

CLERK OF THE COURT OF COMMON PLEAS/  
REGISTER OF WILLS/CLERK OF ORPHANS' COURT

MERCER COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2007 TO DECEMBER 31, 2009

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**Department of the Auditor General  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120-0018**

**JACK WAGNER  
AUDITOR GENERAL**

Independent Auditor's Report

The Honorable Daniel P. Meuser  
Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statements of receipts and disbursements (Statements) of the Clerk of the Court of Common Pleas/Register of Wills/Clerk of Orphans' Court, Mercer County, Pennsylvania (County Officer), for the period January 1, 2007 to December 31, 2009, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). These Statements are the responsibility of the county office's management. Our responsibility is to express an opinion on these Statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An examination includes examining, on a test basis, evidence supporting the Statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Sections 401(b) and 401(d) of *The Fiscal Code* to audit the accounts of each county officer to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Sections 401(b) and 401(d) of *The Fiscal Code*.

### Independent Auditor's Report (Continued)

In our opinion, the Statements referred to above present, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Commonwealth for the period ended December 31, 2009, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statements and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County Officer's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the County Officer's Statements that is more than inconsequential will not be prevented or detected by the County Officer's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statements will not be prevented or detected by the County Officer's internal control.

Our consideration of internal control over reporting on the Statements was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any significant deficiencies or material weaknesses, as defined above, in internal control over reporting on the Statements.

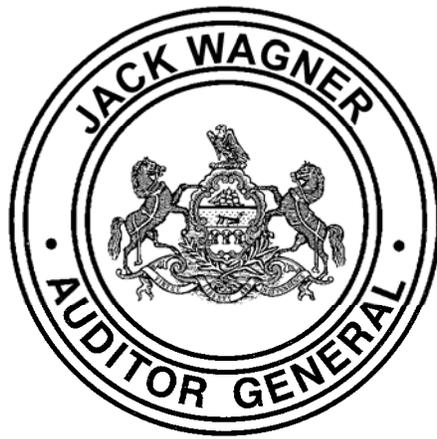
Independent Auditor's Report (Continued)

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the County Officer and is not intended to be and should not be used by anyone other than these specified parties.

February 17, 2011

JACK WAGNER  
Auditor General



CLERK OF THE COURT OF COMMON PLEAS  
MERCER COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2007 TO DECEMBER 31, 2009

Receipts:

Department of Transportation		
Title 75 Fines	\$	208,691
Department of Revenue Court Costs		68,359
Crime Victims' Compensation Costs		177,412
Crime Commission Costs/Victim Witness Services Costs		121,001
Domestic Violence Costs		20,913
Emergency Medical Services Fines		13,453
DUI - ARD/EMS Fees		17,719
CAT/MCARE Fund Surcharges		104,799
Judicial Computer System		39,128
Access to Justice Fees		8,941
Constable Service Surcharges		8,031
Criminal Laboratory Users' Fees		14,423
Probation and Parole Officers' Firearm Education Costs		15,737
Substance Abuse Education Costs		86,842
Office of Victims' Services Costs		12,729
Miscellaneous State Fines and Costs		<u>442,202</u>

Total receipts (Note 2)	\$	1,360,380
Disbursements to Commonwealth (Note 4)		<u>(1,355,635)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		4,745
Examination adjustment (Note 6)		<u>(4,745)</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2009	\$	<u><u>-</u></u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

REGISTER OF WILLS  
MERCER COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2007 TO DECEMBER 31, 2009

Receipts:

Inheritance Taxes (Note 2)	\$ 17,672,317
Disbursements and credits to Commonwealth (Note 4)	<u>(17,672,317)</u>
Balance due Commonwealth (County) per settled reports (Note 5)	-
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2009	<u><u>\$ -</u></u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

CLERK OF ORPHANS' COURT  
MERCER COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2007 TO DECEMBER 31, 2009

Receipts:

Marriage License Taxes	\$	1,062
Marriage License Application Surcharges		21,240
Marriage License Declaration Fees		21,240
Judicial Computer System/Access To Justice Fees		<u>20,392</u>
Total Receipts (Note 2)		63,934
Disbursements to Commonwealth (Note 4)		<u>(63,788)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		146
Examination adjustment (Note 7)		<u>(146)</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2009	<u>\$</u>	<u>-</u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

CLERK OF THE COURT OF COMMON PLEAS/  
REGISTER OF WILLS/CLERK OF ORPHANS' COURT  
MERCER COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2007 TO DECEMBER 31, 2009

1. Criteria

The Statements of Receipts and Disbursements provide a summary of receipts and disbursements by category. The categories and the amounts of taxes, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statements were prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

2. Receipts

Clerk Of The Court Of Common Pleas

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Commonwealth. These fines, costs, fees, and surcharges represent collections made on summary and criminal cases filed with the Clerk of the Court of Common Pleas' Office.

Register Of Wills

Receipts consist of monies collected on behalf of the Commonwealth less commissions on these monies. These include monies collected for the following taxes and fees:

- Inheritance Taxes represent inheritance taxes filed with the Register of Wills.
- Judicial Computer System/Access To Justice Fees represent a \$10 fee imposed for the initiation of any civil action or legal proceeding, including the filing of petitions for grants of letters, and first filing in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. These fees were temporarily increased to \$23.50 for the period December 8, 2009 to January 7, 2012.

For the purpose of reporting the collection of Judicial Computer System/Access To Justice Fees to the Department of Revenue, the office combined the Register of Wills and Clerk of Orphans' Court collections and reported them on the Clerk of Orphans' Court's monthly report. Therefore, the amount reported on the Clerk of Orphans' Court's statement of receipts and disbursements includes the fees collected for the office of the Register of Wills.

CLERK OF THE COURT OF COMMON PLEAS/  
 REGISTER OF WILLS/CLERK OF ORPHANS' COURT  
 MERCER COUNTY  
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2007 TO DECEMBER 31, 2009

2. Receipts (Continued)

Clerk Of Orphans' Court

Receipts consist of monies collected on behalf of the Commonwealth. These include monies collected for the following taxes, surcharges, and fees:

- The Marriage License Tax is a \$.50 tax on all marriage licenses filed with the Clerk of Orphans' Court.
- The Marriage License Application Surcharge is a \$10 surcharge imposed on all marriage license applications.
- The Marriage License Declaration Fees is a \$13 fee imposed for the issuance of a marriage license or declaration and for returns thereof to the Department of Health, \$2.50 of which shall be for the use of the county where the license is issued, and \$.50 for the use of the Commonwealth (Marriage License Tax), plus \$10 (Marriage License/Declaration Fees). The statement of receipts and disbursements only reflects the portion collected on behalf of the Commonwealth.
- Judicial Computer System/Access To Justice Fees represent a \$10 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. These fees were temporarily increased to \$23.50 for the period December 8, 2009 to January 7, 2012.

3. Commissions

Register Of Wills

Acting in the capacity of an agent for the Commonwealth, the Register of Wills is authorized to collect a commission on the Commonwealth portion of taxes as follows:

<u>Tax</u>	<u>Commission</u>
Inheritance	4.25% \$1.00 to \$200,000.00 1.75% next \$800,000.00 .50% thereafter

CLERK OF THE COURT OF COMMON PLEAS/  
 REGISTER OF WILLS/CLERK OF ORPHANS' COURT  
 MERCER COUNTY  
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
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 JANUARY 1, 2007 TO DECEMBER 31, 2009

3. Commissions (Continued)

Register Of Wills (Continued)

Register of Wills commissions of \$141,403 for Inheritance Taxes were paid to the County by the Department of Revenue, which are not reflected in the Statement of Receipts and Disbursements.

4. Disbursements And Credits To Commonwealth

Clerk Of The Court Of Common Pleas

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$	1,309,095
Department of Treasury		46,540
Total	\$	1,355,635

Register Of Wills

**Inheritance Taxes**

The Register of Wills participates in the Department of Revenue's cash management system for Inheritance Taxes. Under this system, the "Agent" deposits Inheritance Tax collections to a local account approved and established in the name of the Department of Revenue, thereby eliminating the need for the agent to issue a check to disburse these taxes.

CLERK OF THE COURT OF COMMON PLEAS/  
REGISTER OF WILLS/CLERK OF ORPHANS' COURT  
MERCER COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2007 TO DECEMBER 31, 2009

4. Disbursements And Credits To Commonwealth (Continued)

Total disbursements and credits are comprised as follows:

Deposits into the Department of Revenue's cash management account	\$ 17,671,348
Credits issued by the Department of Revenue	<u>969</u>
Total	<u><u>\$ 17,672,317</u></u>

Clerk Of Orphans' Court

Total disbursements are comprised as follows:

Clerk of Orphans' Court checks issued to:

Department of Revenue	<u><u>\$ 63,788</u></u>
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5. Balance Due Commonwealth/(County) For The Period January 1, 2007 To December 31, 2009

Clerk Of The Court Of Common Pleas

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. This balance also includes amounts disbursed directly to State Agencies. It does not reflect adjustments disclosed by our examination. Refer to Note 6.

Register Of Wills/Clerk Of Orphans' Court

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. It does not reflect adjustments disclosed by our examination. Refer to Note 7.

6. Examination Adjustment - Clerk Of The Court Of Common Pleas

During our prior examination, January 1, 2003 to December 31, 2006, we determined that there was a balance due to the County of \$4,745. This credit was taken in April 2008.

CLERK OF THE COURT OF COMMON PLEAS/  
REGISTER OF WILLS/CLERK OF ORPHANS' COURT  
MERCER COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
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7. Examination Adjustment - Clerk Of Orphans' Court

The amount represents a credit taken for the prior period ending December 31, 2006. This credit due was taken in June 2008.

8. County Officer Serving During Examination Period

Kathleen M. Kloos served as Clerk of the Court of Common Pleas/Register of Wills/Clerk of Orphans' Court during the period January 1, 2007 to December 31, 2009.

CLERK OF THE COURT OF COMMON PLEAS/  
REGISTER OF WILLS/CLERK OF ORPHANS' COURT  
MERCER COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2007 TO DECEMBER 31, 2009

This report was initially distributed to:

The Honorable Daniel P. Meuser  
Secretary  
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines  
Court Administrator of Pennsylvania  
Supreme Court of Pennsylvania  
Administrative Office of Pennsylvania Courts

Mr. Thomas J. Dougherty  
Director  
Division of Grants and Standards  
Pennsylvania Board of Probation and Parole

The Honorable Kathleen M. Kloos	Clerk of the Court of Common Pleas/ Register of Wills/Clerk of Orphans' Court
The Honorable Francis J. Fornelli	President Judge
The Honorable Thomas W. Amundson	Controller
The Honorable Brian Bader	Chairman of the Board of Commissioners

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).