

**DAUPHIN COUNTY TAX
COLLECTION COMMITTEE**

FINANCIAL STATEMENT - CASH BASIS

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Committee Members
Dauphin County Tax Collection Committee
Harrisburg, Pennsylvania

Report on the Financial Statement

We have audited the accompanying financial statement of Dauphin County Tax Collection Committee (“TCC”), which comprise the statement of cash receipts, cash disbursements and cash balances as of December 31, 2019, and the related notes to the financial statement for the year then ended.

Management’s Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the TCC’s accounting policies consistently applied and in conformity with the cash basis of accounting as described in Note 1, which includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. This includes 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the above referenced financial statement is free of 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 significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of cash receipts, cash disbursements and cash balances referred to above presents fairly, in all material respects, the cash receipts and cash disbursements of Dauphin County Tax Collection Committee (“TCC”) for the year ended December 31, 2019, and its cash balance as of December 31, 2019, on the cash basis of accounting described in Note 1.

Basis of Accounting

We draw your 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. Our opinion is not modified with respect to that matter.

Restriction of Use

This report is intended solely for the information and use of the Committee and is not intended to be, and should not be, used by anyone other than this specified party.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
October 15, 2020

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CASH BALANCES
Year Ended December 31, 2019**

Cash Receipts	
Municipality/School District	\$ 37,909
Interest income	2,705
Total cash receipts	<u>40,614</u>
Cash Disbursements	
Administrative and operations	
Legal fees	27,734
Accounting and audit fees	12,500
Advertising	329
Insurance	4,485
Transcription services	1,992
Printing	94
Miscellaneous	204
Website development	1,800
Total cash disbursements	<u>49,138</u>
Decrease in cash	(8,524)
Cash Balance - January 1, 2019	<u>179,031</u>
Cash Balance - December 31, 2019	<u><u>\$ 170,507</u></u>

See Notes to Financial Statement.

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

NOTES TO FINANCIAL STATEMENT

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization: Under amendments (Act 32) which the Pennsylvania General Assembly made in 2008 to the Local Tax Enabling Act, the County of Dauphin has been established as an official Tax Collection District (TCD) for purposes of collecting income taxes. The TCD is not an office, department or agency of county government, rather a legal entity with statutorily defined duties and powers.

The TCD is governed by a tax collection committee, known and referred to as the Dauphin County Tax Collection Committee (TCC). The TCC is comprised of voting delegates from each of Dauphin County's 52 school districts and municipalities ("taxing authorities"). The voting delegates are appointed by the governing bodies of the taxing authorities.

The TCC has the duty to appoint and oversee a tax officer for collection of the tax on earned income and net profits. The TCC has appointed Keystone Collections Group as tax officer, commencing on January 1, 2012. During 2018, the contract with Keystone Collections Group was extended. Keystone collected all earned income tax imposed by the taxing authorities or other political subdivisions, on TCD residents or on nonresidents working within the TCD.

Summary of Significant Accounting Policies: The accompanying financial statement has been 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. Therefore, the statement is not intended to present the financial position or results of operations of Dauphin County TCC in conformity with accounting principles generally accepted in the United States of America.

Subsequent Events: In preparing this financial statement, the Dauphin County TCC has evaluated events and transactions for potential recognition and disclosure through October 15, 2020, the date the financial statement was available to be issued. See Note 4.

Note 2. Cash Balance and Concentration of Credit Risk

The Committee maintains an interest-bearing cash account that is insured to the maximum amount of \$250,000 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. As of December 31, 2019, the Committee's cash balance was \$170,507, and its bank balances were entirely covered by the FDIC.

Note 3. Contingencies

Economic Dependency: On an annual basis, the Finance Committee of the TCC develops an annual budget of operating expenditures. The expenses of operating the TCD are shared among all political subdivisions within the TCD and such expenses are weighted in direct proportion to income tax revenues collected in each participating political subdivision. The TCC is fully dependent on the taxing authorities to make their annual allocated payment to fund the current year operating expenditures.

DAUPHIN COUNTY TAX COLLECTION COMMITTEE

NOTES TO FINANCIAL STATEMENT

Note 4. Subsequent Event

Recent developments arising from the coronavirus pandemic and efforts to mitigate the disease's domestic and global impacts have disrupted operations of companies in many industries. Facility closings, labor and personnel layoffs, curtailments of supply lines and increased materials costs, contracted production, dislocations of product-deliver methods, and reduced markets diminish companies' ability to maintain employment levels. If fewer individuals are employed, overall employee earnings will be reduced and earned income taxes will be reduced as a direct result. Presently, the ultimate effects of this crisis on earned income tax collections and subsequent distributions at the individual PSD level within the TCC are indeterminable because the duration of the crisis is also indeterminable.