

MEMBERS

AMERICAN AND PENNSYLVANIA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS

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To the Members of the Board
Berwick Area School District:

In planning and performing our audit of the schedules of settlement for each of the local tax collectors of Berwick Area School District (the "School District") for the tax year 2018, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedules of settlement, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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 schedules of settlement will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in the School District's internal control to be a significant deficiency:

SIGNIFICANT DEFICIENCY

MONTHLY TAX COLLECTORS' REPORTS

The Commonwealth's Local Tax Collection Act requires monthly reporting by the tax collectors to the School District no later than the tenth day of the subsequent month. The law permits a taxing district to require more frequent reporting. The law permits the imposition of penalties by taxing districts upon tax collectors that do not provide monthly reports on a timely basis.

During 2018, one of the School District's tax collectors did not consistently submit her monthly reports on a timely basis. Generally, reports were submitted two to six weeks late. The School District's business office has repeatedly communicated with this tax collector and has billed the tax collector for late reporting. However, the tax collector's timeliness has not improved.

Accordingly, we recommend that the School District continue to monitor its local elected tax collectors and take actions necessary to consistently obtain the applicable monthly tax collector reports on a timely basis.

This communication is intended solely for the information and use of management and Members of the Board of Berwick Area School District, and is not intended to be and should not be used by anyone other than these specified parties.

McKooly & Asbury, LLP

Bloomsburg, Pennsylvania
November 8, 2019