

MIFFCO TAX SERVICES, INC.

**Financial Statement and
Independent Auditors' Report
December 31, 2012**

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Independent Auditors' Report

Committee Members
Mifflin County Tax Collection Committee
Mifflin County, Pennsylvania

Report on the Financial Statements

We have audited the accompanying statement of cash receipts and disbursements of Mifflin County Tax Collection Committee's ("TCC") Tax Officer, Miffco Tax Services, Inc., for the year ended December 31, 2012, and cash balance as of December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on this statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the above referenced financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc. for the year ended December 31, 2012, and its cash balance as of December 31, 2012, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. This 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 that matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statement presented. The accompanying Schedules of Supplementary Information, as required by Pennsylvania Act 32 of 2008, are presented for purposes of additional analysis and are not a required part of the above referenced financial statement of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc. Such information is the responsibility of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc. management and was derived from and relates directly to the underlying accounting and other records used to prepare the above referenced financial statement. The information has been subjected to the auditing procedures applied in the audit of the above referenced financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the above referenced 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 Schedules of Supplementary Information are fairly stated, in all material respects in relation to the above referenced financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2013, on our consideration of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s internal control over financial reporting and compliance.

Rutledge Cox & Associates, P.C.

September 25, 2013

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
TAX OFFICER – MIFFCO TAX SERVICES, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

RECEIPTS	
Earned income tax collection – within TCD	\$ 9,126,403
Earned income tax collection – on behalf of other TCDs	1,458,859
Interest earned	102
Costs recovered by tax officer	<u>7,082</u>
Total receipts	10,592,446
DISBURSEMENTS	
To members of Mifflin County TCD	
Mifflin County School District	5,618,878
Armagh Township	298,551
Bratton Township	106,976
Brown Township	399,946
Burnham Borough	156,482
Decatur Township	233,368
Derry Township	640,732
Granville Township	391,776
Borough of Juniata Terrace	39,382
Borough of Lewistown	522,759
McVeytown Borough	30,150
Menno Township	98,898
Oliver Township	172,827
Union Township	<u>234,820</u>
Total to members of Mifflin County TCD	8,945,545
To non-members of Mifflin County TCD	1,405,143
Refunds	180,987
Costs recovered by tax officer	7,082
Other disbursements	<u>1,040</u>
Total disbursements	<u>10,539,797</u>
Receipts over disbursements for the year	52,649
Cash balance – January 1, 2012	<u>20,868</u>
Cash balance – December 31, 2012	<u><u>\$ 73,517</u></u>

See accompanying notes and independent auditors' report.

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
TAX OFFICER – MIFFCO TAX SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Mifflin County TCC is the Tax Collection Committee representing all taxing jurisdictions within Mifflin County, Pennsylvania, as defined by Pennsylvania Act 32 of 2008. The Committee is comprised of representatives from each taxing jurisdiction. All action of the Committee is approved by the representatives using a weighted voting system based on each taxing jurisdiction's percentage of earned income tax revenue and population. The Committee is responsible for overseeing the collection and distribution of earned income and net profits taxes within the Tax Collection District.

Mifflin County TCC has contracted with Miffco Tax Services, Inc. to collect and distribute the earned income and net profit taxes within the Mifflin County Tax Collection District. Pennsylvania Act 32 of 2008 requires an audit of the receipts and disbursements of these taxes by an independent certified public accountant. This report is intended to meet that requirement.

Summary of Significant Accounting Policies – Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc., maintains financial records related to the Earned Income Tax transactions on the cash basis of accounting, which recognized collections and other receipts when received and disbursements when paid. The accompanying financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Therefore, the statement is not intended to present the financial position or results of operations of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc. in conformity with accounting principles generally accepted in the United States of America.

Subsequent Events – In preparing this financial statement, the Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc. has evaluated events and transactions for potential recognition and disclosure through September 25, 2013, the date the financial statements were available to be issued.

NOTE 2: CASH BALANCE AND CONCENTRATION OF CREDIT RISK

The Tax Officer maintains an interest bearing escrow account that is insured to the maximum (\$250,000) by the U.S. Federal Deposit Insurance Corporation (FDIC). Amounts over the FDIC insured limit are collateralized dollar for dollar by the bank, as required by the Commonwealth of Pennsylvania Act 72 of 1971, to protect public funds.

Deposits of governmental entities in excess of Federal Depository Insurance limits are required to be secured by pledged collateral either on a pooled or separate basis. These may be bonds of the United States, any State or Commonwealth of the United States, or bonds of any political subdivision of Pennsylvania, or the general state authority or other authorities created by the General Assembly of the Commonwealth of Pennsylvania. The Federal Reserve Bank does not consider earned income tax officers such as Miffco Tax Services, Inc. to be governmental entities. It considers them to be collection agencies. However, since the accounts are in the name of the TCC, the uninsured bank balance of \$111,777 is collateralized under Act 72 of 1971, with securities held by the pledging financial institution, or its trust department or agent, but not in the TCC's name.

The cash balance consists of collections held, in escrow, pending receipt of monthly, quarterly or annual reports identifying amounts due to the appropriate member of Mifflin County TCC or other Tax Collection Districts. The cash balance at December 31, 2012, for members of the Mifflin County TCC, totaled \$2,476. The following are the entities for which money was held at December 31, 2012, and the amount held for each of those entities.

See accompanying notes and independent auditors' report.

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
TAX OFFICER – MIFFCO TAX SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 2: CASH BALANCE AND CONCENTRATION OF CREDIT RISK (continued)

Members of Mifflin County TCC	Amount
Armagh Township	\$ 66
Bratton Township	26
Brown Township	80
Burnham Borough	85
Decatur Township	98
Derry Township	166
Granville Township	72
Borough of Lewistown	234
McVeytown Borough	0
Menno Township	3
Oliver Township	42
Union Township	28
Borough of Juniata Terrace	14
Mifflin County School District	<u>1,562</u>
Total	<u>\$ 2,476</u>

NOTE 3: DISBURSEMENTS TO NON-MEMBERS OF MIFFLIN COUNTY TCD

The following details of the Out-of-County distributions presented in the Statement of Cash Receipts and Disbursements:

Non-Members of Mifflin County TCD	Amount
Blair County TCD	\$ 22,465
Centre County TCD	405,318
Huntingdon County TCD	327,259
Juniata County TCD	260,341
Perry County TCD	24,653
Snyder County TCD	158,699
All other Pennsylvania TCDs	180,046
All non-Pennsylvania TCDs	<u>26,362</u>
Total	<u>\$ 1,405,143</u>

NOTE 4: SOURCE OF EARNED INCOME TAX COLLECTIONS

The earned income tax imposed is currently 1.35% per year of:

- Salaries, wages, commissions, and other compensation earned by residents of the Mifflin County TCC, and
- Net profits from self-employment earned by residents of the Mifflin County TCC

See accompanying notes and independent auditors' report.

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
 TAX OFFICER – MIFFCO TAX SERVICES, INC.
 NOTES TO THE FINANCIAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4: SOURCE OF EARNED INCOME TAX COLLECTIONS (continued)

Collections are shared among the applicable taxing jurisdictions within the TCC. The following taxing jurisdictions belong to the Mifflin County TCC and are serviced by Miffco Tax Services, Inc.:

School District	Municipalities	
	Boroughs	Townships
Mifflin County School District	Burnham Lewistown McVeytown Juniata Terrace	Armagh Bratton Brown Decatur Derry Granville Menno Oliver Union

NOTE 5: TAX COLLECTION CONTRACT

Mifflin County TCC has contracted with Miffco Tax Services, Inc. for the collection and distribution of earned income and net profit taxes. The contract term begins January 1, 2012, and continues through December 31, 2016. The contract calls for a collection fee of 1.7% of gross tax collections, invoiced monthly by Miffco Tax Services, Inc. to the respective school district and municipalities and payable to Miffco Tax Services, Inc. monthly upon receipt of the gross taxes remitted. The contract also states, as tax officer for Mifflin County TCC, Mifflin Tax Services, Inc. may recover certain costs associated with the collection of delinquent taxes that have been turned over to them for collection.

SUPPLEMENTARY INFORMATION

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
TAX OFFICER – MIFFCO TAX SERVICES, INC.
SCHEDULE OF RECONCILIATION OF MONTHLY REPORTS TO AUDITED RECEIPTS AND
DISBURSEMENTS REQUIRED UNDER SECTION 509(b) OF PENNSYLVANIA ACT 32 OF 2008
YEAR ENDED DECEMBER 31, 2012**

	Amounts per Tax Collector <u>Monthly Reports</u>	Amounts per Audited Receipts and <u>Disbursements</u>	Variance (See Explanation Below) ^A
Beginning cash balance	\$ 54,596	\$ 20,868	\$ 33,728
Earned income tax collections – current collections within TCD	6,230,679	9,126,403	(2,895,724)
Earned income tax collections – delinquent collections within TCD	262,081	0	262,081
Earned income tax collections – current collections on behalf of other TCDs	1,056,672	1,458,859	(402,187)
Plus:			
Investment income	0	102	(102)
Penalties collected	1,061	0	1,061
Collection expense	7,082	7,082	0
Less:			
Refunds	(60,993)	(180,987)	119,994
Collection expense	0	(7,082)	7,082
Other disbursements	<u>0</u>	<u>(1,040)</u>	<u>1,040</u>
Total net collections	7,496,582	10,403,337	(2,906,755)
Less:			
Total disbursements	<u>(7,486,901)</u>	<u>(10,350,688)</u>	<u>2,863,787</u>
Ending cash balance – funds not yet disbursed, primarily due to identification of taxing jurisdiction	<u>\$ 64,277</u>	<u>\$ 73,517</u>	<u>\$ (9,240)</u>

(Continued on next page.)

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
TAX OFFICER – MIFFCO TAX SERVICES, INC.
SCHEDULE OF RECONCILIATION OF MONTHLY REPORTS TO AUDITED RECEIPTS AND
DISBURSEMENTS REQUIRED UNDER SECTION 509(b) OF PENNSYLVANIA ACT 32 OF 2008
(CONTINUED)
YEAR ENDED DECEMBER 31, 2012**

Explanation of Variances:

^A The following explanations of the variances are provided in the table shown below:

- ¹ Variance represents activity for the months of January, February and March of 2012, which were not reported to the Mifflin County Tax Collection Committee or the Department of Community and Economic Development on monthly reports for those specific months. Amounts were reported in subsequent months through year to date totals.
- ² Variance represents a reclassification of delinquent collections within the TCD, reported as current collections within the TCD in the accounting software.
- ³ Variance represents an omission of costs recovered by tax officer from the report.

	<u>Variance</u>	<u>January through March Activity</u>		<u>Remaining Difference</u>
Beginning cash balance	\$ 33,728	\$ (33,728)	¹	\$ 0
Earned income tax collections – current collections within TCD	(2,895,724)	2,133,675	¹	(762,049) ²
Earned income tax collections – delinquent collections within TCD	262,081	493,747	¹	755,828 ²
Earned income tax collections – current collections on behalf of other TCDs	(402,187)	390,878	¹	(11,309)
Plus:				
Investment income	(102)	0		(102)
Penalties collected	1,061	216	¹	1,277
Collection expense	0	0		0
Less:				
Refunds	119,994	(119,994)	¹	0
Collection expense	7,082	0		7,082 ³
Other disbursements	<u>1,040</u>	<u>0</u>		<u>1,040</u>
Total net collections	(2,906,755)	2,898,522		(8,233)
Less:				
Total disbursements	<u>2,863,787</u>	<u>(2,863,657)</u>		<u>130</u>
Ending cash balance – funds not yet disbursed, primarily due to identification of taxing jurisdiction	<u>\$ (9,240)</u>	<u>\$ 1,137</u>		<u>\$ (8,103)</u>

See independent auditors' report.

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
 TAX OFFICER – MIFFCO TAX SERVICES, INC.
 SCHEDULE OF BONDING ANALYSIS
 YEAR ENDED DECEMBER 31, 2012**

	<u>Amount</u>
Earned income tax collections – total collections ¹	\$ 10,584,798
Bonding amount as determined by TCC	\$ 2,000,000
Actual bond amount	\$ 2,000,000
Average monthly amount of tax collections in possession of tax officer ²	\$ 882,067

¹ Per the contract between Mifflin County TCC and the tax officer, Miffco Tax Services, Inc., the bond amount represents the amount estimated as the highest amount of tax and related amounts the tax officer will hold at any one time, including tax collected within the TCD and for political subdivisions outside the TCD.

² The contract between Mifflin County TCC and the tax officer, Miffco Tax Services, Inc. requires the tax officer to distribute collections on a monthly basis. The tax officer maintains an average collection balance below their bonding requirement set forth in the contract.

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
TAX OFFICER – MIFFCO TAX SERVICES, INC.
SCHEDULE OF COLLECTION FEES CHARGED
YEAR ENDED DECEMBER 31, 2012**

	<u>Amount</u>
Earned income tax collections – total collections within TCD	\$ 9,126,403
Collection rate per TCC/Tax Officer contract	1.7%
Projected collection fees ¹	\$ 155,149
Collection fees charged ²	\$ 155,573

¹ The contract between Mifflin County TCC and the tax officer calls for the commission to be charged on the total gross collections within the TCD.

² Miffco Tax Services, Inc. calculates commissions at the transaction level on the gross earned income tax collections within the TCD. Commissions are calculated to two decimals.

DCED COMPLIANCE SECTION

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Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

Members of the Committee
Mifflin County Tax Collection Committee
Mifflin County, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of cash receipts and disbursements of Mifflin County Tax Collection Committee's (TCC) Tax Officer, Miffco Tax Services, Inc. for the year ended December 31, 2012, and cash balance as of December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated September 25, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the above referenced financial statement, but not for the purpose of expressing an opinion on the effectiveness of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See item 2012-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s financial statement is free of material misstatement, we performed tests of its compliance

with certain provisions of laws, regulations, contracts and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2012-2 and 2012-3.

Mifflin County TCC Tax Officer, Miffco Tax Services, Inc.'s Response to Findings

Mifflin County TCC Tax Officer, Miffco Tax Services, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Mifflin County TCC Tax Officer, Miffco Tax Services, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rutheby Cox & Associates, P.C.

September 25, 2013

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Independent Auditors' Report on Compliance
with Pennsylvania Act 32 of 2008

Members of the Committee
Mifflin County Tax Collection Committee
Mifflin County, Pennsylvania

Report on Compliance with Pennsylvania Act 32 of 2008

We have audited Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s compliance with the provisions within Pennsylvania Act 32 of 2008 (PA Act 32) for the collection and distribution of earned income taxes for the year ended December 31, 2012.

Management's Responsibility

Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s management is responsible for compliance with the requirements of the PA Act 32 law.

Auditors' Responsibility

Our responsibility is to express an opinion on Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on tax collections and disbursements occurred. An audit includes examining, on a test basis, evidence about Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with PA Act 32. However, our audit does not provide a legal determination of Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc.'s compliance.

Opinion on Act 32 Compliance

In our opinion, Mifflin County TCC's Tax Officer, Miffco Tax Services, Inc. complied, in all material respects, with the provisions for collection and distribution of earned income taxes that could have a direct and material effect on the collection and distribution of those taxes for the year ended December 31, 2012.

The purpose of this report on compliance with PA Act 32 is solely to describe the scope of our testing and the results of that testing based on the requirements of PA Act 32. Accordingly, this report is not suitable for any other purpose.

Ritchey Cox & Associates, P.C.

September 25, 2013

**MIFFLIN COUNTY TAX COLLECTION COMMITTEE
TAX OFFICER – MIFFCO TAX SERVICES, INC.
SCHEDULE OF FINDINGS AND NON-COMPLIANCE
FOR THE YEAR ENDED DECEMBER 31, 2012**

Findings – Financial Statement Audit

2012-1 Finding: The cash balances reported on the monthly CLGS-32-7 reports did not reconcile to the accounting records.

Management's Response: The tax officer was aware of the monthly reporting requirements but believed the reporting was to begin with the collection of 2012 taxes in April 2012. The information necessary for the monthly reporting was maintained and included in subsequent monthly reports in the year to date total amounts, and the tax officer has since filed an amended report.

Findings of Non-Compliance with Pennsylvania Act 32 of 2008

2012-2 Finding: The tax officer did not submit the monthly CLGS-32-7 report to the Tax Collection Committee or the Department of Community and Economic Development (DCED) for January, February or March 2012. Beginning January 1, 2012, the monthly report is due by the 20th of the subsequent month. The activity for those months was later included in subsequent monthly reports in the year to date total amounts.

Management's Response: The tax officer was aware of the monthly reporting requirements but believed the reporting was to begin with the collection of 2012 taxes in April 2012. The information necessary for the monthly reporting was maintained and included in subsequent monthly reports in the year to date total amounts, and the tax officer has since filed an amended report.

2012-3 Finding: The following findings are related to the monthly CLGS-32-7 reports:

- Total collections improperly excluded the net unidentified collections, as these are not entered into the tax system by the tax officer until identified. In some instances, beginning cash balances were adjusted for this amount.
- Total collections and receipts improperly excluded receipts.
- Disbursements of costs recovered by the tax officer were improperly excluded from the monthly reports.

Management's Response: Due to the implementation of the new reporting under PA Act 32 of 2008, the tax officer continued to make modifications to the report throughout the year to comply with requirements.