

COMPLIANCE AUDIT

Recorder of Deeds/ Register of Wills Crawford County, Pennsylvania For the Period January 1, 2018 to December 31, 2021

June 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Recorder of Deeds/Register of Wills, Crawford County, Pennsylvania (County Officer), for the period January 1, 2018 to December 31, 2021, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d).

The objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Department of Revenue to allow the Department of Revenue to state and settle the County Officer's accounts. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The County Officer is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The County Officer is also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted.

This report includes summaries of the County Officer's receipts and disbursements of funds collected on behalf of the Commonwealth (summaries). We obtained data representing the County Officer's receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's recorder of deeds, and register of wills offices, and used the data to create the summaries in the format required by the Department of Revenue. We also evaluated the accuracy of the data as part of our audit to conclude on the County Officer's compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Audit Adjustments* line of the summaries; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summaries.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted. This report is not suitable for any other purposes.

The contents of this report were discussed with the management of the County Officer. We appreciate the courtesy extended by the Recorder of Deeds/Register of Wills, Crawford County, to us during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
May 9, 2023

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RECORDER OF DEEDS/
REGISTER OF WILLS
CRAWFORD COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

The Department of Auditor General is mandated by Article IV, Section 401(b) and (d) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), 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.

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 \$40.25 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.

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 \$40.25 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.

RECORDER OF DEEDS/
 REGISTER OF WILLS
 CRAWFORD COUNTY
 BACKGROUND
 FOR THE PERIOD
 JANUARY 1, 2018 TO DECEMBER 31, 2021

Total disbursements for the audit period are comprised as follows:

Recorder Of Deeds

Realty Transfer Taxes

Deposits into the Department of Revenue's cash management account	\$ <u>8,251,066</u>
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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. This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

Writ Taxes And Judicial Computer System/Access To Justice Fees

Recorder of Deeds checks issued to:

Department of Revenue	\$ <u>1,423,994</u>
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This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

Register Of Wills

Inheritance Taxes

Deposits into the Department of Revenue's cash management account	\$ 19,824,232
Credits issued by the Department of Revenue	1,502
Checks issued to the Department of Revenue for Judicial Computer System/Access To Justice Fees	<u>46,127</u>
Total	<u>\$ 19,871,861</u>

RECORDER OF DEEDS/
REGISTER OF WILLS
CRAWFORD COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

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. This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance does not reflect adjustments disclosed by our audit.

Deborah Curry served as Recorder of Deeds/Register of Wills during the period January 1, 2018 to December 31, 2019.

Beth M. Forbes served as Recorder of Deeds/Register of Wills during the period January 1, 2020 to December 31, 2021.

The summaries of receipts and disbursements provide a summary of receipts and disbursements by category. The categories and the amounts of taxes and fees assessed are based on Pennsylvania laws and regulations.

The summaries 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.

Audit Adjustment - Inheritance Tax Summary

The \$17,072 audit adjustment represents two deposits of \$5,146.21 and \$11,926.00 that were erroneously posted to the Inheritance Tax account in February 2019. These deposits were corrected on March 12, 2019 and May 21, 2019, respectively.

RECORDER OF DEEDS
CRAWFORD COUNTY
REALITY TRANSFER TAXES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Realty Transfer Taxes	\$ 8,251,066
Disbursements to Commonwealth	<u>(8,251,066)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	<u><u>\$ -</u></u>

RECORDER OF DEEDS
CRAWFORD COUNTY
WRIT TAXES AND JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Writ Taxes	\$ 23,931
Judicial Computer System/Access To Justice Fees	<u>1,400,781</u>
Total Receipts	1,424,712
Commissions	<u>(718)</u>
Net Receipts	1,423,994
Disbursements to Commonwealth	<u>(1,423,994)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	<u><u>\$ -</u></u>

REGISTER OF WILLS
CRAWFORD COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Inheritance Taxes	\$ 19,808,662
Judicial Computer System/Access To Justice Fees	<u>46,127</u>
Total Receipts	19,854,789
Disbursements and credits to Commonwealth	<u>(19,871,861)</u>
Balance due Commonwealth (County) per settled reports	(17,072)
Audit adjustments	<u>17,072</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	<u><u>\$ -</u></u>

RECORDER OF DEEDS/
REGISTER OF WILLS
CRAWFORD COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania Courts
Administrative Office of Pennsylvania Courts

The Honorable Beth M. Forbes
Recorder of Deeds/Register of Wills

The Honorable Eric Henry
Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.