

RECORDER OF DEEDS
MONTGOMERY COUNTY
EXAMINATION REPORT
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 4, 2004

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Independent Auditor's Report

Mr. Thomas W. Wolf
Acting Secretary
Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statements of receipts and disbursements (Statements) of the Recorder of Deeds, Montgomery County, Pennsylvania (County Officer), for the period January 1, 2002 to January 4, 2004, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*. 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 reported and promptly transmitted. *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 Department of Revenue and other state agencies for the period ended January 4, 2004, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of 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 the Statements or on compliance and other matters; accordingly, we express no such opinions. The results of our examination disclosed no 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.

December 15, 2006

JACK WAGNER
Auditor General

RECORDER OF DEEDS
 MONTGOMERY COUNTY
 REALTY TRANSFER TAXES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2002 TO JANUARY 4, 2004

Receipts:

Realty Transfer Taxes (Note 2)	\$ 95,792,762
Commissions (Note 3)	<u>(957,928)</u>
Net Receipts	94,834,834
Disbursements to Department of Revenue (Note 4)	<u>(95,230,793)</u>
Balance due Department of Revenue (County) per settled reports (Note 5)	(395,959)
Examination adjustments	<u>-</u>
Adjusted balance due Department of Revenue (County) for the period January 1, 2002 to January 4, 2004	<u><u>\$ (395,959)</u></u>

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

RECORDER OF DEEDS
 MONTGOMERY COUNTY
 WRIT TAXES AND JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2002 TO JANUARY 4, 2004

Receipts:

Writ Taxes	\$ 270,290
Judicial Computer System/Access To Justice Fees	<u>2,564,970</u>
Total Receipts (Note 2)	2,835,260
Commissions (Note 3)	<u>(8,109)</u>
Net Receipts	2,827,151
Disbursements to Department of Revenue (Note 4)	<u>(2,827,151)</u>
Balance due Department of Revenue (County) per settled reports (Note 5)	-
Examination adjustments	<u>-</u>
Adjusted balance due Department of Revenue (County) for the period January 2, 2002 to January 4, 2004	<u><u>\$ -</u></u>

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

RECORDER OF DEEDS
MONTGOMERY COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 4, 2004

1. Criteria

The Statements of Receipts and Disbursements (Statements) have been prepared in accordance with Title 72 P.S. Section 401 (b) of *The Fiscal Code*, which requires the Department of the Auditor General to determine whether all money collected on behalf of the Commonwealth has been remitted properly and to provide the Department of Revenue with a report to enable them to settle an account covering any delinquency.

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

Receipts consist of monies collected on behalf of the Department of Revenue. These include monies collected for the following taxes and fees:

- The Pennsylvania Realty Transfer Tax is a documentary stamp tax of 1 percent on the value of the interest in real property transferred by deed.
- Writ Taxes represent a \$.50 tax imposed on various types of documents and a \$10 tax on notary public commissions processed through the office.
- Judicial Computer System/Access To Justice Fees represent a \$10 fee, for filings after November 1, 2002, imposed for each filing of a deed, mortgage, or property transfer.

3. Commissions

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

<u>Tax</u>	<u>Commission</u>
Realty Transfer	1%
Writ	3%

RECORDER OF DEEDS
MONTGOMERY COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 4, 2004

4. Disbursements To Department Of Revenue

Realty Transfer Taxes

The Recorder of Deeds participates in the Department of Revenue's cash management system for Realty Transfer Taxes. Under this system, the "Agent" deposits Realty Transfer 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.

Total disbursements are comprised as follows:

Deposits into the Department of Revenue's cash management account	<u>\$95,230,793</u>
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Writ Taxes and Judicial Computer System/Access To Justice Fees

Total disbursements are comprised as follows:

Checks issued to the Department of Revenue	<u>\$ 2,827,151</u>
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5. Balance Due Department Of Revenue (County) For The Period January 1, 2002 To January 4, 2004

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

RECORDER OF DEEDS
MONTGOMERY COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 4, 2004

6. Reconciliation Of Settled Reports

The following presents a reconciliation of monthly reports settled by the Department of Revenue for the period January 1, 2002 to January 4, 2004:

Date of Summary of Collections Report	Balance Due Settled Reports Dept. of Revenue (County)	Adjustments	Adjusted Balance Due Dept. of Revenue (County)
2002			
January	\$ -	\$ -	\$ -
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	173,468	-	173,468
December	(173,468)	-	(173,468)
2003			
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	197,947	-	197,947
August	(197,947)	-	(197,947)
September	395,959	-	395,959
October	165,805	-	165,805
November	(561,764)	-	(561,764)
December	(395,959)	-	(395,959)
Balance due Department of Revenue (County) per settled reports			(395,959)
Examination adjustments			-
Adjusted balance due Department of Revenue (County) for the period January 1, 2002 to January 4, 2004			<u>\$ (395,959)</u>

RECORDER OF DEEDS
MONTGOMERY COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 4, 2004

7. County Officer Serving During Examination Period

Maryann Rickenbach served as Recorder of Deeds during the period January 1, 2002 to January 4, 2004.

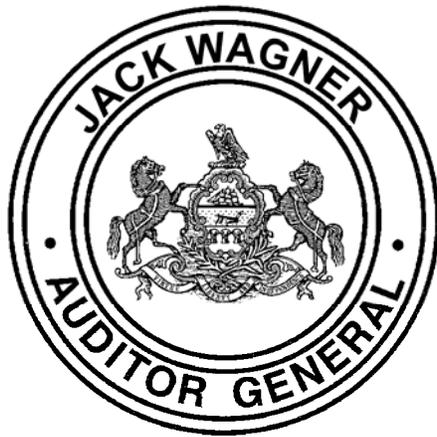
RECORDER OF DEEDS
MONTGOMERY COUNTY
COMMENT
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 4, 2004

Comment - Compliance With Prior Audit Recommendation

During our prior audit, we made the following recommendation:

- That the office implement procedures to ensure all documents are properly and timely recorded.

During our current examination, we noted that the office complied with our recommendation.



RECORDER OF DEEDS
MONTGOMERY COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 4, 2004

This report was initially distributed to:

Mr. Thomas W. Wolf
Acting Secretary
Department of Revenue

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

Recorder of Deeds
Montgomery County
P. O. Box 311
Norristown, PA 19404

The Honorable Nancy J. Becker	Recorder of Deeds
The Honorable Eric Kretschman	Controller
The Honorable Thomas Jay Ellis	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.