

ATTESTATION ENGAGEMENT

Township of Abington
Montgomery County, Pennsylvania
46-101
Liquid Fuels Tax Fund
For the Period
January 1, 2022 to December 31, 2024

October 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Michael Carroll
Secretary
Department of Transportation
Harrisburg, PA 17120

We have examined the accompanying Forms MS-965 With Adjustments for the Liquid Fuels Tax Fund of the Township of Abington, Montgomery County, for the period January 1, 2022 to December 31, 2024. The municipality's management is responsible for presenting the Forms MS-965 in accordance with the criteria described in the Background section of this report and the Department of Transportation's *Publication 9*. Our responsibility is to express an opinion on the Forms MS-965 With Adjustments based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Forms MS-965 are presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the Forms MS-965. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Forms MS-965, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with ethical requirements relating to the engagement.

As described in the Auditor Description Of Select Transactions section of this report, the adjustments included on the Forms MS-965 With Adjustments are made by the Department of the Auditor General.

Independent Auditor's Report (Continued)

As discussed in the Finding And Recommendations section of this report, our examination disclosed that the municipality expended \$149,659.84 for project No. 23-46101-002 and \$1,691.06 for project No. 24-46101-001. Final payments were made on these projects on June 12, 2024, and June 26, 2024, respectively, but Final Completion Report Forms MS-999 were not filed with the Department of Transportation as of the date of the onsite closeout meeting of this examination of April 23, 2025.

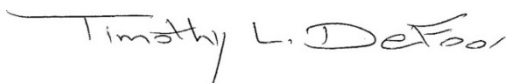
In our opinion, except for the effects of the deviations from the criteria discussed in the preceding paragraph, the Forms MS-965 With Adjustments present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund of the Township of Abington, Montgomery County, for the period January 1, 2022 to December 31, 2024, in accordance with the criteria described in the Background section of this report and the Department of Transportation's *Publication 9*.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Forms MS-965; and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Forms MS-965 are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over the Forms MS-965 or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed the following finding that is required to be reported under *Government Auditing Standards*:

- Failure To Timely Submit Final Completion Reports.

The purpose of this report is to provide information related to the municipality's Liquid Fuels Tax Fund to assist the Pennsylvania Department of Transportation in fulfilling its regulatory authority as described in the laws and regulations identified in the Background section of this report and the Pennsylvania Department of Transportation's *Publication 9*. This report is not suitable for any other purpose.

We appreciate the courtesy extended by the Township of Abington, Montgomery County, to us during the course of our examination. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.



Timothy L. DeFoor
Auditor General
September 23, 2025

CONTENTS

	<u>Page</u>
Background.....	1
Financial Section:	
2022 Form MS-965 With Adjustments	5
2023 Form MS-965 With Adjustments	8
2024 Form MS-965 With Adjustments	11
Auditor Description Of Select Transactions.....	14
Finding And Recommendations:	
Finding - Failure To Timely Submit Final Completion Reports	17
Summary Of Prior Examination Recommendations.....	19
Summary Of Onsite Closeout Meeting.....	20
Report Distribution	21

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background

The Liquid Fuels Tax Municipal Allocation Law, Act 655 of 1956, as amended, see also 72 P.S. § 2615.5, et sec., provides municipalities other than counties (i.e., townships, boroughs, cities, towns, home rule, and optional plan governments) with an annual allocation of liquid fuels taxes from the state's Motor License Fund to be used for the maintenance and repair of streets, roads, and bridges for which the municipality is responsible. The allocation of these funds to municipalities is based upon: (1) 50 percent on the municipality's proportion of local road mileage to the total local road mileage in the state; and (2) 50 percent on the proportion of a municipality's population to the total population in the state.

Title 75 Pa.C.S. § 9511 of the Pennsylvania Vehicle Code provides municipalities with annual maintenance payments to be received from the Motor License Fund for functionally local highways that were transferred to a municipality from the Commonwealth of Pennsylvania.

Each municipality must deposit the allocation of Liquid Fuels Tax funds and annual maintenance payments that it receives into a special fund called either the Municipal Liquid Fuels Tax Fund or State Fund. A municipality may not deposit any other monies into this fund except when the municipality does not have enough money in the special fund to meet the payments called for by its current annual budget for road and bridge purposes. In such a case, the municipality may borrow money or transfer money from its General Fund to its Liquid Fuels Tax Fund.

The Department of Transportation has been given the regulatory authority for the administration of these funds. Department of Transportation's *Publication 9* includes the policies and procedures for the administration of Act 655, as amended, and the Liquid Fuels Tax Fund money. However, if there is a difference between *Publication 9* and any legislation, the legislation shall govern.

To qualify for the annual allocation of Liquid Fuels Tax funds, *Publication 9* indicates that each municipality shall:

1. Submit annual reports (MS-965, Actual Use Report, MS-965P, Project and Miscellaneous Receipts, and MS-965S, Record of Checks).
2. Make deposits and payments or expenditures in compliance with Act 655 of 1956, as amended. Failure to do so may result in not receiving allocations from PennDOT until all discrepancies are resolved. *Publication 9*, Section 2.6, includes information about investing Liquid Fuels Tax monies, using loan or bond proceeds, and types of receipts into the Liquid Fuels Tax Fund.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

3. Submit the Pennsylvania Department of Community and Economic Development's (DCED) Report of Elected and Appointed Officials by January 31st and the Survey of Financial Condition By March 15th.
4. Ensure resolution of all Contractor Responsibility Program (CRP) holds and blocks imposed by the Department of Revenue and the Department of Labor and Industry.
5. Ensure resolution of all reimbursements required as a result of audits performed by the Department of the Auditor General or monitoring reviews performed by the Department of Transportation's Financial Consultants.

Criteria

The criteria for the Form MS-965 With Adjustment are described below.

Section 1 of Form MS-965 With Adjustments provides a summary of Liquid Fuels Tax Fund expenditures by category. Categories requiring explanation include:

- Major equipment purchases are purchases of road machinery and road equipment with varying yearly costs in excess of the amounts indicated below:

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>\$11,500.00</u>	<u>\$11,800.00</u>	<u>\$12,200.00</u>	<u>\$12,600.00</u>

- Minor equipment purchases are purchases of road machinery and road equipment with varying yearly costs that are less than or equal to the amounts indicated below:

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>\$11,500.00</u>	<u>\$11,800.00</u>	<u>\$12,200.00</u>	<u>\$12,600.00</u>

- Agility projects are exchanges of services with the Department of Transportation.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

Section 2 of Form MS-965 With Adjustments provides information on the fund balance. Categories requiring explanation include:

- The state allocation is available from the Department of Transportation in March of each year. The amount the municipality receives is based half on its population and half on its road mileage.
- Municipalities that transferred roads from the Commonwealth of Pennsylvania to the municipality through the Highway Transfer Program receive annual turnback allocations in March of each year from the Department of Transportation. Turnback allocations are based on the mileage of the roads transferred.
- Expenditures include the total transferred from Section 1.

Section 3 of Form MS-965 With Adjustments determines if the municipality expended Liquid Fuels Tax Fund money in excess of the permissible amount for equipment and the balance that the municipality may carry forward for the purchase of equipment to the subsequent year.

Department of Transportation *Publication 9* requires that the amount expended for equipment purchases in a given year not exceed the sum of the equipment balance carried forward from the previous year and 20 percent of the current year's Liquid Fuels Tax Fund allocation and, if applicable, 20 percent of the turnback allocation plus other Department of Transportation approved adjustments.

If the municipality spent in excess of the amount listed on Line 4, the excess must be reimbursed to the Liquid Fuels Tax Fund.

The equipment balance to be carried forward for the subsequent year is the lesser of the amount on Line 6 or the ending fund balance on Line 6 of Section 2, but not less than zero.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

Basis of Presentation

The financial activities of the municipality are accounted for in separate funds. The Liquid Fuels Tax Fund is used to account for state aid revenues from the Pennsylvania Department of Transportation used primarily for building and improving local roads and bridges. The Form MS-965 has been prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Transportation as a result of the Fuels Tax Act 655, dated 1956 and as amended, which does not constitute a complete presentation of the entity's assets, liabilities, expenses, and fund balance. Accordingly, the presentation of Form MS-965 With Adjustments is restricted to the Liquid Fuels Tax Fund, which represents a segment of the entity.

Basis Of Accounting

The accompanying Forms MS-965 With Adjustments is prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Transportation. Under this method, revenues are recognized when received and expenditures are recorded when paid.

General Fixed Assets

General fixed assets are recognized as expenditures at the time of purchase. No depreciation has been provided on the heavy equipment used to maintain and repair roads and bridges.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ 16,714.37	\$ (663.34)	\$ 16,051.03
Computer/Computer related training	-	-	-
Major equipment purchases	394,126.88	-	394,126.88
Agility projects	-	-	-
Cleaning streets and gutters	122,745.32	-	122,745.32
Winter maintenance services	293,778.26	-	293,778.26
Traffic control devices	333,673.11	-	333,673.11
Street lighting	378,188.92	-	378,188.92
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	-	-	-
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 1,539,226.86</u>	<u>\$ (663.34)</u>	<u>\$ 1,538,563.52</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

<u>Fund Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Balance, January 1, 2022	\$ 2,041,338.49	\$ -	\$ 2,041,338.49
Receipts:			
2. State allocation	1,565,866.71	-	1,565,866.71
2a. Turnback allocation	37,080.00	-	37,080.00
2b. Interest on investments	34,383.85	-	34,383.85
2c. Miscellaneous	134,058.45	(663.34)	133,395.11
3. Total receipts	1,771,389.01	(663.34)	1,770,725.67
4. Total funds available	3,812,727.50	(663.34)	3,812,064.16
5. Expenditures (Section 1)	1,539,226.86	(663.34)	1,538,563.52
6. Balance, December 31, 2022	<u>\$ 2,273,500.64</u>	<u>\$ -</u>	<u>\$ 2,273,500.64</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

<u>Equipment Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Prior year equipment balance	\$ 192,376.25	\$ -	\$ 192,376.25
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	320,589.34	-	320,589.34
3. PENNDOT approved adjustments	<u>-</u>	<u>43,600.00</u>	<u>43,600.00</u>
4. Total funds available for equipment acquisition	512,965.59	43,600.00	556,565.59
5. Less: Major equipment expenditures	<u>394,126.88</u>	<u>-</u>	<u>394,126.88</u>
6. Remainder	<u>118,838.71</u>	<u>43,600.00</u>	<u>162,438.71</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 118,838.71</u>	<u>\$ 43,600.00</u>	<u>\$ 162,438.71</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ 30,102.03	\$ -	\$ 30,102.03
Computer/Computer related training	29,506.90	(27,960.00)	1,546.90
Major equipment purchases	404,102.00	-	404,102.00
Agility projects	-	-	-
Cleaning streets and gutters	242,909.88	-	242,909.88
Winter maintenance services	111,425.28	-	111,425.28
Traffic control devices	460,357.81	27,922.05	488,279.86
Street lighting	369,067.83	-	369,067.83
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	-	-	-
Highway construction and rebuilding projects	10,852.91	-	10,852.91
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 1,658,324.64</u>	<u>\$ (37.95)</u>	<u>\$ 1,658,286.69</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

<u>Fund Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Balance, January 1, 2023	\$ 2,273,500.64	\$ -	\$ 2,273,500.64
Receipts:			
2. State allocation	1,609,707.81	-	1,609,707.81
2a. Turnback allocation	37,080.00	-	37,080.00
2b. Interest on investments	125,028.77	-	125,028.77
2c. Miscellaneous	51,735.46	(37.95)	51,697.51
3. Total receipts	1,823,552.04	(37.95)	1,823,514.09
4. Total funds available	4,097,052.68	(37.95)	4,097,014.73
5. Expenditures (Section 1)	1,658,324.64	(37.95)	1,658,286.69
6. Balance, December 31, 2023	<u>\$ 2,438,728.04</u>	<u>\$ -</u>	<u>\$ 2,438,728.04</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

<u>Equipment Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Prior year equipment balance	\$ 118,838.71	\$ 43,600.00	\$ 162,438.71
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	329,357.56	-	329,357.56
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	448,196.27	43,600.00	491,796.27
5. Less: Major equipment expenditures	<u>404,102.00</u>	<u>-</u>	<u>404,102.00</u>
6. Remainder	<u>44,094.27</u>	<u>43,600.00</u>	<u>87,694.27</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 44,094.27</u>	<u>\$ 43,600.00</u>	<u>\$ 87,694.27</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ 18,593.19	\$ -	\$ 18,593.19
Computer/Computer related training	-	-	-
Major equipment purchases	398,679.98	-	398,679.98
Agility projects	-	-	-
Cleaning streets and gutters	65,826.09	-	65,826.09
Winter maintenance services	273,689.10	-	273,689.10
Traffic control devices	348,138.13	(1,652.94)	346,485.19
Street lighting	360,340.57	-	360,340.57
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	-	-	-
Highway construction and rebuilding projects	151,256.29	-	151,256.29
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 1,616,523.35</u>	<u>\$ (1,652.94)</u>	<u>\$ 1,614,870.41</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

<u>Fund Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Balance, January 1, 2024	\$ 2,438,728.04	\$ -	\$ 2,438,728.04
Receipts:			
2. State allocation	1,603,761.21	-	1,603,761.21
2a. Turnback allocation	37,080.00	-	37,080.00
2b. Interest on investments	131,056.90	-	131,056.90
2c. Miscellaneous	<u>1,972.78</u>	<u>(1,652.94)</u>	<u>319.84</u>
3. Total receipts	<u>1,773,870.89</u>	<u>(1,652.94)</u>	<u>1,772,217.95</u>
4. Total funds available	<u>4,212,598.93</u>	<u>(1,652.94)</u>	<u>4,210,945.99</u>
5. Expenditures (Section 1)	<u>1,616,523.35</u>	<u>(1,652.94)</u>	<u>1,614,870.41</u>
6. Balance, December 31, 2024	<u><u>\$ 2,596,075.58</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,596,075.58</u></u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

<u>Equipment Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Prior year equipment balance	\$ 44,094.27	\$ 43,600.00	\$ 87,694.27
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	328,168.24	-	328,168.24
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	372,262.51	43,600.00	415,862.51
5. Less: Major equipment expenditures	<u>398,679.98</u>	<u>-</u>	<u>398,679.98</u>
6. Remainder	<u>(26,417.47)</u>	<u>43,600.00</u>	<u>17,182.53</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ -</u>	<u>\$ 17,182.53</u>	<u>\$ 17,182.53</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

The following information relates to certain types of transactions for which the Pennsylvania Department of Transportation requested that we provide additional detail.

Adjustments

2022 - Section 1

An adjustment of \$(663.34) was made to “Minor equipment purchases” because check No. 72878 was voided but was included as an expenditure.

2022 - Section 2

An adjustment of \$(663.34) was made to “Miscellaneous” because voided check No. 72878 was incorrectly reported as a receipt.

2022 - Section 3

An adjustment of \$43,600.00 was made to “PENNDOT approved adjustments” because the proceeds from the sale of equipment were not reposted as an approved adjustment.

2023 - Section 1

An adjustment of \$(27,960.00) was made to “Computer/Computer related training” because these expenditures for traffic control devices were misclassified.

An adjustment of \$27,922.05 was made to “Traffic control devices” because \$27,960.00 of these expenditures were misclassified as computer/computer related training and check No. 83433 for \$37.95 was voided but was included as an expenditure.

2023 - Section 2

An adjustment of \$(37.95) was made to “Miscellaneous” because voided check No. 83433 was incorrectly reported as a receipt.

2023 - Section 3

An adjustment of \$43,600.00 was made to “Prior year equipment balance” to reflect the adjustment made to the equipment balance in 2022 - Section 3.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Adjustments (Continued)

2024 - Section 1

An adjustment of \$(1,652.94) was made to "Traffic control devices" because check No. 86840 was voided but was included as an expenditure.

2024 - Section 2

An adjustment of \$(1,652.94) was made to "Miscellaneous" because voided check No. 86840 was incorrectly reported as a receipt.

2024 - Section 3

An adjustment of \$43,600.00 was made to "Prior year equipment balance" to reflect the adjustment made to the equipment balance in 2023 - Section 3.

Miscellaneous Receipts

The following miscellaneous receipts were deposited into the Liquid Fuels Tax Fund during the examination period:

Source	Description	2022	2023	2024
Insurance companies	Reimbursement for damages	\$ 76,642.73	\$31,091.89	\$ -
Jenkintown Borough	Reimbursement for damages	1,801.00	349.00	-
Local business	Sale of equipment	43,680.00	-	-
Cheltenham Township	Reimbursement for damages	948.00	-	-
Rockledge Borough	Reimbursement for damages	150.00	-	-
Abington School District	Reimbursement for services rendered	1,163.80	-	-
General Fund	Reimbursement (Summary Of Prior Examination Recommendations)	1,150.00	-	-
Local business	Reimbursement for damages	7,859.58	-	-
General Fund	Payment in error	-	13,768.00	-
General Fund	Correction of transfer in error	-	5,255.00	53.91
General Fund	Transfer in error	-	1,233.62	-
Vendor	Correction of duplicate payment	-	-	265.93
Totals		<u>\$133,395.11</u>	<u>\$51,697.51</u>	<u>\$319.84</u>

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Payment In Error

On November 29, 2023, the municipality expended \$13,768.00 from its Liquid Fuels Tax Fund for engineering services in error. On November 30, 2023, the municipality transferred this amount from its General Fund to its Liquid Fuels Tax Fund to correct the payment in error.

Transfers In Error

On December 7, 2023, the municipality transferred \$5,255.00 from its Liquid Fuels Tax Fund to its General Fund in error. On December 14, 2023, the municipality transferred this amount from its General Fund to its Liquid Fuels Tax Fund to correct the transfer in error.

On December 15, 2023, the municipality transferred \$1,233.62 from its General Fund to its Liquid Fuels Tax Fund in error. As of the date of the onsite closeout meeting of this examination of April 23, 2025, \$1,233.62 remained due to the General Fund.

On February 10, 2024, the municipality transferred \$29.38 from its Liquid Fuels Tax Fund to its General Fund in error. On February 29, 2024, the municipality transferred this amount from its General Fund to its Liquid Fuels Tax Fund to correct the transfer in error.

On April 7, 2024, the municipality transferred \$12.25 from its Liquid Fuels Tax Fund to its General Fund in error. On April 30, 2024, the municipality transferred this amount from its General Fund to its Liquid Fuels Tax Fund to correct the transfer in error.

On May 2, 2024, the municipality transferred \$12.28 from its Liquid Fuels Tax Fund to its General Fund in error. On May 31, 2024, the municipality transferred this amount from its General Fund to its Liquid Fuels Tax Fund to correct the transfer in error.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding - Failure To Timely Submit Final Completion Reports

Our examination disclosed that the municipality failed to submit timely completion reports for projects totaling \$151,350.90. Specifically, the municipality expended \$149,659.84 for project No. 23-46101-002 and \$1,691.06 for project No. 24-46101-001. Final payments were made on these projects on June 12, 2024, and June 26, 2024, respectively, but Final Completion Report Forms MS-999 were not filed with the Department of Transportation as of the date of the onsite closeout meeting of this examination of April 23, 2025.

The Department of Transportation's *Publication 9* outlines the policies and procedures for the administration of the Liquid Fuels Tax Fund. *Publication 9*, Chapter Two, Section 2.8, states, in relevant part:

9. Upon completion of the project, local officials shall complete Form MS-999, Project Completion Report, and submit this form to the Municipal Services Representatives...The MS-999 must reflect actual quantities used and the total cost of the project. It shall also indicate the distribution of costs to the approved funding sources for the project.

The municipality did not have sufficient internal controls to provide assurance that final completion reports are submitted timely.

Because the municipality failed to file a Final Completion Report, we were unable to determine if the projects were completed to the satisfaction of the Department of Transportation. Additionally, we were unable to determine if the municipality expended the approved amount of Liquid Fuels Tax Fund money on the projects.

Recommendations

We recommend that the municipality reimburse \$151,350.90 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

Additionally, we recommend that the municipality submit a completed Form MS-999 to the Department of Transportation for each project and ensure completed Forms MS-999 are submitted to the Department of Transportation in the future as required.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding - Failure To Timely Submit Final Completion Reports (Continued)

Management's Response

The municipal officials offered no formal response at this time.

Auditor's Conclusion

During our next examination, we will determine if the municipality complied with our recommendations.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Summary Of Prior Examination Recommendations

In our prior report, we recommended that the Department of Transportation review our examination finding to determine if the municipality should reimburse \$1,150.00 to its Liquid Fuels Tax Fund for expending over \$1,000.00 per year for computer hardware, software, and/or training from the Liquid Fuels Tax Fund.

During our current examination, we reviewed a letter dated March 14, 2023, from the Department of Transportation directing the municipality to reimburse \$1,150.00 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed its Liquid Fuels Tax Fund on December 31, 2022.

In our prior report, we also recommended that the municipality expend only up to \$1,000.00 per year for computer hardware, software, and/or training from its Liquid Fuels Tax Fund.

During our current examination, we noted that the municipality complied with our recommendations.

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF ONSITE CLOSEOUT MEETING
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

An onsite closeout meeting was held April 23, 2025. Those participating were:

TOWNSHIP OF ABINGTON

Ms. Jeanette Hermann, Finance Director

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Hayden MacKay, Auditor

TOWNSHIP OF ABINGTON
MONTGOMERY COUNTY
LIQUID FUELS TAX FUND
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

This report was initially distributed to:

The Honorable Michael Carroll
Secretary
Department of Transportation

Township of Abington
Montgomery County
1176 Old York Road
Abington, PA 19001

The Honorable Thomas Hecker
President of the Board of Commissioners

Ms. Jeanette Hermann
Finance Director

Ms. Linda Mauro
Financial Assistant

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