

**LEHIGH TAX
COLLECTION COMMITTEE**

FINANCIAL STATEMENTS

Year Ended December 31, 2022

LEHIGH TAX COLLECTION COMMITTEE

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YEAR ENDED DECEMBER 31, 2022

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Independent Auditors' Report

To the Management Committee
Lehigh Tax Collection Committee
Easton, Pennsylvania

Opinion

We have audited the cash basis financial statements of the Lehigh Tax Collection Committee, as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise Lehigh Tax Collection Committee's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective cash basis financial position of Lehigh Tax Collection Committee as of December 31, 2022, and the respective changes in financial position-cash basis thereof for the year ended 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 Statements section of our report. We are required to be independent of Lehigh 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 B 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

Lehigh Tax Collection Committee's management is responsible for the preparation and fair presentation of the financial statements 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 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.

To the Management Committee
Lehigh Tax Collection Committee
Easton, Pennsylvania

Auditors' 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Lehigh 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 Lehigh 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.

To the Management Committee
Lehigh Tax Collection Committee
Easton, Pennsylvania

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Mailli LLP

Limerick, Pennsylvania
June 9, 2025

LEHIGH TAX COLLECTION COMMITTEE

STATEMENT OF ASSETS AND NET POSITION--CASH BASIS

DECEMBER 31, 2022

ASSETS

Cash

\$ 14,863

NET POSITION

Unrestricted

\$ 14,863

See accompanying notes.

LEHIGH TAX COLLECTION COMMITTEE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION--CASH BASIS YEAR ENDED DECEMBER 31, 2022

REVENUES

Interest income	\$ <u>5</u>
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EXPENSES

Accounting fees	1,600
Advertising	219
Insurance	4,785
Legal fees	3,384
Management fees	<u>5,729</u>
TOTAL EXPENSES	<u>15,717</u>

DEFICIENCY OF REVENUES OVER EXPENSES	(15,712)
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NET POSITION AT BEGINNING OF YEAR	<u>30,575</u>
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NET POSITION AT END OF YEAR	\$ <u><u>14,863</u></u>
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See accompanying notes.

LEHIGH TAX COLLECTION COMMITTEE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE A - DESCRIPTION OF THE BUSINESS

The Lehigh Tax Collection Committee (the "Committee") governs the Lehigh Tax Collection District. The Committee was established to provide necessary resources to streamline and reform Lehigh County's local earned income tax collection (EIT) system in accordance with Act 32 of 2008. Act 32 of 2008 amends the Local Tax Enabling Act to provide for county-wide collection of EIT levied by school districts and municipalities.

The following municipalities and school districts and their delegates are members of the Committee:

Allentown	South Whitehall
Alburtis	Upper Macungie
Catasauqua	Upper Milford
Coopersburg	Upper Saucon
Coplay	Walnutport
Emmaus	Washington
Hanover	Weisenberg
Heidelberg	Whitehall
Lower Macungie	Allentown School District
Lower Milford	Catasauqua School District
Lowhill	East Penn School District
Lynn	Northern Lehigh School District
Macungie	Northwestern Lehigh School District
North Catasauqua	Parkland School District
North Whitehall	Salisbury School District
Salisbury	Southern Lehigh School District
Slatington	Whitehall-Coplay School District

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Committee's financial statements have been prepared on the cash basis of accounting. Revenues are recognized when received rather than when earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred. These financial statements are not intended to present results of operations in accordance with accounting principles generally accepted in the United States of America.

All activities of the Committee are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing services to member entities on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

LEHIGH TAX COLLECTION COMMITTEE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

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.

Date of Management's Review

Management has evaluated subsequent events through June 9, 2025, the date which the financial statements were available to be issued.

NOTE C - DEPOSITS

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Committee's deposits may not be returned to it. The Committee does not have a formal deposit policy for custodial credit risk. As of December 31, 2022, the Committee's bank balance of \$18,502 was fully insured by the Federal Deposit Insurance Corporation (FDIC).