



RECORDER OF DEEDS/
REGISTER OF WILLS

WAYNE COUNTY

AUDIT REPORT

FOR THE PERIOD

JANUARY 1, 2003 TO DECEMBER 31, 2005

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Independent Auditor's Report

The Honorable Gregory C. Fajt
Secretary
Department of Revenue
Harrisburg, PA 17128

We have audited the accompanying statements of receipts and disbursements – cash basis of the Recorder of Deeds/Register of Wills, Wayne County, Pennsylvania (County Officer), for the period January 1, 2003 to December 31, 2005, pursuant to the requirements of Sections 401(b), 401(d), and 902 of *The Fiscal Code*. These financial statements are the responsibility of the county offices' management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the accompanying financial statements were prepared using accounting practices prescribed by the Pennsylvania Department of Revenue, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The financial statements present only the Commonwealth portion of cash receipts and disbursements and are not intended to present fairly the financial position and results of operations of the County Officer, in conformity with accounting principles generally accepted in the United States.

Independent Auditor's Report (Continued)

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County Officer, as of December 31, 2005, the changes in its financial position, or where applicable, its cash flows for the period then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Department of Revenue, for the period January 1, 2003 to December 31, 2005, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2006, on our consideration of the County Officer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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.

June 23, 2006

JACK WAGNER
Auditor General

RECORDER OF DEEDS
WAYNE COUNTY
REALTY TRANSFER TAXES
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Receipts:

Realty Transfer Taxes (Note 2)	\$ 8,275,841
Disbursements to Department of Revenue (Note 4)	<u>(8,275,841)</u>
Balance due Department of Revenue (County) per settled reports (Note 5)	-
Audit adjustments	<u>-</u>
Adjusted balance due Department of Revenue (County) for the period January 1, 2003 to December 31, 2005	<u><u>\$ -</u></u>

Notes to the financial statements are an integral part of this report.

RECORDER OF DEEDS
 WAYNE COUNTY
 WRIT TAXES AND JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
 FOR THE PERIOD
 JANUARY 1, 2003 TO DECEMBER 31, 2005

Receipts:

Writ Taxes	\$	27,028
Judicial Computer System/Access To Justice Fees		<u>436,820</u>
Total receipts (Note 2)		463,848
Commissions (Note 3)		<u>(811)</u>
Net receipts		463,037
Disbursements to Department of Revenue (Note 4)		<u>(463,037)</u>
Balance due Department of Revenue (County) per settled report (Note 5)		-
Audit adjustments		<u>-</u>
Adjusted balance due Department of Revenue (County) for the period January 1, 2003 to December 31, 2005	\$	<u><u>-</u></u>

Notes to the financial statements are an integral part of this report.

REGISTER OF WILLS
WAYNE COUNTY
INHERITANCE TAXES AND
JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Receipts:

Inheritance Taxes		\$ 9,473,217
Judicial Computer System/Access To Justice Fees		<u>6,960</u>
Total receipts (Note 2)		9,480,177
Disbursements and Credits to Department of Revenue (Note 4)		<u>(9,480,177)</u>
Balance due Department of Revenue (County) per settled reports (Note 5)		-
Audit adjustments		<u>-</u>
Adjusted balance due Department of Revenue (County) for the period January 1, 2003 to December 31, 2005		<u><u>\$ -</u></u>

Notes to the financial statements are an integral part of this report.

RECORDER OF DEEDS/
REGISTER OF WILLS
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

1. Summary Of Significant Accounting Policies

Basis Of Presentation

The financial statements were prepared in accordance with the requirements of the Pennsylvania Department of Revenue. These financial statements are not intended to present either financial results of operations or financial position in conformity with generally accepted accounting principles.

Basis Of Accounting

The financial statements were prepared on the cash basis of accounting. Under this method, revenues were recognized when received and expenditures were recognized when paid.

Audit Requirement

The financial presentation has 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. A statement of assets and liabilities was not a required part of the financial presentation because of the limited reporting scope by the Recorder of Deeds/Register of Wills. Therefore, a statement of assets and liabilities was not audited and is not a part of this report.

2. Receipts

Recorder Of Deeds

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.

RECORDER OF DEEDS/
 REGISTER OF WILLS
 WAYNE COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD
 JANUARY 1, 2003 TO DECEMBER 31, 2005

2. Receipts (Continued)

Recorder Of Deeds (Continued)

- 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.

Register Of Wills

Receipts consist of monies collected on behalf of the Department of Revenue 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 fees (\$5.00 for filings prior to November 1, 2002 and \$10.00 for filings afterwards) 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.

3. Commissions

Acting in the capacity of an agent for the Commonwealth, the Recorder of Deeds/Register of Wills 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%
Inheritance	4.25% \$1.00 to \$200,000.00 1.75% next \$800,000.00 .50% thereafter

RECORDER OF DEEDS/
REGISTER OF WILLS
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

3. Commissions (Continued)

Recorder of Deeds commissions of \$82,758 for Realty Transfer Taxes and Register of Wills commissions of \$99,866 for Inheritance Taxes were paid to the County by the Department of Revenue, which are not reflected in the statements of receipts and disbursements – cash basis.

4. Disbursements And Credits To Department Of Revenue

Recorder Of Deeds

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.

Writ Taxes and Judicial Computer System/Access To Justice Fees

All disbursements of Writ Taxes and Judicial Computer System/Access To Justice Fees are made by check to the Department of Revenue on a monthly basis.

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.

RECORDER OF DEEDS/
REGISTER OF WILLS
WAYNE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

4. Disbursements And Credits To Department Of Revenue (Continued)

Register Of Wills (Continued)

Disbursements and Credits

Total disbursements and credits are comprised as follows:

Deposits into the Department of Revenue's cash management account	\$ 9,469,696
Credits issued by the Department of Revenue	3,521
Checks issued to the Department of Revenue for Judicial Computer System/Access To Justice Fees	<u>6,960</u>
Total	<u>\$ 9,480,177</u>

5. Balance Due Department Of Revenue (County) For The Period January 1, 2003 To
December 31, 2005

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

6. County Officer Serving During Audit Period

Ginger Golden served as Recorder of Deeds/Register of Wills during the period January 1, 2003 to December 31, 2005.



Report On Compliance And On
Internal Control Over Financial Reporting

The Honorable Gregory C. Fajt
Secretary
Department of Revenue
Harrisburg, PA 17128

We have audited the statements of receipts and disbursements – cash basis of the Recorder of Deeds/Register of Wills, Wayne County, Pennsylvania (County Officer), for the period January 1, 2003 to December 31, 2005, and have issued our report thereon dated June 23, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County Officer’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County Officer’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be

Report On Compliance And On
Internal Control Over Financial Reporting (Continued)

material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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.

June 23, 2006

JACK WAGNER
Auditor General

RECORDER OF DEEDS/
REGISTER OF WILLS
WAYNE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

This report was initially distributed to:

The Honorable Gregory C. Fajt
Secretary
Department of Revenue

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

Recorder of Deeds/Register of Wills
Wayne County
Wayne County Courthouse
Honesdale, PA 18431

The Honorable Ginger Golden

Recorder of Deeds/Register of Wills

The Honorable Anthony V. Herzog

Chairperson of the Board

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. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.