



County of Berks, Office of the Controller

Berks County Services Center
633 Court Street, 12th Floor
Reading, PA 19601-4311
Phone (610) 478-6150
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Sandra M. Graffius, County Controller
Jack A. Linton, Esq., Solicitor

September 28, 2015

Mr. Larry Medaglia
Register of Wills/Clerk of Orphans' Court
Office of the Register of Wills/Clerk of Orphans' Court
County of Berks, Pennsylvania

Re: Internal Auditor's Report

Dear Mr. Medaglia:

We have completed our audit of the financial statements of the Office of the Register of Wills/Clerk of Orphans' Court for the year ended December 31, 2014, and have attached the report for your review and consideration.

Since there was no significant finding or instance of non-compliance noted, no response is required and the attached report is the final report.

This report is intended for the use of the Office of the Register of Wills/Clerk of Orphans' Court 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 for 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 Register of Wills/Clerk of Orphans' Court
County of Berks, Pennsylvania**

Larry Medaglia, Register of Wills/Clerk of Orphans' Court

Financial Audit

For the Period January 1, 2014 to December 31, 2014

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Report Distribution List

1. Larry Medaglia, Register of Wills/Clerk of Orphans' Court
2. Christian Y. Leinbach, County Commissioner Chair
3. Kevin S. Barnhardt, County Commissioner
4. Mark C. Scott, County Commissioner
5. Carl Geffken, Chief Operations Officer
6. Philip J. Edwards, Solicitor for Register of Wills/Clerk of Orphans' Court
7. Eugene A. DePasquale, Pennsylvania Auditor General
8. Reinsel, Kuntz, Leshner LLP, Certified Public Accountants
9. Audit File



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Internal Auditor's Report

Mr. Larry Medaglia
Register of Wills/Clerk of Orphans' Court
Office of the Register of Wills/Clerk of Orphans' Court
County of Berks, Pennsylvania

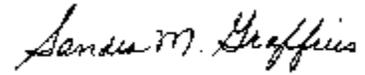
We have audited the Statement of Receipts, Disbursements and Changes in Cash Balance –Cash Basis for the year ended December 31, 2014 for the Office of the Register of Wills/Clerk of Orphans' Court. The financial statement is the responsibility of the Office of the Register of Wills/Clerk of Orphans' Court management. 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. 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 in Note 1, the accounts of the Office of the Register of Wills/Clerk of Orphans' Court are maintained, and the accompanying financial statement is prepared, on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above present fairly, in conformity with the cash basis of accounting, the cash account balance of the Office of the Register of Wills/Clerk of Orphans' Court, as of December 31, 2014, and the revenues it received and expenditures it paid for the year ended on the basis of accounting described in Note 1.

The report is intended for the information of the County of Berks Board of Commissioners and the Office of the Register of Wills/Clerk of Orphans' Court management. 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
September 28, 2015

**Office of the Register of Wills/Clerk of Orphans' Court
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
For the Year Ended December 31, 2014**

Receipts

Register of Wills: fees & escrow funds	\$ 730,974
Clerk of Orphans' Court: fees & escrow funds	279,413
Other revenue	<u>142,913</u>
Total receipts	<u>1,153,300</u>

Disbursements

County of Berks	1,048,217
Commonwealth of PA	93,205
Refunds	1,715
Bank fees	<u>2,323</u>
Total disbursements	<u>1,145,460</u>

Cash receipts in excess of disbursements	7,840
Cash account balance as of January 1	<u>141,667</u>
Cash account balance as of December 31	<u>\$ 149,507</u>

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

**Office of the Register of Wills/Clerk of Orphans' Court
County of Berks, Pennsylvania
Notes to Financial Statements
December 31, 2014**

Note 1: Nature of the Office and Significant Accounting Policies

Nature of the Office:

The Register of Wills and Clerk of the Orphans' Court is an elected official who serves as a dual officeholder and whose primary function is to determine whether the document offered for probate should be received as the last will of the decedent. When disputes arise at the time of probate, the Register, as a quasi-judicial officer, is empowered to hold hearings, take testimony, review evidence and render decisions on how the administration of the estate shall proceed.

Responsibilities as Clerk of Orphans' Court include maintaining the docket and files for adoptions, guardianships and other matters which may come before the Orphans' Court Judge, as well as taking applications for, and issuing, marriage licenses.

The Register of Wills is a mandated keeper of all records filed here, and since those records must be kept forever, the office is a resource for genealogical information.

Fees are collected for various services associated with these and other duties. Other revenues include commissions earned on inheritance taxes collected for the Commonwealth of PA, and royalties received from MyFamily.Com, an internet web page for genealogy research. The Register of Wills/Clerk of Orphans' Court also acts as an escrow agent for court ordered deposits, administrator bonds and adoption fees.

Basis of Accounting:

The books and records of the Office of the Register of Wills/Clerk of Orphans' Court 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 Register of Wills/Clerk of Orphans' Court 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 compiled for the Office of the Register of Wills/Clerk of Orphans' Court reflect primarily trust and agency account activity. The account is maintained and reconciled by the Office of the Register of Wills/Clerk of Orphans' Court. Administrative costs and expenses incurred by the Office of the Register of Wills/Clerk of Orphans' Court are reflected on the books and records of the County of Berks and not on these financial statements.

**Office of the Register of Wills/Clerk of Orphans' Court
County of Berks, Pennsylvania
Notes to Financial Statements - Continued
December 31, 2014**

Note 2: Cash and Equivalents

The following cash accounts are in the name of the County of Berks, Office of the Register of Wills/Clerk of Orphans' Court, 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>
National Penn	general checking	\$ 143,078	\$ 149,507
Cash	cash on hand	150	150
		<u>\$ 143,228</u>	<u>\$ 149,657</u>

The general checking holds funds received by the Office of the Register of Wills/Clerk of Orphans' Court in a trust and agency capacity and use of these funds, by the Office of the Register of Wills/Clerk of Orphans' Court, is restricted.

Amounts on deposit do not exceed \$250,000 and, therefore, are fully covered by FDIC insurance.



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Internal Auditor's Report on Compliance and Internal Controls

Mr. Larry Medaglia
Register of Wills/Clerk of Orphans' Court
Office of the Register of Wills/Clerk of Orphans' Court
County of Berks, Pennsylvania

In planning and performing our audit of the financial statements of the Office of the Register of Wills/Clerk of Orphans' Court as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Office of the Register of Wills/Clerk of Orphans' Court 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 statements, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Register of Wills/Clerk of Orphans' Court internal control. Accordingly, we do not express an opinion on the effectiveness of the Office of the Register of Wills/Clerk of Orphans' Court 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 statements will not be prevented, or detected and corrected on a timely basis.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

The report is intended for the information of the County of Berks Board of Commissioners and the Office of the Register of Wills/Clerks of Orphans' Court management. However, this report is a matter of public record and its distribution is not limited.

Sandra M. Graffius, Controller
September 28, 2015