

**JANICE KAUCHER, DEPUTY TAX COLLECTOR
FOR THE BOROUGH OF WEST READING**

**FINANCIAL STATEMENT AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2017



Certified Public Accountants and Business Consultants

**JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR
THE BOROUGH OF WEST READING**

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Independent Auditors' Report

To the Honorable Mayor and Members of Council
Borough of West Reading
West Reading, Pennsylvania

We have audited the accompanying statement of cash receipts and disbursements - real estate taxes of Janice Kaucher, Deputy Tax Collector for the Borough of West Reading for the year ended December 31, 2017, 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 this financial statement in accordance with the cash basis of accounting described in Note B; 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. 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.

To the Honorable Mayor and Members of Council
Borough of West Reading
West Reading, Pennsylvania

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Janice Kaucher, Deputy Tax Collector for the Borough of West Reading for the year ended December 31, 2017, on the basis of accounting described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statement, which describes the basis of accounting. The financial statement is 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 this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement for the year ended December 31, 2017. The supplementary information presented in the table of contents under the heading Supplementary Information is presented for purposes of additional analysis and is not a required part of the 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. Such 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 on the basis of accounting described in Note B.

A handwritten signature in black ink that reads "Maillie LLP". The signature is written in a cursive, flowing style.

Oaks, Pennsylvania
March 28, 2018

**JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR
THE BOROUGH OF WEST READING**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
REAL ESTATE TAXES
YEAR ENDED DECEMBER 31, 2017**

UNDISTRIBUTED RECEIPTS, BEGINNING	\$ <u>17,429</u>
CASH RECEIPTS	
2017 levy	1,359,903
Discounts	(24,734)
Penalties	<u>3,815</u>
TOTAL AVAILABLE	<u>1,338,984</u>
CASH DISBURSEMENTS	
2016 levy	17,429
2017 levy	1,342,813
Discounts	(24,734)
Penalties	<u>2,106</u>
	<u>1,337,614</u>
UNDISTRIBUTED RECEIPTS, ENDING	\$ <u><u>18,799</u></u>

See accompanying notes.

**JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR
THE BOROUGH OF WEST READING**
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017

NOTE A - NATURE OF ACTIVITY

Janice Kraucher, Deputy Tax Collector for the Borough of West Reading (the Deputy Tax Collector) collects all taxes levied by the Borough of West Reading (the Borough) in accordance with the provision of the Local Tax Collection Law, Act of 1945, P.L. 1050, No. 394, as amended.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statement conforms to the cash basis method of accounting. The following is a summary of the more significant accounting policies used by the Deputy Tax Collector.

The Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statement incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. There are no agencies or entities which should be presented with the Deputy Tax Collector.

County and school district taxes are not a part of the financial statement. The financial statement includes only the receipts and disbursements for the real estate taxes, interims and changes levied by the Borough.

Description of Fund Accounting and Funds

The ongoing activities of the Deputy Tax Collector utilize the Agency Fund, which is a Fiduciary Fund type. Agency Funds are used to account for assets held on behalf of outside parties, including other governments.

Basis of Accounting

The Deputy Tax Collector's accounts are maintained on a cash basis, and the statement of cash receipts and disbursements - real estate taxes reflects only cash received and disbursed. Therefore, tax receivables and payables, which may be material in amount, are not reflected in the accompanying financial statement, which is not intended to present financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America.

**JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR
THE BOROUGH OF WEST READING**
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Receipts and Disbursements Policy Disclosure

Real Estate Taxes

Real estate taxes are recognized on the cash basis. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% is added to the face amount of taxes paid after June 30. The County of Berks Tax Claim Bureau collects delinquent real estate taxes on behalf of itself and other taxing authorities. Return of unpaid real estate taxes to the County of Berks Tax Claim Bureau is made by January 15 of the subsequent year.

Interim tax duplicates are issued on a quarterly basis. Tax changes are billed on a monthly basis. The taxpayer is given two months from the date the duplicate is issued to pay the discount amount. The face period expires within the next two months, after which time the item must be paid at the penalty amount. For 2017, all unpaid interims and unpaid tax changes will be delinquent on September 30, 2018.

Tax Distributions

All tax distributions are recognized when paid.

NOTE C - SUBSEQUENT EVENTS

The Deputy Tax Collector has evaluated subsequent events through March 28, 2018. This date is the date the financial statement was available to be issued. No material events subsequent to December 31, 2017, were noted.

SUPPLEMENTARY INFORMATION

**JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR
THE BOROUGH OF WEST READING**

REAL ESTATE TAX COLLECTIONS AT LEVIED AMOUNT
YEAR ENDED DECEMBER 31, 2017

	<u>Duplicate</u>	<u>Interims</u>	<u>Totals</u>
REAL ESTATE TAXES LEVIED			
Duplicate, including fire and road	\$ 1,384,230	\$ -	\$ 1,384,230
Interims	-	180	180
TOTAL DUE	<u>1,384,230</u>	<u>180</u>	<u>1,384,410</u>
REAL ESTATE TAXES COLLECTED AT LEVIED AMOUNT			
Face, net of discounts and penalties	1,338,881	103	1,338,984
Discounts	24,732	2	24,734
Penalties	<u>(3,811)</u>	<u>(4)</u>	<u>(3,815)</u>
TOTAL COLLECTED AT LEVIED AMOUNT	<u>1,359,802</u>	<u>101</u>	<u>1,359,903</u>
BALANCE NOT COLLECTED	\$ <u>24,428</u>	\$ <u>79</u>	\$ <u>24,507</u>