



COUNTY OF DELAWARE, PENNSYLVANIA
Office of the County Controller

**Audit of the County of Delaware
Register of Wills, Clerk of
Orphans' Court**

**For the Year Ended
December 31, 2020**

**Joanne Phillips
COUNTY CONTROLLER**

**COUNTY OF DELAWARE
REGISTER OF WILLS,
CLERK OF ORPHANS' COURT**

FOR THE YEAR ENDED DECEMBER 31, 2020

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Independent Auditor's Report

**County Controller,
Board of County
Commissioners, and
Register of Wills,
Clerk of Orphans' Court
County of Delaware,
Pennsylvania**

We have audited the accompanying financial schedules of the Custodial Fund of the County of Delaware Register of Wills, Clerk of Orphans' Court (Register of Wills, Clerk of Orphans' Court), which comprise the schedule of Custodial Fund assets and liabilities arising from cash transactions as of December 31, 2020 and the related schedule of Custodial Fund changes in liabilities arising from cash transactions for the year then ended, and the related notes to the financial schedules.

Management's Responsibility for the Financial Schedules

Management is responsible for the preparation and fair presentation of these financial schedules in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial schedules in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial schedules 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 whether the financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial schedules, 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 schedules 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 schedules.

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 schedules referred to above present fairly, in all material respects, the Custodial Fund assets and liabilities arising from cash transactions of the Register of Wills, Clerk of Orphans' Court as of December 31, 2020, and the changes in liabilities arising from cash transactions for the year then ended in accordance with the cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial schedules, which describes the basis of accounting. The financial schedules were 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.

Emphasis of Matter

As discussed in Note 2, the financial schedules are intended to present only those transactions for the administration and services delivered by the Register of Wills, Clerk of Orphans' Court. They do not purport to, and do not present fairly the financial position of the County of Delaware, Pennsylvania, as of December 31, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Maher Duessel

Harrisburg, Pennsylvania
March 15, 2022

**COUNTY OF DELAWARE
REGISTER OF WILLS,
CLERK OF ORPHANS' COURT**

SCHEDULE OF CUSTODIAL FUND ASSETS AND
LIABILITIES ARISING FROM CASH TRANSACTIONS

DECEMBER 31, 2020

Assets	
Cash	\$ <u>530,011</u>
<hr/>	
Liabilities Arising From Cash Transactions	
Due to Delaware County	\$ 141,174
Due to Delaware County - inheritance tax commissions	322,893
Due to the Commonwealth	<u>65,944</u>
Total Liabilities Arising From Cash Transactions	\$ <u>530,011</u>

See accompanying notes to financial schedules.

**COUNTY OF DELAWARE
REGISTER OF WILLS,
CLERK OF ORPHANS' COURT**

SCHEDULE OF CUSTODIAL FUND CHANGES IN LIABILITIES
ARISING FROM CASH TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

Additions:

<u>County fees</u>	\$	1,711,890
Commonwealth fees		172,295
Inheritance tax commissions		322,893
Other fees		64,316
Total additions		2,271,394

Deductions:

County fees		1,806,214
Commonwealth fees		131,611
Estate and refunds		11,660
Credit card fees		9,027
Total deductions		1,958,512

**Change in Liabilities Arising
From Cash Transactions**

312,882

Cash Balances:

<u>Beginning of year</u>		217,129
End of year	\$	530,011

See accompanying notes to financial schedules.

**COUNTY OF DELAWARE
REGISTER OF WILLS,
CLERK OF ORPHANS' COURT**

NOTES TO FINANCIAL SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2020

1. Organization

The Office of the County of Delaware (County) Register of Wills, Clerk of Orphans' Court (Register of Wills, Clerk of Orphans' Court) is custodial in nature. The row office collects the following fees and taxes: inheritance taxes for the Commonwealth of Pennsylvania Department of Revenue (Commonwealth); marriage license fees and taxes for the Commonwealth; Orphans' Court fees for both the County and Commonwealth; and Register of Wills, Clerk of Orphans' Court fees for both the County and Commonwealth. Inheritance taxes are deposited directly into a bank account held by the Commonwealth. All other fees and taxes collected are deposited into the Register of Wills, Clerk of Orphans' Court's account. The Register of Wills, Clerk of Orphans' Court is responsible for remitting these collections to the County Treasurer and/or the Pennsylvania Department of Revenue. Commissions on inheritance taxes are remitted to the Register of Wills, Clerk of Orphans' Court; these funds are electronically transmitted directly to the Treasurer's Office for deposit into the County's General Fund. Rachel Ezzell Berry served as the Register of Wills, Clerk of Orphans' Court starting in March 2020.

2. Significant Accounting Policies

Basis of Presentation

The accompanying schedule of Custodial Fund assets and liabilities arising from cash transactions and schedule of Custodial Fund changes in liabilities arising from cash transactions present amounts collected by the Register of Wills, Clerk of Orphans' Court to be remitted to the appropriate governing authority or individual.

Basis of Accounting

The books and records of the Register of Wills, Clerk of Orphans' Court are maintained on a cash basis of accounting. The cash basis is a basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, only those transactions involving the receipt or disbursement of cash are reflected on these financial schedules. The schedule of Custodial Fund assets and liabilities arising from cash transactions includes cash and related liabilities to individuals or governmental units

**COUNTY OF DELAWARE
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NOTES TO FINANCIAL SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2020

occurring as the result of the receipt of cash by the Register of Wills, Clerk of Orphans' Court.

Financial Reporting Entity

This report is intended to represent only those transactions for the administration and services delivered by the Register of Wills, Clerk of Orphans' Court. This report is not intended to represent the financial position or results of operations of the County or to encompass all County receipt and disbursement activity.

3. Inheritance Taxes

The Register of Wills, Clerk of Orphans' Court collected inheritance taxes in the amount of \$63,367,213 during 2020, which is not reflected in the financial schedules. The Register of Wills, Clerk of Orphans' Court daily deposits all inheritance tax payments into the Commonwealth's account. The Register of Wills, Clerk of Orphans' Court received commissions in the total amount of \$322,893 for inheritance tax collections in 2020. These amounts are included as due to the County at December 31, 2020.

4. Estate Escrow

In the matter of contested estates, the Clerk of Orphans' Court is required to hold any collected funds in escrow until they are released by order of the court. The Clerk of Orphans' Court is permitted by statute, court-approved fee schedule, and court order to deduct poundage fees on any monies held in escrow. The estate escrow is held as certificates of deposit or in a separate money market account titled to the name of the estate. The escrow continues to earn interest until the court orders distribution of the funds. There were no contested estates wherein escrow was held by order of the court during 2020.