</u>	<u>CJEA</u>	<u>JCS</u>	<u>UJS Operations</u>	<u>Total</u>
Act 59/122	\$2.00	N/A	\$8.00	N/A	\$10.00
Act 49 <sup>(2)</sup>	\$2.00	\$2.25	N/A	\$21.25	\$25.50
Total	<u>\$4.00</u>	<u>\$2.25</u>	<u>\$8.00</u>	<u>\$21.25</u>	<u>\$35.50</u>

(1) As of August 8, 2014

(2) Includes the additional \$10 surcharge enacted in the Fiscal code by Act 126-2014 effective July 10, 2014 to supplement the Act 49 surcharge to Fund UJS operations.

Access to Justice (ATJ) Account

Act 122 of 2002 amended Act 59 of 1990 to create a uniform \$10.00 filing fee, a portion of which is earmarked for deposit into the ATJ restricted revenue account, also created by the act. As indicated in the chart above, beginning in fiscal year 2005-2006 and ending October 31, 2017, \$2.00 of the \$10.00 fee is allocated for deposit into the ATJ account. The remaining \$8.00 is deposited into the JCS Augmentation Account.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 10      ACCESS TO JUSTICE ACCOUNT/STATEWIDE JUDICIAL COMPUTER SYSTEM** *(continued)*

The surcharge implemented by Act 49 of 2009 discussed in Note 9 also includes \$2.00 to supplement Access to Justice funding which is deposited into the Access to Justice Account. [Note: the temporary portion of the surcharge imposed by Act 49 is \$21.25.] Act 49 also created a non-Judiciary related permanent \$2.25 surcharge to supplement funding to subsidize salaries of full-time district attorneys; the revenues from the \$2.25 surcharge are deposited into the Criminal Justice Enhancement Account held by the PA Treasury and do not appear in these financial statements.

Beginning in July 2012, the ATJ account receives an annual allocation of funds for civil legal assistance related to housing issues pursuant to the Homeowner Assistance Settlement Fund established under Act 70 of 2012. Under Act 70, payments received by the state under the Homeowner Assistance Settlement Agreement are allocated annually, with ATJ receiving 5% of the total annual allocation. During fiscal years 2014-2015 and 2013-2014, the ATJ account received \$600,000, per year. The ATJ account will receive up to \$600,000 annually under Act 70.

All money deposited into the ATJ account, and any interest earned thereon, is paid to the Interest on Lawyers Trust Account (IOLTA) Board to supplement the funds derived from the interest on lawyers trust accounts and distributed for indigent civil legal services in the Commonwealth. These funds are distributed upon requisition by the IOLTA Board to the Court Administrator of Pennsylvania. Funds deposited into the ATJ account in one month are available for distribution to IOLTA in the subsequent month, except for Act 70 funds, which are deposited and distributed once annually.

Deposits into the ATJ account during fiscal year 2014-2015 totaled \$11,182,678, consisting of \$10,580,988 of Act 122 and Act 49 surcharge funds, related interest of \$1,690, and \$600,000 of Act 70 funds. The AOPC paid \$10,245,140 to IOLTA during fiscal year 2014-2015, including the one-time payment of \$600,000 under Act 70. These amounts are reflected in the accompanying financial statements. The remaining funds totaling \$937,538 were paid to IOLTA in July 2015 and are reflected as amounts payable or subject to lapse in the accompanying financial statements.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 10 ACCESS TO JUSTICE ACCOUNT/STATEWIDE JUDICIAL COMPUTER SYSTEM** *(continued)*

Deposits into the ATJ account during fiscal year 2013-2014 totaled \$10,441,115, consisting of \$9,839,685 of Act 122 and Act 49 surcharge funds, related interest of \$1,430, and \$600,000 of Act 70 funds. The AOPC paid \$9,535,424 to IOLTA during fiscal year 2013-2014, including the one-time payment of \$600,000 under Act 70. These amounts are reflected in the accompanying financial statements. The remaining funds totaling \$905,691 were paid to IOLTA in July 2014 and are reflected as amounts payable or subject to lapse in the accompanying financial statements.

Statewide Judicial Computer System (JCS)

JCS is funded primarily from restricted revenues established by law (Act 64 of 1987, and Act 59 of 1990 as amended by Act 122 of 2002 and Act 49 of 2009).

Act 64 of 1987 established the existing funding framework based on restricted revenues. It provides for the transfer to the JCS Augmentation Account at the end of each fiscal year of amounts collected during the year from specified court costs and fines that exceed the amounts collected from these sources in fiscal year 1986-1987.

Act 59 of 1990 provided an additional funding source from filing fees, \$1.50 at the minor judiciary level and \$5.00 at the common pleas and appellate court level, in order to provide JCS with the necessary funds to complete the initial judicial automation system – the MDJS. While a reliable revenue generator, Act 59 revenues experienced little growth over time and efforts were begun to increase funding, resulting in Act 122.

Act 122 of 2002 amended Act 59 to increase the Act 59 filing fees effective November 1, 2002 to a uniform \$10, and expand them to apply to filings of deeds, mortgages, and property transfers. As it relates to JCS funding, Act 49 of 2009 amended Act 122 to extend the Act 122 fee to Accelerated Rehabilitative Dispositions.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 10 ACCESS TO JUSTICE ACCOUNT/STATEWIDE JUDICIAL COMPUTER SYSTEM** *(continued)*

Other funding may be provided by periodic end-of-fiscal-year transfers to the JCS Augmentation Account of unspent funds in various UJS appropriations as permitted by the Fiscal Code (72 Pa.C.S.A. Sec. 1793-E). Revenues from these various sources are deposited into the JCS Augmentation Account, which is a non-lapsing restricted revenue account held in the PA Treasury. These funds are held in the Treasury account until drawn by the Judiciary under the annual Appropriation Act or as permitted by the fiscal code to fund deficits in other Judiciary appropriations. The annual Appropriation Act establishes the amount that may be drawn from the account to fund JCS. The appropriation is augmented by public access fees, convenience fees on the electronic payment of fines and other court assessments, and “Jen and Dave’s Law” fees (Act 119-1996).

Deposits into the JCS Augmentation Account during fiscal year 2014-2015 from both Act 64 and Act 122 totaled \$50,347,867, and will provide the funding for JCS in fiscal year 2015-2016. Only the \$52,063,000 drawn against the \$57,048,000 2014-2015 JCS appropriation is included in these financial statements.

Deposits into the JCS Augmentation Account during fiscal year 2013-2014 from both Act 64 and Act 122 totaled \$52,063,611, and provided the funding for JCS in fiscal year 2014-2015. This amount and the \$57,048,000 drawn against the 2013-2014 JCS appropriation are included in these financial statements.

**NOTE 11 INTEGRATED CRIMINAL JUSTICE SYSTEM (JNET)**

The AOPC shares important criminal case information in electronic form with JNET agencies from its systems, including the automated Magisterial District Judges System (MDJS) and the Common Pleas Criminal Court Case Management System (CPCMS), in real time. This appropriation helps support the Judiciary’s activities to continue the flow of information from its automated case management systems to JNET.

**NOTE 12 PROBLEM SOLVING COURTS**

For fiscal year 2013-2014, the total disbursements and amounts encumbered of \$103,000 relate to training in support of the Veterans Court Process Evaluation Grant discussed in Note 16 and web hosting costs relating to the ARRA Specialty Courts IT Project discussed in Note 18.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 12      PROBLEM SOLVING COURTS** *(continued)*

For fiscal year 2014-2015, the total disbursements and amounts encumbered of \$103,000 relate to National Drug Court Institute (NDCI) training, conference expenses, software licenses and maintenance for the Problem-Solving Adult and Juvenile Court Information Systems (PAJCIS), and programming to enter 29 performance measures the National Conference of State Courts (NCSC) identified for Veterans Courts by the federally-funded process evaluation.

**NOTE 13      PHILADELPHIA TRAFFIC COURT  
PHILADELPHIA MUNICIPAL COURT**

Near the end of the fiscal year 2012-2013, Act 17 of 2013, effective June 19, 2013, resulted in the reassignment of the four judges and functions of Traffic Court to the newly-created Traffic Division of Philadelphia Municipal Court. As a result of Act 17 of 2013, all costs for Philadelphia Traffic Court were reassigned to Philadelphia Municipal Court - Traffic Division. Accordingly, the fiscal year 2013-2014 Philadelphia Traffic Court state appropriation of \$939,000 was transferred to Philadelphia Municipal Court to provide funding for the reclassified costs as detailed in the summary of court-authorized transfers in Note 9.

**NOTE 14      COUNTY COURT REIMBURSEMENTS**

County governments in Pennsylvania are required to provide certain court services to the general public. The AOPC disburses state appropriated pass-through grants to partially reimburse the counties in accordance with the terms of the applicable legislation. The reimbursements are for costs incurred by counties in the administration and operation of the Courts of Common Pleas, senior judge support costs and juror costs.

A summary of the County Court reimbursement appropriations net of any transfers follows:

	<b>Year Ended June 30</b>	
	<b>2015</b>	<b>2014</b>
County Court Cost Reimbursement	\$ 34,407,000	\$ 34,407,000
Senior Judge Support Reimbursement	1,375,000	1,375,000
Juror Cost Reimbursement – net of transfer	895,000	958,000
Total appropriations – net of transfer	<u>\$36,677,000</u>	<u>\$36,740,000</u>

## JUDICIAL DEPARTMENT OF PENNSYLVANIA

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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### NOTE 14 COUNTY COURT REIMBURSEMENTS *(continued)*

#### County Court Cost Reimbursement

The reimbursement for costs incurred by counties in the administration and operation of the Courts of Common Pleas is based upon a statutory reimbursement rate and the number of authorized Common Pleas Court judge positions, whether filled or vacant, within a judicial district (with modifications based on population for multi-county judicial districts).

Although the statutory (72 P.S. Section 1791-E) reimbursement rate per authorized judge is \$70,000 (with a higher rate paid to Philadelphia), Act 37 of 2007 (42 Pa.C.S.A. Section 915) provides that in the event of insufficient funding to reimburse at this rate, each county's grant is to be proportionately reduced, including the flat rate amount paid to Philadelphia. Because of continued underfunding, the grant was paid at a reimbursement rate of \$68,686 per authorized judge for fiscal year 2014-2015 and for fiscal year 2013-2014. The total payments made to the counties during each of the fiscal years ended June 30, 2015 and 2014 were \$34,407,000.

#### Senior Judge Support Cost Reimbursement

The reimbursement for senior judge support costs assists in defraying county expenses to provide reasonable minimal administrative support in conformance with Pennsylvania Rule of Judicial Administration 701. Such expenses are incurred to provide suitable facilities and adequate staff to senior judges who are regularly or periodically assigned in that district and for visiting senior judges.

Each county's grant is based on actual support provided by the county. Reimbursement is paid at statutory rates in accordance with Act 37 of 2007 (42 Pa.C.S.A. Section 1906). That act also provides that no county receives an amount greater than 20% of the total amount appropriated, while the total amount reimbursed to all counties may not exceed the total funds appropriated. In the event that the total qualifying reimbursement requested by the counties exceeds the funds appropriated, each county's grant is to be proportionately reduced to bring the total within the amount appropriated. In fiscal years 2014-2015 and 2013-2014, one county's grant was reduced in compliance with the 20% cap.

Additionally in fiscal years 2014-2015 and 2013-2014, the grant payments to each county were proportionately reduced by approximately 17%, to bring the total amounts reimbursed to all counties within the total amount appropriated. The total payments made to the counties for each of the fiscal years ended June 30, 2015 and 2014 were \$1,375,000. The statutory authority for the grant is scheduled to expire on June 30, 2017.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 14 COUNTY COURT REIMBURSEMENTS** *(continued)*

Juror Cost Reimbursement

Juror cost reimbursements (42 Pa.C.S.A. Section 4561(b), et seq.) are based on 80% of certain juror costs. Only costs related to juror participation in a trial or grand jury proceeding after the first three days are reimbursed by the Commonwealth. Costs for multi-county grand juries are paid by the Attorney General's Office. The total payments made to the counties for the fiscal years ended June 30, 2015 and 2014 were \$854,796 and \$954,591, respectively.

**NOTE 15 FEDERAL COURT IMPROVEMENT PROJECT**

The State Court Improvement Program (CIP) is financed primarily by federal grant funds from the U.S. Department of Health and Human Services. These federal grant funds are provided to State court systems to conduct assessments of their foster care, adoption laws and judicial processes, and to develop and implement a plan for system improvement. The Child and Family Services Improvement and Innovation Act (P.L. 112-34) reauthorizes the program through federal fiscal year 2016.

A summary of these federal grant funds with a state spending match requirement follows:

<u>Grant term</u>	<u>Federal funds</u>	<u>State match</u>
October 1, 2011 through September 30, 2013	\$941,902	\$313,968
October 1, 2012 through September 30, 2014	869,583	289,861
October 1, 2013 through September 30, 2015	842,713	280,904
October 1, 2014 through September 30, 2016	835,419	278,473

For fiscal year 2014-2015, an appropriation in the amount of \$1,130,000 was provided by the General Assembly for these funds supplemented by \$20,518 in augmentations, and \$938,532 was spent as of June 30, 2015. For fiscal year 2013-2014, an appropriation in the amount of \$1,100,000 was provided by the General Assembly for these funds supplemented by \$4,823 in augmentations, and \$922,930 was spent as of June 30, 2014.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**  
Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 16      FEDERAL VETERANS COURT PROCESS EVALUATION GRANT**

The federal Drug Court Discretionary Grant in the amount of \$200,000 was awarded by the U.S. Department of Justice on August 29, 2012 to support planning and development of future Veterans Courts. This grant will extend over the term of September 1, 2012 through August 31, 2015 and fund up to 75% of total cost of the project; the grant requires a 25% state match, a portion of which must be in cash with the remainder being in-kind. The grant will fund a contract with the National Center of State Courts (NCSC) to conduct a process evaluation of Veterans Courts, since no standards or certification requirements currently exist. The total disbursements made during the fiscal years ended 2014-2015 and 2013-2014 were \$105,052 and \$94,158, respectively. There was an additional cash disbursement for fiscal year 2013-2014 of \$306 that was paid in July 2014, and one for fiscal year 2014-2015 of \$484 that was paid in August 2015. The project was completed by the end of fiscal year 2014-2015.

**NOTE 17      FEDERAL STATE JUSTICE INSTITUTE WEIGHTED CASE LOAD PROJECT GRANT**

During fiscal year 2012-2013 the State Justice Institute (SJI) provided an \$80,000 federal project grant in support of a judicial needs assessment of the Courts of Common Pleas. The assessment project, assisted by the NCSC, is developing necessary information to ensure that the Judiciary has adequate resources for managing and resolving court business effectively. Although, the original NCSC contract has been completed, further analysis is anticipated to address findings of the study. The SJI grant was used to help fund the \$118,314 NCSC contract. The grant was scheduled to expire on September 17, 2014, but an extension was filed to amend the scheduled expiration date to September 30, 2015. The total disbursements made under this grant during the fiscal year ended 2014-2015 were \$63,890. No expenditures were made under this grant during fiscal year 2013-2014. The remaining funds are available for use in fiscal year 2015-2016.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**

Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 18 FEDERAL ARRA - SPECIALTY COURTS IT PROJECT GRANT**

During the second half of fiscal year 2011-2012, the PCCD provided a \$450,000 subgrant of federal ARRA Edward Byrne Memorial Justice Assistance Grants to AOPC to help implement a state-wide case management information system for the Problem Solving Courts. This system, now operational, allows counties to better manage their problem-solving court cases and collect uniform data supporting these programs at the county and state level. In May 2013, the available grant funding was reduced by PCCD from \$450,000 to \$313,789. There were no disbursements during fiscal year 2014-2015. The total disbursements during fiscal year 2013-2014 were \$136,136. There were additional disbursements for fiscal year 2012-2013 of \$35,653 that were paid during July 2013. The grant expired December 31, 2013.

**NOTE 19 FEDERAL STOP VIOLENCE AGAINST WOMEN GRANT**

During the second half of fiscal year 2014-2015, the PCCD provided a \$221,577 subgrant of U.S. Department of Justice "STOP Violence Against Women" to the AOPC to provide training and technical assistance to Pennsylvania's major and minor judiciary on topics relating to crimes and violence against women. The grant funds are paid to two sub-recipients: the Pennsylvania Coalition Against Rape and the Pennsylvania Coalition Against Domestic Violence who are responsible for providing the training and technical assistance. The grant funds made available during fiscal 2014-2015 carry an expiration date of December 31, 2015. The total disbursements for fiscal year 2014-2015 were \$17,098. The remaining grant funds will be available for use in fiscal year 2015-2016.

**NOTE 20 COUNTY COURT EMPLOYEES TRANSFERRED TO STATE SERVICE**

As a result of the passage of Act 12 of 1999, certain county court staff were transferred to state service effective January 1, 2000 and the Commonwealth assumed responsibility for the payment of ongoing salaries and benefits. The counties paid the Commonwealth \$2,766,717 for the accrued leave balances associated with these former county employees as required by Act 12. The payments received from the counties were placed in a special fund created in the PA Treasury known as the Unified Judicial System Transferred County-Level Administrator Leave Fund. The money in this fund, including the investment income it earns, is applied toward the cost of leave payments for transferred employees upon termination.

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**  
Notes to Financial Statements  
Years Ended June 30, 2015 and 2014

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**NOTE 20 COUNTY COURT EMPLOYEES TRANSFERRED TO STATE SERVICE**  
*(continued)*

A summary of this financial activity follows:

	<b>Year Ended June 30</b>	
	<b>2015</b>	<b>2014</b>
Beginning fair value	\$ 2,151,709	\$ 2,367,044
Interest earned on Treasury investment of funds	3,846	5,883
Payouts to transferred County Court Staff	(206,709)	(221,218)
Ending fair value	\$ 1,948,846	\$ 2,151,709

The above financial activity is not reflected in the accompanying financial statements. The funds, which are invested in the PA Treasury's liquid pool, returned 0.19% and 0.17% in fiscal years ended June 30, 2015 and 2014, respectively. All funds are invested in a liquid pool, consisting of fixed income and cash equivalents.

In accordance with Act 12, if money in the fund does not adequately provide for full payment of the counties' share of leave payments, the amount necessary to fully fund the counties' share of leave payments shall become an obligation of the Unified Judicial System. If a fund surplus results after all required leave payments for transferred administrators are made, the surplus shall be transferred to the Commonwealth's General Fund.

## **SUPPLEMENTARY SCHEDULES**

**JUDICIAL DEPARTMENT OF PENNSYLVANIA**  
Schedules of Services, Supplies, and Other Expenses

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	<b>Year Ended June 30</b>	
	<b>2015</b>	<b>2014</b>
Telecommunications – UJSNet <sup>(1)</sup>	\$ 4,418,681	\$ 5,259,930
Travel, lodging and meals <sup>(2)</sup>	2,333,254	2,244,438
Maintenance services and supplies – furniture and equipment <sup>(3)</sup>	2,032,173	1,713,663
EDP software licenses and maintenance <sup>(4)</sup>	1,938,205	2,570,625
Contract personnel <sup>(5)</sup>	1,708,242	1,168,603
Reference material and subscriptions	1,515,636	1,173,730
Bank fees	1,307,347	1,058,454
Professional services	966,179	1,615,873
Maintenance services and supplies – building	818,836	616,435
Other services	636,263	454,666
Training expenses	551,643	516,878
Supplies	551,581	528,415
Telecommunications	452,917	485,866
Postage/freight	354,083	274,228
Utilities	300,254	284,125
Attorney fees	299,513	46,299
Miscellaneous expenses	221,005	166,352
Insurance, surety and fidelity bond	150,187	163,455
Printing	147,809	58,382
Membership dues	107,636	102,527
Relocation expenses	57,768	25,161
Vehicle supplies and repairs	46,054	49,990
Advertising	10,790	20,570
	<u>\$ 20,926,056</u>	<u>\$ 20,598,665</u>

<sup>(1)</sup>Major expenditures include circuit and related costs for the Unified Judicial System Network (UJSNet) including the three case management systems (Common Pleas Criminal Court Case Management System (CPCMS), Magisterial District Judge System (MDJS), and Pennsylvania Appellate Court Case Management System (PACMS)).

<sup>(2)</sup> Appropriations with major expenditures include the Common Pleas Education, Judicial Computer System, Magisterial District Judge Education, and Court Administrator.

<sup>(3)</sup> Major expenditures include contract maintenance services for the case management systems and UJSNet as well as printers and copiers.

<sup>(4)</sup> Major expenditures include licensing and software support for the case management systems, UJSNet, licensing costs for Microsoft Enterprise Agreement, and bar exam software licenses.

<sup>(5)</sup>Major expenditures include contracted personnel costs in the Judicial Computer System appropriation.