

**Westmoreland County
Tax Collection Committee**

**Tax Officer – Berkheimer Tax
Administrator**

Financial Statement and
Supplementary Information

Year Ended December 31, 2014
with Independent Auditor's Reports

MaherDuessel
Certified Public Accountants

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**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER- BERKHEIMER TAX ADMINISTRATOR**

YEAR ENDED DECEMBER 31, 2014

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Independent Auditor's Report

Committee Members
Westmoreland County Tax Collection Committee

Report on the Financial Statement

We have audited the accompanying statement of cash receipts, cash disbursements, and change in cash balance of the Westmoreland County Tax Collection Committee's Tax Officer, Berkheimer Tax Administrator (Berkheimer), for the year ended December 31, 2014, and the related notes to the financial statement.

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 as described in Note 2; 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 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 statement is free from 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 judgment, 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 the 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 on Cash Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and cash disbursements of Berkheimer for the year ended December 31, 2014, and its cash balance as of December 31, 2014, in conformity with the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that comprises Berkheimer's financial statement as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statement.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2015 on our consideration of Berkheimer'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* in considering Berkheimer's internal control over financial reporting and compliance.

Mahe Duessel

Pittsburgh, Pennsylvania
August 18, 2015

WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER - BERKHEIMER TAX ADMINISTRATOR

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN CASH BALANCE

YEAR ENDED DECEMBER 31, 2014

Cash Receipts

Resident earned income tax receipts:	
Employers and taxpayers within Westmoreland County	\$ 48,598,074
Other tax collection districts	38,537,622
Non-resident earned income tax receipts:	
Political subdivisions within Westmoreland County	404,503
Other tax collection districts	18,054,391
Delinquent collections	2,613,043
Delinquent collections due to other collectors	83,130
Net change in unidentified collections	(186,678)
Costs recovered by the Tax Officer	395,427
	<hr/>
Total Cash Receipts	108,499,512
	<hr/>

Cash Disbursements

Distributions:	
Earned income tax distributions to Westmoreland County tax collection district members, net of commissions and refunds	87,745,227
Earned income tax distributions to other tax collection districts	19,344,851
Earned income tax distributions to other tax collectors	102,061
Taxpayer refunds	1,271,649
Tax Officer commissions	1,034,135
Other disbursements:	
Postage fees reimbursed to Tax Officer	102,231
Cost retained by Tax Officer	395,427
	<hr/>
Total Cash Disbursements	109,995,581
	<hr/>

Change in Cash Balance	<hr/> (1,496,069) <hr/>
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Cash Balance - January 1, 2014	<hr/> 1,730,618 <hr/>
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Cash Balance - December 31, 2014	\$ 234,549
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See accompanying notes to financial statement.

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

1. NATURE OF ACTIVITIES

Westmoreland County Tax Collection Committee (Committee) is the Tax Collection Committee representing all taxing jurisdictions within Westmoreland County, Pennsylvania, as defined by Pennsylvania Act 32 of 2008 (Act 32). The Committee is comprised of representatives from each taxing jurisdiction. All action of the Committee is approved by the representatives, using a weighted voting system based on each taxing jurisdiction's percentage of earned income tax revenue and population. The Committee is responsible for overseeing the collection and distribution of earned income and net profit taxes within the Westmoreland County Tax Collection District (TCD).

Members of the TCD are comprised of all school districts and municipalities within the geographic boundaries of the TCD. Non-members are entities not included within the geographic boundaries of the TCD.

The earned income tax is imposed on 1) salaries, wages, commissions, and other compensation earned by residents of the TCD and 2) net profits from self-employment earned by residents of the TCD.

The Committee has contracted with Berkheimer Tax Administrator (Berkheimer) to collect and distribute earned income and net profit taxes within the TCD. Act 32 requires an audit of the receipts and disbursements of these taxes by an independent certified public accountant. This report is intended to meet that requirement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

Berkheimer maintains financial records related to the Earned Income Tax transactions on the cash basis of accounting, which recognizes collections and other receipts when received and disbursements when paid. The accompanying financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

This financial statement reflects only Berkheimer's earned income tax receipts and disbursements related to the TCD and does not include the operating costs or any other activity of Berkheimer.

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

3. CASH BALANCE AND CONCENTRATION OF CREDIT RISK

Berkheimer maintains an interest-bearing escrow account that is insured to the maximum by the U.S. Federal Deposit Insurance Corporation (FDIC). Amounts over the FDIC insured limit are collateralized dollar for dollar by the bank as required by the Commonwealth of Pennsylvania Act 72 of 1971 to protect public funds.

Deposits of governmental entities in excess of FDIC limits are required to be secured by pledged collateral either on a pooled or separate basis. These may be bonds of the United States, any State or Commonwealth of the United States, or bonds of any political subdivision of Pennsylvania, or the general state authority or other authorities created by the General Assembly of the Commonwealth of Pennsylvania.

The cash balance consists of collections pending receipt of monthly, quarterly, or annual information needed to identify amounts due to the appropriate political subdivision within the TCD or other TCD's. The cash balance at December, 31, 2014, for political subdivisions within the TCD, totaled \$234,549.

The following are the entities for which money was held at December, 31, 2014, and the amount held for each of those entities.

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

Municipality	School District	Total Amount Held
Adamsburg Borough	Hempfield Area SD	\$ -
Allegheny Twp	Kiski Area SD	4,791
Arnold City	New Kensington Arnold SD	1,092
Arona Borough	Yough SD	53
Avonmore Borough	Kiski Area SD	487
Bell Twp	Kiski Area SD	828
Belle Vernon Borough	Belle Vernon Area SD	380
Bolivar Borough	Ligonier Valley SD	140
Cook Twp	Ligonier Valley SD	1,004
Delmont Borough	Franklin Regional SD	1,349
Delmont Borough	Greensburg Salem SD	381
Derry Borough	Derry Area SD	524
Derry Twp	Derry Area SD	4,913
Donegal Borough	Mount Pleasant Area SD	111
Donegal Twp	Mount Pleasant Area SD	2,198
East Huntingdon Twp	Southmoreland SD	6,026
East Vandergrift Borough	Kiski Area SD	-
Everson Borough	Southmoreland SD	160
Export Borough	Franklin Regional SD	490
Fairfield Twp	Ligonier Valley SD	614
Fayette City Borough	Belle Vernon Area SD	-
Greensburg City	Greensburg Salem SD	8,490
Greensburg City	Hempfield Area SD	-
Hempfield Twp	Hempfield Area SD	18,817
Hunker Borough	Hempfield Area SD	162
Hyde Park Borough	Kiski Area SD	480
Irwin Borough	Norwin SD	3,982
Jeannette City	Jeannette City SD	6,682
Jeannette City	Penn-Trafford SD	25
Jeannette City	Hempfield Area SD	456
Latrobe City	Greater Latrobe SD	6,426
Laurel Mountain Borough	Ligonier Valley SD	-

(Continued)

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

Ligonier Boro	Ligonier Valley SD	1,975
Ligonier Twp	Ligonier Valley SD	12,760
Lower Burrell City	Burrell SD	6,297
Madison Boro	Yough SD	25
Manor Boro	Penn-Trafford SD	1,208
Manor Borough	Hempfield Area SD	344
Monessen City	Monessen City SD	1,802
Mt Pleasant Boro	Mount Pleasant Area SD	1,663
Mt Pleasant Twp	Mount Pleasant Area SD	17,401
Murrysville	Franklin Regional SD	22,338
New Alexandria Borough	Derry Area SD	377
New Florence Boro	Ligonier Valley SD	1,696
New Kensington City	New Kensington Arnold SD	9,886
New Stanton Boro	Hempfield Area SD	2,261
North Belle Vernon Boro	Belle Vernon Area SD	666
North Huntingdon Twp	Norwin SD	17,835
North Irwin Boro	Norwin SD	-
Oklahoma Borough	Kiski Area SD	706
Parks Twp	Kiski Area SD	740
Penn Borough	Penn-Trafford SD	9,737
Penn Twp	Penn-Trafford SD	6,600
Rostraver Twp	Belle Vernon Area SD	13,379
Saint Clair Twp	Ligonier Valley SD	47
Salem Twp	Greensburg Salem SD	869
Scottdale Boro	Southmoreland SD	951
Seward Boro	Ligonier Valley SD	-
Sewickley Twp	Yough SD	2,277
Smithton Boro	Yough SD	224
South Greensburg Boro	Greensburg Salem SD	715
South Greensburg Boro	Hempfield Area SD	-
South Huntingdon Twp	Yough SD	2,605
South Versailles Twp	Norwin SD	-
Southwest Greensburg Boro	Greensburg Salem SD	371
Sutersville Boro	Yough SD	107
Trafford Boro	Penn-Trafford SD	2,110
Unity Twp	Greater Latrobe SD	6,869

(Continued)

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

Upper Burrell Twp	Burrell SD	8,984
Upper Tyrone Twp	Southmoreland SD	454
Vandergrift Boro	Kiski Area SD	1,697
Washington Twp	Belle Vernon Area SD	708
Washington Twp	Kiski Area SD	2,571
West Newton Boro	Yough SD	301
White Oak Boro	Norwin SD	-
Youngstown Boro	Greater Latrobe SD	109
Youngwood Boro	Hempfield Area SD	1,823
Total		<u>\$ 234,549</u>

(Concluded)

4. TAX COLLECTION CONTRACT

The Committee has contracted with Berkheimer for the collection and distribution of earned income and net profit taxes. The contract term began January 1, 2012 and continued through December 31, 2014. During 2014, the contract was extended to December 31, 2015. The contract calls for a collection fee of 1.45% of tax collections to be retained by Berkheimer upon collection, with the net proceeds being distributed.

Berkheimer provided the Committee a bond in the amount of \$5,650,000, which was in effect for calendar year 2014.

5. DISTRIBUTIONS TO TCD MEMBERS

Distributions to members within the TCD, net of commissions and refunds, where applicable, for the year ended December 31, 2014, are as follows:

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

	Total Collections	Refunds	Net Receipts Available	Commission	Postage	Distribution
Adamsburg Borough	\$ 18,360	\$ (499)	\$ 17,861	\$ (254)	\$ (35)	\$ 17,572
Allegheny Township	1,121,133	(20,931)	1,100,202	(15,382)	(1,238)	1,083,582
Arnold City	326,787	(2,687)	324,100	(4,624)	(789)	318,687
Arona Borough	36,524	(602)	35,922	(468)	(70)	35,384
Avonmore Borough	84,154	(480)	83,674	(1,124)	(185)	82,365
Bell Twp	271,063	(4,176)	266,887	(3,453)	(405)	263,029
Belle Vernon ASD	2,156,113	(31,924)	2,124,189	(29,404)	(3,284)	2,091,501
Belle Vernon Borough	82,065	(1,111)	80,954	(1,055)	(255)	79,644
Bolivar Borough	28,246	(539)	27,707	(396)	(71)	27,240
Burrell SD	1,673,755	(14,962)	1,658,793	(23,779)	(1,932)	1,633,082
Cook Twp	253,685	(3,224)	250,461	(3,520)	(310)	246,631
Delmont Borough	265,400	(3,873)	261,527	(3,745)	(327)	257,455
Delmont Borough	80,820	(1,066)	79,754	(1,133)	(145)	78,476
Derry ASD	1,634,766	(22,209)	1,612,557	(21,366)	(2,611)	1,588,580
Derry Borough	248,157	(2,946)	245,211	(3,158)	(445)	241,608
Derry Twp	1,339,090	(18,451)	1,320,639	(17,590)	(2,076)	1,300,973
Donegal Borough	13,988	(253)	13,735	(187)	(26)	13,522
Donegal Twp	258,550	(5,280)	253,270	-	-	253,270
East Huntingdon Twp	834,088	(12,301)	821,787	-	-	821,787
East Vandergrift Borough	48,213	(281)	47,932	(681)	(114)	47,137
Everson Borough	53,421	(803)	52,618	-	-	52,618
Export Borough	75,532	(989)	74,543	(1,059)	(186)	73,298
Fairfield Twp	218,980	(4,219)	214,761	(3,068)	(323)	211,370
Fayette City Borough	42,090	(459)	41,631	(573)	(121)	40,937
Franklin Regional SD	4,351,201	(77,246)	4,273,955	(60,878)	(3,512)	4,209,565
Greater Latrobe SD	3,669,228	(49,463)	3,619,765	-	-	3,619,765
Greensburg City	3,085,691	(27,013)	3,058,678	-	-	3,058,678
Greensburg Salem SD	2,488,967	(36,543)	2,452,424	(34,787)	(4,541)	2,413,096
Hempfield SD	6,081,376	(119,697)	5,961,679	(84,830)	(7,897)	5,868,952
Hempfield Twp	5,391,946	(109,663)	5,282,283	(75,220)	(6,497)	5,200,566
Hunker Boro	27,864	(421)	27,443	(383)	(42)	27,018

(Continued)

WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

	Total Collections	Refunds	Net Receipts Available	Commission	Postage	Distribution
Hyde Park Boro	41,986	(529)	41,457	(572)	(80)	40,805
Irwin Boro	436,356	(6,617)	429,739	(6,106)	(860)	422,773
Jeannette City	736,504	(8,828)	727,676	(10,229)	(2,847)	714,600
Jeannette City	609,168	(1,801)	607,367	(8,711)	-	598,656
Jeannette City SD	724,950	(8,732)	716,218	(10,086)	(2,764)	703,368
Kiski ASD	3,202,939	(48,382)	3,154,557	(43,049)	(4,579)	3,106,929
Latrobe City	1,160,754	(7,423)	1,153,331	(16,515)	(2,369)	1,134,447
Laurel Mountain Boro	18,278	(113)	18,165	(252)	(23)	17,890
Ligonier Boro	153,520	(1,490)	152,030	(2,144)	(309)	149,577
Ligonier Twp	762,759	(9,257)	753,502	(10,469)	(877)	742,156
Ligonier Valley SD	1,632,493	(22,174)	1,610,319	(22,620)	(2,318)	1,585,381
Lower Burrell City	1,374,533	(11,883)	1,362,650	(19,553)	(1,602)	1,341,495
Madison Boro	48,333	(768)	47,565	(631)	(87)	46,847
Manor Boro (HASD)	89,169	(1,282)	87,887	(1,247)	(146)	86,494
Manor Boro (PTSD)	419,973	(3,667)	416,306	(5,960)	(329)	410,017
Monessen City	615,390	(7,134)	608,256	(8,491)	(1,326)	598,439
Monessen City SD	573,006	(7,148)	565,858	(7,877)	(1,327)	556,654
Mount Pleasant ASD	1,744,979	(29,190)	1,715,789	(23,932)	(2,516)	1,689,341
Mount Pleasant Boro	372,980	(4,261)	368,719	-	-	368,719
Mount Pleasant Twp	1,133,898	(19,357)	1,114,541	-	-	1,114,541
Murrysville	4,020,125	(72,353)	3,947,772	-	-	3,947,772
New Alexandria Boro	52,228	(772)	51,456	(687)	(88)	50,681
New Florence Boro	45,916	(876)	45,040	(641)	(114)	44,285
New Kensington City	1,161,350	(10,646)	1,150,704	(16,473)	(2,056)	1,132,175
New Kensington-Arnold SD	1,486,606	(13,354)	1,473,252	(21,082)	(2,848)	1,449,322
New Stanton Boro	300,741	(2,591)	298,150	(4,246)	(438)	293,466
North Belle Vernon Boro	195,254	(2,111)	193,143	(2,659)	(372)	190,112
North Huntingdon Twp	4,454,485	(49,458)	4,405,027	(63,017)	(4,599)	4,337,411
North Irwin Boro	81,058	(726)	80,332	(1,151)	(152)	79,029
Norwin SD	4,962,846	(56,815)	4,906,031	(70,146)	(5,631)	4,830,254
Oklahoma Boro	89,396	(926)	88,470	(1,237)	(136)	87,097
Parks Twp	247,880	(3,939)	243,941	(3,284)	(437)	240,220

(Continued)

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2014

	Total Collections	Refunds	Net Receipts Available	Commission	Postage	Distribution
Penn Boro	38,998	(530)	38,468	(560)	(95)	37,813
Penn Twp	3,153,937	(37,391)	3,116,546	(44,220)	(2,979)	3,069,347
Penn-Trafford SD	3,937,071	(42,390)	3,894,681	(55,301)	(3,960)	3,835,420
Rostraver Twp	1,514,847	(23,889)	1,490,958	(20,618)	(1,916)	1,468,424
Saint Clair Twp	126,458	(1,991)	124,467	(1,784)	(211)	122,472
Salem Twp	688,227	(13,507)	674,720	(9,619)	(1,017)	664,084
Scottdale Borough	417,178	(4,696)	412,482	-	-	412,482
Seward Boro	27,110	(436)	26,674	(384)	(70)	26,220
Sewickley Twp	678,090	(9,726)	668,364	(8,933)	(1,026)	658,405
Smithton Boro	35,989	(565)	35,424	(448)	(97)	34,879
South Greensburg Boro	177,075	(3,370)	173,705	(2,450)	(335)	170,920
South Greensburg Boro	42,929	(1,600)	41,329	(592)	(71)	40,666
South Huntingdon Twp	648,507	(9,591)	638,916	(8,612)	(924)	629,380
South Versailles Twp	3,969	-	3,969	(55)	(6)	3,908
Southmoreland SD	1,403,985	(19,032)	1,384,953	-	-	1,384,953
Southwest Greensburg Boro	232,145	(6,939)	225,206	(3,235)	(365)	221,606
Sutersville Boro	57,084	(418)	56,666	(733)	(104)	55,829
Trafford Boro	340,751	(2,709)	338,042	-	-	338,042
Unity Twp	2,960,412	(43,457)	2,916,955	(41,415)	(3,300)	2,872,240
Upper Burrell Twp	306,287	(3,053)	303,234	(4,329)	(329)	298,576
Upper Tyrone Twp	154,408	(1,895)	152,513	(2,183)	(291)	150,039
Vandergrift Boro	377,072	(4,532)	372,540	(5,120)	(921)	366,499
Washington Twp	350,955	(4,404)	346,551	(4,912)	(615)	341,024
Washington Twp	924,733	(12,544)	912,189	(12,229)	(1,057)	898,903
West Newton Boro	256,991	(4,368)	252,623	(3,404)	(468)	248,751
White Oak Boro	3,508	(27)	3,481	(50)	(6)	3,425
Yough SD	1,753,849	(26,038)	1,727,811	(23,153)	(2,781)	1,701,877
Youngstown Boro	30,468	(208)	30,260	(433)	(54)	29,773
Youngwood Boro	299,103	(3,429)	295,674	(4,179)	(566)	290,929
Total	<u>\$ 90,153,242</u>	<u>\$ (1,271,649)</u>	<u>\$ 88,881,593</u>	<u>\$ (1,034,135)</u>	<u>\$ (102,231)</u>	<u>\$ 87,745,227</u>

(Concluded)

Supplementary Information

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER - BERKHEIMER TAX ADMINISTRATOR**

**RECONCILIATION OF MONTHLY REPORTS TO AUDITED
FINANCIAL STATEMENT**

YEAR ENDED DECEMBER 31, 2014

	Total Monthly Reports	Audit	Variance
Beginning Cash Balance	\$ 1,730,618	\$ 1,730,618	\$ -
<u>Collections and Receipts:</u>			
Resident earned income tax receipts:			
Employers and taxpayers within Westmoreland County	48,598,074	48,598,074	-
Other tax collection districts	38,537,622	38,537,622	-
Non-resident earned income tax receipts:			
Political subdivisions within Westmoreland County	404,503	404,503	-
Other tax collection districts	18,054,391	18,054,391	-
Delinquent collections	2,613,043	2,613,043	-
Delinquent collections due to other collectors	83,130	83,130	-
Net change in unidentified collections	(186,678)	(186,678)	-
Costs recovered by the Tax Officer	395,427	395,427	-
	<u>108,499,512</u>	<u>108,499,512</u>	<u>-</u>
Total Collections and Receipts			
	<u>108,499,512</u>	<u>108,499,512</u>	<u>-</u>
<u>Distributions and Disbursements:</u>			
Earned income tax distributions to Westmoreland County			
tax collection district members, net of commissions and refunds	87,745,227	87,745,227	-
Earned income tax distributions to other tax collection districts	19,344,851	19,344,851	-
Earned income tax distributions to other tax collectors	102,061	102,061	-
Taxpayer refunds	1,271,649	1,271,649	-
Tax Officer commissions	1,034,135	1,034,135	-
Other disbursements:			
Postage fees reimbursed to Tax Officer	102,231	102,231	-
Cost retained by Tax Officer	395,427	395,427	-
	<u>109,995,581</u>	<u>109,995,581</u>	<u>-</u>
Total Distributions and Disbursements			
	<u>109,995,581</u>	<u>109,995,581</u>	<u>-</u>
Ending Cash Balance	<u>\$ 234,549</u>	<u>\$ 234,549</u>	<u>\$ -</u>

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER - BERKHEIMER TAX ADMINISTRATOR**

SCHEDULE OF BONDING ANALYSIS

YEAR ENDED DECEMBER 31, 2014

Collections:

Resident earned income tax receipts:

Employers and taxpayers within Westmoreland County	\$ 48,598,074
Other tax collection districts	38,537,622

Non-resident earned income tax receipts:

Political subdivisions within Westmoreland County	404,503
Other tax collection districts	18,054,391

Delinquent collections	2,613,043
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Delinquent collections due to other collectors	83,130
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Net change in unidentified collections	(186,678)
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Total Collections	<u>\$ 108,104,085</u>
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Bonding amount as determined by Westmoreland County

Tax Collection Committee	\$ 5,650,000
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Actual bond amount	\$ 5,650,000
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Average weekly amount of tax collections in possession of Tax Officer	\$ 2,078,925
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Per the contract between Westmoreland County Tax Collection Committee and the Tax Officer, Berkheimer Tax Administrator is required to distribute collections on a weekly basis. Therefore, the Tax Officer maintained an average collection balance below their bonding requirement set forth in the contract.

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER - BERKHEIMER TAX ADMINISTRATOR**

SCHEDULE OF COLLECTION FEES CHARGED

YEAR ENDED DECEMBER 31, 2014

Gross collections for political subdivisions within Westmoreland County Tax Collection District	\$ 90,153,242
Less: Taxpayer refunds - earned income taxes	<u>(1,271,649)</u>
Earned income tax collections - net	88,881,593
Collection rate per contract between tax officer and Westmoreland County Tax Collection Committee	<u>1.45%</u>
Projected collection fees	<u><u>\$ 1,288,783</u></u>
Collection fees withheld per financial statement on page 1	<u><u>\$ 1,034,135</u></u>

Tax collector commissions reported on the financial statement on page 1 reflect only those commissions withheld from distributions. Some PSDs have requested that their tax collector commissions be invoiced to them. Such commissions are not reported on page 1.

DCED Compliance Section

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

Committee Members
Westmoreland County Tax Collection Committee

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 statement of the Westmoreland County Tax Collection Committee's Tax Officer, Berkheimer Tax Administrator (Berkheimer), which comprises the statement of cash receipts, cash disbursements, and change in cash balance for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated August 18, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Berkheimer's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Berkheimer's internal control. Accordingly, we do not express an opinion on the effectiveness of Berkheimer'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Berkheimer's financial statement is free of 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 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*.

Committee Members
Westmoreland County Tax Collection Committee
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
August 18, 2015

Independent Auditor's Report on Compliance with Pennsylvania Act 32 of 2008

Committee Members
Westmoreland County Tax Collection Committee

We have audited the Westmoreland County Tax Collection Committee's Tax Officer, Berkheimer Tax Administrator (Berkheimer) compliance with the provisions within Pennsylvania Act 32 of 2008 for the year ended December 31, 2014. Compliance with the requirements referred to above is the responsibility of Berkheimer's management. Our responsibility is to express an opinion on Berkheimer's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Pennsylvania Governor's Center for Local Government Services Suggested Audit Procedures. Those standards and the Pennsylvania Governor's Center for Local Government Services Suggested Audit Procedures require that we plan and perform the audit to obtain reasonable assurance about whether Berkheimer complied with the compliance requirements referred to above that could have a material effect on its compliance with the provisions within Pennsylvania Act 32 of 2008. An audit includes examining, on a test basis, evidence about Berkheimer's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Berkheimer's compliance with those requirements.

In our opinion, Berkheimer complied, in all material respects, with the compliance requirements referred to above that are applicable to the provisions of Pennsylvania Act 32 of 2008 for the year ended December 31, 2014.

This report is intended solely for the information and use of the Westmoreland County Tax Collection Committee, management of Berkheimer, and any required government authorities and is not intended to be and should not be used by anyone other than these specified parties.

Maher Duessel

Pittsburgh, Pennsylvania
August 18, 2015

**WESTMORELAND COUNTY
TAX COLLECTION COMMITTEE
TAX OFFICER – BERKHEIMER TAX ADMINISTRATOR**

SCHEDULE OF FINDINGS AND NON-COMPLIANCE

YEAR ENDED DECEMBER 31, 2014

Findings - Financial Statement Audit:

None

Findings of Non-Compliance with Pennsylvania Act 32 of 2008:

None