

**LOWER POTTS GROVE TOWNSHIP TAX COLLECTOR  
JENNIFER MARSTELLER**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2011**

**REINHART  
and COMPANY**

*certified public accountants*

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**TABLE OF CONTENTS**

	PAGE
<b>INDEPENDENT AUDITOR'S REPORT</b>	2
<b>FINANCIAL STATEMENTS</b>	
Statement Of Cash Receipts And Disbursements.....	3
Statement Of Outstanding Taxes.....	4
Notes To Financial Statements.....	5 - 7

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**INDEPENDENT AUDITOR'S REPORT**

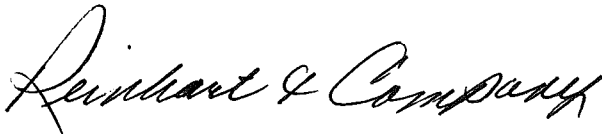
To the Board of Commissioners of  
Lower Pottsgrove Township

We have audited the accompanying statement of cash receipts and disbursements and the statement of outstanding taxes of Lower Pottsgrove Township Tax Collector for the year ended December 31, 2011. These financial statements are the responsibility of the Township'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 statement of cash receipts and disbursements and the statement of outstanding taxes are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements and the statement of outstanding taxes. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements and the statement of outstanding taxes. We believe that our audit provides a reasonable basis for our opinion.

As described in Note #1, these financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statement of cash receipts and disbursements and the statement of outstanding taxes referred to above presents fairly, in all material respects, the cash receipts and disbursements and the outstanding taxes of Lower Pottsgrove Township Tax Collector for the year ended December 31, 2011, on the basis of accounting described in Note #1.



Boyertown, Pennsylvania  
February 16, 2012

**LOWER POTTS GROVE TOWNSHIP TAX COLLECTOR**  
**JENNIFER MARSTELLER**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**Year Ended December 31, 2011**

	REAL ESTATE	INTERIM	PER CAPITA	STREET LIGHT	FIRE	TOTAL
<b>Receipts</b>						
Taxes Collected (Net)	\$ 1,178,423.00	\$ 1,683.00	\$ 29,156.60	\$ 19,225.00	\$ 276,994.00	\$ 1,505,481.60
<b>Disbursements</b>						
January	0.00	218.00	0.00	0.00	0.00	218.00
February	0.00	23.00	0.00	0.00	0.00	23.00
March	271,648.00	453.00	0.00	4,579.00	63,870.00	340,550.00
April	782,042.00	145.00	0.00	11,789.00	183,800.00	977,776.00
May	8,475.00	0.00	0.00	248.00	1,991.00	10,714.00
June	71,779.00	364.00	0.00	1,699.00	16,856.00	90,698.00
July	5,120.00	9.00	6,247.50	41.00	1,204.00	12,621.50
August	5,472.00	107.00	8,839.60	36.00	1,288.00	15,742.60
September	2,858.00	0.00	7,221.00	0.00	672.00	10,751.00
October	5,439.00	0.00	1,440.00	169.00	1,277.00	8,325.00
November	4,364.00	0.00	1,994.50	71.00	1,025.00	7,454.50
December	21,226.00	364.00	3,414.00	593.00	5,011.00	30,608.00
<b>Total Disbursed To Township</b>	<b>1,178,423.00</b>	<b>1,683.00</b>	<b>29,156.60</b>	<b>19,225.00</b>	<b>276,994.00</b>	<b>1,505,481.60</b>
<b>Excess (Deficiency) Of Cash Receipts And Cash Disbursements</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT"

**LOWER POTTS GROVE TOWNSHIP TAX COLLECTOR**  
**JENNIFER MARSTELLER**  
**STATEMENT OF OUTSTANDING TAXES**  
 Year Ended December 31, 2011

	REAL ESTATE	PER CAPITA	STREET LIGHT	FIRE	TOTAL
Amount Charged On Duplicate:					
Face	\$ 1,226,369.00	\$ 39,735.00	\$ 19,939.00	\$ 288,118.00	\$ 1,574,161.00
Additions/Interims	1,683.00	95.00	0.00	0.00	1,778.00
Exonerations/Deductions	<u>(1,658.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>(390.00)</u>	<u>(2,048.00)</u>
Total Amount Available For Collection At Face	<u>1,226,394.00</u>	<u>39,830.00</u>	<u>19,939.00</u>	<u>287,728.00</u>	<u>1,573,891.00</u>
Collections					
Taxes Collected (Net)	1,180,106.00	29,156.60	19,225.00	276,994.00	1,505,481.60
Adjust Net Collections To Face Amounts:					
Add: Discounts	21,612.00	436.90	374.00	4,971.00	27,393.90
Less: Penalties	<u>(4,043.00)</u>	<u>(348.50)</u>	<u>(84.00)</u>	<u>(986.00)</u>	<u>(5,461.50)</u>
Total Amount Collected At Face	<u>1,197,675.00</u>	<u>29,245.00</u>	<u>19,515.00</u>	<u>280,979.00</u>	<u>1,527,414.00</u>
Outstanding Taxes At Face	<u>\$ 28,719.00</u>	<u>\$ 10,585.00</u>	<u>\$ 424.00</u>	<u>\$ 6,749.00</u>	<u>\$ 46,477.00</u>

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT"

**LOWER POTTS GROVE TOWNSHIP TAX COLLECTOR**  
**JENNIFER MARSTELLER**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**

**Note #1 - Summary Of Significant Accounting Policies**

Basis of Accounting

The books and records of the Tax Collector are maintained on the cash receipts and disbursements basis of accounting which differs from accounting principles generally accepted in the United States of America. Receipts, which include general real estate taxes, fire protection, per capita taxes, and street light assessments are recorded when monies are actually received. Disbursements are recorded when they are actually paid. Under accounting principles generally accepted in the United States of America, revenues are recognized in the period earned, and expenditures are recognized in the period incurred, which gives effect to accounts receivable, accounts payable and accrued items. The financial statements presented herein do not purport to present the results of operations in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The statement of cash receipts and disbursements and the statement of outstanding taxes report the activities and balance outstanding of the Tax Collector's related activities. These statements represent the collection of monies as well as acknowledge receipt of the collections by Lower Pottsgrove Township and represent the balance of real estate assessed taxes remaining to be collected for the tax year. These statements are not intended to present either financial results of operations or financial position in accordance with accounting principles generally accepted in the United States of America.

**Note #2 - Scope Of The Examination**

The financial statements pertain to the Tax Collector's real estate tax, fire protection tax, per capita tax, and street light assessments, collections and disbursements for and on behalf of Lower Pottsgrove Township, occurring during the calendar year 2011. The financial statements do not include real estate tax collection and disbursement activity for either the County of Montgomery or the Pottsgrove School District. The aforementioned taxing districts were outside the scope of the audited financial statements presented herein.

**Note #3 - Reporting Entity**

The Tax Collector is responsible for collecting assessed and levied real estate taxes, fire protection taxes and street light assessments to Lower Pottsgrove Township owners, by and for the County of Montgomery, the Pottsgrove School District and Lower Pottsgrove Township. The tax collector also collected per capita taxes at the rate of \$ 5.00 per household person.

As stated above, the financial statements only include the transactions and activities occurring during 2011 for the Lower Pottsgrove Township real estate and fire protection taxes, per capita taxes and street light assessments collected by the Tax Collector.

Separately issued financial statements of the County of Montgomery, Pottsgrove School District and Lower Pottsgrove Township can be obtained at each respective entity during normal business hours.

**LOWER POTTS GROVE TOWNSHIP TAX COLLECTOR**  
**JENNIFER MARSTELLER**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**  
**(Continued)**

**Note #4 - Deposits**

The Tax Collector maintains the funds collected in a financial institution, which insures the funds to the \$ 250,000.00 F.D.I.C. limit.

Under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of Federal Depository Insurance limits. As of December 31, 2011, the F.D.I.C. insured all deposits.

**Note #5 - Real Estate Taxes**

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. The elected tax collector collects all Lower Pottsgrove Township real estate taxes. Lower Pottsgrove Township taxes may be paid during three periods: discount, face and penalty. Taxes paid from March 1 through April 30, the discount period, receive a two percent discount. Taxes paid from May 1 through June 30 are paid at the face amount. Taxes paid after June 30 are assessed a ten percent penalty. Taxes outstanding at the end of the tax year are reported to and collected by the Portnoff Law Associates, Ltd.

For the audit period, Township real estate taxes were levied at the rate of 2.418 mills on every dollar of adjusted valuation for general (1.958 mills) and fire protection (0.460 mills) purposes.

**Note #6 - Elected Official**

Jennifer Marsteller served as the Tax Collector for Lower Pottsgrove Township for the period audited.

**Note #7 - Statement Of Cash Receipts and Disbursements**

**Receipts and Disbursements**

Receipts are comprised of collections of taxpayer monies between January 1, 2011 and December 31, 2011 (i.e. the audit period).

Disbursements are comprised of remittances to Lower Pottsgrove Township for taxpayer monies collected during the audit period.

**Note #8 - Statement Of Outstanding Taxes**

Total Amount Available for Collection (Face)

This balance represents the adjusted balance of taxes, which the Tax Collector has been authorized to collect, for the tax year 2011, as of the end of the audit period (December 31, 2011). It is the result of the original taxes established for the year (duplicate), adjusted for interims, additions and/or exonerations, as authorized by the County of Montgomery.

Outstanding Taxes (Face)

This balance represents the total of authorized taxes remaining to be collected for the tax year 2011. It is comprised of uncollected duplicate taxes billed. The duplicate taxes outstanding for real estate, street light and fire at the end of the tax year are reported to and collected by Portnoff Law Associates, Ltd. and the outstanding per capita taxes are reported and collected by Montgomery County Tax Claim Bureau.

**LOWER POTTS GROVE TOWNSHIP TAX COLLECTOR**  
**JENNIFER MARSTELLER**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011**  
**(Continued)**

**Note #9 - Bond**

All tax collectors must provide a bond to secure the respective taxing districts against any losses of tax funds. A bond is a legal promise of a personal or corporate surety to be responsible for and to reimburse the taxing district for the losses of the tax collector, up to the amount of the bond, from causes stipulated on the bond. In 2010, \$ 592 was paid by Lower Pottsgrove Township for the Tax Collector's bond in the amount of \$ 1,225,272 for the period of January 1, 2010 through December 31, 2013.

**Note #10 - Compensation For The Township Tax Collector**

In 2011, Jennifer Marsteller received compensation in accordance with the Township's Ordinance.

**Note #11 - Related Party Transactions**

The Tax Collector is responsible for collecting and subsequently disbursing the payment of real estate and per capita taxes on behalf of herself and her related parties (if any). The collection and disbursement procedures applied to these funds are consummated on terms equivalent to those which prevail for arms-length transactions.

**Note #12 - Subsequent Events**

Management has evaluated subsequent events through February 16, 2012, the date on which the financial statements were available to be issued.