JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR THE BOROUGH OF WEST READING

FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION

Year Ended December 31, 2023

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ACCOUNTANTS • ADVISORS

JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR THE BOROUGH OF WEST READING

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YEAR ENDED DECEMBER 31, 2023

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Independent Auditors' Report

To the Honorable Mayor and Members of Council
Borough of West Reading
West Reading, Pennsylvania

Opinion

We have audited the cash basis financial statement of cash receipts and disbursements of Janice Kaucher, Deputy Tax Collector for the Borough of West Reading for the year ended December 31, 2023, and the related notes to the financial statement which collectively comprise Janice Kaucher, Deputy Tax Collector for the Borough of West Reading's financial statement as listed in the table of contents.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the cash receipts and disbursements of Janice Kaucher, Deputy Tax Collector for the Borough of West Reading, for the year ended December 31, 2023 in accordance with the cash basis of accounting described in Note B.

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 Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Janice Kaucher, Deputy Tax Collector for the Borough of West Reading, 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note B of the financial statement, which describes the basis of accounting. The financial statement is 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 this matter.

Responsibilities of Management for the Financial Statement

Janice Kaucher, Deputy Tax Collector for the Borough of West Reading's management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note B, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 financial statement.
- 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 Janice Kaucher, Deputy Tax Collector for the Borough of West Reading'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 financial statement.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Janice Kaucher, Deputy Tax Collector for the Borough of West Reading'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 financial statement that collectively comprise Janice Kaucher, Deputy Tax Collector for the Borough of West Reading's financial statement. The Real Estate Tax Collections at Levied Amount is presented for purposes of additional analysis and are not a required part of the financial statement.

To the Honorable Mayor and Members of Council
Borough of West Reading
West Reading, Pennsylvania

The Real Estate Tax Collections at Levied Amount is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, the Real Estate Tax Collections at Levied Amount is fairly stated, in all material respects, in relation to the financial statement as a whole.



Limerick, Pennsylvania
March 22, 2024

JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR THE BOROUGH OF WEST READING

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS--
REAL ESTATE TAXES
YEAR ENDED DECEMBER 31, 2023

UNDISTRIBUTED RECEIPTS, BEGINNING	$	11,190
CASH RECEIPTS		
2023 levy		2,095,690
Discounts		(39,088)
Penalties		6,079
Interims		17,770
TOTAL AVAILABLE		2,080,451
CASH DISBURSEMENTS		
2022 levy		11,190
2023 levy		2,062,956
Discounts		(39,088)
Penalties		2,806
Interims		17,770
		2,055,634
UNDISTRIBUTED RECEIPTS, ENDING	$	36,007

See accompanying notes.

NOTE A - NATURE OF ACTIVITY

Janice Kraucher, Deputy Tax Collector for the Borough of West Reading (the Deputy Tax Collector) collects all taxes levied by the Borough of West Reading (the Borough) in accordance with the provision of the Local Tax Collection Law, Act of 1945, P.L. 1050, No. 394, as amended.

NOTE B - 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 Deputy Tax Collector.

The Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statement incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. There are no agencies or entities which should be presented with the Deputy Tax Collector.

County and school district taxes are not a part of the financial statement. The financial statement includes only the receipts and disbursements for the real estate taxes, interims 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 Deputy Tax Collector's accounts are maintained on a cash basis, and the statement of cash receipts and disbursements - real estate taxes 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 financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Receipts and Disbursements Policy Disclosure

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. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% 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.

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 months, after which time the item must be paid at the penalty amount. For 2023, all unpaid interims and unpaid tax changes will be delinquent on September 30, 2024.

Tax Distributions

All tax distributions are recognized when paid.

SUPPLEMENTARY INFORMATION

JANICE KAUCHER, DEPUTY TAX COLLECTOR FOR THE BOROUGH OF WEST READING

REAL ESTATE TAX COLLECTIONS AT LEVIED AMOUNT
YEAR ENDED DECEMBER 31, 2023

	Duplicate	Interims	Totals
REAL ESTATE TAXES LEVIED			
Duplicate, including fire and road	$ 2,129,676	$ -	$ 2,129,676
Interims	-	17,770	17,770
TOTAL DUE	2,129,676	17,770	2,147,446
REAL ESTATE TAXES COLLECTED AT LEVIED AMOUNT			
Face, net of discounts and penalties	2,062,897	17,554	2,080,451
Discounts	38,858	230	39,088
Penalties	(6,065)	(14)	(6,079)
TOTAL COLLECTED AT LEVIED AMOUNT	2,095,690	17,770	2,113,460
BALANCE NOT COLLECTED	$ 33,986	$ -	$ 33,986