

**BUCKS COUNTY TAX  
COLLECTION COMMITTEE**

**TAX OFFICER,  
KEYSTONE COLLECTIONS GROUP**

**FINANCIAL REPORT**

**DECEMBER 31, 2015**

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## **INDEPENDENT AUDITOR'S REPORT**

Committee Members  
Bucks County Tax Collection Committee  
Doylestown, Pennsylvania

### **Report on the Financial Statement**

We have audited the accompanying financial statement of Bucks County Tax Collection Committee's ("TCC") Tax Officer, Keystone Collections Group, which comprise the statement of cash receipts, cash disbursements, and cash balances as of December 31, 2015, and the related notes to the financial statement for the year then ended.

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

Bucks County TCC's Tax Officer, Keystone Collections Group's 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 and Pennsylvania Act 32 of 2008. 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, 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 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 Bucks County Tax Collection Committee's ("TCC") Tax Officer, Keystone Collections Group for the year ended December 31, 2015, and its cash balance as of December 31, 2015, 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statement that comprises the Bucks County TCC's Tax Officer, Keystone Collections Group's basic financial statement. The accompanying Schedules of Supplementary Information, as required by Pennsylvania Act 32 of 2008, are presented for the purpose of additional analysis and are not a required part of the above referenced financial statement of Bucks County TCC's Tax Officer, Keystone Collections Group.

Such information is the responsibility of Bucks County TCC's Tax Officer, Keystone Collections Group's management and was derived from and relates directly to the underlying accounting and other records used to prepare the above referenced financial statement. The information has been subjected to the auditing procedures applied in the audit of the above referenced financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the above referenced 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, such information is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2016, on our consideration of Bucks County TCC's Tax Officer, Keystone Collections Group's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bucks County TCC's Tax Officer, Keystone Collections Group's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Boyer & Ritter". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end.

Camp Hill, Pennsylvania  
April 21, 2016

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CASH BALANCES  
Year Ended December 31, 2015**

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<b>COLLECTIONS AND RECEIPTS</b>	
Resident EIT Received from Employers/Taxpayers within TCD	\$ 100,094,521
Resident EIT Received from Other TCDs	47,757,598
Non-Resident EIT Received for PSD within the TCD	11,905,645
Non-Resident EIT Received for Other TCDs	23,218,169
Delinquent Earned Income Taxes Collected	3,862,763
Open Space Received from within TCD	2,414,000
Open Space Received for Other TCDs	1,619,838
Non-Resident Open Space Received for Other TCDs	1,604,347
Delinquent Open Space Tax Collected	116,237
Costs Recovered by Tax Officer	567,774
Unidentified Collections	98,863

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<b>TOTAL COLLECTIONS AND RECEIPTS</b>	<b>193,259,755</b>
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**DISTRIBUTIONS AND DISBURSEMENTS**

EIT Distributions to TCD Members	
Centennial School District	4,807,350
Central Bucks School District	22,496,130
Council Rock School District	16,027,556
New Hope-Solebury School District	3,721,013
Palisades School District	2,311,538
Pennridge School District	14,313,594
Quakertown Community School District	9,030,560
Chalfont Borough	731,676
Doylestown Borough	1,596,094
Dublin Borough	251,868
Ivyland Borough	262,364
New Britain Borough	337,659
New Hope Borough	1,309,313
Newtown Borough	1,054,348
Perkasie Borough	1,150,727
Quakertown Borough	893,801
Richlandtown Borough	127,887
Riegelsville Borough	102,728
Sellersville Borough	516,780
Silverdale Borough	116,749
Trumbauersville Borough	116,015

(Continued)

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CASH BALANCES (Continued)  
Year Ended December 31, 2015**

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**DISTRIBUTIONS AND DISBURSEMENTS (Continued)**

EIT Distributions to TCD Members (Continued)

Bedminster Township	1,809,813
Bridgeton Township	166,210
Bristol Township	6,320,539
Buckingham Township	5,962,097
Doylestown Township	3,876,365
Durham Township	180,270
East Rockhill Township	1,272,976
Haycock Township	330,741
Hilltown Township	3,032,960
Lower Southampton Township	4,701,719
Middletown Township	6,688,785
Milford Township	2,255,131
New Britain Township	2,380,682
Newtown Township	6,601,077
Nockamixon Township	685,763
Northampton Township	7,247,121
Plumstead Township	2,805,516
Richland Township	2,046,802
Solebury Township	2,834,275
Springfield Township	1,135,167
Tinicum Township	1,054,873
Upper Makefield Township	3,630,176
Upper Southampton Township	2,068,749
Warminster Township	3,958,080
Warrington Township	4,151,048
Warwick Township	2,947,247
West Rockhill Township	1,045,426
Wrightstown Township	1,139,391
Total EIT Distributions to TCD Members	<u>163,604,749</u>

EIT Distributions to Other TCDs (Note 3) 24,822,516

(Continued)

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CASH BALANCES (Continued)  
Year Ended December 31, 2015**

Taxpayer Refunds - Current	1,560,817
Taxpayer Refunds - Delinquent	700,078
Taxpayer Refunds Open Space	58,010
Tax Officer Commissions	1,428,389
Tax Officer Commissions for Open Space	31,117
Unpaid EIT Invoices	14,704
Costs Retained by Tax Officer	567,774
TCD Operational Fees	<u>15,000</u>
 <b>TOTAL DISTRIBUTIONS AND DISBURSEMENTS</b>	 <b><u>192,803,154</u></b>
 Less: Unidentified Collections	 98,863
 <b>COLLECTIONS AND RECEIPTS OVER/(UNDER) DISTRIBUTIONS AND DISBURSEMENTS AND UNIDENTIFIED COLLECTIONS</b>	  <b>357,738</b>
 Cash Balance - January 1, 2015	 <u>695,351</u>
Cash Balance - December 31, 2015	<u><u>\$ 1,053,089</u></u>

See Notes to Financial Statement.

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**NOTES TO FINANCIAL STATEMENT**

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**Note 1. Nature of Activities and Summary of Significant Accounting Policies**

Nature of Activities: Bucks County TCC is the Tax Collection Committee representing all taxing jurisdictions within the Bucks County Tax Collection District, as defined by Pennsylvania Act 32 of 2008. The Committee is comprised of representatives from each taxing jurisdiction. All action of the Committee is approved by the representatives using a weighted voting system based on each taxing jurisdiction's percentage of earned income tax revenue and population. The Committee is responsible for overseeing the collection and distribution of earned income and net profit taxes within the Tax Collection District.

Members of the Tax Collection District are comprised of all school districts and municipalities within the geographic boundaries of the TCD. Non-members are entities not included within the geographic boundaries of the TCD.

Bucks County TCC has contracted with Keystone Collections Group to collect and distribute the earned income and net profit taxes within the Bucks County Tax Collection District. Pennsylvania Act 32 of 2008 requires an audit of the receipts and disbursements of these taxes by an independent certified public accountant. This report is intended to meet that requirement.

Summary of Significant Accounting Policies: Bucks County TCC's Tax Officer, Keystone Collections Group, maintains financial records related to the Earned Income Tax transactions on the cash basis of accounting which recognizes collections and other receipts when received and disbursements when paid. The accompanying financial statement is prepared in conformity with the cash basis of accounting. Therefore the statement is not intended to present the financial position or results of operations of Bucks County TCC's Tax Officer, Keystone Collections Group in conformity with accounting principles generally accepted in the United States of America.

Subsequent Events: In preparing this financial statement, the Bucks County TCC's Tax Officer, Keystone Collections Group has evaluated events and transactions for potential recognition and disclosure through April 21, 2016, the date the financial statement was available to be issued.

**Note 2. Cash Balance and Concentration of Credit Risk**

The Tax Officer maintains an interest bearing escrow account that is insured to the maximum 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.



**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**NOTES TO FINANCIAL STATEMENT**

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**Note 2. Cash Balance and Concentration of Credit Risk (Continued)**

Deposits of governmental entities in excess of Federal Depository Insurance limits are required to be secured by pledged collateral either on a pooled or separate basis. These may be bonds of the United States, any State or Commonwealth of the United States, or bonds of any political subdivision of Pennsylvania, or the general state authority or other authorities created by the General Assembly of the Commonwealth of Pennsylvania. The Federal Reserve Bank does not consider earned income tax officers such as Keystone Collections Group to be governmental entities; rather it considers the tax officer to be a collection agency. The accounts are held in trust for the TCC political subdivisions under State law, and therefore constitute public funds. These uninsured deposits of \$1,053,089 are collateralized under Act 72 of 1971, with securities held by the pledging financial institution, or its trust department or agent, in the name of the TCC's designated tax officer.

The cash balance consists of collections held, in escrow, pending receipt of monthly, quarterly or annual reports identifying amounts due to the appropriate member of Bucks County TCC or other Tax Collection Districts. The cash balance at December 31, 2015, for members of the Bucks County TCC, totaled \$1,053,089. The following are the entities for which money was held at December 31, 2015, and the amount held for each of those entities.

Members of Bucks County TCD	Amount
Centennial School District	\$ 26,149
Central Bucks School District	146,238
Council Rock School District	72,155
New Hope-Solebury School District	10,421
Palisades School District	25,521
Pennridge School District	93,948
Quakertown Community School District	57,833
Chalfont Borough	6,277
Doylestown Borough	23,393
Dublin Borough	2,068
Ivyland Borough	1,040
New Britain Borough	1,701
New Hope Borough	3,722
Newtown Borough	3,294
Perkasie Borough	8,259
Quakertown Borough	5,942
Richlandtown Borough	1,027
Riegelsville Borough	494
Sellersville Borough	4,847

(Continued)

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**NOTES TO FINANCIAL STATEMENT**

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**Note 2. Cash Balance and Concentration of Credit Risk (Continued)**

Members of Bucks County TCD (Continued)	Amount
Silverdale Borough	1,186
Trumbauersville Borough	1,851
Bedminster Township	15,510
Bridgeton Township	2,740
Bristol Township	56,212
Buckingham Township	36,205
Doylestown Township	32,670
Durham Township	1,414
East Rockhill Township	8,837
Haycock Township	1,956
Hilltown Township	23,475
Lower Southampton Township	82,982
Middletown Township	17,433
Milford Township	17,407
New Britain Township	17,205
Newtown Township	25,462
Nockamixon Township	7,392
Northampton Township	31,815
Plumstead Township	11,546
Richland Township	20,767
Solebury Township	7,791
Springfield Township	6,596
Tinicum Township	21,743
Upper Makefield Township	17,568
Upper Southampton Township	11,852
Warminster Township	19,679
Warrington Township	27,886
Warwick Township	16,886
West Rockhill Township	7,864
Wrightstown Township	6,830
	\$ 1,053,089

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**NOTES TO FINANCIAL STATEMENT**

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**Note 3. Disbursements to Non-Members of Bucks County TCD**

The following details the distributions to non-member TCDs as presented in the Statement of Cash Receipts, Cash Disbursements and Cash Balances:

<u>EIT Distributions to Other TCDs</u>	<u>Amount</u>
Adams	\$ 10,672
Armstrong	2,142
Beaver	7,413
Bedford	5,601
Berks	980,923
Blair	7,152
Bradford	10,775
Butler	20,839
Cambria	11,746
Cameron	317
Carbon	205,901
Centre	13,588
Chester	1,263,146
Clarion	32,246
Clearfield	8,261
Clinton	1,697
Columbia	22,004
Crawford	6,682
Cumberland	84,465
Dauphin	69,773
Delaware	259,876
Elk	1,207
Erie	7,024
Fayette	6,997
Forest	498
Franklin	8,754
Fulton	299
Greene	812
Huntingdon	1,363
Indiana	967
Jefferson	3,435

(Continued)

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**NOTES TO FINANCIAL STATEMENT**

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**Note 3. Disbursements to Non-Members of Bucks County TCD (Continued)**

EIT Distributions to Other TCDs (Continued)	Amount
Juniata	4,465
Lackawanna	77,594
Lancaster	206,032
Lawrence	4,075
Lebanon	36,277
Lehigh	2,680,222
Luzerne	115,869
Lycoming	12,710
Mckean	2,037
Mercer	1,969
Mifflin	2,759
Monroe	122,824
Montgomery	16,449,080
Montour	869
Northampton	1,541,187
Northumberland	21,020
Perry	7,787
Philadelphia	83,455
Pike	357
Potter	4,197
Schuylkill	87,007
Snyder	4,940
Somerset	4,512
Sullivan	2,861
Susquehanna	10,230
Tioga	11,234
Union	6,429
Venango	3,403
Warren	198
Washington	28,216
Wayne	2,918
Westmoreland	24,171
Wyoming	7,641

(Continued)

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**NOTES TO FINANCIAL STATEMENT**

**Note 3. Disbursements to Non-Members of Bucks County TCD (Continued)**

EIT Distributions to Other TCDs (Continued)	Amount
York	76,458
Allegheny Central	31,579
Allegheny North	33,185
Allegheny Southeast	17,018
Allegheny Southwest	40,332
Out of State	(1,176)
	<u>\$ 24,822,516</u>

**Note 4. Source of Earned Income Tax Collections**

The earned income tax imposed is currently 0.50% - 1.75% per year, depending on the municipality of:

- Salaries, wages, commissions and other compensation earned by residents of Bucks County TCC.
- Net profits earned by residents of the Bucks County TCC from self-employment.

Collections are shared among the applicable taxing jurisdictions within the TCC. The following taxing jurisdictions belong to the Bucks County TCC and are serviced by Keystone Collections Group:

School Districts	Municipalities			
	Boroughs			Townships
Bensalem Township	Bristol	Perkasie	Bedminster	Newtown
Bristol Borough	Chalfont	Quakertown	Bensalem	Nockamixon
Bristol Township	Doylestown	Richlandtown	Bridgeton	Northampton
Centennial	Dublin	Riegelsville	Bristol	Plumstead
Central Bucks	Hulmeville	Sellersville	Buckingham	Richland
Council Rock	Ivylnd	Silverdale	Doylestown	Solebury
Morrisville Borough	Langhorne	Trumbauersville	Durham	Springfield
Neshaminy	Langhorne Manor	Tullytown	East Rockhill	Tinicum
New Hope-Solebury	Morrisville	Yardley	Falls	Upper Makefield
Palisades	New Britain		Haycock	Upper Southampton
Pennridge	New Hope		Hilltown	Warminster
Pennsbury	Newtown		Lower Makefield	Warrington
Quakertown Community	Penndel		Lower Southampton	Warwick
			Middletown	West Rockhill
			Milford	Wrightstown
			New Britain	

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**NOTES TO FINANCIAL STATEMENT**

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**Note 5. Tax Collection Contract**

Effective January 28, 2014, the Bucks County TCC signed a contract amendment with Keystone Collections Group. The amendment extends the term of the agreement from January 1, 2015 through December 31, 2019. The contract calls for a collection fee of 1.39% of tax collections to be retained by Keystone Collections Group upon collection with the net proceeds being distributed.

**SUPPLEMENTARY INFORMATION**

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**SCHEDULE OF RECONCILIATION OF MONTHLY REPORTS TO AUDITED RECEIPTS AND  
DISBURSEMENTS REQUIRED UNDER SECTION 509(b) OF PENNSYLVANIA ACT 32 OF 2008  
Year Ended December 31, 2015**

	Amounts per Tax Collector Monthly Reports	Amounts per Audited Receipts and Disbursements	Variance (See Explanation Below)
Beginning Cash Balance	\$ 695,351	\$ 695,351	\$ -
Plus Collections and Receipts			
Resident EIT Received from Employers/Taxpayers within TCD	100,094,521	100,094,521	-
Resident EIT Received from Other TCDs	47,757,598	47,757,598	-
Non-Resident EIT Received for PSD within the TCD	11,905,645	11,905,645	-
Non-Resident EIT Received for Other TCDs	23,218,169	23,218,169	-
Delinquent Earned Income Taxes Collected	3,862,763	3,862,763	-
Open Space Received from within TCD	2,414,000	2,414,000	-
Open Space Received for Other TCDs	1,619,838	1,619,838	-
Non-Resident Open Space Received for Other TCDs	1,604,347	1,604,347	-
Delinquent Open Space Tax Collected	116,237	116,237	-
Costs Recovered by Tax Officer	567,774	567,774	-
Unidentified Collections	98,863	98,863	-
<b>TOTAL COLLECTIONS AND RECEIPTS</b>	<b>193,259,755</b>	<b>193,259,755</b>	<b>-</b>

(Continued)



**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**SCHEDULE OF RECONCILIATION OF MONTHLY REPORTS TO AUDITED RECEIPTS AND  
DISBURSEMENTS REQUIRED UNDER SECTION 509(b) OF PENNSYLVANIA ACT 32 OF 2008 (Continued)  
Year Ended December 31, 2015**

	Amounts per Tax Collector Monthly Reports	Amounts per Audited Receipts and Disbursements	Variance (See Explanation Below)
Less Distributions and Disbursements			
EIT Distributions to TCD Members	159,554,066	159,554,066	-
Open Space Distributions to TCD Members	4,050,683	4,050,683	-
EIT Distribution to Other TCDs	23,218,169	23,218,169	-
Non-Resident Open Space Received for Other TCDs	1,604,347	1,604,347	-
Taxpayer Refunds	2,260,895	2,260,895	-
Open Space Taxpayer Refunds	58,010	58,010	-
Tax Officer Commissions	1,428,389	1,428,389	-
Tax Officer Commissions - Open Space	31,117	31,117	-
Unpaid EIT Invoices	-	14,704	(14,704) (1)
Costs Retained by Tax Officer	567,774	567,774	-
TCD Operational Fees	15,000	15,000	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL DISTRIBUTIONS AND DISBURSEMENTS</b>	192,788,450	192,803,154	(14,704)
Less: Unidentified Collections	98,863	98,863	-
	<hr/>	<hr/>	<hr/>
Ending Cash Balance	\$ 1,067,793	\$ 1,053,089	\$ 14,704

Explanation of Variances:

(1) Reported amount deducted for prior months unpaid invoices (accounted for in Line - EIT Distributions to TCD Members)

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**SCHEDULE OF BONDING ANALYSIS  
Year Ended December 31, 2015**

	Amount
Resident EIT Received from Employers/Taxpayers within TCD	\$ 100,094,521
Resident EIT Received from Other TCDs	47,757,598
Non-Resident EIT Received for PSD within the TCD	11,905,645
Open Space Received from within TCD	2,414,000
Open Space Received for Other TCDs	1,619,838
Earned Income Tax Collections - Net	<u>\$ 163,791,602</u>
 Bonding Amount as determined by TCC	 <u>\$ 2,570,000</u>
 Actual Bond Amount	 <u>\$ 2,570,000</u>
 Average balance of tax collections in possession of Tax Officer <sup>1</sup>	 <u>\$ 1,374,500</u>

<sup>1</sup> Per Act 32 of 2008 requires Tax Officers to distribute tax collections on a monthly basis. The contract between Bucks County TCC and the Tax Officer, Keystone Collections Group, requires distribution of tax collections on a weekly basis. Keystone Collections Group made 119 distributions to the members of Bucks County TCC; thus the average balance of tax collections in possession of Keystone Collections Group, at any one time, was approximately \$1,374,500, which is below the bonding requirement set forth in the contract.

**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**SCHEDULE OF COLLECTION FEES CHARGED  
Year Ended December 31, 2015**

	Amount
Resident EIT Received from Employers/Taxpayers within TCD	\$ 100,094,521
Resident EIT Received from Other TCDs	47,757,598
Non-Resident EIT Received for PSD within the TCD	11,905,645
Delinquent Earned Income Taxes Collected	3,862,763
Open Space Received from within TCD	2,414,000
Open Space Received for Other TCDs	1,619,838
Delinquent Open Space Tax Collected	116,237
Less: Taxpayer Refunds - Current and Open Space	(1,618,827)
Less: Delinquent Wage	(2,444,954)
Less: Audit	(1,677,233)
Earned Income Tax Collections - Net	<u>\$ 162,029,588</u>
 Collection Rate per TCC/Tax Officer Contract	 1.39%
 Projected Collection Fees	 <u>\$ 2,252,211</u>
 Collection Fees - Withheld <sup>2</sup>	 \$ 1,459,506
Collection Fees - Billed <sup>3</sup>	<u>792,580</u>
Collection Fees Charged <sup>4</sup>	<u>\$ 2,252,086</u>

<sup>2</sup> Certain school districts and municipalities within Bucks County TCD have opted to have commissions withheld from their distributions. Commissions are calculated and netted against the EIT distributions to the respective PSD. The withheld commissions are included in the aggregate report.

<sup>3</sup> Other certain school districts and municipalities within Bucks County TCD have opted to have commissions billed to them by the Tax Officer. Their EIT distributions are gross distributions. The Tax Officer bills the respective PSD for the calculated commissions throughout the year. The billed commissions are not included in the aggregate report. In order to determine total commissions paid to the Tax Officer during the year, billed commissions must be a factor of the calculation.

<sup>4</sup> Keystone Collections Group calculates commissions at the transaction level. Commissions are calculated to three decimals and the IT logic built into the operating system rounds the calculated commissions to two decimals.

**DCED COMPLIANCE SECTION**

**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**

Committee Members  
Bucks County Tax Collection Committee  
Doylestown, Pennsylvania

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 accompanying statement of cash receipts, cash disbursements, and cash balances of Bucks County Tax Collection Committee's ("TCC") Tax Officer, Keystone Collections Group, as of and for the year ended December 31, 2015, and the related notes to the financial statement, which comprises Bucks County Tax Collection Committee's ("TCC") Tax Officer, Keystone Collections Group, basic financial statement, and have issued our report thereon dated April 21, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Bucks County Tax Collection Committee's ("TCC") Tax Officer, Keystone Collections Group'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 statement, but not for the purpose of expressing an opinion on the effectiveness of Bucks County Tax Collection Committee's ("TCC") Tax Officer, Keystone Collections Group's internal control. Accordingly, we do not express an opinion on the effectiveness of Bucks County Tax Collection Committee's ("TCC") Tax Officer, Keystone Collections Group'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 above referenced financial statement 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.

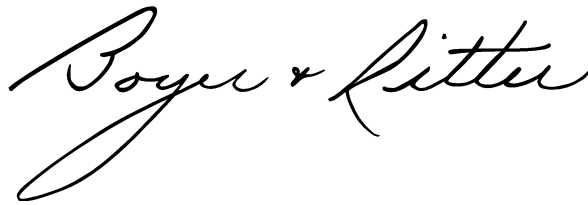
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bucks County TCC's Tax Officer, Keystone Collections Group's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 Bucks County TCC's Tax Officer, Keystone Collections Group'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 Bucks County TCC's Tax Officer, Keystone Collections Group's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Camp Hill, Pennsylvania  
April 21, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH PENNSYLVANIA ACT 32 OF 2008**

Committee Members  
Bucks County Tax Collection Committee  
Doylestown, Pennsylvania

**Report on Compliance**

We have audited Bucks County TCC's Tax Officer, Keystone Collections Group's compliance with the provisions described within Pennsylvania Act 32 of 2008 for tax collections and other receipts, investments, reporting, bonding, recordkeeping, distribution of earned income taxes and other disbursements, and administration (hereafter "tax collections and disbursements") that could have a direct and material effect on Bucks County TCC's Tax Officer, Keystone Collections Group for the year ended December 31, 2015.

**Management's Responsibility**

Bucks County TCC's Tax Officer, Keystone Collections Group's management is responsible for compliance with the requirements of laws, regulations, contracts, and agreements applicable under Pennsylvania Act 32 of 2008.

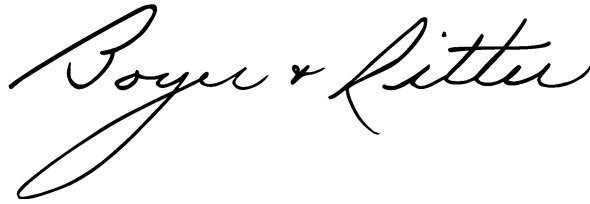
**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance with Pennsylvania Act 32 of 2008 based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Pennsylvania Act 32 of 2008. Those standards and Pennsylvania Act 32 of 2008 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on tax collections and disbursements occurred. An audit includes examining, on a test basis, evidence about Bucks County TCC's Tax Officer, Keystone Collections Group's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance with Pennsylvania Act 32 of 2008. However, our audit does not provide a legal determination on Bucks County TCC's Tax Officer, Keystone Collections Group's compliance.

**Opinion on Compliance with Pennsylvania Act 32 of 2008**

In our opinion, Bucks County TCC's Tax Officer, Keystone Collections Group complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on tax collections and disbursements for the year ended December 31, 2015.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is positioned to the right of the date and location text.

Camp Hill, Pennsylvania  
April 21, 2016



**BUCKS COUNTY TAX COLLECTION COMMITTEE  
TAX OFFICER - KEYSTONE COLLECTIONS GROUP**

**SCHEDULE OF FINDINGS AND NON-COMPLIANCE  
Year Ended December 31, 2015**

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**Findings - Financial Statement Audit**

None

**Findings of Non-Compliance with Pennsylvania Act 32 of 2008**

None