

***Westmoreland County
Controller***

AUDITING DEPARTMENT

Jeffrey Balzer

County Controller

Audit of

Westmoreland County
Countywide Records Improvement Fund

Financial Statements – Modified Accrual Basis
For the period January 1, 2020 to December 31, 2020

Prepared for

Westmoreland County
Board of Commissioners

Audit of

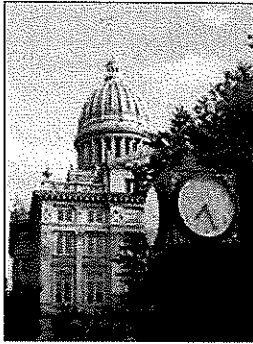
Westmoreland County
Countywide Records Improvement Fund

Presented by

Jeffrey Balzer
County Controller

And

Westmoreland County Auditing Department



Westmoreland County Controller's Office

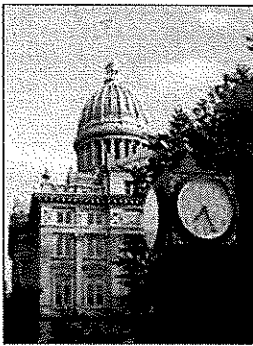
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Jeffrey Balzer, Controller

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On the web at... www.co.westmoreland.pa.us

Westmoreland County
Countywide Records Improvement Fund
Audit Distribution List
For the period January 1, 2020 to December 31, 2020

1. Westmoreland County Commissioners
2. Bryan Kline, Former Chairperson, Records Improvement Committee
3. Megan Loughner, Chairperson, Records Improvement Committee
4. Meghan McCandless, Director Financial Administration
5. Jason Greenwald, Director of Records Management



Westmoreland County Controller's Office

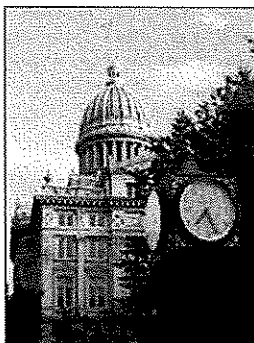
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Westmoreland County
Countywide Records Improvement Fund
For the period January 1, 2020 to December 31, 2020
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Westmoreland County Controller's Office

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Jeffrey Balzer, Controller

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November 8, 2021

Westmoreland County Board of Commissioners
2 North Main Street, Suite 101
Greensburg, PA 15601

Dear Members of the Board:

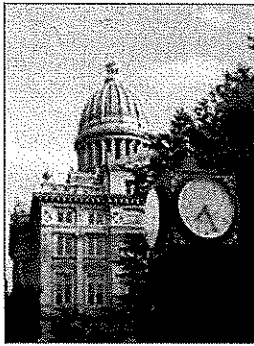
Transmitted herewith for your information is a copy of the audit of the Westmoreland County Countywide Records Improvement Fund, the purpose of which is to express an opinion on the fairness of the presentation of the financial statements for the period January 1, 2020 to December 31, 2020.

In line with the policy of this office under which all official audit reports are considered to be public information, a report will be released to the news media or general public upon request.

If there are any questions you may have or comments you desire to make concerning this report, please do not hesitate to contact this office.

Sincerely,

Jeffrey Balzer
County Controller



Westmoreland County Controller's Office

2 North Main St., Suite 111
Greensburg, PA 15601
Phone (724) 830-3115, Fax (724) 830-3134

Jeffrey Balzer, Controller

Email: controller@co.westmoreland.pa.us
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Independent Auditor's Report

November 8, 2021

Westmoreland County Board of Commissioners
2 North Main Street, Suite 101
Greensburg, PA 15601

Dear Members of the Board:

We have audited the Westmoreland County Countywide Records Improvement Fund Balance Sheet – Current Financial Resources Measurement Focus and Modified Accrual Basis as of December 31, 2020, and the related Statement of Revenues, Expenditures, and Changes in Fund Balance – Current Financial Resources Measurement Focus and Modified Accrual Basis for the year ended December 31, 2020, as listed in the Table of Contents, and the related notes to 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 modified accrual basis of accounting as described in Note 1; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements 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 statements 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 statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Westmoreland County Countywide Records Improvement Fund's preparation and fair presentation of the financial statements 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 statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the Balance Sheet-Modified Accrual Basis, of the Westmoreland County Countywide Records Improvement Fund, as of December 31, 2020 and its Revenues, Expenditures, and Changes in Fund Balance for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. These financial statements are prepared on the current financial resources measurement focus and modified accrual 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*, we have also issued our report dated November 8, 2021 on our consideration of the Westmoreland County Countywide Records Improvement Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matters

As discussed in Note 1, the financial statements present only the activity of the Westmoreland County Countywide Records Improvement Fund for the year ended December 31, 2020, and is not intended to be a complete presentation of The Westmoreland County Countywide Records Improvement Fund's financial position or results of operation on the modified accrual basis of accounting.

Sincerely,



Jeffrey Balzer
County Controller

Westmoreland County
 Countywide Records Improvement Fund
 Balance Sheet
 Current Financial Resources Measurement Focus and Modified Accrual Basis
 As of December 31, 2020

Assets:

Cash	\$ -	
Money Market Account	275,037.92	
Income Receivable	<u>9,020.00</u>	
Total Assets		<u>284,057.92</u>

Liabilities & Fund Balance:

Liabilities:

Accounts Payable	<u>4,100.00</u>	
Total Liabilities		4,100.00
Fund Balance		<u>279,957.92</u>
Total Liabilities & Fund Balance		<u>\$ 284,057.92</u>

Note: The accompanying notes are an integral part of the financial statements.

Westmoreland County
Countywide Records Improvement Fund
Statement of Revenues, Expenditures, and Fund Balance
Current Financial Resources Measurement Focus and Modified Accrual Basis
For the Period January 1, 2020 to December 31, 2020

<u>Fund Balance at 12/31/2019</u>		\$ 279,154.86
 <u>Revenues:</u>		
Recording of Legal Instruments	91,006.00	
Interest Income	<u>585.88</u>	
 Total Revenues		 91,591.88
 <u>Expenditures:</u>		
Contracted Services	77,708.82	
Transfers to General Fund	<u>13,080.00</u>	
 Total Expenditures		 <u>90,788.82</u>
 Excess/(Deficiency) of Revenues over Expenditures		 <u>803.06</u>
 <u>Fund Balance at 12/31/2020</u>		 <u>\$ 279,957.92</u>

Note: The accompanying notes are an integral part of the financial statements.

Westmoreland County
Countywide Records Improvement Fund
Notes to the Financial Statements
For the period January 1, 2020 to December 31, 2020

Note # 1: Nature of Entity and Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Westmoreland County Recorder of Deeds Records Improvement Fund are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered measurable only when cash is received by the Fund. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Note 2: House Bill No. 1923:

The Recorder of Deeds Fee Law of April 8, 1982, amended May 19, 2002, established the County Record Improvement Fund. For each document filed in the Recorder of Deeds Office, a \$5.00 fee is collected, with \$3.00 deposited into Fund 216, line item 0200 for the Recorder of Deeds' portion to support development and improvement of the office records management activities and systems in the Recorder of Deeds office. Two dollars are deposited into Fund 210, line item 0150 for the Countywide Records Improvement portion for the goal of standardizing and equalizing the capabilities of all county offices consistent with their need to receive, manage, and provide information to the public as efficiently as possible.

Note 3: Cash, Cash Equivalents, and Investment Deposits

The deposits of the Westmoreland County Countywide Records Improvement Fund, held at PNC Bank, are either insured or collateralized per Act 72 of the Commonwealth of Pennsylvania. Deposits collateralized per Act 72 of the Commonwealth of Pennsylvania, dated August 6, 1971 (Act 72) are secured by pooled collateral held by an agent of the County's banks in the bank's name as permitted per the Act. The fund has a checking account and a money market account.

At December 31, 2020, the Countywide Records Improvement Fund checking account, held at PNC Bank, had a carrying value of \$22,100.00 and a bank balance of \$0.00. At December 31, 2020, the money market account, held at PNC Bank, had a carrying value of \$275,037.92 and a bank balance of \$288,117.92.

Westmoreland County
Countywide Records Improvement Fund
Independent Auditor's Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

November 8, 2021

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Westmoreland County Countywide Records Improvement Fund, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Westmoreland County Countywide Records Improvement Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Westmoreland County Countywide Records Improvement Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Westmoreland County Countywide Records Improvement Fund'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement(s) 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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. 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.

Westmoreland County
Countywide Records Improvement Fund
Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Westmoreland County Countywide Records Improvement Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Westmoreland County Countywide Records Improvement Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Westmoreland County Countywide Records Improvement Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,



Jeffrey Balzer
County Controller