



County of Berks, Office of the Controller

Berks County Services Center
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Sandra M. Graffius, County Controller
Jack A. Linton, Esq., Solicitor

December 6, 2016

Mr. A. Dennis Adams, CPA
Treasurer
Office of the Treasurer
County of Berks, Pennsylvania

Re: Accountant's Compilation Report

Dear Mr. Adams:

We have completed our compilation of the financial statements for the Office of the Treasurer as of December 31, 2013, 2014 and 2015 and have attached the Final report. This report is intended for the use of the Office of the Treasurer's management. This restriction is not intended to limit the distribution of this report which is a matter of public record.

I would like to thank you for your cooperation and the courtesies extended by your staff to mine. If you have any questions concerning the attached report, I would be glad to discuss them with you.

Yours truly,

Sandra M. Graffius

Office of the Treasurer
County of Berks, Pennsylvania
A. Dennis Adams, Treasurer
Financial Statement Compilation
As of December 31, 2013, 2014 and 2015

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Report Distribution List

1. A. Dennis Adams, Treasurer
2. Christian Y. Leinbach, County Commissioner Chair
3. Kevin S. Barnhardt, County Commissioner
4. Mark C. Scott, County Commissioner
5. Ronald Seaman, Chief Administrative Officer
6. Socrates Georgeadis, Solicitor for Treasurer
7. Berks County Convention Center Authority
8. Berks County Visitors Bureau
9. Eugene A. DePasquale, Pennsylvania Auditor General
10. Reinsel, Kuntz, Leshner LLP, Certified Public Accountants
11. Audit File



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Accountant's Compilation Report

Mr. A. Dennis Adams, CPA
Treasurer
Office of the Treasurer
County of Berks, Pennsylvania

Report on the Financial Statements

We have compiled the accompanying financial statements of the Office of the Treasurer, which comprise the statement of assets and liabilities – cash basis as of December 31, 2013, 2014 and 2015, and the related statement of receipts, disbursements and changes in cash balance – cash basis for the years then ended, and the related notes to the financial statements. We have not audited the accompanying financial statements and, accordingly, do not express an opinion on the financial statements.

Management's Responsibility for the Financial Statements

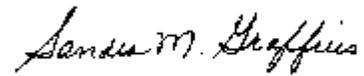
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances.

Accountant's Responsibility

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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.

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
December 6, 2016

**Office of the Treasurer
County of Berks, Pennsylvania
Statement of Assets and Liabilities – Cash Basis
As of December 31, 2013, 2014 and 2015**

Assets

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Cash in bank	\$ 565,249	\$ 626,265	\$ 451,287
Cash on hand	5,000	5,000	5,000
Total Assets	\$ 570,249	\$ 631,265	\$ 456,287

Liabilities and Fund Balance

Liabilities

Escheat property in escrow	\$ 403,083	\$ 444,130	\$ 272,200
Due to Berks County Convention Center	109,726	123,657	119,777
Due to Berks County Visitor's Bureau	26,390	29,740	28,822
Due to Commonwealth of Pennsylvania	16,625	20,108	19,834
Due to County of Berks	9,425	8,630	10,654
Due to County of Berks - change fund	5,000	5,000	5,000
Total Liabilities	\$ 570,249	\$ 631,265	\$ 456,287

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

**Office of the Treasurer
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
As of December 31, 2013, 2014 and 2015**

Receipts

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Hotel room tax	\$ 1,883,513	\$ 2,102,195	\$ 2,188,848
Escheats	49,300	122,461	32,280
Hunting and pistol licenses	213,882	190,851	171,272
Dog licenses	148,804	167,861	159,095
Lifetime dog licenses	64,994	53,470	75,294
Fishing and boating licenses	3,216	3,187	2,727
Interest income	889	854	748
Bank fee refunded	114	30	-
Total Receipts	<u>2,364,712</u>	<u>2,640,909</u>	<u>2,630,264</u>

Disbursements

Berks County Convention Center	1,534,702	1,646,803	1,734,600
Commonwealth of Pennsylvania	452,736	435,235	550,615
Berks Reading Visitor's Bureau	357,153	396,067	417,182
COB commission - hotel tax	5,609	40,856	43,148
COB commission - dog/lifetime licenses	16,647	18,373	28,492
COB commission - hunting licenses	30,739	28,831	24,893
Mailing cost - dog licenses	920	2,895	5,047
COB commission - fishing licenses	227	200	252
Escheat refunds	61	8,538	222
Payments to satellites - dog licenses	1,380	1,018	32
Bank and other fees	192	190	13
Other amounts due County of Berks	111	853	746
Escheat funds	4,602	34	-
Total Disbursements	<u>2,405,079</u>	<u>2,579,893</u>	<u>2,805,242</u>

Cash receipts in surplus/(shortage) of disbursements	(40,367)	61,016	(174,978)
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Cash account balance as of January 1	<u>610,616</u>	<u>570,249</u>	<u>631,265</u>
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Cash account balance as of December 31	<u>\$ 570,249</u>	<u>\$ 631,265</u>	<u>\$ 456,287</u>
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The accompanying notes are an integral part of these financial statements.

**Office of the Treasurer
County of Berks, Pennsylvania
Notes to Financial Statements
As of December 31, 2013, 2014 and 2015**

Note 1: Nature of the office and significant accounting policies

Background and Reporting Entity:

The Office of the Treasurer is the custodian of all County monies. He collects real estate taxes, fees and receipts, and disburses all funds after authorization by the Controller and the Commissioners. This office issues licenses for small games of chance and bingo. In addition, this office issues licenses for hunting, fishing, dogs, motorboats, and pistol permits only when used in conjunction with hunting and fishing; collects escheat funds from County Offices and disburses them to the Commonwealth of Pennsylvania and collects Berks County Hotel Room Rental Tax and disburses them to the Berks County Convention Center Authority and Greater Reading Convention Center and Visitor's Bureau.

Note: The real estate taxes and small games of chance and bingo are not included in the compilation.

Basis of accounting:

The books and records of the Office of the Treasurer 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.

Cash and cash equivalents:

The Office of the Treasurer considers cash and equivalents to be cash on hand, on deposit and investments with a maturity of three months or less when purchased.

Cash accounts:

The financial statements prepared for the Office of the Treasurer reflect primarily trust and agency account activity. The account is maintained and reconciled by the Office of the Treasurer. Administrative costs and expenses incurred by the Office of the Treasurer are reflected on the books and records of the County of Berks and not on these financial statements

**Office of the Treasurer
County of Berks, Pennsylvania
Notes to Financial Statements
As of December 31, 2013, 2014 and 2015**

Note 2: Cash and Equivalents

The following cash accounts for 2013 are in the name of the County of Berks, Office of the Treasurer, and are reflected in the County of Berks financial statements:

<u>Bank</u>	<u>Account Type</u>	<u>2013 Bank Balance</u>	<u>2013 Carrying Value</u>
National Penn	Checking - escheats	\$ 405,911	\$ 403,083
National Penn	Checking - hotel	174,362	138,961
National Penn	Checking - dog	13,780	13,775
National Penn	Checking - lifetime dog	7,866	7,866
National Penn	Checking - hunting	1,434	1,434
National Penn	Checking - fishing	130	130
Cash	Change fund	5,000	5,000
		<u>\$ 608,483</u>	<u>\$ 570,249</u>

The following cash accounts for 2014 are in the name of the County of Berks, Office of the Treasurer, and are reflected in the County of Berks financial statements:

<u>Bank</u>	<u>Account Type</u>	<u>2014 Bank Balance</u>	<u>2014 Carrying Value</u>
National Penn	Checking - escheats	\$ 447,058	\$ 444,230
National Penn	Checking - hotel	156,772	156,772
National Penn	Checking - dog	24,004	24,284
National Penn	Checking - lifetime dog	747	740
National Penn	Checking - fishing	177	208
National Penn	Checking - hunting	36	31
Cash	Change fund	5,000	5,000
		<u>\$ 633,794</u>	<u>\$ 631,265</u>

**Office of the Treasurer
County of Berks, Pennsylvania
Notes to Financial Statements
As of December 31, 2013, 2014 and 2015**

Note 2: Cash and Equivalents (continued)

The following cash accounts for 2015 are in the name of the County of Berks, Office of the Treasurer, and are reflected in the County of Berks financial statements:

<u>Bank</u>	<u>Account Type</u>	<u>2015 Bank Balance</u>	<u>2015 Carrying Value</u>
National Penn	Checking - escheats	\$ 275,128	\$ 272,300
National Penn	Checking - hotel	150,135	150,135
National Penn	Checking - dog	27,612	27,891
National Penn	Checking - lifetime dog	749	749
National Penn	Checking - fishing	143	143
National Penn	Checking - hunting	69	69
Cash	Change fund	<u>5,000</u>	<u>5,000</u>
		<u>\$ 458,836</u>	<u>\$ 456,287</u>

These accounts hold funds received by the Office of the Treasurer in a trust and agency capacity and use of these funds by the Office of the Treasurer is restricted.

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

Note 3: Legal Matters

Our audit disclosed no pending litigation involving the Office of the Treasurer or Mr. A. Dennis Adams, CPA, Treasurer that would affect the financial statements for the years ending December 31, 2013, 2014 and 2015.

SUPPLEMENTAL INFORMATION

Office of the Treasurer
County of Berks, Pennsylvania
Schedule of County of Berks
Revenues and Direct Expenditures
As of December 31, 2013, 2014 and 2015

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Revenues</u>	<u>\$ 131,725,892</u>	<u>\$ 132,671,482</u>	<u>\$ 133,538,193</u>
<u>Direct Expenditures</u>			
Salaries and Wages	\$ 312,510	\$ 347,380	\$ 311,631
Bank Charges	122,562	129,630	116,271
Fringe Benefits	94,356	82,269	87,985
Postage	23,396	34,035	23,122
Software/Hardware Maintenance Contracts	1,273	11,947	18,091
Copier Replacements	-	-	7,730
Conference/Training/Travel	3,191	6,120	4,076
Temporary Personnel	4,848	4,720	3,836
Association Dues	1,079	1,615	1,894
Office Supplies	2,858	3,128	1,860
Telephone/Internet	679	1,174	1,776
Other General Expenditures	4,443	3,372	1,110
Professional Fees/Contracted Services	47	5,315	737
Copier Maintenance Costs	-	1,837	639
Total Direct Expenditures	<u>\$ 571,242</u>	<u>\$ 632,542</u>	<u>\$ 580,758</u>