

**Office of the Sheriff
County of Berks, Pennsylvania**

Eric Weaknecht, Sheriff

Annual Financial Statement Audit

For the Year Ended December 31, 2017



Contents

Report Distribution List	1
Internal Auditor's Report	2
Financial Statement	
Statement of Receipts, Disbursements and Changes in Cash Balance - Cash Basis	4
Notes to Financial Statement	5
Internal Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	7

Report Distribution List

1. Eric Weaknecht, Sheriff
2. Christian Y. Leinbach, County Commissioner Chair
3. Kevin S. Barnhardt, County Commissioner
4. Mark C. Scott, County Commissioner
5. Christine Sadler, County Solicitor
6. Fred Mogel, Solicitor for Sheriff
7. Ronald Seaman, Chief Administrative Officer
8. Eugene A. DePasquale, Pennsylvania Auditor General
9. Reinsel, Kuntz, Leshar LLP, Certified Public Accountants
10. Audit File

COUNTY OF BERKS, PENNSYLVANIA
Office of the Controller



Services Center, 12th Floor
633 Court Street
Reading, PA 19601-4311

Phone: 610.478.6150
Fax: 610.478.6890

Christian Y. Leinbach, Chair
Kevin S. Barnhardt, Commissioner
Mark C. Scott, Esq., Commissioner

Sandra M. Graffius, Controller
Tony Distasio, Esq., Solicitor

Internal Auditor's Report

Mr. Eric Weaknecht, Sheriff
Office of the Sheriff
County of Berks, Pennsylvania

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements and the Changes in Cash Balance of the Office of the Sheriff for the year ending December 31, 2017.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatements, whether due to fraud or error.

Internal Auditor's Responsibility

Our responsibility is to annually audit the accounts of every elected official's office within the County and to report the results of such audits to the Berks County Commissioners, the Berks County Solicitor, and the Auditor General of Pennsylvania.

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

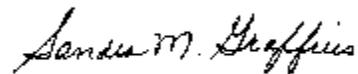
In our opinion, the financial statement referred to above presents fairly, in all material respects, its cash receipts, disbursements and cash balance for the year ending December 31, 2017 in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, Internal Audit has also issued a separate report dated November 28, 2018 on our evaluation of the Office of the Sheriff's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, policies and/or procedures. That report is an integral part of the audit performed in accordance with Government Auditing Standards and is to be read in conjunction with this report in considering the results of the audit.



Sandra M. Graffius, Controller
November 28, 2018

**Office of the Sheriff
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
For the Year Ended December 31, 2017**

Receipts

Fees, escrow & misc. funds	\$ 17,820,678
Interest income	12,006
Total Receipts	17,832,684

Disbursements

Refunds and disbursements	14,965,038
County of Berks Treasurer	1,490,121
Sheriff sale advertising	1,034,878
County of Berks Recorder of Deeds	565,552
Commonwealth of PA	129,813
County of Berks Tax Claim	103,078
County of Berks Prothonotary	11,198
Total Disbursements	18,299,678

Cash disbursements in excess of receipts (466,994)

Cash account balance as of January 1 2,075,062

Cash account balance as of December 31 **\$ 1,608,068**

The accompanying notes are an integral part of these financial statements.

**Office of the Sheriff
County of Berks, Pennsylvania
Notes to Financial Statement
For the Year Ended December 31, 2017**

Note 1: Nature of the office and significant accounting policies

Background and Reporting Entity:

The Sheriff acts as a conduit for the Commonwealth of Pennsylvania, the County of Berks, related political subdivisions, and the citizens it serves. Consequently, the Sheriff's cash balance at any point in time represents undisbursed funds to one (or all) of these parties. For financial statement purposes, these undisbursed funds are included as a liability of the Sheriff.

The actual operating expenses of the Sheriff are paid by the County of Berks. These costs include the salaries and wages of Sheriff employees, fringe benefits, postage, telephone, office supplies, computer/LAN use, and furniture and equipment. These costs are not included in the audited Statement of Cash Receipts, Disbursements, and Cash Balance.

Basis of accounting:

The books and records of the Office of the Sheriff are maintained on the cash basis of accounting and, therefore, the financial statements presented herein do not purport to present the account balances and results of operations in conformity with generally accepted accounting principles. The cash basis of accounting is another comprehensive basis of accounting.

Note 2: Cash and equivalents

The following cash accounts are in the name of the County of Berks, Office of the Sheriff, and are reflected in the County of Berks financial statements:

<u>Bank</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Carrying Value</u>
First National Bank	Checking and Sweep	2,106,872	1,016,724
Tompkins VIST Bank	Checking	709,904	591,344
		<u>\$ 2,816,776</u>	<u>\$ 1,608,068</u>

The checking accounts hold funds received by the Office of the Sheriff in a trust and agency capacity and use of these funds, by the Office of the Sheriff, is restricted.

Amounts on deposit in excess of FDIC limits are collateralized by the financial institution with securities held by that entity.

**Office of the Sheriff
County of Berks, Pennsylvania
Notes to Financial Statement - Continued
December 31, 2017**

Note 3: Legal Matters

Our audit disclosed no pending litigation involving the Office of the Sheriff or Sheriff Eric Weaknecht, that would affect the financial statements for the year ended December 31, 2017.

Note 4: Subsequent Events

Management has evaluated subsequent events through November 28, 2018, which is the date the financial statement was available to be issued.

COUNTY OF BERKS, PENNSYLVANIA

Office of the Controller



Services Center, 12th Floor
633 Court Street
Reading, PA 19601-4311

Phone: 610.478.6150
Fax: 610.478.6890

Christian Y. Leinbach, Chair
Kevin S. Barnhardt, Commissioner
Mark C. Scott, Esq., Commissioner

Sandra M. Graffius, Controller
Tony Distasio, Esq., Solicitor

Internal Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Mr. Eric Weaknecht, Sheriff
Office of the Sheriff
County of Berks, Pennsylvania

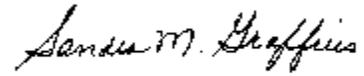
In planning and performing our audit of the financial statement of Office of the Sheriff for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Office of the Sheriff's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of Office of the Sheriff's internal control.

A *deficiency* in internal control 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As part of obtaining reasonable assurance about whether the Office of the Sheriff's financial statement is 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 in 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use by the management of the Office of the Sheriff and other affected county offices, and is not intended to be, and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Sandra M. Graffius". The signature is written in a cursive style with a large initial 'S'.

Sandra M. Graffius, Controller
November 28, 2018