

**Borough of Tipton
Tax Collector**

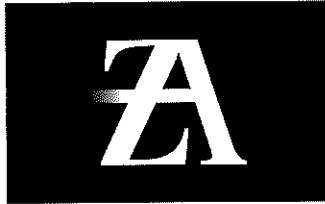
FINANCIAL STATEMENT – CASH BASIS

For the Period from March 1, 2023 through January 15, 2024

BOROUGH OF TOPTON, TAX COLLECTOR
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FOR THE PERIOD OF MARCH 1, 2023 THROUGH JANUARY 15, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of Council
Borough of Tipton
Tipton, Pennsylvania

Report on the Audit of the Statement of Cash Receipts and Disbursements – Borough Taxes – Cash Basis

Opinion

We have audited the accompanying statement of cash receipts and disbursements – Borough Taxes – Cash Basis of the Borough of Tipton (“Borough”), Tax Collector for the period from March 1, 2023 through January 15, 2024, and the related notes to the statement of cash receipts and disbursements – Borough Taxes – Cash Basis.

In our opinion, the statement of cash receipts and disbursements – Borough Taxes – Cash Basis referred to above presents fairly, in all material respects, the receipts and disbursements of the Borough of Tipton Tax Collector, for the period from March 1, 2023 through January 15, 2024 in accordance with the basis of accounting described in Note 2.

Basis for Opinion

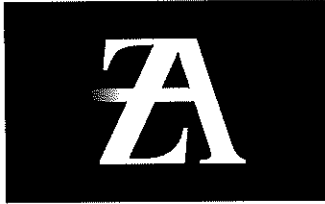
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the statement of cash receipts and disbursements – Borough Taxes – Cash Basis section of our report. We are required to be independent of the Borough of Tipton, Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the statement of cash receipts and disbursements – Borough Taxes – Cash Basis, which describes the basis of accounting. The statement of cash receipts and disbursements – Borough Taxes – Cash Basis is prepared using the basis of accounting utilized for the completion of the tax collector settlement report with the Borough of Tipton, 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.

Responsibilities of Management for the Statement of Cash Receipts and Disbursements – Borough Taxes – Cash Basis

Management is responsible for the preparation and fair presentation of the statement of cash receipts and disbursements – Borough Taxes – Cash Basis in accordance the basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of cash receipts and disbursements – Borough Taxes – Cash Basis that are free from material misstatement, whether due to fraud or error.



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Auditor's Responsibilities for the Audit of the Statement of Cash Receipts and Disbursements – Borough Taxes – Cash Basis

Our objectives are to obtain reasonable assurance about whether the statement of cash receipts and disbursements – Borough Taxes – Cash Basis is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statement of cash receipts and disbursements.

In performing an audit in accordance with GAAS, we:

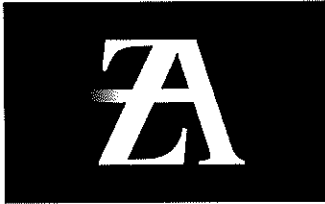
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statement of cash receipts and disbursements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statement of cash receipts and disbursements – Borough Taxes – Cash Basis.
- Obtain an understanding of internal control relevant to the audit 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 Borough of Tipton's, Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statement of cash receipts and disbursements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about comprise Borough of Tipton's, Tax Collector's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the statement of cash receipts and disbursements – Borough Taxes – Cash Basis that collectively comprise the Borough of Tipton's Tax Collector's statement of cash receipts and disbursements – Borough Taxes – Cash Basis. The Schedule of Real Estate Tax Collections at Levied Amount and the Schedule of Per Capita Tax Collections at Levied Amount are presented for purposes of additional analysis and are not a required part of the statement of cash receipts and disbursements – Borough Taxes – Cash Basis.

The Schedule of Real Estate Tax Collections at Levied Amount and the Schedule of Per Capita Tax Collections at Levied Amount are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the statement of cash receipts and disbursements – Borough Taxes – Cash Basis. Such information has been subjected to the auditing procedures applied in the audit of the statement of cash receipts and disbursements – Borough Taxes –



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Cash Basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statement of cash receipts and disbursements – Borough Taxes – Cash Basis or to the statement of cash receipts and disbursements – Borough Taxes – Cash Basis itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Real Estate Tax Collections at Levied Amount and the Schedule of Per Capita Tax Collections at Levied Amount are fairly stated, in all material respects, in relation to the statement of cash receipts and disbursements – Borough Taxes – Cash Basis as a whole on the basis of accounting described in Note 2.

Restriction on Use

This report is intended solely for the information and use of management, the members of council, and others within the Borough of Tipton's Tax Collector, is not intended to be, and should not be used by anyone other than these specified parties.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
January 13, 2025

BOROUGH OF TOPTON, TAX COLLECTOR
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - BOROUGH TAXES - CASH BASIS
 FOR THE PERIOD FROM MARCH 1, 2023 THROUGH JANUARY 15, 2024

	<u>Real Estate Taxes</u>	<u>Per Capita Taxes</u>	<u>Total</u>
Undistributed Receipts, Beginning	\$ -	\$ -	\$ -
Receipts:			
Prior years levy	-	1,620	1,620
2023 levy	573,303	4,754	578,057
Penalties	2,032	283	2,315
Total Receipts	<u>575,335</u>	<u>6,657</u>	<u>581,992</u>
Total Available	<u>575,335</u>	<u>6,657</u>	<u>581,992</u>
Disbursements:			
Prior years levy	-	1,620	1,620
2023 levy	562,836	4,494	567,330
Penalties	985	257	1,242
Total Disbursements	<u>563,821</u>	<u>6,371</u>	<u>570,192</u>
Undistributed Receipts, Ending	<u>\$ 11,514</u>	<u>\$ 286</u>	<u>\$ 11,800</u>

The accompanying notes are an integral part of these financial statements.

BOROUGH OF TOPTON, TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD OF MARCH 1, 2023 THROUGH JANUARY 15, 2024

NOTE 1 NATURE OF ACTIVITY

The Tax Collector for the Borough of Topton (the Tax Collector) collects all taxes levied by the Borough of Topton (the Borough) in accordance with the provisions of the Local Tax Collection Law, Act of 1945, P.L. 1050, No. 394, as amended.

NOTE 2 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 Tax Collector.

The Financial Reporting Entity

The Tax Collector is an elected official and the financial statement only includes the activities of the Tax Collector.

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

Description of Fund Accounting and Funds

The ongoing activities of the Tax Collector utilize the Custodial Fund, which is a fiduciary fund type. Custodial funds are used to account for assets held on behalf of outside parties, including other governments.

Basis of Accounting

The Tax Collector's accounts are maintained on a cash basis and the statement of cash receipts and disbursements – borough taxes – cash basis 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 the financial position, results of operations, or cash flows in accordance with accounting principles generally accepted in the United States of America.

Cash Receipts and Disbursements Policy Disclosures

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. For taxes levied for 2023, a discount of two percent is applied to payments made prior to April 30. A penalty of ten percent 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.

BOROUGH OF TOPTON, TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD OF MARCH 1, 2023 THROUGH JANUARY 15, 2024

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Receipts and Disbursements Policy Disclosures (Continued)

Real Estate Taxes (Continued)

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 month, after which time the item must be paid at the penalty amount. For 2023, three interims were billed out. All interims that were calculated in 2023 were applied to the 2023 tax year.

Per Capita Taxes

Per capita taxes are recognized on the cash basis.

Tax Distributions

All tax distributions are recognized when paid.

BOROUGH OF TOPTON, TAX COLLECTOR
 SCHEDULE OF REAL ESTATE TAX COLLECTIONS AT LEVIED AMOUNT
 FOR THE PERIOD FROM MARCH 1, 2023 THROUGH JANUARY 15, 2024

	<u>Duplicate</u>	<u>Interims</u>	<u>Total</u>
Real Estate Taxes Levied			
Duplicate	\$ 590,717	\$ -	\$ 590,717
Interims	-	169	169
Increases/additions	-	-	-
Reductions/exonerations	-	-	-
	<u>590,717</u>	<u>169</u>	<u>590,886</u>
Total Due	590,717	169	590,886
Real Estate Taxes Collected at Levied Amount			
Face, net of discounts and penalties	575,152	183	575,335
Discounts	10,782	-	10,782
Penalties	(2,018)	(14)	(2,032)
	<u>583,916</u>	<u>169</u>	<u>584,085</u>
Total Collected at Levied Amount	583,916	169	584,085
Balance Not Collected	<u>\$ 6,801</u>	<u>\$ -</u>	<u>\$ 6,801</u>

BOROUGH OF TOPTON, TAX COLLECTOR
 SCHEDULE OF PER CAPITA TAX COLLECTIONS AT LEVIED AMOUNT
 FOR THE PERIOD FROM MARCH 1, 2023 THROUGH JANUARY 15, 2024

Per Capita Taxes Levied	
Duplicate	\$ 6,765
Increases/additions	-
Reductions/exonerations	<u>(575)</u>
Total Due	<u>6,190</u>
Per Capita Taxes Collected at Levied Amount	
Face, net of discounts and penalties	4,782
Discounts	81
Penalties	<u>(28)</u>
Total Collected at Levied Amount	<u>4,835</u>
Balance Not Collected	<u><u>\$ 1,355</u></u>