RECORDER OF DEEDS/REGISTER OF WILLS/ CLERK OF ORPHANS' COURT

ARMSTRONG COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2010 TO DECEMBER 31, 2012

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL

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EUGENE A. DEPASQUALE
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 Recorder of Deeds/Register of Wills/Clerk of Orphans' Court, Armstrong County, Pennsylvania (County Officer), for the period January 1, 2010 to December 31, 2012, 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*.

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 January 1, 2010 to December 31, 2012, 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.

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.

December 17, 2013

EUGENE A. DEPASQUALE
Auditor General

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RECORDER OF DEEDS
ARMSTRONG COUNTY
REALTY TRANSFER TAXES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2010 TO DECEMBER 31, 2012

Receipts:	
Realty Transfer Taxes (Note 2)	$ 2,631,640
Disbursements to Commonwealth (Note 4)	(2,631,640)
Balance due Commonwealth (County) per settled reports (Note 5)	-
Examination adjustments	-
Adjusted balance due Commonwealth (County) for the period January 1, 2010 to December 31, 2012	$ -

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

RECORDER OF DEEDS
ARMSTRONG COUNTY
WRIT TAXES AND JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2010 TO DECEMBER 31, 2012

Receipts:		
Writ Taxes	$	17,670
Judicial Computer System/Access To Justice Fees		515,637
Total Receipts (Note 2)		533,307
Commissions (Note 3)		(530)
Net Receipts		532,777
Disbursements to Commonwealth (Note 4)		(532,777)
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		-
Adjusted balance due Commonwealth (County) for the period January 1, 2010 to December 31, 2012	$	-

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

REGISTER OF WILLS
ARMSTRONG COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2010 TO DECEMBER 31, 2012

Receipts:	
Inheritance Taxes	$ 11,142,530
Miscellaneous Fees	823
Total Receipts (Note 2)	11,143,353
Disbursements and credits to Commonwealth (Note 4)	(11,143,353)
Balance due Commonwealth (County) per settled reports (Note 5)	-
Examination adjustments	-
Adjusted balance due Commonwealth (County) for the period January 1, 2010 to December 31, 2012	$ -

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

CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2010 TO DECEMBER 31, 2012

Receipts:		
Marriage License Taxes	$	616
Marriage License Application Surcharges		12,320
Marriage License Declaration Fees		12,320
Judicial Computer System/Access To Justice Fees		22,936
Total Receipts (Note 2)		48,192
Disbursements to Commonwealth (Note 4)		(48,192)
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		-
Adjusted balance due Commonwealth (County) for the period January 1, 2010 to December 31, 2012	$	-

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

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2010 TO DECEMBER 31, 2012

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

Recorder Of Deeds

Receipts consist of monies collected on behalf of the Commonwealth. 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 imposed for each filing of deeds in any form, mortgages, mortgage assignments, mortgage releases, mortgage satisfaction pieces, installment sales agreements, leases for a term of 30 years or longer, and easements. These fees were increased to $23.50 for the period December 8, 2009 to December 31, 2014.

2. Receipts (Continued)

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.

- Miscellaneous Fees represent collections for liens and citation filing fees.

- 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 increased to $23.50 for the period December 8, 2009 to December 31, 2014.

  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 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.

2. Receipts (Continued)

Clerk Of Orphans' Court (Continued)

- 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 increased to $23.50 for the period December 8, 2009 to December 31, 2014.

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:

Tax	Commission
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 commissions of $26,316 for Realty Transfer Taxes and Register of Wills commissions of $108,265 for Inheritance Taxes were paid to the County by the Department of Revenue, which are not reflected in the Statements.

4. Disbursements And Credits

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.

Total disbursements are comprised as follows:

Deposits into the Department of Revenue's cash management account	$ 2,631,640

Writ Taxes And Judicial Computer System/Access To Justice Fees

Total disbursements are comprised as follows:

Recorder of Deeds checks issued to:

Department of Revenue	$ 532,777

4. Disbursements And Credits (Continued)

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.

Total disbursements and credits are comprised as follows:

Deposits into the Department of Revenue's cash management account	$ 11,123,715
Credits issued by the Department of Revenue	19,638
Total	$ 11,143,353

Clerk Of Orphans' Court

Total disbursements are comprised as follows:

Clerk of Orphans' Court checks issued to:	
Department of Revenue	$ 48,192

5. Balance Due Commonwealth (County) For The Period January 1, 2010 To December 31, 2012

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

6. County Officer Serving During Examination Period

Marianne Hileman served as Recorder of Deeds/Register of Wills/Clerk of Orphans' Court during the period January 1, 2010 to December 31, 2012.

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2010 TO DECEMBER 31, 2012

This report was initially distributed to:

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue

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

The Honorable Marianne Hileman	Recorder of Deeds/Register of Wills/Clerk of Orphans' Court
The Honorable Myra Miller	Controller
The Honorable David Battaglia	Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at http://www.auditorgen.state.pa.us. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.