

**SCHUYLKILL COUNTY TAX
COLLECTION COMMISSION**

ORWIGSBURG, PENNSYLVANIA

**FOR THE ELEVEN MONTH PERIOD
ENDED DECEMBER 31, 2010**

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Schuylkill County Tax
Collection Commission
Orwigsburg, Pennsylvania

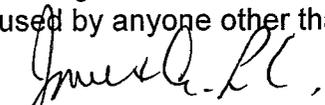
We have audited the accompanying financial statements of Schuylkill County Tax Collection Commission, as of and for the eleven month period ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of Schuylkill County Tax Collection Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Schuylkill County Tax Collection Commission prepares its financial statements on a prescribed basis of accounting that demonstrate compliance with the regulatory basis of accounting and budget laws of Pennsylvania, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Schuylkill County Tax Collection Commission as of December 31, 2010 and the revenues it received and expenditures it paid for the period then ended on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the audit committee, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specific parties.


May 9, 2012
Pottsville, Pennsylvania

SCHUYLKILL COUNTY TAX COLLECTION COMMISSION
STATEMENT OF ASSETS, LIABILITIES, AND RETAINED EARNINGS

DECEMBER 31, 2010

ASSETS	
CURRENT ASSETS	
Cash	\$ 40,088
Accounts Receivable	<u>5,000</u>
TOTAL ASSETS	\$ <u>45,088</u>

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES		
Deferred Revenue	\$ 5,000	
TOTAL CURRENT LIABILITIES	<u>5,000</u>	5,000
RETAINED EARNINGS		
Unrestricted	40,088	
TOTAL RETAINED EARNINGS	<u>40,088</u>	40,088
TOTAL LIABILITIES AND RETAINED EARNINGS		\$ <u>45,088</u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL COUNTY TAX COLLECTION COMMISSION

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS**

FOR THE ELEVEN MONTH PERIOD ENDED DECEMBER 31, 2010

REVENUES		
Collections	\$ 60,500	
Interest Income	<u>103</u>	
TOTAL REVENUES		60,603
EXPENSES		
Insurance	6,455	
Bank Service Charges	380	
Advertising	1,173	
Legal Fees	7,660	
Office Expense	<u>4,846</u>	
TOTAL EXPENSES		<u>20,514</u>
NET INCOME		40,088
RETAINED EARNINGS - BEGINNING OF YEAR		<u>0</u>
RETAINED EARNINGS - END OF YEAR		<u><u>\$ 40,088</u></u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL COUNTY TAX COLLECTION COMMISSION

STATEMENT OF CASH FLOWS

FOR THE ELEVEN MONTH PERIOD ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	\$ 40,088
Adjustment to Reconcile Net income to Net Cash Provided by Operating Activities:	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	0
CASH FLOWS FROM INVESTING ACTIVITIES	<u>0</u>
NET INCREASE IN CASH	40,088
CASH - FEBRUARY 1, 2010	<u>0</u>
CASH - DECEMBER 31, 2010	<u><u>\$ 40,088</u></u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL COUNTY TAX COLLECTION COMMISSION

NOTES TO FINANCIAL STATEMENTS

FOR THE ELEVEN MONTH PERIOD ENDED DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Schuylkill County Tax Collection Committee ("TCC") is a government entity created and organized under Act 32, which amended and restated the Local Tax Enabling Act ("LTEA"). Under Act 32, the TCC is required to appoint a tax collector to collect earned income and possibly other taxes on a county-wide basis, and to oversee tax collection within the Schuylkill County Tax Collection District (TCD").

The Commission is governed by a "Board of Delegates". Taxing authorities that impose an income tax each appoint a primary voting delegate, a first alternate voting delegate, and a second alternate voting delegate. Each delegate is appointed for a one year term by their school district at its annual organization meeting.

REPORTING ENTITY

The Governmental Accounting Standards Boards (GASB), established the criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. The criteria used in determining whether such organizations should be included in the Commission's financial reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Commission reviews the applicability of the following criteria.

The Commission is financially accountable for:

1. Organizations that make up the legal Commission entity.
2. Legally separate organizations if Commission officials appoint a voting majority of the organizations' governing body and the Commission is able to impose its will on organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

SCHUYLKILL COUNTY TAX COLLECTION COMMISSION

NOTES TO FINANCIAL STATEMENTS

FOR THE ELEVEN MONTH PERIOD ENDED DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

REPORTING ENTITY - continued

- a. **Impose Its Will** - If the Commission can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. **Financial Benefit or Burden** - Exits if the Commission (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the Commission. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Commission.

The Commission has determined that it has no potential component units to be evaluated.

FUND ACCOUNTING

The Commission uses fund accounting to report on its financial position and the results of its operations. The Commission is operated as a proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

MEASUREMENT FOCUS

The proprietary fund is accounted for on a cost of services measurement focus. All assets and liabilities (current and non-current) associated with the activity of the fund are included on its balance sheet. The proprietary fund operating statement presents increases and decreases in total net assets.

SCHUYLKILL COUNTY TAX COLLECTION COMMISSION

NOTES TO FINANCIAL STATEMENTS

FOR THE ELEVEN MONTH PERIOD ENDED DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus. The Commission utilizes the accrual basis of accounting. Under this method of accounting, revenues are recognized when received except for revenues subject to accrual which are recorded as receivable when measurable. Expenses are recognized in the accounting period in which the liability is incurred.

APPLYING GASB PRONOUNCEMENTS

In applying the provisions of Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds, the Commission applies all GASB pronouncements and all Financial Accounting Standards Board pronouncements, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

CASH

The Authority considers checking accounts as cash.

ACCOUNTS RECEIVABLE

The Commission's accounts receivable is due to grant monies awarded but not received by the end of the fiscal year. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be non collectible or establishes an allowance for doubtful accounts. As of December 31, 2010, the Commission did not specifically identify any accounts with collectability issues resulting in the need to setup an allowance or write off to bad debt expense.

DEFERRED REVENUE

Grant income awarded but not yet received is recognized as deferred income. Deferred revenue at December 31, 2010 was \$5,000.

SCHUYLKILL COUNTY TAX COLLECTION COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE ELEVEN MONTH PERIOD ENDED DECEMBER 31, 2010

NOTE 2 - SUBSEQUENT EVENTS:

The Company has evaluated events and transactions occurring subsequent to the balance sheet date December 31, 2010 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through May 9, 2012, the date these financial statements were available to be issued.