

# Lititz Borough Tax Collector Audit Report

For the period of January 1, 2014 through January 15, 2016  
covering the 2014 and 2015 tax years



Brian K. Hurter, CPA  
Lancaster County Controller

Lititz Borough Tax Collector Audit  
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## Controller's Office

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Controller  
Brian K. Hurter, CPA

June 10, 2016

Jeannie A. Nearhoof, Tax Collector  
Lititz Borough  
218 Market Street  
Lititz, PA 17543

Dear Lititz Borough Tax Collector:

Attached is the audit report of your tax collection records for the County of Lancaster, prepared by the Lancaster County Controller's Office. Our examination procedures were performed covering the period of January 1, 2014 through January 15, 2016, which includes settlement for the 2014 and 2015 tax years.

The purpose of this audit is to ensure compliance with Section 26 (b) (1) of the Local Tax Collection Law, Act of May 25, 1945, P.L. 1050, No. 394 Cl. 53 ("Local Tax Collection Law"). The Local Tax Collection Law contains guidance and procedures for the elected tax collectors. Based upon the audit, we have issued this report.

We conducted our audit to obtain reasonable understanding about whether the tax collections are free of material misstatement and to determine the accuracy of the timeliness of the County real estate taxes collected, among other procedures. There were no findings, significant deficiencies, or non-compliance noted during our review.

The financials we have audited are attached as **Exhibit A** and will be included in a summary report issued to the Lancaster County Board of Commissioners. This report is intended for the information and use of the Lititz Borough Tax Collector and the Lancaster County Board of Commissioners, and is not intended and should not be used by anyone other than these specified parties without consent. However, public policy dictates that this report is a matter of public record and its distribution is not limited.

Sincerely,

Brian K. Hurter, CPA  
Lancaster County Controller

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**Lititz Borough Tax Collector**  
**Relevant Audit Notes**  
**For the period January 1, 2014 through January 15, 2016**

**Note A – DESCRIPTION OF TAX COLLECTOR AND TAXING DISTRICT**

Jeannie A. Nearhoof was elected to the position of Lititz Borough Tax Collector on or about November 5, 2013, to take office on January 1, 2014. Each elected tax collector's position is a four year term.

In Lancaster County, elected or appointed tax collectors are responsible to collect real estate taxes for the County and municipalities. According to Section 25 of the Local Tax Collection Law, by the tenth day of the immediate following month, the tax collector is required to submit a tax collector report approved by the Department of Community and Economic Development (DCED) and all monies collected in the prior month to the Lancaster County Treasurer and the municipality in which they are elected. When settlement of tax records is completed by January 15 of the subsequent year, the tax collector submits unpaid tax parcels to the Lancaster County Tax Claim Bureau.

In 2014, Lititz Borough was the 18<sup>th</sup> largest taxing district by total assessed value in Lancaster County with an assessed total of \$617,635,300. Lititz Borough was the 19<sup>th</sup> largest taxing district by taxable accounts with a total of 3,112 parcels. Again in 2015, Lititz Borough was the 18<sup>th</sup> largest taxing district by total assessed value in Lancaster County with an assessed total of \$618,655,700 and the 19<sup>th</sup> largest taxing district by taxable accounts with a total of 3,110 parcels. Lancaster County is comprised of 60 taxing districts.

**Note B – SCOPE AND PROCEDURES OF AUDIT**

The period of review is January 1, 2014 through January 15, 2016, which covers the 2014 and 2015 tax years.

The following procedures were performed during the audit:

- Ensure DCED report is completed monthly
- Ensure accurate commissions were paid to tax collector
- Ensure monies due to Lancaster County were properly receipted
- Ensure Lancaster County received the correct amount owed
- Ensure collections were properly paid in correct payment period
- Ensure correct number of parcels were sent to Tax Claim Bureau

**Lititz Borough Tax Collector**  
**Audit Findings and Observations**  
**For the period January 1, 2014 through January 15, 2016**

This section of the report presents the findings and observations that resulted from our annual examination of the financial records. Following any of the findings and observations noted, we provide recommendations to correct or better the described occurrence.

Lancaster County provides taxpayers with a 2% discount until April 30 and allows base collections until June 30 of each year so that Lancaster County can use the tax dollars to best serve the residents of Lancaster County as a whole.

**There were no findings, significant deficiencies, or non-compliance noted.**

**Lititz Borough Tax Collector**  
**Audit Summary of Facts**  
**For the period January 1, 2014 through January 15, 2016**

We have performed the procedures explained in Note B to assist in evaluating compliance for the 2014 tax year ended January 15, 2015 and 2015 tax year ended January 15, 2016 for the Lititz Borough Tax Collector. Our procedures described follow specific requirements of the Local Tax Collection Law. The purpose of this audit is to ensure our compliance with Section 26 (b) (1) of the Local Tax Collection Law. The Local Tax Collection Law contains guidance and procedures for the elected tax collectors.

Reportable conditions involved issues coming to our attention relating to significant deficiencies or non-compliance that could adversely affect the tax collector's ability to show a true representation of the monies collected. While conducting our audit, we found no findings, significant deficiencies, or issues of non-compliance.

We conducted our audit to obtain reasonable understanding about whether the tax collections are free of material misstatement and to determine the accuracy of the timeliness of the County real estate taxes collected. The financial affairs and compliance with the applicable law are the responsibility of the Lititz Borough Tax Collector. It is our opinion that the taxes collected by the Lititz Borough Tax Collector appear properly collected, accounted for, and remitted to Lancaster County in a timely manner. It is also our opinion that the tax collections by the Lititz Borough Tax Collector appear to be in compliance with those generally accepted policies and procedures for tax collectors. We further believe the monthly tax balances recorded on the Tax Collection Reports are accurately stated.

The tax monies collected for Lititz Borough in 2014 and 2015 are shown in **Exhibit A: Financial Statements of Tax Duplicate Collections.**

Exhibit A

**LITITZ BOROUGH DUPLICATE TAX COLLECTIONS - 2014**

Month	Prev Balance	Exons	Collected @ Disc	Disc	Collected @ Base	Collected @ Pnlty	Penalty	Total Tax Rcvd	Ending Balance	If Collected @ Base
FEBRUARY	\$ 1,861,860.26							\$ -	\$ 1,861,860.26	\$ -
MARCH	1,861,860.26		440,217.25	8,804.31				431,412.94	1,421,643.01	440,217.25
APRIL	1,421,643.01		1,165,544.81	23,310.75				1,142,234.06	256,098.20	1,165,544.81
MAY	256,098.20	172.93	110,572.13	2,211.39	12,996.31			121,357.05	132,356.83	123,568.44
JUNE	132,356.83				57,409.93			57,409.93	74,946.90	57,409.93
JULY	74,946.90				22,417.86	5,436.66	543.67	28,398.19	47,092.38	27,854.52
AUGUST	47,092.38					2,452.40	245.25	2,697.65	44,639.98	2,452.40
SEPTEMBER	44,639.98					2,248.48	224.85	2,473.33	42,391.50	2,248.48
OCTOBER	42,391.50					9,746.11	974.59	10,720.70	32,645.39	9,746.11
NOVEMBER	32,645.39					4,420.00	442.00	4,862.00	28,225.39	4,420.00
DECEMBER	28,225.39					8,578.15	857.82	9,435.97	19,647.24	8,578.15
End of Year	19,647.24					761.94	76.20	838.14	18,885.30	761.94
TOTAL		\$ 172.93	\$ 1,716,334.19	\$ 34,326.45	\$ 92,824.10	\$ 33,643.74	\$ 3,364.38	\$ 1,811,839.96	\$ 18,885.30	\$ 1,842,802.03
			92.18%		4.99%	1.81%		97.31%		98.98%

Discount Period - paid by April 30th  
 Base Period - paid by June 30th  
 Penalty Period - paid after June 30th

Exhibit A

**LITITZ BOROUGH DUPLICATE TAX COLLECTIONS - 2015**

Month	Prev Balance	Exons	Collected @ Disc	Disc	Collected @ Base	Collected @ Pnlty	Penalty	Total Tax Rcvd	Ending Balance	If Collected @ Base
FEBRUARY	\$ 1,865,745.05							\$ -	\$ 1,865,745.05	\$ -
MARCH	1,865,745.05		286,823.83	5,736.44				281,087.39	1,578,921.22	286,823.83
APRIL	1,578,921.22		1,342,056.88	26,840.93				1,315,215.95	236,864.34	1,342,056.88
MAY	236,864.34		58,502.84	1,170.07	17,334.52			74,667.29	161,026.98	75,837.36
JUNE	161,026.98				49,050.57			49,050.57	111,976.41	49,050.57
JULY	111,976.41	677.90			48,400.37	2,635.41	263.54	51,299.32	60,262.73	51,035.78
AUGUST	60,262.73				4,547.73	454.78		5,002.51	55,715.00	4,547.73
SEPTEMBER	55,715.00				3,833.24	383.32		4,216.56	51,881.76	3,833.24
OCTOBER	51,881.76				19,817.54	1,981.76		21,799.30	32,064.22	19,817.54
NOVEMBER	32,064.22				1,330.03	133.00		1,463.03	30,734.19	1,330.03
DECEMBER	30,734.19				7,738.56	773.87		8,512.43	22,995.63	7,738.56
End of Year	22,995.63					1,369.25	136.93	1,506.18	21,626.38	1,369.25
<b>TOTAL</b>		\$ 677.90	\$ 1,687,383.55	\$ 33,747.44	\$ 114,785.46	\$ 41,271.76	\$ 4,127.20	\$ 1,813,820.53	\$ 21,626.38	\$ 1,843,440.77
			90.44%		6.15%	2.21%		97.22%		98.80%

Discount Period - paid by April 30th  
 Base Period - paid by June 30th  
 Penalty Period - paid after June 30th

No duplicate collections in February