

***Westmoreland County
Controller***

AUDITING DEPARTMENT

Jeffrey Balzer

County Controller

Audit of

Ligonier Borough Tax Collector
Robin Roberts

Financial Statements – Modified Cash Basis
For the period March 1, 2020 to February 28, 2021

Prepared for

Westmoreland County
Board of Commissioners

Audit of

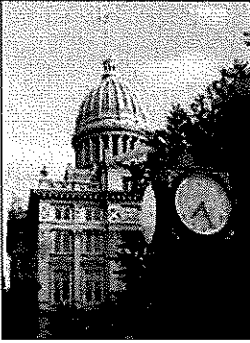
Ligonier Borough Tax Collector
Robin Roberts

Presented by

Jeffrey Balzer
County Controller

And

Westmoreland County Auditing Department



Westmoreland County Controller's Office

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Greensburg, PA 15601
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Jeffrey Balzer, Controller

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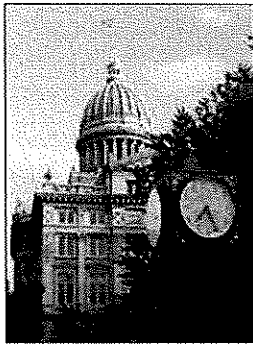
Ligonier Borough Tax Collector

Robin Roberts

Audit Distribution List

For the period March 1, 2020 to February 28, 2021

1. Robin Roberts, Ligonier Borough Tax Collector
2. Board of Commissioners
3. Linda Kuchar, Acting Director of Tax Office
4. Ligonier Valley Area School District, c/o Secretary
5. Ligonier Borough, c/o Secretary



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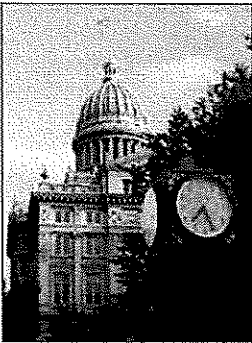
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Ligonier Borough Tax Collector
For the period March 1, 2020 to February 28, 2021

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November 16, 2021

Robin Roberts
Ligonier Borough Tax Collector
120 East Main Street
Ligonier, PA 15658

Dear Ms. Roberts:

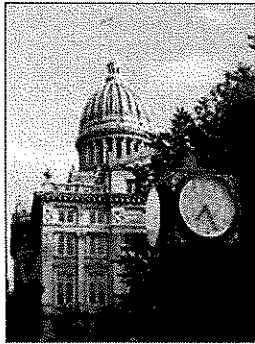
Transmitted herewith for your information is a copy of the audit of Westmoreland County Real Estate taxes processed and accounted for by your office, the purpose of which is to express an opinion on the fairness of the presentation of the financial statements for Westmoreland County Real Estate taxes for the period March 1, 2020 to February 28, 2021 for general taxes and for the period October 1, 2019 to September 30, 2020 for supplemental 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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November 16, 2021

Independent Auditor's Report

Robin Roberts
Ligonier Borough Tax Collector
120 East Main Street
Ligonier, PA 15658

Dear Ms. Roberts:

We have audited the Statement of Balance Outstanding-Modified Cash Basis of the Ligonier Borough Tax Collector for Westmoreland County General Real Estate taxes for the period ended February 28, 2021 and for Westmoreland County Supplemental taxes for the period ended September 30, 2019 and the Statement of Cash Receipts and Disbursements-Modified Cash Basis for the period March 1, 2020 to February 28, 2021 for general taxes and for the period October 1, 2019 to September 30, 2020 for supplemental taxes and the related notes to the financial statements, 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 Ligonier 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 Ligonier 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 Ligonier Borough Tax Collector for the period ended February 28, 2021 for general taxes, and for the period ended September 30, 2020 for supplemental taxes, and the Cash Receipts and Disbursements-Modified Cash Basis for the period March 1, 2020 to February 28, 2021 for general taxes, and for the period October 1, 2019 to September 30, 2020 for supplemental 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.

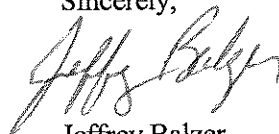
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021 on our consideration of the Ligonier 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 supplemental taxes for the period ended September 30, 2020, and general taxes for the period ended February 28, 2021, and it 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.

Sincerely,



Jeffrey Balzer
County Controller

Ligonier Borough Tax Collector
Robin Roberts
Statement of Cash Receipts and Disbursements
Modified Cash Basis
For the period March 1, 2020 to February 28, 2021

Receipts:

| | | | |
|----------------|----|------------|------------|
| General | \$ | 361,057.07 | |
| Total Receipts | | | 361,057.07 |

Disbursements:

| | | | |
|---------------------|--|----------------------------|--|
| March | | 84,272.71 | |
| April | | 225,739.82 | |
| May | | 2,557.34 | |
| June | | 15,040.37 | |
| July | | 7,852.25 | |
| August | | 13,014.98 | |
| September | | 1,255.87 | |
| October | | 871.42 | |
| November | | 943.20 | |
| December | | 9,509.11 | |
| January | | - | |
| February | | - | |
| | | <hr style="width: 100%;"/> | |
| Total Disbursements | | | <hr style="width: 100%;"/> 361,057.07 |
| Balance Due | | | \$ <hr style="width: 100%;"/> - <hr style="width: 100%;"/> |

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

Ligonier Borough Tax Collector
Robin Roberts
Statement of Balance Outstanding
Modified Cash Basis
For the period March 1, 2020 to February 28, 2021

Amount Charged on the Duplicate:

| | | | |
|---------------------------------------|---------------|------------|------------|
| General | \$ 376,559.92 | | |
| Total Amount Charged | | 376,559.92 | |
| Add: Surcharges | - | | |
| Less: Exonerations | - | | |
| Adjustment to the Duplicate | | - | |
| Total Available for Collection (Face) | | | 376,559.92 |

Collections:

| | | | |
|-------------------------------|------------|------------|-------------|
| General | 361,057.07 | | |
| Total Actual Amount Collected | | 361,057.07 | |
| Add: Discounts | 7,112.08 | | |
| Less: Penalties | - | | |
| Adjustments | | 7,112.08 | |
| Face Collections | | | 368,169.15 |
| Balance Outstanding (Face) | | | \$ 8,390.77 |

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

Ligonier Borough Tax Collector
Robin Roberts
Statement of Cash Receipts and Disbursements - Supplemental Taxes
Modified Cash Basis
For the Supplemental Duplicates issued October 1, 2019 to September 30, 2020

Receipts on Duplicates

| | | | |
|-----------------------------|----|----------|----------|
| Total Supplemental Receipts | \$ | 1,249.74 | |
| | | | 1,249.74 |

Disbursements made on Duplicates

| | | | |
|----------------------------|--------|--|---------------------|
| October 2019 to March 2020 | - | | |
| April | - | | |
| May | - | | |
| June | - | | |
| July | 525.79 | | |
| August | - | | |
| September | 723.95 | | |
| October | - | | |
| November | - | | |
| December | - | | |
| January | - | | |
| February | - | | |
| | | | |
| Total Disbursements | | | <u>1,249.74</u> |
| Balance Due | | | <u>\$ -</u> |

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

Ligonier Borough Tax Collector
Robin Roberts
Statement of Balance Outstanding – Supplemental Taxes
Modified Cash Basis
For Supplemental Duplicates issued October 1, 2019 to September 30, 2020

Amount Charged on Duplicate:

| | | |
|------------------------------------|--------------------|--------------|
| Supplemental Taxes | \$ 1,275.24 | |
| Less: Exonerations | <u> -</u> | |
| Total Available for Collection | | 1,275.24 |

Collections on Duplicate:

| | | | |
|--------------------------------|--------------------|------------------|---------------------------------|
| Total Supplemental | 1,249.74 | | |
| | | 1,249.74 | |
| Add: Discounts | 25.50 | | |
| Less: Penalties | <u> -</u> | | |
| Adjustments to Collections | | <u>25.50</u> | |
| Total Collected at Face | | | <u>1,275.24</u> |
| Balance Outstanding (Face) | | | <u><u>\$ -</u></u> |

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

Ligonier Borough Tax Collector
Robin Roberts
Notes to the Financial Statements
For the period March 1, 2020 to February 28, 2021

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 and Supplemental tax for the period ended February 28, 2021, and September 30, 2020, respectively, 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, 2019 to September 30, 2020 were subject to being returned on the delinquent list to the County Tax Claim Bureau if they were not paid. The financial statements for Supplemental taxes presented in this report reflect this period.

Note #4: Cash

Deposits

All of the Commercial Bank & Trust deposits of the Ligonier 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 28, 2021, the Ligonier Borough Tax Collector's Commercial Bank & Trust deposits had a carrying value of \$2.69 and a bank balance of \$160.54. The bank balance was covered by the federal depository insurance.

Ligonier Borough Tax Collector
Robin Roberts
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

November 16, 2021

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 Ligonier Borough Tax Collector, for the period ended February 28, 2021 and for the period March 1, 2020 to February 28, 2021 for the Westmoreland County General Taxes, and for the period ended September 30, 2020 and for the period October 1, 2019 to September 30, 2020 for Westmoreland County Supplemental Taxes, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ligonier Borough Tax Collector's internal control over financial reporting (internal control) as a basis for designing 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 Ligonier Borough Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ligonier 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as items that we consider to be a significant deficiency.

Item #1: Timely Remittance of County Money

Ligonier Borough Tax Collector
Robin Roberts
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 Ligonier Borough Tax Collector's financial statement(s) 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 financial statements. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items #1.

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

Ligonier Borough Tax Collector
Robin Roberts
Schedule of Findings
For the period March 1, 2020 to February 28, 2021

Item #1: Timely Remittance of County Money

Criteria:

Per the Commissioners' Resolution #R-4-2018, "each collector of Westmoreland County Real Estate Taxes shall remit all taxes and other funds collected for the County no less frequently than every fifth business day during the discount period, face period and penalty period."

Condition/Cause:

We noted that collections were not remitted timely per the Commissioner's Resolution. For example, the remittance on June 17th included receipts from June 2nd, the remittance on July 24th included receipts from July 9th and also the remittance on October 23rd included receipts from October 6th.

Effect:

This practice results in non-compliance with the Commissioners' Resolution. It also increases the risk of loss or theft of tax receipts.

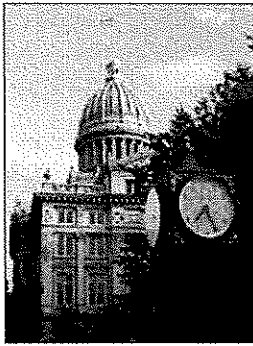
Recommendation:

We recommend that the Tax Collector comply with the Commissioners' Resolution on remittances.

Ligonier Borough Tax Collector
Compliance with Prior Years' Findings
For the period March 1, 2020 to February 28, 2021

At the completion of the 2019 annual audit, we made one recommendation for improving the Ligonier Borough Tax Collector's accounting procedures and internal controls. The following is the status of that recommendation.

| | | Recommendation Complied With: | | |
|----------|-----------------------------------|-------------------------------|-----------|-------------------|
| | | <u>Yes</u> | <u>No</u> | <u>In Process</u> |
| Item #1: | Timely Remittance of County Money | | X | |



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Controller's Note

Ligonier Borough Tax Collector

For the Period March 1, 2020 to February 28, 2021

November 16, 2021

This report was released as a draft on November 2, 2021. The finding was reviewed with the Tax Collector on November 2, 2021. The Controller's Office requires a written response within ten days of receipt of this report from the Tax Collector. No response was received from the Tax Collector. This report is final effective November 16, 2021.