

**Westmoreland County
Tax Collection Committee**

**Tax Officer - Berkheimer Tax
Administrator**

Financial Statement and
Supplementary Information

Year Ended December 31, 2013
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, 2013

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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, 2013, 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, 2013, and its cash balance as of December 31, 2013, 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 29, 2014 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 29, 2014

**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, 2013

Cash Receipts

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Resident earned income tax receipts:	
Employers and taxpayers within Westmoreland County	\$ 50,684,967
Other tax collection districts	33,866,600
Non-resident earned income tax receipts:	
Political subdivisions within Westmoreland County	373,178
Other tax collection districts	17,799,762
Delinquent collections	3,163,921
Delinquent collections due to other collectors	137,383
Net change in unidentified collections	(2,935,983)
Costs recovered by the Tax Officer	227,465
Investment income	6,895
	<hr/>
Total Cash Receipts	103,324,188
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Cash Disbursements

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Distributions:	
Earned income tax distributions to Westmoreland County tax collection district members, net of commissions and refunds	85,666,766
Earned income tax distributions to other tax collection districts	18,703,233
Earned income tax distributions to other tax collectors	127,897
Taxpayer refunds	1,335,517
Tax Officer commissions	996,701
Other disbursements:	
Postage fees reimbursed to Tax Officer	96,577
Cost retained by Tax Officer	227,465
	<hr/>
Total Cash Disbursements	107,154,156
	<hr/>

Change in Cash Balance	<hr/> (3,829,968) <hr/>
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Cash Balance - January 1, 2013	<hr/> 5,560,586 <hr/>
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Cash Balance - December 31, 2013	<hr/> \$ 1,730,618 <hr/> <hr/>
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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, 2013

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, 2013

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, 2013, for political subdivisions within the TCD, totaled \$1,730,618.

The following are the entities for which money was held at December, 31, 2013, 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, 2013

Municipality	School District	Total Amount Held
Adamsburg Borough	Hempfield Area SD	\$ 717
Allegheny Twp	Kiski Area SD	30,333
Arnold City	New Kensington Arnold SD	16,544
Arona Borough	Yough SD	-
Avonmore Borough	Kiski Area SD	3,282
Bell Twp	Kiski Area SD	1,761
Belle Vernon Borough	Belle Vernon Area SD	5,952
Bolivar Borough	Ligonier Valley SD	-
Cook Twp	Ligonier Valley SD	2,350
Delmont Borough	Franklin Regional SD	2,300
Delmont Borough	Greensburg Salem SD	794
Derry Borough	Derry Area SD	538
Derry Twp	Derry Area SD	28,201
Donegal Borough	Mount Pleasant Area SD	49
Donegal Twp	Mount Pleasant Area SD	6,493
East Huntingdon Twp	Southmoreland SD	48,509
East Vandergrift Borough	Kiski Area SD	44
Everson Borough	Southmoreland SD	245
Export Borough	Franklin Regional SD	2,906
Fairfield Twp	Ligonier Valley SD	3,253
Fayette City Borough	Belle Vernon Area SD	273
Greensburg City	Greensburg Salem SD	80,026
Greensburg City-Hempfield	Hempfield Area SD	7,640
Hempfield Twp	Hempfield Area SD	280,903
Hunker Borough	Hempfield Area SD	-
Hyde Park Borough	Kiski Area SD	-
Irwin Borough	Norwin SD	15,174
Jeannette City	Jeannette City SD	16,944
Jeannette City	Penn-Trafford SD	70
Jeannette City	Hempfield Area SD	71
Latrobe City	Greater Latrobe SD	22,934
Laurel Mountain Borough	Ligonier Valley SD	50

(Continued)

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

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2013

Ligonier Boro	Ligonier Valley SD	5,719
Ligonier Twp	Ligonier Valley SD	28,549
Lower Burrell City	Burrell SD	19,862
Madison Boro	Yough SD	577
Manor Boro	Penn-Trafford SD	1,702
Manor Borough	Hempfield Area SD	344
Monessen City	Monessen City SD	42,331
Mt Pleasant Boro	Mount Pleasant Area SD	9,316
Mt Pleasant Twp	Mount Pleasant Area SD	16,182
Murrysville	Franklin Regional SD	192,881
New Alexandria Borough	Derry Area SD	238
New Florence Boro	Ligonier Valley SD	673
New Kensington City	New Kensington Arnold SD	23,586
New Stanton Boro	Hempfield Area SD	25,215
North Belle Vernon Boro	Belle Vernon Area SD	4,038
North Huntingdon Twp	Norwin SD	158,416
North Irwin Boro	Norwin SD	172
Oklahoma Borough	Kiski Area SD	1,114
Parks Twp	Kiski Area SD	7,728
Penn Borough	Penn-Trafford SD	3,442
Penn Twp	Penn-Trafford SD	83,508
Rostraver Twp	Belle Vernon Area SD	131,858
Saint Clair Twp	Ligonier Valley SD	411
Salem Twp	Greensburg Salem SD	28,037
Scottdale Boro	Southmoreland SD	8,866
Seward Boro	Ligonier Valley SD	117
Sewickley Twp	Yough SD	67,227
Smithton Boro	Yough SD	542
South Greensburg Boro	Greensburg Salem SD	7,965
South Greensburg Boro	Hempfield Area SD	416
South Huntingdon Twp	Yough SD	34,383
South Versailles Twp	Norwin SD	-
Southwest Greensburg Boro	Greensburg Salem SD	4,923
Sutersville Boro	Yough SD	493
Trafford Boro	Penn-Trafford SD	9,091
Unity Twp	Greater Latrobe SD	40,367

(Continued)

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

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2013

Upper Burrell Twp	Burrell SD	99,768
Upper Tyrone Twp	Southmoreland SD	21,131
Vandergrift Boro	Kiski Area SD	9,530
Washington Twp	Belle Vernon Area SD	3,928
Washington Twp	Kiski Area SD	28,434
West Newton Boro	Yough SD	4,220
White Oak Boro	Norwin SD	19
Youngstown Boro	Greater Latrobe SD	18
Youngwood Boro	Hempfield Area SD	24,925
Total		<u>\$ 1,730,618</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 continues through December 31, 2014. 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 2013 and will remain the same for 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, 2013, are as follows:

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

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2013

	Total Collections	Investment Income	Refunds	Net Receipts Available	Commission	Postage	Distribution
Adamsburg Borough	\$ 17,919	\$ 3	\$ (251)	\$ 17,671	\$ (242)	\$ (32)	\$ 17,397
Allegheny Township	1,098,785	47	(10,318)	1,088,514	(15,375)	(996)	1,072,143
Arnold City	304,461	27	(2,122)	302,366	(4,310)	(626)	297,430
Arona Borough	36,404	1	(575)	35,830	(459)	(70)	35,301
Avonmore Borough	78,559	5	(523)	78,041	(1,086)	(153)	76,802
Bell Twp	258,434	7	(5,138)	253,303	(3,350)	(310)	249,643
Belle Vernon ASD	2,063,812	88	(43,535)	2,020,365	(27,636)	(3,659)	1,989,070
Belle Vernon Borough	82,915	13	(1,961)	80,967	(1,067)	(264)	79,636
Bolivar Borough	30,192	1	(718)	29,475	(419)	(59)	28,997
Burrell SD	1,585,385	574	(16,408)	1,569,551	(22,346)	(2,112)	1,545,093
City of Jeannette	778,762	187	(10,451)	768,498	(10,546)	(1,639)	756,313
City of Jeannette	233,857	48	(2,752)	231,153	(3,183)	-	227,970
Cook Twp	252,271	7	(4,632)	247,646	(3,486)	(307)	243,853
Delmont Borough	263,230	14	(4,891)	258,353	(3,625)	(384)	254,344
Delmont Borough	85,770	4	(1,144)	84,630	(1,202)	(165)	83,263
Derry ASD	1,612,095	88	(26,791)	1,585,392	(21,254)	(2,233)	1,561,905
Derry Borough	240,093	5	(3,293)	236,805	(3,158)	(371)	233,276
Derry Twp Supervisor	1,317,163	93	(22,760)	1,294,496	(17,374)	(1,777)	1,275,345
Donegal Borough	18,888	4	(475)	18,417	(246)	(30)	18,141
Donegal Twp	260,811	33	(5,883)	254,961	-	-	254,961
East Huntingdon Twp	819,845	139	(11,909)	808,075	-	-	808,075
East Vandergrift Borough	46,192	1	(206)	45,987	(641)	(73)	45,273
Everson Borough	58,313	1	(631)	57,683	-	-	57,683
Export Borough	74,617	7	(487)	74,137	(1,045)	(168)	72,924
Fairfield Twp	225,144	6	(4,150)	221,000	(3,121)	(325)	217,554
Fayette City Borough	46,755	2	(490)	46,267	(609)	(117)	45,541
Franklin Regional SD	4,188,158	150	(68,075)	4,120,233	(58,708)	(3,862)	4,057,663
Greater Latrobe SD	3,783,373	212	(58,913)	3,724,672	-	-	3,724,672
Greensburg City	3,134,220	411	(26,065)	3,108,566	-	-	3,108,566
Greensburg Salem SD	2,516,838	190	(34,116)	2,482,912	(34,819)	(4,518)	2,443,575
Hempfield SD	6,064,553	396	(109,614)	5,955,335	(83,959)	(8,469)	5,862,907

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

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2013

	Total Collections	Investment Income	Refunds	Net Receipts Available	Commission	Postage	Distribution
Hempfield Twp	5,334,766	453	(99,256)	5,235,963	(73,993)	(7,046)	5,154,924
Hunker Boro	26,520	1	(361)	26,160	(372)	(43)	25,745
Hyde Park Boro	39,115	1	(800)	38,316	(544)	(66)	37,706
Irwin Boro	426,654	22	(5,524)	421,152	(5,980)	(933)	414,239
Jeannette City SD	756,220	166	(10,337)	746,049	(10,290)	(1,580)	734,179
Kiski ASD	3,067,654	116	(39,254)	3,028,516	(42,095)	(3,570)	2,982,851
Latrobe City	954,435	105	(7,370)	947,170	(13,445)	(1,284)	932,441
Laurel Mountain Boro	19,353	-	(113)	19,240	(274)	(20)	18,946
Ligonier Boro	158,245	22	(2,042)	156,225	(2,225)	(302)	153,698
Ligonier Twp	770,389	34	(9,967)	760,456	(10,375)	(878)	749,203
Ligonier Valley SD	1,649,191	57	(25,074)	1,624,174	(22,614)	(2,260)	1,599,300
Lower Burrell City	1,301,071	53	(11,670)	1,289,454	(18,357)	(1,764)	1,269,333
Madison Boro	47,293	43	(769)	46,567	(611)	(87)	45,869
Manor Boro (HASD)	83,324	3	(669)	82,658	(1,168)	(136)	81,354
Manor Boro (PTSD)	410,150	7	(3,453)	406,704	(5,769)	(360)	400,575
Monessen City	558,455	24	(8,086)	550,393	(7,575)	(938)	541,880
Monessen City SD	599,608	56	(8,073)	591,591	(8,171)	(937)	582,483
Mount Pleasant ASD	1,792,201	70	(33,052)	1,759,219	(23,927)	(2,254)	1,733,038
Mount Pleasant Boro	384,896	38	(6,162)	378,772	-	-	378,772
Mount Pleasant Twp	1,174,235	59	(21,943)	1,152,351	-	-	1,152,351
Munic of Murrysville	3,859,510	280	(62,725)	3,797,065	-	-	3,797,065
New Alexandria Boro	63,954	1	(700)	63,255	(823)	(83)	62,349
New Florence Boro	47,772	1	(796)	46,977	(673)	(103)	46,201
New Kensington City	1,076,553	102	(7,871)	1,068,784	(15,311)	(1,713)	1,051,760
New Kensington-Arnold SD	1,379,671	74	(10,012)	1,369,733	(19,601)	(2,340)	1,347,792
New Stanton Boro	297,035	104	(6,632)	290,507	(4,005)	(474)	286,028
North Belle Vernon Boro	192,300	8	(3,980)	188,328	(2,534)	(388)	185,406
North Huntingdon Twp	4,212,792	254	(42,234)	4,170,812	(59,311)	(4,443)	4,107,058
North Irwin Boro	77,485	1	(748)	76,738	(1,074)	(122)	75,542
Norwin SD	4,720,364	157	(48,586)	4,671,935	(66,416)	(5,513)	4,600,006
Oklahoma Boro	80,873	3	(933)	79,943	(1,110)	(102)	78,731
Parks Twp	246,515	13	(3,252)	243,276	(3,333)	(327)	239,616

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

NOTES TO FINANCIAL STATEMENT – CASH BASIS

YEAR ENDED DECEMBER 31, 2013

	Total Collections	Investment Income	Refunds	Net Receipts Available	Commission	Postage	Distribution
Penn Boro	39,984	4	(847)	39,141	(545)	(73)	38,523
Penn Twp	3,108,758	152	(51,261)	3,057,649	(42,442)	(3,132)	3,012,075
Penn-Trafford SD	3,885,782	115	(63,575)	3,822,322	(53,258)	(4,046)	3,765,018
Rostraver Twp	1,440,856	156	(30,049)	1,410,963	(19,197)	(2,255)	1,389,511
Salem Twp	685,937	66	(12,246)	673,757	(9,465)	(956)	663,336
Scottdale Borough	435,517	72	(8,202)	427,387	-	-	427,387
Seward Boro	29,315	6	(522)	28,799	(410)	(64)	28,325
Sewickley Twp	648,502	27	(14,369)	634,160	(8,520)	(1,061)	624,579
Smithton Boro	40,167	2	(1,005)	39,164	(487)	(92)	38,585
South Greensburg Boro	180,512	18	(3,213)	177,317	(2,487)	(353)	174,477
South Greensburg Boro	41,994	1	(2,256)	39,739	(563)	(57)	39,119
South Huntingdon Twp	627,299	42	(15,706)	611,635	(8,207)	(992)	602,436
South Versailles Twp	3,873	-	(12)	3,861	(54)	(4)	3,803
Southmoreland SD	1,440,550	92	(23,027)	1,417,615	-	-	1,417,615
Southwest Greensburg Boro	237,678	8	(6,267)	231,419	(3,264)	(297)	227,858
St Clair Twp	118,681	3	(2,106)	116,578	(1,660)	(192)	114,726
Sutersville Boro	49,675	2	(682)	48,995	(647)	(100)	48,248
Trafford Boro	309,045	16	(3,312)	305,749	-	-	305,749
Unity Twp	3,049,340	185	(54,201)	2,995,324	(42,063)	(3,350)	2,949,911
Upper Burrell Twp	303,780	606	(4,714)	299,672	(4,272)	(345)	295,055
Upper Tyrone Twp	153,175	9	(2,077)	151,107	(2,147)	(228)	148,732
Vandergrift Boro	355,204	25	(3,955)	351,274	(4,924)	(676)	345,674
Washington Twp	349,482	12	(7,022)	342,472	(4,782)	(629)	337,061
Washington Twp	872,759	61	(14,085)	858,735	(11,852)	(858)	846,025
West Newton Boro	258,491	11	(5,596)	252,906	(3,403)	(493)	249,010
White Oak Boro	2,198	-	-	2,198	(30)	(3)	2,165
Yough SD	1,700,427	76	(38,733)	1,661,770	(22,230)	(2,900)	1,636,640
Youngstown Boro	28,949	1	(267)	28,683	(410)	(46)	28,227
Youngwood Boro	304,323	35	(4,489)	299,869	(4,140)	(590)	295,139
Total	\$ 88,088,666	\$ 6,895	\$ (1,335,517)	\$ 86,760,044	\$ (996,701)	\$ (96,577)	\$ 85,666,766

(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, 2013

	Total Monthly Reports	Audit	Variance
Beginning Cash Balance	\$ 5,560,586	\$ 5,560,586	\$ -
Collections and Receipts:			
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Resident earned income tax receipts:			
Employers and taxpayers within Westmoreland County	50,684,967	50,684,967	-
Other tax collection districts	33,866,600	33,866,600	-
Non-resident earned income tax receipts:			
Political subdivisions within Westmoreland County	373,178	373,178	-
Other tax collection districts	17,799,762	17,799,762	-
Delinquent collections	3,163,921	3,163,921	-
Delinquent collections due to other collectors	137,383	137,383	-
Net change in unidentified collections	(2,935,983)	(2,935,983)	-
Costs recovered by the Tax Officer	227,465	227,465	-
Investment income	6,895	6,895	-
	<hr/>	<hr/>	<hr/>
Total Collections and Receipts	103,324,188	103,324,188	-
Distributions and Disbursements:			
<hr/>			
Earned income tax distributions to Westmoreland County tax collection district members, net of commissions and refunds	85,666,766	85,666,766	-
Earned income tax distributions to other tax collection districts	18,703,233	18,703,233	-
Earned income tax distributions to other tax collectors	127,897	127,897	-
Taxpayer refunds	1,335,517	1,335,517	-
Tax Officer commissions	996,701	996,701	-
Other disbursements:			
Postage fees reimbursed to Tax Officer	96,577	96,577	-
Cost retained by Tax Officer	227,465	227,465	-
	<hr/>	<hr/>	<hr/>
Total Distributions and Disbursements	107,154,156	107,154,156	-
Ending Cash Balance	<u>\$ 1,730,618</u>	<u>\$ 1,730,618</u>	<u>\$ -</u>

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

SCHEDULE OF BONDING ANALYSIS

YEAR ENDED DECEMBER 31, 2013

Collections:

Resident earned income tax receipts:		
Employers and taxpayers within Westmoreland County	\$	50,684,967
Other tax collection districts		33,866,600
Non-resident earned income tax receipts:		
Political subdivisions within Westmoreland County		373,178
Other tax collection districts		17,799,762
Delinquent collections		3,163,921
Delinquent collections due to other collectors		137,383
Net change in unidentified collections		(2,935,983)
Total Collections	\$	<u>103,089,828</u>
Bonding amount as determined by Westmoreland County Tax Collection Committee	\$	5,650,000
Actual bond amount	\$	5,650,000
Average weekly amount of tax collections in possession of Tax Officer	\$	1,982,497

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, 2013

Gross collections for political subdivisions within Westmoreland County Tax Collection District	\$ 88,088,666
Less: Taxpayer refunds - earned income taxes	<u>(1,335,517)</u>
Earned income tax collections - net	86,753,149
Collection rate per contract between tax officer and Westmoreland County Tax Collection Committee	<u>1.45%</u>
Projected collection fees	<u><u>\$ 1,257,921</u></u>
Collection fees withheld per financial statement on page 1	<u><u>\$ 996,701</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, 2013, and the related notes to the financial statement, and have issued our report thereon dated August 29, 2014.

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.

Mahe Duessel

Pittsburgh, Pennsylvania
August 29, 2014

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, 2013. 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, 2013.

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 29, 2014

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

SCHEDULE OF FINDINGS AND NON-COMPLIANCE

YEAR ENDED DECEMBER 31, 2013

Findings - Financial Statement Audit:

None

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

None