

NORTHAMPTON TAX COLLECTION COMMITTEE

**Financial Statements and
Independent Auditor's Report**

December 31, 2023

**NORTHAMPTON TAX COLLECTION COMMITTEE
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Committee Board
Northampton Tax Collection Committee
Easton, PA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying cash basis financial statements of Northampton Tax Collection Committee, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Northampton Tax Collection Committee's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis assets and members' accounts of Northampton Tax Collection Committee as of December 31, 2023, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northampton Tax Collection Committee 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 1 of the financial statements, which describes the basis of accounting. The financial statements are 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 Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, 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 also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 Northampton Tax Collection Committee'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northampton Tax Collection Committee'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.

Cory Bell, Rappold & Yucasita LLP

January 21, 2025

NORTHAMPTON TAX COLLECTION COMMITTEE
STATEMENT OF ASSETS AND MEMBERS' ACCOUNTS – CASH BASIS
December 31, 2023

	<u>2023</u>
ASSETS	
Cash and Cash Equivalents	\$ 40,288
TOTAL ASSETS	<u>\$ 40,288</u>
 LIABILITIES AND MEMBERS' ACCOUNTS	
-NONE-	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>
 MEMBERS' ACCOUNTS	
Unrestricted	<u>40,288</u>
TOTAL MEMBERS' ACCOUNTS	<u>40,288</u>
 TOTAL LIABILITIES AND MEMBERS' ACCOUNTS	<u>\$ 40,288</u>

See independent auditor's report and notes to the financial statements.

**NORTHAMPTON TAX COLLECTION COMMITTEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN MEMBERS' ACCOUNTS – CASH BASIS
For the Year Ended December 31, 2023**

	2023
REVENUES	
Assessments to Members	\$ 40,578
Interest Income	<u>63</u>
Total Revenues	<u>40,641</u>
EXPENSES	
Professional Services	2,139
Insurance	2,845
Legal	10,674
Advertising	<u>104</u>
Total Expenses	<u>15,762</u>
NET INCREASE IN MEMBERS' ACCOUNTS	24,879
MEMBERS' ACCOUNTS - Beginning of Year	<u>15,409</u>
MEMBERS' ACCOUNTS - End of Year	<u><u>\$ 40,288</u></u>

See independent auditor's report and notes to the financial statements.

NORTHAMPTON TAX COLLECTION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Northampton Tax Collection Committee (the "Committee") is a government entity created and organized under Act 32 of 2008, 53 P.S. § 6924.501 *et seq.*, which amended and restated the Local Tax Enabling Act (LTEA), 53 P.S. § 6901 *et seq.* Delegates from the following school districts and municipalities make up the Committee: the School Districts of Bangor Area, Bethlehem Area, Easton Area, Nazareth Area, Northampton Area, Pen Argyl Area, Saucon Valley, and Wilson Area; the Cities of Easton and Bethlehem; the Boroughs of Bangor, East Bangor, Portland, Roseto, Fountain Hill, Freemansburg, Riegelsville, Nazareth, Stockertown, Tatamy, Bath, Chapman, Northampton, Pen Argyl, Wind Gap, Hellertown, Glendon, West Easton, and Wilson; and the Townships of Upper Mt. Bethel, Washington, Bethlehem, Hanover, Forks, Lower Mt. Bethel, Palmer, Bushkill, Lower Nazareth, Upper Nazareth, Allen, East Allen, Lehigh, Moore, Plainfield, Lower Saucon, and Williams. Under Act 32, the Committee 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 Northampton County Tax Collection District (TCD). The Northampton Tax Collection Committee appointed Kratzenberg & Associates, Inc., a Pennsylvania business corporation doing business as Keystone Collections Group (Tax Officer), to collect EIT throughout the TCD.

Basis of Accounting

The financial statements of Northampton Tax Collection Committee have been prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The cash basis differs from GAAP in that certain revenues and the related assets are recognized when received rather than when earned and certain expenditures or expenses are recognized when paid rather than when a liability is incurred.

Cash and Cash Equivalents

The Committee has defined cash and cash equivalents to include cash on hand, demand deposits and certificates of deposit with an original maturity of three months or less.

2. Subsequent Events

In preparing these financial statements, the Committee has evaluated events and transactions for potential recognition or disclosure through January 21, 2025, the date the financial statements were available to be issued, and has determined that there were no material subsequent events that require recognition or disclosure.