

**Westmoreland County  
Tax Collection Committee**

**Tax Officer,  
Berkheimer Tax Innovations**

Financial Statement and  
Supplementary Information

Year Ended December 31, 2020

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**CONTENTS**

---

INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENT	
Statement of Earned Income Tax Cash Receipts, Cash Disbursements and Cash Balances	3
Notes to Financial Statement	4 - 13
SUPPLEMENTARY INFORMATION	
Schedule of Bonding Analysis	14
Schedule of Collection Fees Charged	15
Schedule of Reconciliation of Monthly Reports to Audited Receipts and Disbursements Required Under Section 509(b) of Pennsylvania Act 32 of 2008	16
DCED COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government     Auditing Standards</i>	17 - 18
Independent Auditors' Report on Compliance with Pennsylvania Act 32 of 2008	19 - 20
Schedule of Findings and Noncompliance	21

## Independent Auditors' Report

To the Members of the  
Westmoreland County Tax Collection Committee

### **Report on the Financial Statement**

We have audited the accompanying statement of earned income tax cash receipts, cash disbursements and cash balances (the financial statement) of Westmoreland County Tax Collection Committee's Tax Officer, Berkheimer Tax Innovations (the Tax Officer) for the year ended December 31, 2020, 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 described in Note 1; 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 the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 auditors' 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 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***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the earned income tax cash receipts, cash disbursements and cash balances of Westmoreland County Tax Collection Committee's Tax Officer, Berkheimer Tax Innovations for the year ended December 31, 2020, in accordance with the cash basis of accounting described in Note 1.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared by the Tax Officer on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of bonding analysis, schedule of collection fees charged, and the schedule of reconciliation of monthly reports to audited receipts and disbursements as required under section 509(b) of Pennsylvania Act 32 of 2008, are presented for purposes of additional analysis and are not a required part of the basic financial statement. Such 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 April 23, 2021, on our consideration of the Tax Officer'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 solely 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 the effectiveness of the Tax Officer's 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 the Tax Officer's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Williamsport, Pennsylvania  
April 23, 2021

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**STATEMENT OF EARNED INCOME TAX CASH RECEIPTS, CASH DISBURSEMENTS  
AND CASH BALANCES**

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

**COLLECTIONS AND RECEIPTS**

Resident EIT Received from Employers/Taxpayers within TCD	\$	53,441,531
Resident EIT Received from Other TCDs		41,151,726
Non-Resident EIT Received for PSD within the TCD		351,602
Non-Resident EIT Received for Other TCDs		21,634,139
Delinquent Collections		1,413,223
EIT Received for PSD within the TCD due to Other Collector		60
Net Change in Unidentified Collections		(22,776)
Investment Income		9,223
Costs Recovered by the Tax Officer		319,014
Other Collections		
Court Fees Collected		128

<b>TOTAL COLLECTIONS AND RECEIPTS</b>		<b>118,297,870</b>
---------------------------------------	--	--------------------

**DISTRIBUTIONS AND DISBURSEMENTS**

EIT Distributions to TCD Members (Note 3)	94,021,846
EIT Distributions to Other Tax Officers for TCD Members	60
EIT Distributions to Other TCDs (Note 4)	21,634,139
Taxpayer Refunds	1,220,696
Tax Officer Commissions	1,097,539
Other Disbursements	
Postage Fees Reimbursed to Tax Officer	23,946
Investment Income Retained by Tax Officer	3,631
Cost Retained by Tax Officer	319,014
Court Fees Reimbursed to Tax Officer	190

<b>TOTAL DISTRIBUTIONS AND DISBURSEMENTS</b>		<b>118,321,061</b>
--	--	--------------------

**COLLECTIONS AND RECEIPTS**

<b>OVER/(UNDER) DISTRIBUTIONS AND DISBURSEMENTS</b>		<b>(23,193)</b>
---	--	-----------------

<b>CASH BALANCE - January 1, 2020</b>		<b>123,147</b>
---------------------------------------	--	----------------

<b>CASH BALANCE - December 31, 2020</b>	\$	<b>99,954</b>
---	----	---------------

See accompanying notes to financial statement.

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

---

**Note 1. Nature of Operations and Summary of Significant Accounting Policies**

Nature of Operations

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

Westmoreland County TCC has contracted with Berkheimer Tax Innovations (“Tax Officer”) to collect and distribute earned income and net profit taxes within the Westmoreland County TCD. Pennsylvania Act 32 of 2008 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.

Summary of Significant Accounting Policies

The TCC’s Tax Officer 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 distributions 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. The accompanying financial statement presents only cash collections, receipts, distributions, and disbursements related to earned income tax collection activities of Westmoreland County TCC.

Subsequent Events

In preparing this financial statement, the Tax Officer has evaluated events and transactions for potential recognition and disclosure through April 23, 2021, the date the financial statement was made available to be issued.

**Note 2. Cash Balance and Concentration of Credit Risk**

The Tax Officer maintains agency funds for the purpose of receiving and disbursing earned income taxes collected. The funds are maintained for members of the TCD for which the Tax Officer has been retained as the earned income tax collector. A separate fund, known as the Reciprocal Fund, is used to disburse money to other tax collectors, for the non-client districts of the Tax Officer.

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

---

**Note 2. Cash Balance and Concentration of Credit Risk (cont'd)**

All taxes received are deposited daily into a Federal Deposit Insurance Corporation "FDIC" insured bank account. All deposits in excess of FDIC insurance limits are collateralized by the bank with securities pledged in accordance with the requirements of the Commonwealth of Pennsylvania Act 72 of 1971, as amended.

All earned income taxes are processed through and disbursed by utilizing computerized systems. Disbursements to clients are made at least monthly with surety bonds maintained to cover undistributed funds. Subsidiary ledger accounts are maintained for each client and reciprocal collector.

All earned income tax collected for non-client districts is disbursed to the non-client tax agent within thirty (30) days of the latter of the receipt date or the due date of the employer quarterly filings. All earned income tax collected that cannot be identified to an individual is returned to the client district where it was collected.

The cash balance represents collections held pending receipt of monthly, quarterly, or annual reports identifying amounts due to the appropriate member of Westmoreland County TCD or other Tax Collection Districts. The cash balance at December 31, 2020, for members of the Westmoreland County TCD, totaled \$99,954. The following are the entities for which the money was held at December 31, 2020, and the amount held for each of those entities.

<b>Municipality</b>	<b>School District</b>	<b>Ending Cash Balance</b>
ALLEGHENY TWP	KISKI AREA SD	\$ 550
COOK TWP	LIGONIER VALLEY SD	516
DELMONT BORO	FRANKLIN REGIONAL SD	105
DERRY BOROUGH	DERRY AREA SD	290
DERRY TWP	DERRY AREA SD	111
DONEGAL TWP	MOUNT PLEASANT AREA SD	843
EAST HUNTINGDON TWP	SOUTHMORELAND SD	792
HEMPFIELD TWP	HEMPFIELD AREA SD	10,640
IRWIN BORO	NORWIN SD	134
JEANNETTE CITY	JEANNETTE CITY SD	438
JEANNETTE CITY	PENN-TRAFFORD SD	68
LATROBE CITY	GREATER LATROBE SD	88
LIGONIER BORO	LIGONIER VALLEY SD	2,236
LIGONIER TWP	LIGONIER VALLEY SD	25,480

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

**Note 2. Cash Balance and Concentration of Credit Risk (cont'd)**

<b>Municipality</b>	<b>School District</b>	<b>Ending Cash Balance</b>
LOWER BURRELL CITY	BURRELL SD	\$ 3,489
MANOR BORO	PENN-TRAFFORD SD	608
MANOR BOROUGH	HEMPFIELD AREA SD	26
MONESSEN CITY	MONESSEN CITY SD	806
MOUNT PLEASANT TWP	MOUNT PLEASANT AREA SD	841
MURRYSVILLE	FRANKLIN REGIONAL SD	17,781
NEW KENSINGTON CITY	NEW KENSINGTON ARNOLD SD	2,330
NEW STANTON BORO	HEMPFIELD AREA SD	275
NORTH BELLE VERNON BORO	BELLE VERNON AREA SD	130
NORTH HUNTINGDON TWP	NORWIN SD	7,468
OKLAHOMA BOROUGH	KISKI AREA SD	100
PARKS TOWNSHIP	KISKI AREA SD	15
PENN TWP	PENN-TRAFFORD SD	16,632
ROSTRAVER TWP	BELLE VERNON AREA SD	101
SALEM TWP	GREENSBURG SALEM SD	366
SOUTH GREENSBURG BORO	HEMPFIELD AREA SD	(133)
SOUTH GREENSBURG BORO	GREENSBURG SALEM SD	1,729
SOUTH HUNTINGDON TWP	YOUGH SD	(371)
SOUTHWEST GREENSBURG BORO	GREENSBURG SALEM SD	18
UNITY TWP	GREATER LATROBE SD	996
UPPER BURRELL TWP	BURRELL SD	15
VANDERGRIFT BORO	KISKI AREA SD	2,387
WASHINGTON TWP	KISKI AREA SD	2,053
		\$ 99,954

**Note 3. EIT Distributions to TCD Members**

The following details the earned income tax distributions to TCD members presented in the statement of earned income tax cash receipts, cash disbursements and cash balances:

<b>Member</b>	<b>Distributions</b>
ADAMSBURG BORO	\$ 15,019
ALLEGHENY TWP	1,100,745
ARNOLD CITY	340,717
ARONA BORO	33,497
AVONMORE BORO	79,085



**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

---

**Note 3. EIT Distributions to TCD Members (cont'd)**

<b>Member</b>		<b>Distributions</b>
BELL TWP	\$	247,469
BELLE VERNON AREA SD		2,169,988
BELLE VERNON BORO		73,832
BOLIVAR BORO		34,221
BURRELL SD		1,697,560
COOK TWP		253,587
DELMONT BORO (FRANKLIN REGIONAL SD)		260,749
DELMONT BORO (GREENSBURG SALEM SD)		91,403
DERRY AREA SD		1,596,907
DERRY BOROUGH		234,358
DERRY TWP		1,315,404
DONEGAL BORO		10,571
DONEGAL TWP		289,283
EAST HUNTINGDON TWP		863,095
EAST VANDERGRIFT BORO		43,716
EVERSON BOROUGH		59,079
EXPORT BORO		86,255
FAIRFIELD TWP		228,595
FAYETTE CITY BORO		43,783
FRANKLIN REGIONAL SD		4,590,707
GREATER LATROBE SD		3,919,602
GREENSBURG CITY		3,310,762
GREENSBURG SALEM SD		2,657,467
HEMPFIELD AREA SD		6,285,201
HEMPFIELD TWP		5,528,911
HUNKER BORO		27,778
HYDE PARK BORO		46,280
IRWIN BORO		456,755
JEANNETTE CITY		786,175
JEANNETTE CITY (ACT 205)		842,748
JEANNETTE CITY SD		782,974
KISKI AREA SD		3,105,470
LATROBE CITY		1,394,040
LAUREL MOUNTAIN BORO		16,691
LIGONIER BORO		165,362

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

---

**Note 3. EIT Distributions to TCD Members (cont'd)**

<b>Member</b>		<b>Distributions</b>
LIGONIER TWP	\$	826,958
LIGONIER VALLEY SD		1,726,874
LOWER BURRELL CITY		1,408,151
MADISON BORO		42,782
MANOR BORO (HEMPFIELD AREA SD)		90,385
MANOR BORO (PENN-TRAFFORD SD)		501,462
MONESSEN CITY		584,960
MONESSEN CITY SD		562,865
MOUNT PLEASANT AREA SD		1,830,591
MOUNT PLEASANT BORO		367,440
MOUNT PLEASANT TWP		1,254,145
MURRYSVILLE BORO		4,299,774
NEW ALEXANDRIA BOROUGH		53,421
NEW FLORENCE BORO		50,131
NEW KENSINGTON CITY		1,096,777
NEW KENSINGTON-ARNOLD SD		1,433,724
NEW STANTON BORO		309,096
NORTH BELLE VERNON BORO		190,375
NORTH HUNTINGDON TWP		4,992,537
NORTH IRWIN BORO		86,670
NORWIN SD		5,503,086
OKLAHOMA BORO		84,089
PARKS TOWNSHIP		245,556
PENN BOROUGH		37,924
PENN TWP		3,229,080
PENN-TRAFFORD SD		4,137,223
ROSTRAVER TWP		1,521,010
SALEM TWP		769,141
SCOTTDAL BORO		432,010
SEWARD BORO		35,046
SEWICKLEY TWP		645,891
SMITHTON BORO		31,886
SOUTH GREENSBURG BORO (GREENSBURG SALEM SD)		230,698
SOUTH GREENSBURG BORO (HEMPFIELD AREA SD)		1,168
SOUTH HUNTINGDON TWP		637,830

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

**Note 3. EIT Distributions to TCD Members (cont'd)**

<b>Member</b>		<b>Distributions</b>
SOUTH VERSAILLES TWP	\$	5,302
SOUTHMORELAND SD		1,513,362
SOUTHWEST GREENSBURG BORO		232,676
ST CLAIR TWP		118,022
SUTERSVILLE BORO		59,924
TRAFFORD BORO		373,327
UNITY TWP		3,054,086
UPPER BURRELL TWP		306,859
UPPER TYRONE TWP		176,535
VANDERGRIFT BORO		375,325
WASHINGTON TWP (BELLE VERNON AREA SD)		370,393
WASHINGTON TWP (KISKI AREA SD)		882,126
WEST NEWTON BORO		226,684
WHITE OAK BORO		584
YOUGH SD		1,653,504
YOUNGSTOWN BORO		25,009
YOUNGWOOD BORO		311,534
	\$	<u>94,021,846</u>

**Note 4. EIT Distributions to Non-Members of Westmoreland County TCD**

The following details the Out-of-County (Non-Members) distributions presented in the statement of earned income tax cash receipts, cash disbursements and cash balances:

<b>Non-Member</b>		<b>Distributions</b>
ADAMS TAX COLLECTION DISTRICT	\$	15,075
ALLEGHENY CENTRAL TAX COLLECTION DISTRICT		2,657,084
ALLEGHENY NORTH TAX COLLECTION DISTRICT		1,828,258
ALLEGHENY SOUTHEAST TAX COLLECTION DISTRICT		3,950,650
ALLEGHENY SOUTHWEST TAX COLLECTION DISTRICT		1,406,950
ARMSTRONG TAX COLLECTION DISTRICT		1,405,729
BEAVER TAX COLLECTION DISTRICT		232,470
BEDFORD TAX COLLECTION DISTRICT		93,472
BERKS TAX COLLECTION DISTRICT		57,639
BLAIR TAX COLLECTION DISTRICT		108,162
BRADFORD TAX COLLECTION DISTRICT		10,438

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

**Note 4. EIT Distributions to Non-Members of Westmoreland County TCD (cont'd)**

<b>Non-Member</b>		<b>Distributions</b>
BUCKS TAX COLLECTION DISTRICT	\$	18,525
BUTLER TAX COLLECTION DISTRICT		1,113,989
CAMBRIA TAX COLLECTION DISTRICT		634,880
CAMERON TAX COLLECTION DISTRICT		1,135
CARBON TAX COLLECTION DISTRICT		4,725
CENTRE TAX COLLECTION DISTRICT		66,477
CHESTER TAX COLLECTION DISTRICT		27,992
CLARION TAX COLLECTION DISTRICT		77,392
CLEARFIELD TAX COLLECTION DISTRICT		150,634
CLINTON TAX COLLECTION DISTRICT		72,861
COLUMBIA TAX COLLECTION DISTRICT		15,225
CRAWFORD TAX COLLECTION DISTRICT		56,396
CUMBERLAND TAX COLLECTION DISTRICT		42,010
DAUPHIN TAX COLLECTION DISTRICT		33,689
DELAWARE TAX COLLECTION DISTRICT		5,951
ELK TAX COLLECTION DISTRICT		13,532
ERIE TAX COLLECTION DISTRICT		66,734
FAYETTE TAX COLLECTION DISTRICT		2,616,736
FOREST TAX COLLECTION DISTRICT		3,073
FRANKLIN TAX COLLECTION DISTRICT		24,410
FULTON TAX COLLECTION DISTRICT		2,135
GREENE TAX COLLECTION DISTRICT		103,218
HUNTINGDON TAX COLLECTION DISTRICT		37,256
INDIANA TAX COLLECTION DISTRICT		2,044,605
JEFFERSON TAX COLLECTION DISTRICT		123,943
JUNIATA TAX COLLECTION DISTRICT		11,244
LACKAWANNA TAX COLLECTION DISTRICT		21,064
LANCASTER TAX COLLECTION DISTRICT		34,860
LAWRENCE TAX COLLECTION DISTRICT		93,714
LEBANON TAX COLLECTION DISTRICT		7,161
LEHIGH TAX COLLECTION DISTRICT		20,951
LUZERNE TAX COLLECTION DISTRICT		36,742
LYCOMING TAX COLLECTION DISTRICT		122,072
MCKEAN TAX COLLECTION DISTRICT		22,993
MERCER TAX COLLECTION DISTRICT		86,020

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

**Note 4. EIT Distributions to Non-Members of Westmoreland County TCD (cont'd)**

<b>Non-Member</b>		<b>Distributions</b>
MIFFLIN TAX COLLECTION DISTRICT	\$	9,209
MONROE TAX COLLECTION DISTRICT		14,678
MONTGOMERY TAX COLLECTION DISTRICT		31,648
MONTOUR TAX COLLECTION DISTRICT		5,854
NORTHAMPTON TAX COLLECTION DISTRICT		20,754
NORTHUMBERLAND TAX COLLECTION DISTRICT		21,292
PERRY TAX COLLECTION DISTRICT		6,463
PIKE TAX COLLECTION DISTRICT		470
POTTER TAX COLLECTION DISTRICT		21,086
SCHUYLKILL TAX COLLECTION DISTRICT		23,363
SNYDER TAX COLLECTION DISTRICT		17,531
SOMERSET TAX COLLECTION DISTRICT		513,785
SULLIVAN TAX COLLECTION DISTRICT		4,185
SUSQUEHANNA TAX COLLECTION DISTRICT		4,165
TIOGA TAX COLLECTION DISTRICT		21,878
UNION TAX COLLECTION DISTRICT		5,968
VENANGO TAX COLLECTION DISTRICT		23,525
WARREN TAX COLLECTION DISTRICT		14,461
WASHINGTON TAX COLLECTION DISTRICT		1,260,269
WAYNE TAX COLLECTION DISTRICT		503
WYOMING TAX COLLECTION DISTRICT		5,737
YORK TAX COLLECTION DISTRICT		27,043
	\$	<u>21,634,139</u>

**Note 5. Source of Earned Income Tax Collections**

The earned income tax imposed is currently 0.5% - 1.65% per year.

The sources of Earned Income Tax Collections include:

- Salaries, Wages, Commissions and other compensation earned by residents of the Westmoreland County TCD.
- Net profits from self-employment earned by residents of the Westmoreland County TCD.

Collections are shared among applicable taxing jurisdictions within the TCD. The following taxing-jurisdictions belong to the Westmoreland County TCD and are serviced by the Tax Officer.

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

**Note 5. Source of Earned Income Tax Collections (cont'd)**

<b>School Districts</b>	<b>Municipalities</b>	
	<b>Boroughs/Cities</b>	<b>Townships</b>
BELLE VERNON AREA SD	ADAMSBURG BORO	ALLEGHENY TWP
BURRELL SD	ARNOLD CITY	BELL TWP
DERRY AREA SD	ARONA BORO	COOK TWP
FRANKLIN REGIONAL SD	AVONMORE BORO	DERRY TWP
GREATER LATROBE SD	BELLE VERNON BORO	DONEGAL TWP
GREENSBURG SALEM SD	BOLIVAR BORO	EAST HUNTINGDON TWP
HEMPFIELD AREA SD	DELMONT BORO (FRANKLIN REGIONAL SD)	FAIRFIELD TWP
JEANNETTE CITY SD	DELMONT BORO (GREENSBURG SALEM SD)	HEMPFIELD TWP
KISKI AREA SD	DERRY BOROUGH	LIGONIER TWP
LIGONIER VALLEY SD	DONEGAL BORO	MOUNT PLEASANT TWP
MONESSEN CITY SD	EAST VANDERGRIFT BORO	NORTH HUNTINGDON TWP
MOUNT PLEASANT AREA SD	EVERSON BOROUGH	PARKS TOWNSHIP
NEW KENSINGTON-ARNOLD SD	EXPORT BORO	PENN TWP
NORWIN SD	FAYETTE CITY BORO	ROSTRAVER TWP
PENN-TRAFFORD SD	GREENSBURG CITY (GREENSBURG SALEM SD)	SAINT CLAIR TWP
SOUTHMORELAND SD	GREENSBURG CITY (HEMPFIELD AREA SD)	SALEM TWP
YOUGH SD	HUNKER BORO	SEWICKLEY TWP
	HYDE PARK BORO	SOUTH HUNTINGDON TWP
	IRWIN BORO	SOUTH VERSAILLES TWP
	JEANNETTE CITY (HEMPFIELD AREA SD)	UNITY TWP
	JEANNETTE CITY (JEANNETTE CITY SD)	UPPER BURRELL TWP
	JEANNETTE CITY (PENN-TRAFFORD SD)	UPPER TYRONE TWP
	LATROBE CITY	WASHINGTON TWP (BELLE VERNON AREA SD)
	LAUREL MOUNTAIN BORO	WASHINGTON TWP (KISKI AREA SD)
	LIGONIER BORO	
	LOWER BURRELL CITY	
	MADISON BORO	
	MANOR BORO (PENN-TRAFFORD SD)	
	MANOR BORO (HEMPFIELD AREA SD)	
	MONESSEN CITY	
	MOUNT PLEASANT BORO	
	MURRYSVILLE BORO	
	NEW ALEXANDRIA BOROUGH	
	NEW FLORENCE BORO	
	NEW KENSINGTON CITY	

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**NOTES TO FINANCIAL STATEMENT**

**Note 5. Source of Earned Income Tax Collections (cont'd)**

<b>School Districts</b>	<b>Municipalities</b>	
	<b>Boroughs/Cities</b>	<b>Townships</b>
	NEW STANTON BORO	
	NORTH BELLE VERNON BORO	
	NORTH IRWIN BORO	
	OKLAHOMA BORO	
	PENN BOROUGH	
	SCOTTDALE BORO	
	SEWARD BORO	
	SMITHTON BORO	
	SOUTH GREENSBURG BORO (GREENSBURG SALEM SD)	
	SOUTH GREENSBURG BORO (HEMPFIELD AREA SD)	
	SOUTHWEST GREENSBURG BORO	
	SUTERSVILLE BORO	
	TRAFFORD BORO	
	VANDERGRIFT BORO	
	WEST NEWTON BORO	
	WHITE OAK BORO	
	YOUNGSTOWN BORO	
	YOUNGWOOD BORO	

**Note 6. Tax Collection Contract**

Westmoreland County TCC has contracted with Berkheimer Tax Innovations for the collection and distribution of earned income taxes. The contract term has been amended for an additional period beginning January 1, 2019 and ending December 31, 2021, unless terminated earlier, the contract terms, if not renewed, will continue no longer than July 15 of the succeeding calendar year. The contract calls for collection fee of 1.42% of tax collections to be retained by Berkheimer Tax Innovations upon collection with the net proceeds being distributed.

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**SUPPLEMENTARY INFORMATION**

---

**SCHEDULE OF BONDING ANALYSIS  
Year Ended December 31, 2020**

Earned Income Tax Collections - Collections within TCD	\$ 96,358,081
Less: Taxpayer Refunds - Earned Income Taxes	<u>1,220,696</u>
<b>Earned Income Tax Collections - Net</b>	<b>\$ <u>95,137,385</u></b>
<b>Bonding Amount as determined by TCC</b>	<b>\$ <u>5,650,000</u></b>
<b>Actual Bond Amount</b>	<b>\$ <u>5,650,000</u></b>
<b>Average daily amount of tax collections in possession of Tax Officer</b>	<b>\$ <u>260,650</u></b>

Per the contract between the TCC and the Tax Officer, collections are required to be distributed on a weekly basis. However in practice, distributions are made daily or weekly. Therefore, the Tax Officer maintained a collection balance within the bond requirements set forth in the contract.



**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**SUPPLEMENTARY INFORMATION**

---

**SCHEDULE OF COLLECTION FEES CHARGED  
Year Ended December 31, 2020**

Earned Income Tax Collections - Collections within TCD Current	\$	94,944,858
Earned Income Tax Collections - Collections within TCD Delinquent		1,413,223
Less: Taxpayer Refunds - Earned Income Taxes		1,220,696
<b>Earned Income Tax Collections - Net</b>	<b>\$</b>	<b><u>95,137,385</u></b>
 <b>Collection Rate per TCC/Tax Officer Contract</b>		
Current Collections		1.42%
Delinquent Collections		0.00%
 <b>Collection Fees Charged</b>	 <b>\$</b>	 <b>1,330,910</b>

Commissions are calculated on a monthly basis to three decimals. The IT logic built into the Tax Officer's operating system rounds the calculated commissions to two decimals.

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE/  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF RECONCILIATION OF MONTHLY REPORTS TO AUDITED RECEIPTS AND  
DISBURSEMENTS REQUIRED UNDER SECTION 509(b) OF PENNSYLVANIA ACT 32 OF 2008  
Year Ending December 31, 2020**

	Amounts per Tax Collector Monthly Reports	Amounts per Audited Receipts and Disbursements	Variance
<b>CASH BALANCE - January 1, 2020</b>	\$ 123,147	\$ 123,147	\$ 0
<b>COLLECTIONS AND RECEIPTS</b>			
Resident EIT Received from Employers/Taxpayers within TCD	53,441,531	53,441,531	0
Resident EIT Received from Other TCDs	41,151,726	41,151,726	0
Non-Resident EIT Received for PSD within the TCD	351,602	351,602	0
Non-Resident EIT Received for Other TCDs	21,634,139	21,634,139	0
Delinquent Collections	1,413,223	1,413,223	0
EIT Received for PSD within the TCD due to Other Collector	60	60	0
Net Change in Unidentified Collections	(22,776)	(22,776)	0
Investment Income	9,223	9,223	0
Costs Recovered by the Tax Officer	319,014	319,014	0
Other Collections			
Court Fees Collected	128	128	0
<b>TOTAL COLLECTIONS AND RECEIPTS</b>	<b>118,297,870</b>	<b>118,297,870</b>	<b>0</b>
<b>LESS: DISTRIBUTIONS AND DISBURSEMENTS</b>			
EIT Distributions to TCD Members	94,021,846	94,021,846	0
EIT Distributions to Other Tax Officers for TCD Members	60	60	0
EIT Distributions to Other TCDs	21,634,139	21,634,139	0
Taxpayer Refunds	1,220,696	1,220,696	0
Tax Officer Commissions	1,097,539	1,097,539	0
Other Disbursements			
Postage Fees Reimbursed to Tax Officer	23,946	23,946	0
Investment Income Retained by Tax Officer	3,631	3,631	0
Cost Retained by Tax Officer	319,014	319,014	0
Court Fees Reimbursed to Tax Officer	190	190	0
<b>TOTAL DISTRIBUTIONS AND DISBURSEMENTS</b>	<b>118,321,061</b>	<b>118,321,061</b>	<b>0</b>
<b>COLLECTIONS AND RECEIPTS OVER/(UNDER) DISTRIBUTIONS AND DISBURSEMENTS</b>	<b>(23,193)</b>	<b>(23,193)</b>	<b>0</b>
<b>CASH BALANCE - December 31, 2020</b>	\$ 99,954	\$ 99,954	\$ 0

**Independent Auditors' 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***

To the Members of the  
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 statement of earned income tax cash receipts, cash disbursements and cash balances (the financial statement) of Westmoreland County Tax Collection Committee's Tax Officer, Berkheimer Tax Innovations (the Tax Officer) for the year ended December 31, 2020, and the related notes to the financial statement, and have issued our report thereon dated April 23, 2021. Our report disclosed that the financial statement is prepared by the Tax Officer on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to this matter.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Tax Officer'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 the Tax Officer's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Officer'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 statements 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 the Tax Officer's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## **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.

*Baker Tilly US, LLP*

Williamsport, Pennsylvania  
April 23, 2021

## **Independent Auditors' Report on Compliance With Pennsylvania Act 32 of 2008**

To the Members of the  
Westmoreland County Tax Collection Committee

### **Compliance**

We have audited Westmoreland County Tax Collection Committee's Tax Officer, Berkheimer Tax Innovations' (the Tax Officer) compliance with the provisions described within Pennsylvania Act 32 of 2008 as applicable to the Tax Officer's earned income tax collections and other receipts, investments, reporting, bonding, recordkeeping, distribution of earned income taxes and other disbursements and administration for the year ended December 31, 2020.

### **Management's Responsibility**

Compliance with the requirements referred to above is the responsibility of the Tax Officer's management.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Tax Officer'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; Pennsylvania Act 32 of 2008, and; Pennsylvania Department of Community and Economic Development's Governor's Center for Local Government Services (DCED) publication, *Act 32 Suggested Audit Procedures*. Those standards, Pennsylvania Act 32 of 2008, and the DCED's *Act 32 Suggested Audit Procedures* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Tax Officer's earned income tax cash receipts, cash disbursements and cash balances occurred. An audit includes examining, on a test basis, evidence about the Tax Officer'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 the Tax Officer's compliance with those requirements.

### **Opinion**

In our opinion, the Tax Officer complied, in all material respects, with the compliance requirements referred to above that are applicable to the Tax Officer's earned income tax cash receipts, cash disbursements and cash balances for the year ended December 31, 2020.

## **Purpose of This Report**

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of Pennsylvania Act 32 of 2008 and DCED's *Act 32 Suggested Audit Procedures*. Accordingly, this report is not suitable for any other purpose.

*Baker Tilly US, LLP*

Williamsport, Pennsylvania  
April 23, 2021

**WESTMORELAND COUNTY TAX COLLECTION COMMITTEE /  
TAX OFFICER, BERKHEIMER TAX INNOVATIONS**

**SCHEDULE OF FINDINGS AND NONCOMPLIANCE  
YEAR ENDED DECEMBER 31, 2020**

---

**Section I - Financial Statement Findings**

None

**Section II - Findings of Noncompliance With Pennsylvania Act 32 of 2008**

None