

**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.

Maier 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 |
| | 108,499,512 |

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 |
| | 109,995,581 |

Change in Cash Balance (1,496,069)

Cash Balance - January 1, 2014 1,730,618

Cash Balance - December 31, 2014 \$ 234,549

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 | | \$ 234,549 |

(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 | \$ 90,153,242 | \$ (1,271,649) | \$ 88,881,593 | \$ (1,034,135) | \$ (102,231) | \$ 87,745,227 |

(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>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 | | | |
| 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 |
|------------------------|-----------|

| | |
|--|--------|
| Delinquent collections due to other collectors | 83,130 |
|--|--------|

| | |
|--|-----------|
| Net change in unidentified collections | (186,678) |
|--|-----------|

| | |
|-------------------|-----------------------|
| Total Collections | <u>\$ 108,104,085</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 | \$ 2,078,925 |
|---|--------------|

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