

Clay Township Tax Collector Audit Report

For the period of January 1, 2016 through January 15, 2017
covering the 2016 tax year



Brian K. Hurter, CPA
Lancaster County Controller

Clay Township Tax Collector Audit
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Controller
Brian K. Hurter, CPA

December 29, 2017

Deb Zerbe, Tax Collector
Clay Township
945 Girl Scout Road
Stevens, PA 17578

Dear Clay Township 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, 2016 through January 15, 2017, which includes settlement for the 2016 tax year.

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 a 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 Clay Township 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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**Clay Township Tax Collector
Relevant Audit Notes
For the period January 1, 2016 through January 15, 2017**

Note A – DESCRIPTION OF TAX COLLECTOR AND TAXING DISTRICT

Deb Zerbe, (“Ms. Zerbe”), was elected to the position of Clay Township 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 2016, Clay Township was the 25th largest taxing district by total assessed value in Lancaster County with an assessed total of \$477,786,200. Clay Township was the 27th largest taxing district by taxable accounts with a total of 2,650 parcels. Lancaster County is comprised of 60 taxing districts.

Note B – SCOPE AND PROCEDURES OF AUDIT

The period of review is January 1, 2016 through January 15, 2017, which covers the 2016 tax year.

The following procedures were performed during the audit:

- Ensure Monthly Ledger Report or Distribution Summary Report is submitted 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

Clay Township Tax Collector
Relevant Audit Notes (*Continued*)
For the period January 1, 2016 through January 15, 2017

Note C – TAX COLLECTION SYSTEM

The Treasurer's Office purchased and utilized a new tax collection software for the 2016 tax year. The tax collection software, referred to as DEVNET, replaced the previous software, M.R. ETC. The Treasurer's Office no longer supported the M.R. ETC software, and requested the elected tax collectors to utilize DEVNET or another software of their choosing. Ms. Zerbe chose to utilize DEVNET for tax collections.

Note D – STATUS OF PREVIOUS AUDIT FINDINGS AND/OR OBSERVATIONS

On June 10, 2016, the Lancaster County Controller issued an audit report of the 2014 and 2015 tax years. The audit noted one observation for the 2014 tax year. During the 2014 tax year, Ms. Zerbe had accepted and recorded a discount payment outside of the discount period. Ms. Zerbe explained this occurrence with a reasonable explanation and the Controller's Office believed it was an isolated instance. We believe the Clay Township Tax Collector has complied with our recommendations from the prior audit.

Clay Township Tax Collector
Audit Findings and Observations
For the period January 1, 2016 through January 15, 2017

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.

Clay Township Tax Collector
Audit Summary of Facts
For the period January 1, 2016 through January 15, 2017

We have performed the procedures explained in Note B to assist in evaluating compliance for the 2016 tax year ending January 15, 2017 for the Clay Township 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 a 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 Clay Township Tax Collector. It is our opinion that the taxes collected by the Clay Township 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 Clay Township 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 Clay Township in 2016 are shown in **Exhibit A: Financial Statements of Tax Duplicate Collections**.

Exhibit A

CLAY TOWNSHIP DUPLICATE TAX COLLECTIONS - 2016

Month	Prev Balance	Excess/Refunds	Exons	Collected @ Disc	Disc	Collected @ Base	Collected @ Pnlty	Penalty	Total Tax Rcvd	Ending Balance	If Collected @ Base
FEBRUARY	\$ 1,610,793.39			\$ 165,768.72	\$ 3,315.32				\$ 162,453.40	\$ 1,445,024.67	\$ 165,768.72
MARCH	1,445,024.67			189,305.57	3,786.16				185,519.41	1,255,719.10	189,305.57
APRIL	1,255,719.10	32.12	249.12	1,101,984.61	22,039.62				1,079,944.99	153,517.49	1,101,984.61
MAY	153,517.49			1,229.19	24.58	26,608.48			27,813.09	125,679.82	27,837.67
JUNE	125,679.82					59,576.61			59,576.61	66,103.21	59,576.61
JULY	66,103.21					13,943.14	2,199.93	220.00	16,363.07	49,960.14	16,143.07
AUGUST	49,960.14						10,173.02	1,017.29	11,190.31	39,787.12	10,173.02
SEPTEMBER	39,787.12						4,224.67	422.47	4,647.14	35,562.45	4,224.67
OCTOBER	35,562.45						87.03	8.70	95.73	35,475.42	87.03
NOVEMBER	35,475.42						6,328.58	632.87	6,961.45	29,146.84	6,328.58
DECEMBER	29,146.84						6,657.26	665.73	7,322.99	22,489.58	6,657.26
End of Year	22,489.58						685.37	68.54	753.91	21,804.21	685.37
TOTAL		\$ 32.12	\$ 249.12	\$ 1,458,288.09	\$ 29,165.68	\$ 100,128.23	\$ 30,355.86	\$ 3,035.60	\$ 1,562,642.10	\$ 21,804.21	\$ 1,588,772.18
				90.53%		6.22%	1.88%		97.01%		98.63%

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