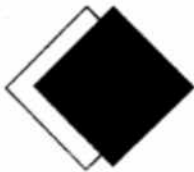


**NORTHUMBERLAND COUNTY TAX
COLLECTION COMMITTEE**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012



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NORTHUMBERLAND COUNTY TAX COLLECTION COMMITTEE



FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Officers and Board Members
of the Northumberland County Tax
Collection Committee

Report on the Financial Statements

I have audited the accompanying statement of assets, liabilities and fund balance of Northumberland County Tax Collection as of December 31, 2012, and the related statements of revenue, expenditures, and changes in fund balance for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of the internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Opinion

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Point Township as of and for the year ended December 31, 2012 in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, I have also issued my report dated May 15, 2013 on my consideration of Northumberland County Tax Collection Committee's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts, and grant agreements and other matters as shown on pages 7 to 8. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Northumberland County Tax Collection Committee has not presented the management's discussion and analysis or budgetary comparison information that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be a part of, the basic financial statements.

A handwritten signature in dark ink, appearing to be "R. J. [unclear]", written in a cursive style.

May 15, 2013

NORTHUMBERLAND COUNTY TAX COLLECTION COMMITTEE



**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS**

DECEMBER 31, 2012

ASSETS

Cash and Cash Equivalents (Note 1)	\$ 3,946
Total Assets	<u>\$ 3,946</u>

FUND BALANCE

Unassigned	\$ 3,946
Total Fund Balance	<u>\$ 3,946</u>

The accompanying notes are an integral part of these financial statements

NORTHUMBERLAND COUNTY TAX COLLECTION COMMITTEE

**STATEMENT OF REVENUES AND EXPENDITURES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

REVENUE

State grant funds -- DCED	\$	2,527
Investment Income		16
Total revenue	\$	<u>2,543</u>

EXPENDITURES

Advertising	\$	639
Legal fees		2,709
Postage		100
Office expense		36
Insurance		100
Audit		2,750
Total expenditures	\$	<u>6,334</u>
Excess of revenue over expenditures	\$	<u>(3,791)</u>

**STATEMENT OF CHANGES IN FUND BALANCE - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

FUND BALANCE, Beginning	\$	7,737
Net Change in fund balance		(3,791)
FUND BALANCE, Ending	\$	<u>3,946</u>

The accompanying notes are an integral part of these financial statements

NORTHUMBERLAND COUNTY TAX COLLECTION COMMITTEE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Northumberland County Tax Collection Committee was incorporated under Act No. 32, approved in 2008, to appoint a single tax officer to collect earned income tax throughout its county. All significant activities on which the Committee exercises oversight responsibility have been included in the Committee's financial statements for the year ended December 31, 2012.

A. *Reporting Entity*

In evaluating the Committee as a reporting entity, management has addressed all potential component units which may or may not fall within the Committee's financial accountability. The basic but not the only criterion for a component unit is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestation of the ability to exercise oversight responsibility includes, but is not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operation, and accountability for fiscal matters. The other criterion used to evaluate component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Committee is able to exercise oversight responsibilities. Based upon the application of these criteria, the Northumberland County Tax Collection Committee is not a component unit of another reporting entity, nor does it have any component units.

B. *Basis of Accounting*

Governmental funds are funds through which most functions typically associated with government are financed and presented. The focus of governmental funds is on current financial resources, accounting for acquisition, use, and balances of financial resources and related current liabilities. Financial assets are segregated into governmental fund according to the purposes for which they may be used, and liabilities are segregated into the governmental fund from which they are to be paid, with the difference between the assets and liabilities being the fund balance.

The general fund is the Committee's primary operating fund and its' major governmental fund. It accounts for all financial resources.

The governmental fund financial statement is presented using the cash basis of accounting. This basis recognizes assets, liabilities, revenues and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. As a result of the cash basis of accounting, certain assets and their related revenues, such as accounts receivable, and certain liabilities and their related expenditures, such as accounts payable, are not recorded in these financial statements.

(Continued)

NORTHUMBERLAND COUNTY TAX COLLECTION COMMITTEE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

(Continued)

C. *Cash and Cash Equivalents*

The Committee considers cash and investments with a maturity of three months or less to be cash equivalents.

Deposits

At December 31, 2012, the carrying amount of the Committee's deposits was \$ 3,946 and the bank balance was \$ 4,123. Of the bank balance, \$ 7,755 was covered by federal depository insurance.

D. *Fund Equity*

The Committee implemented *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes.

Committed – Amounts that can be used only for specific purposes determined by a formal action by the Committee. The amounts cannot be used for any other purpose unless the Board takes action to remove or change the constraint.

Assigned – Amounts that are intended for a particular purpose. Intent can be expressed by the Board.

Unassigned – All amounts not included in other spendable classifications.

ADDITIONAL INFORMATION



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Officers and Board Members of
Northumberland County Tax Collection Committee

I have audited the financial statements of Northumberland County Tax Collection Committee, as of and for the year ended December 31, 2012, and have issued my report thereon dated May 15, 2013.

I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether Northumberland County Tax Collection Committee's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Northumberland County Tax Collection Committee's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, the federal government, and the Commonwealth of Pennsylvania and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in dark ink, appearing to be "R. J. D.", written in a cursive style.

May 15, 2013

