

***Westmoreland County  
Controller***

**AUDITING DEPARTMENT**

**Jeffrey Balzer**

**County Controller**

Audit of

Export Borough Tax Collector  
Cynthia Delissio

Financial Statements – Modified Cash Basis  
March 1, 2019 to February 29, 2020

Prepared for

Westmoreland County  
Board of Commissioners

Audit of

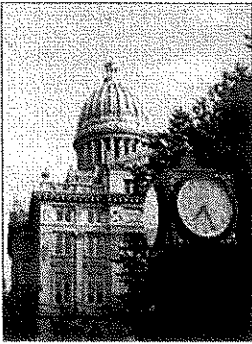
Export Borough Tax Collector  
Cynthia Delissio

Presented by

Jeffrey Balzer  
County Controller

And

Westmoreland County Auditing Department



## Westmoreland County Controller's Office

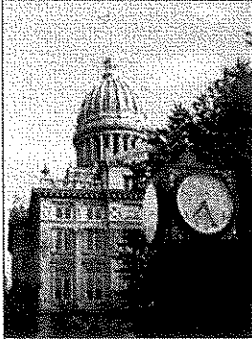
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Export Borough Tax Collector  
Cynthia Delissio  
Audit Distribution List  
March 1, 2019 to February 29, 2020

1. Cynthia Delissio, Export Borough Tax Collector
2. Board of Commissioners
3. Deborah Chiado, Director of Tax Office
4. Franklin Regional School District, c/o Secretary
5. Export Borough, c/o Secretary



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Export Borough Tax Collector  
For the period March 1, 2019 to February 29, 2020

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June 23, 2020

Cynthia Delissio  
Export Borough Tax Collector  
5951 Johnson Ave.  
Export, PA 15632

Dear Ms. Delissio:

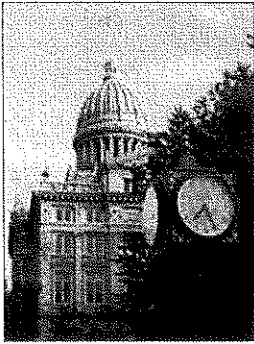
Transmitted herewith for your information is a copy of the audit of Westmoreland County Real Estate taxes processed and accounted for by your office, the purpose of which is to express an opinion on the fairness of the presentation of the financial statements for Westmoreland County Real Estate taxes for the period March 1, 2019 to February 29, 2020 for general taxes.

In line with the policy of this office under which all official audit reports are considered to be public information, a report will be released to the news media or general public upon request.

If there are any questions you may have or comments you desire to make concerning this report, please do not hesitate to contact this office.

Sincerely,

Jeffrey Balzer  
County Controller



## Westmoreland County Controller's Office

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### ***Independent Auditor's Report***

June 23, 2020

Cynthia Delissio  
Export Borough Tax Collector  
5951 Johnson Ave.  
Export, PA 15632

Dear Ms. Delissio:

We have audited the Statement of Balance Outstanding-Modified Cash Basis of the Export Borough Tax Collector for Westmoreland County General Real Estate taxes for the period ended February 29, 2020 and the Statement of Cash Receipts and Disbursements-Modified Cash Basis for the period March 1, 2019 to February 29, 2020 for general taxes as listed in the Table of Contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified 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 internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements 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 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 the 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 Export Borough Tax Collector'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 Export Borough Tax Collector'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 statements.

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 statements referred to above present fairly, in all materials respects, for Westmoreland County Real Estate taxes, the Statement of Balance Outstanding-Modified Cash Basis of the Export Borough Tax Collector's for the period ended February 29, 2020 for general taxes, and the Cash Receipts and Disbursements-Modified Cash Basis for the period March 1, 2019 to February 29, 2020 for general taxes, on the modified cash basis of accounting as described in Note 2.

***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. These financial statements are prepared on the modified 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2020 on our consideration of the Export Borough Tax Collector'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* and should be considered in assessing the results of our audit.

***Other Matters***

As discussed in Note 1, the financial statements present only the Westmoreland County Real Estate general taxes for the period ended February 29, 2020, and it is not intended to be complete presentation of the tax collector's financial position or results of operation on the modified cash basis of accounting.

Sincerely,



Jeffrey Balzer  
County Controller

Export Borough Tax Collector  
 Cynthia Delissio  
 Statement of Cash Receipts and Disbursements  
 Modified Cash Basis  
 For the period March 1, 2019 to February 29, 2020

Receipts:

General	\$	89,902.37	
Total Receipts			89,902.37

Disbursements:

March		17,856.15	
April		39,057.34	
May		21,385.35	
June		3,198.46	
July		4,731.38	
August		861.91	
September		198.56	
October		434.53	
November		1,170.61	
December		177.10	
January		830.98	
February		<u>-</u>	
 Total Disbursements			 <u>89,902.37</u>
 Balance Due			 <u>\$ (0.00)</u>

Note: The accompanying notes are an integral part of the financial statements.



Export Borough Tax Collector  
 Cynthia Delissio  
 Statement of Balance Outstanding  
 Modified Cash Basis  
 For the period March 1, 2019 to February 29, 2020

Amount Charged on the Duplicate:

General	\$ 98,855.03	
Total Amount Charged		98,855.03
Add: Surcharges	-	
Less: Exonerations	-	
Adjustment to the Duplicate		-
Total Available for Collection (Face)		98,855.03

Collections:

General	89,902.37	
Total Actual Amount Collected		89,902.37
Add: Discounts	1,598.03	
Less: Penalties	(407.86)	
Adjustments		1,190.17
Face Collections		91,092.54
Balance Outstanding (Face)		\$ 7,762.49

Note: The accompanying notes are an integral part of the financial statements.

Export Borough Tax Collector  
Cynthia Delissio  
Notes to the Financial Statements  
For the period March 1, 2019 to February 29, 2020

Note # 1: Nature of Entity and Scope of Audit

The scope of our audit did not include a sufficient examination with respect to the financial statements and records for the preceding period to enable us to, and we do not, express an opinion on the consistency of application of accounting principles for the prior period. Also, the Tax Collector is responsible for collecting various local taxes, school taxes, etc., as well as Westmoreland County Real Estate Taxes. Our audit pertained only to the examination of Westmoreland County Real Estate Taxes and did not include a sufficient examination with respect to the overall function of the Tax Collector to enable us to, and we do not, express an opinion on the Tax Collector as a whole. The financial statements present only the Westmoreland County Real Estate General taxes for the period ended February 29, 2020, on the modified cash basis of accounting and is not intended to be a complete presentation of the tax collector's financial position or results of operation on the modified cash basis of accounting.

Note #2: Summary of Significant Accounting Policies

Basis of Accounting- The financial statements of the Tax Collector for Westmoreland County Real Estate Taxes are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Receipts, which include general taxes and supplemental taxes, are recorded when monies are actually received.

Disbursements, which only include payments to the Westmoreland County Treasurer's Office, are recorded when paid. The balance outstanding reflects the unpaid taxes which are turned over to the County at the end of the related tax year.

Note #3: Supplemental Taxes

Supplemental tax duplicates are issued 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 runs for the next two months, after which the item must be paid at the penalty amount. As a result, only those items appearing on duplicates issued from October 1, 2018 to September 30, 2019 were subject to being returned on the delinquent list to the County Tax Claim Bureau if they were not paid. There were no supplemental taxes during this period.

Note #4: Cash

Deposits

All of the S&T Bank deposits of the Export Borough Tax Collector are either insured or collateralized per Act 72 of the Commonwealth of Pennsylvania. Deposits collateralized per Act 72 of the Commonwealth of Pennsylvania, dated August 6, 1971 (Act 72) are secured by pooled collateral as permitted by the Act.

At February 29, 2020, the Export Borough Tax Collector's S&T Bank deposits had a carrying value of \$1.00 and a bank balance of \$93.90. The bank balance was covered by the federal depository insurance.

Export Borough Tax Collector  
Cynthia Delissio  
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*

June 23, 2020

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 statements of the Export Borough Tax Collector, for the period ended February 29, 2020 and for the period March 1, 2019 to February 29, 2020 for the Westmoreland County General Taxes, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Export Borough Tax Collector'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 statements, but not for the purpose of expressing an opinion on the effectiveness of the Export Borough Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Export Borough Tax Collector'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 Tax Collector's financial statement(s) 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.

Export Borough Tax Collector  
Cynthia Delissio  
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*  
(Continued)

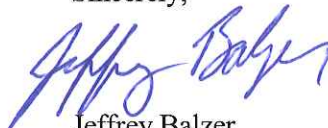
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Export Borough Tax Collector's financial statements are 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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,



Jeffrey Balzer  
County Controller