

ATTESTATION ENGAGEMENT

Chester County
Pennsylvania
15-000

Liquid Fuels Tax Fund,
Act 44 Tax Fund,
Act 89 Tax Fund and
County Fee For Local Use Fund
For the Period
January 1, 2018 to December 31, 2022

February 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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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 examined the accompanying Forms MS-991 With Adjustments for the Liquid Fuels Tax Fund, the Reports of Act 44 and Act 89 Tax Funds With Adjustments, and the Reports of County Fee For Local Use Funds With Adjustments of Chester County for the period January 1, 2018 to December 31, 2022 (Forms). The county's management is responsible for presenting the Forms 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 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 are presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the Forms. 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 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.

Independent Auditor's Report (Continued)

As discussed in the Findings And Recommendations section of this report:

- The county transferred \$112,890.83 from its County Fee For Local Use Fund to the Capital Reserve, Fund 301, for engineering services on December 31, 2020, for an invoice that was paid from the Capital Reserve Fund February 5, 2019, which is a retroactive expenditure (see Finding No. 2).
- During 2022, the county expended \$65,936.00 from its Liquid Fuels Tax Fund for bridge repairs without the approval of the Department of Transportation (see Finding No. 3).
- During 2021, the county expended \$2,160.00 from its Liquid Fuel Tax Fund in excess of the approved amount for road project No. 21-15000-001 (see Finding No. 4).

In our opinion, except for the bulleted matters discussed above, the Forms present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund, the Act 44 Tax Fund, the Act 89 Tax Fund, and the County Fee For Local Use Fund of Chester County for the period January 1, 2018 to December 31, 2022, 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 or regulations that have a material effect on the Forms; any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements; and abuse that has a material effect on the Forms. 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 are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Forms or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control was for the limited purpose of expressing an opinion on whether the Forms are presented in accordance with the criteria described above 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 described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

Independent Auditor's Report (Continued)

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 Forms will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency below to be a material weakness:

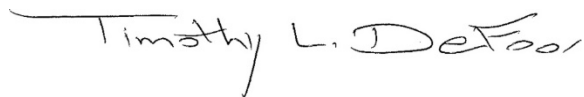
- Duplicate Payment Of Invoice.

As part of obtaining reasonable assurance about whether the Forms are free from material misstatement, we performed tests of Chester County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of amounts on the Forms. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported under *Government Auditing Standards*:

- Retroactive Expenditure.
- Failure To Obtain Project Approval.
- Liquid Fuels Money Over Expended On Project.
- Nonpermissible Expenditure.

The purpose of this report is to determine whether the county's Liquid Fuels Tax Fund, Act 44 Tax Fund, Act 89 Tax Fund, and County Fee for Local Use Fund money is spent in accordance with the laws and regulations identified in the Background section of this report and the Department of Transportation's *Publication 9*. This report is not suitable for any other purpose.

We appreciate the courtesy extended by Chester 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
December 3, 2024

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CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background

The Vehicle Code makes provisions and provides funding for the County Liquid Fuels, Act 44, Act 89, and County Fee For Local Use Programs. The Pennsylvania Department of Transportation has regulatory administration and oversight of the funds supporting these county programs. Counties are required to comply with those provisions and to report annually.

The Vehicle Code imposes a state tax on liquid fuels and fuels used or sold and delivered by distributors within the Commonwealth (75 Pa. C.S. § 9004(a)). One-half cent of the tax collected on each gallon of liquid fuels is deposited in the Commonwealth's Liquid Fuels Tax Fund. *The Vehicle Code* further provides for the disposition and use of this tax, including the allocations to counties in June and December of each year to fund construction, reconstruction, maintenance and repair of county roads, streets and bridges. The allocation to the respective counties is made in the ratio that the average amount returned to each county during the three preceding years bears to the average amount returned to all counties during the three preceding years (75 Pa C.S. § 9010).

The Vehicle Code, as amended by Act 44 of 2007 (July 18, 2007, P.L.169) and Act 89 of 2013 (November 25, 2013, P.L. 169), provides the Pennsylvania Department of Transportation with oversight authority of the Act 44 funds distributed to the counties from the Commonwealth's Motor License Fund (75 Pa. C.S. § 8915.6(b)(2) and as of July 1, 2014 § 9301(b)). The annual distribution to counties is determined based upon the ratio of square footage of deck area of a county's county-owned bridges to the total square footage of deck area of county-owned bridges throughout the Commonwealth. The reporting of the square footage of deck area of a county's county-owned bridges is required as part of the National Bridge Inspection Standards Program.

The Vehicle Code, as amended by Act 89 of 2013 (November 25, 2013, P.L. 974, No.89) provides for semi-annual allocations to all counties that own public bridges (75 Pa. C.S. § 9502(a)(2)(iv)). These allocations are made on the first business day of June and December each year. The Commonwealth allocates the funds available through Act 89 to counties based upon the ratio of square footage of deck area of a county's county-owned bridges to the total square footage of deck area of county-owned bridges throughout the Commonwealth. The reporting of the square footage of deck area of a county's county-owned bridges is required as part of the National Bridge Inspection Standards Program.

The Vehicle Code, as amended by Act 89 of 2013 (November 25, 2013, P.L. 974, No.89), permits counties to impose a \$5 fee for local use on nonexempt vehicles registered to an address located in the county (75 Pa. C.S. § 1935 (b)). This fee is collected by the Department of Transportation and is distributed to counties that impose the fee on the first business day of June and December each year.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

Criteria

A. *The Vehicle Code* prescribes criteria for liquid fuels program funds (75 Pa C.S. § 9010). The Pennsylvania Department of Transportation's *Publication 9* provides more specific policies and procedures to counties for the administration and reporting of the liquid fuels program funds. In the event of any discrepancies between the two, the legislation governs.

(1) Funds received by the counties must be deposited in a special fund designated as the County Liquid Fuels Tax Fund and no other money may be deposited and commingled. Money should be invested to earn interest until expended.

- For purposes of payments under (2), below, the county may borrow and place in the special fund money not in excess of the liquid fuels tax funds to be received during the current calendar year.

(2) Payments from the special fund may be used for:

- Construction, reconstruction, maintenance and repair of roads, highways, bridges and curb ramps from a road or highway to provide for access by individuals with disabilities consistent with Federal and State law.
- Costs of property damages resulting from road and/or bridge construction, reconstruction, or maintenance; and compensation of viewers for services in eminent domain proceedings involving roads, highways, and bridges.
- Ferryboat operations, where applicable.
- Interest and principal payments on road or bridge loans and bonds or sinking fund charges for such bonds becoming due within that current calendar year.
- Acquisition, maintenance, repair, electrification, and operation of traffic signs and traffic signal control systems at intersections and/or railroad crossings.
- Erection of street name signs, traffic directing signs, and traffic control systems.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

- Administrative costs, including benefits, overhead, and other administrative charges for those county employees directly engaged in eligible projects, not to exceed 10 percent of the yearly allocation to the county.
 - Indirect engineering and transportation planning costs, not to exceed 10 percent of the yearly allocation to the county.
 - Other items as permitted by Department of Transportation Publications.
- (3) Counties may not make expenditures from the special fund for new construction on roads, bridges, curb ramps, or publicly owned ferryboat operations without the approval of the plans for construction by the Pennsylvania Department of Transportation. Additionally, counties may not allocate money from the special fund to political subdivisions within the county until the application and the contracts or plans for the proposed expenditures have been made on a form prescribed by the Pennsylvania Department of Transportation.
- (4) Counties may encumber current funds for future road and bridge construction, reconstruction, and maintenance projects including viable municipal projects. Counties must redistribute any unencumbered balance in the special fund to political subdivisions if the unencumbered balance is more than the county's receipts during the preceding twelve month period.
- (5) Counties must submit a report to the Pennsylvania Department of Transportation by January 31 for the period ending December 31 on prescribed Form MS-991, The Report of County Liquid Fuels Tax Fund, showing the receipts and expenditures of the money received by the county from the Commonwealth. Upon failure to file the report or instances of any non-compliant payments, allocations, or expenditures, the Pennsylvania Department of Transportation may withhold further funding until the delinquent report is filed, the money is allocated, or the expenditures for the prior 12 months are approved.
- B. *The Vehicle Code*, as amended by Act 44 of 2007 (July 18, 2007, P.L. 169) and Act 89 of 2013 (November 25, 2013, P.L. 169), prescribes the Pennsylvania Department of Transportation with oversight authority of the Act 44 funds distributed to the counties from the Commonwealth's Motor License Fund. The County's Act 44 Tax Fund is used to account for the distribution made to the county from the Department of Transportation and the payments made for construction and maintenance of county-owned bridges.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

(1) Funds received by the counties must be deposited in a special fund designated as the County Act 44 Fund and no other money may be deposited and commingled. (Note: Act 44 and Act 89 Funds may be deposited in a single account. However, the county must account for these funds independently for auditing). Money should be invested to earn interest until expended.

- For purposes of payments under (2), below, the county may borrow and place in the special fund money not in excess of the Act 44 Tax Fund money to be received during the current calendar year.

(2) Payments from the special fund may be used for:

- Construction, reconstruction, maintenance, and repair of public bridges for which the county is legally responsible.
- Interest and principal payments on bridge loans and bonds or sinking fund charges for such bonds becoming due within that current calendar year.
- County Engineer's salary and benefit costs for bridge work (that portion of the total calculated to be relevant to bridge work only).
- Engineering fees related to bridge work (fees in excess of 10% of the total contract price must be documented and justified to the satisfaction of the District Municipal Services Office).
- Liability insurance for bridge equipment and vehicles when the named beneficiary is the entity's Act 44 Fund.
- Inspection costs associated with bridges.
- Purchase of right-of-way for bridge construction, reconstruction, or maintenance.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

- (3) For bridge maintenance/preservation activities, the county must confer with a District Municipal Services Representative to determine if Department of Transportation approval is required. All rehabilitations, replacements or any other work that affects the carrying capacity of the structure or the waterway areas requires the approval of the Department of Transportation.
- (4) In order to receive Act 44 funds as scheduled, each county must submit an annual report showing the receipts and expenditures for the preceding 12 months. The use of the funds must be in compliance with the Act. Failure to do so may result in the county's not receiving allocations until such deficiencies are resolved.

C. *The Vehicle Code*, as amended by Act 89 of 2013 (November 25, 2013, P.L. 169), prescribes the Pennsylvania Department of Transportation with oversight authority of the Act 89 funds distributed to the counties from the Department of Transportation. The County's Act 89 Tax Fund is used to account for the distribution made to the county from the Department of Transportation and the payments made for construction and maintenance of county-owned bridges.

- (1) Funds received by the counties must be deposited in a special fund designated as the County Act 89 Fund and no other money may be deposited and commingled. (Note: Act 89 and Act 44 Funds may be deposited in a single account. However, the county must account for these funds independently for auditing). Money should be invested to earn interest until expended.
 - For purposes of payments under (2), below, the county may borrow and place in the special fund money not in excess of the Act 89 Tax Fund money to be received during the current calendar year.
- (2) Payments from the special fund may be used for:
 - Construction, reconstruction, maintenance, and repair of public bridges for which the county is legally responsible.
 - Interest and principal payments on bridge loans and bonds or sinking fund charges for such bonds becoming due within that current calendar year.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

- County Engineer's salary and benefit costs for bridge work (that portion of the total calculated to be relevant to bridge work only).
 - Engineering fees related to bridge work (fees in excess of 10% of the total contract price must be documented and justified to the satisfaction of the District Municipal Services Office).
 - Liability insurance for bridge equipment and vehicles when the named beneficiary is the entity's Act 89 Fund.
 - Inspection costs associated with bridges.
 - Purchase of right-of-way for bridge construction, reconstruction, or maintenance.
- (3) For bridge maintenance/preservation activities, the county must confer with a District Municipal Services Representative to determine if Department of Transportation approval is required. All rehabilitations, replacements or any other work that affects the carrying capacity of the structure or the waterway areas requires the approval of the Department of Transportation.
- (4) In order to receive Act 89 funds as scheduled, each county must submit an annual report showing the receipts and expenditures for the preceding 12 months. The use of the funds must be in compliance with the Act. Failure to do so may result in the county's not receiving allocations until such deficiencies are resolved.
- D. *The Vehicle Code*, as amended by Act 89 of 2013 (November 25, 2013, P.L. 169), prescribes the Pennsylvania Department of Transportation with oversight authority of the County Fee for Local Use funds distributed to the counties from the Department of Transportation. The County Fee for Local Use Fund is used to account for the distribution made to the county from the Department of Transportation and the payments made for construction and maintenance of county-owned bridges.
- (1) Funds received by the counties must be deposited in a special fund. No other money may be deposited and commingled in this fund. Money should be invested to earn interest until expended.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

(2) Payments from the special fund may be used for:

- Construction, reconstruction, maintenance, and repair of public roads/streets, or bridges for which the county is legally responsible including a roadway open to the use of the public for vehicular traffic on the grounds of a college or university, public or private school, or public or historical park.
- Curb ramps to provide for access by individuals with disabilities in accordance with the Americans with Disabilities Act (ADA) and Department of Transportation Standards.
- Costs of property damages resulting from road and/or bridge construction, reconstruction or maintenance and compensation of viewers for services in eminent domain proceedings involving roads, highways, and bridges.
- Ferry boat operations, where applicable.
- Acquisition, maintenance, repair, electrification, and operation of traffic signs and traffic signal control systems at intersections and or railroad crossings.
- Erection of street name signs, traffic directing signs, and traffic control systems.
- Administrative costs, including benefits, overhead, and other administrative charges for those county employees directly engaged in eligible projects, not to exceed 10 percent of the yearly allocation to the county.
- Indirect engineering and transportation planning costs, not to exceed 10 percent of the yearly allocation to the county.
- Transportation related safety studies or safety projects on public highways.
- The construction of sound walls if included in a highway project as a mitigation measure for environmental purposes and all warrants are met.
- Other expenditures determined, on a case-by-case basis, to be consistent with the requirements and restrictions of Article 8, Section 11 of the Pennsylvania Constitution.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

- (3) Counties may not make expenditures from the special fund for new construction on roads, bridges, curb ramps, or publicly owned ferryboat operations without the approval of the plans for construction by the Pennsylvania Department of Transportation.
- (4) Each county that has adopted a fee for local use ordinance must submit a set of annual reports showing the receipts and expenditures of all fee for local use funds received from the Commonwealth on forms supplied by the Center for Program Development and Management.

Basis Of Presentation

In accordance with reporting requirements prescribed by the Pennsylvania Department of Transportation, the Forms do not constitute complete financial presentations of the county's assets, liabilities, expenses, and fund balance but include the receipts, expenditures, and fund balances of the County Liquid Fuels Tax Fund, the County Act 44, Act 89 Tax Funds, and the County Fee For Local Use Fund, respectively.

The Pennsylvania Department of Transportation prescribes that the county report the following on the Form MS-991, *Report of County Liquid Fuels Tax Fund*:

- A. The balance in the County Liquid Fuels Tax Fund at the beginning of the report calendar year.
- B. Receipts which must be itemized and include the County's Liquid Fuels Tax Fund allocations, interest, reimbursable agreements, and miscellaneous items such as loans, sale of salvageable material, and damage claims to road or bridge property.
- C. Accounts receivable (to be realized within 60 days of the year end).
- D. Total Liquid Fuels Tax funds available for expenditure and encumbrances.
- E. Expenditures for county-owned roads, highways, and bridges.
- F. Accounts payable (accrued wages, accrued payroll taxes, and accounts payable vendors to be realized within 60 days of the year end).

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

- G. The balance in the fund at the close of the report calendar year.
- H. Encumbered and unpaid county aid as of the close of the report calendar year.
- I. Encumbered and unencumbered balances on hand at the close of the report calendar year.

The Pennsylvania Department of Transportation prescribes that the county report the following on the Reports Of Act 44 Tax Fund and Act 89 Tax Fund:

- A. The balance in the County Act 44 and Act 89 Tax Fund at the beginning of the report calendar year.
- B. Receipts which must be itemized and include the County's Act 44 and Act 89 allocations, interest, reimbursable agreements, and miscellaneous items such as loans, sale of salvageable material, and damage claims to road or bridge property.
- C. Total Act 44 and Act 89 funds available for expenditure.
- D. Expenditures for county-owned bridges.
- E. The balance in the fund at the close of the report calendar year.

The Pennsylvania Department of Transportation prescribes that the county report the following on the Reports of County Fee For Local Use Funds:

- A. The balance in the County Fee For Local Use Fund at the beginning of the report calendar year.
- B. Receipts which must be itemized and include the County's Fee For Local Use Fund allocations, interest, reimbursable agreements, and miscellaneous items such as loans, sale of salvageable material, and damage claims to road or bridge property.
- C. Total County Fee For Local Use funds available for expenditure.
- D. Expenditures.
- E. The balance in the fund at the close of the report calendar year.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

Basis Of Accounting

The accompanying Forms are 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.

CHESTER COUNTY
LIQUID FUELS TAX FUND
2018 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Actual balance in county Liquid Fuels Tax Fund on January 1, 2018	\$ 237,321.92	\$ -	\$ 237,321.92
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	622,480.64	-	622,480.64
Interest	3,285.91	-	3,285.91
Reimbursable agreements	189,210.94	-	189,210.94
Miscellaneous	62,709.00	-	62,709.00
Total receipts	<u>877,686.49</u>	<u>-</u>	<u>877,686.49</u>
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	<u>1,115,008.41</u>	<u>-</u>	<u>1,115,008.41</u>
<u>Expenditures:</u>			
Administrative	62,248.06	-	62,248.06
Minor equipment purchases	-	-	-
County aid payments	-	-	-
Major equipment expenditures	-	-	-
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	697,144.44	-	697,144.44
Highway construction and rebuilding projects	20,037.50	-	20,037.50
Miscellaneous	-	-	-
Total expenditures	<u>779,430.00</u>	<u>-</u>	<u>779,430.00</u>
Remaining funds available as of December 31, 2018	<u>\$ 335,578.41</u>	<u>\$ -</u>	<u>\$ 335,578.41</u>

CHESTER COUNTY
LIQUID FUELS TAX FUND
2018 FORM MS-991 WITH ADJUSTMENTS

2018 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Unpaid encumbrances	-	-	-
Unpaid county aid grants	-	-	-
Total approved future year receipts and expenditures	-	-	-
Year end balance available for future years as of December 31, 2018	\$ 335,578.41	\$ -	\$ 335,578.41

CHESTER COUNTY
LIQUID FUELS TAX FUND
2019 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Actual balance in county Liquid Fuels Tax Fund on January 1, 2019	\$ 335,578.41	\$ -	\$ 335,578.41
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	615,893.03	-	615,893.03
Interest	3,605.58	-	3,605.58
Reimbursable agreements	163,327.12	-	163,327.12
Miscellaneous	1,152.81	-	1,152.81
Total receipts	<u>783,978.54</u>	<u>-</u>	<u>783,978.54</u>
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	<u>1,119,556.95</u>	<u>-</u>	<u>1,119,556.95</u>
<u>Expenditures:</u>			
Administrative	61,589.30	-	61,589.30
Minor equipment purchases	-	-	-
County aid payments	-	-	-
Major equipment expenditures	-	-	-
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	855,535.57	-	855,535.57
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>917,124.87</u>	<u>-</u>	<u>917,124.87</u>
Remaining funds available as of December 31, 2019	<u>\$ 202,432.08</u>	<u>\$ -</u>	<u>\$ 202,432.08</u>

CHESTER COUNTY
LIQUID FUELS TAX FUND
2019 FORM MS-991 WITH ADJUSTMENTS

2019 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Unpaid encumbrances	-	-	-
Unpaid county aid grants	-	-	-
	-	-	-
 Total approved future year receipts and expenditures	 -	 -	 -
 Year end balance available for future years as of December 31, 2019	 \$ 202,432.08	 \$ -	 \$ 202,432.08
	\$ 202,432.08	\$ -	\$ 202,432.08

CHESTER COUNTY
LIQUID FUELS TAX FUND
2020 FORM MS-991 WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Actual balance in county Liquid Fuels Tax Fund on January 1, 2020	\$ 202,432.08	\$ -	\$ 202,432.08
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	535,891.05	-	535,891.05
Interest	652.92	-	652.92
Reimbursable agreements	157,002.93	-	157,002.93
Miscellaneous	13,368.43	-	13,368.43
	706,915.33	-	706,915.33
Total receipts	706,915.33	-	706,915.33
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	909,347.41	-	909,347.41
<u>Expenditures:</u>			
Administrative	53,589.11	-	53,589.11
Minor equipment purchases	-	-	-
County aid payments	-	-	-
Major equipment expenditures	-	-	-
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	630,945.52	-	630,945.52
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
	684,534.63	-	684,534.63
Total expenditures	684,534.63	-	684,534.63
Remaining funds available as of December 31, 2020	\$ 224,812.78	\$ -	\$ 224,812.78

CHESTER COUNTY
LIQUID FUELS TAX FUND
2020 FORM MS-991 WITH ADJUSTMENTS

2020 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Unpaid encumbrances	-	-	-
Unpaid county aid grants	-	-	-
	-	-	-
 Total approved future year receipts and expenditures	 -	 -	 -
 Year end balance available for future years as of December 31, 2020	 \$ 224,812.78	 \$ -	 \$ 224,812.78
	\$ 224,812.78	\$ -	\$ 224,812.78

CHESTER COUNTY
LIQUID FUELS TAX FUND
2021 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Actual balance in county Liquid Fuels Tax Fund on January 1, 2021	\$ 224,812.78	\$ -	\$ 224,812.78
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	537,583.80	-	537,583.80
Interest	201.45	-	201.45
Reimbursable agreements	156,242.55	-	156,242.55
Miscellaneous	324,011.99	-	324,011.99
Total receipts	<u>1,018,039.79</u>	<u>-</u>	<u>1,018,039.79</u>
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	<u>1,242,852.57</u>	<u>-</u>	<u>1,242,852.57</u>
<u>Expenditures:</u>			
Administrative	53,758.38	-	53,758.38
Minor equipment purchases	-	-	-
County aid payments	-	-	-
Major equipment expenditures	-	-	-
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	839,092.59	-	839,092.59
Highway construction and rebuilding projects	8,249.60	-	8,249.60
Miscellaneous	-	-	-
Total expenditures	<u>901,100.57</u>	<u>-</u>	<u>901,100.57</u>
Remaining funds available as of December 31, 2021	<u>\$ 341,752.00</u>	<u>\$ -</u>	<u>\$ 341,752.00</u>

CHESTER COUNTY
LIQUID FUELS TAX FUND
2021 FORM MS-991 WITH ADJUSTMENTS

2021 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Unpaid encumbrances	-	-	-
Unpaid county aid grants	-	-	-
	-	-	-
 Total approved future year receipts and expenditures	 -	 -	 -
 Year end balance available for future years as of December 31, 2021	 \$ 341,752.00	 \$ -	 \$ 341,752.00

CHESTER COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-991 WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Actual balance in county Liquid Fuels Tax Fund on January 1, 2022	\$ 341,752.00	\$ -	\$ 341,752.00
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	550,641.31	-	550,641.31
Interest	33.30	-	33.30
Reimbursable agreements	183,612.20	-	183,612.20
Miscellaneous	124,367.57	-	124,367.57
Total receipts	858,654.38	-	858,654.38
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	1,200,406.38	-	1,200,406.38
<u>Expenditures:</u>			
Administrative	55,064.13	-	55,064.13
Minor equipment purchases	-	-	-
County aid payments	-	-	-
Major equipment expenditures	-	-	-
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	1,078,279.21	-	1,078,279.21
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	1,133,343.34	-	1,133,343.34
Remaining funds available as of December 31, 2022	\$ 67,063.04	\$ -	\$ 67,063.04

CHESTER COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-991 WITH ADJUSTMENTS

2022 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Unpaid encumbrances	-	-	-
Unpaid county aid grants	-	-	-
	-	-	-
 Total approved future year receipts and expenditures	 -	 -	 -
 Year end balance available for future years as of December 31, 2022	 \$ 67,063.04	 \$ -	 \$ 67,063.04

CHESTER COUNTY
2018 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2018	\$ 12,297.18	\$ -	\$ 12,297.18
<u>Receipts:</u>			
Act 44 Funds	86,786.73	-	86,786.73
Interest	405.11	-	405.11
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>87,191.84</u>	<u>-</u>	<u>87,191.84</u>
Total funds available	<u>99,489.02</u>	<u>-</u>	<u>99,489.02</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	94,695.46	-	94,695.46
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>94,695.46</u>	<u>-</u>	<u>94,695.46</u>
Balance, December 31, 2018	<u>\$ 4,793.56</u>	<u>\$ -</u>	<u>\$ 4,793.56</u>

CHESTER COUNTY
2019 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2019	\$ 4,793.56	\$ -	\$ 4,793.56
<u>Receipts:</u>			
Act 44 Funds	86,786.73	-	86,786.73
Interest	507.83	-	507.83
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>87,294.56</u>	<u>-</u>	<u>87,294.56</u>
Total funds available	<u>92,088.12</u>	<u>-</u>	<u>92,088.12</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	73,947.21	-	73,947.21
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>73,947.21</u>	<u>-</u>	<u>73,947.21</u>
Balance, December 31, 2019	<u>\$ 18,140.91</u>	<u>\$ -</u>	<u>\$ 18,140.91</u>

CHESTER COUNTY
2020 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2020	\$ 18,140.91	\$ -	\$ 18,140.91
<u>Receipts:</u>			
Act 44 Funds	88,109.11	-	88,109.11
Interest	104.09	-	104.09
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>88,213.20</u>	<u>-</u>	<u>88,213.20</u>
Total funds available	<u>106,354.11</u>	<u>-</u>	<u>106,354.11</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	61,898.33	-	61,898.33
Highway Construction and Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>61,898.33</u>	<u>-</u>	<u>61,898.33</u>
Balance, December 31, 2020	<u>\$ 44,455.78</u>	<u>\$ -</u>	<u>\$ 44,455.78</u>

CHESTER COUNTY
2021 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2021	\$ 44,455.78	\$ -	\$ 44,455.78
<u>Receipts:</u>			
Act 44 Funds	88,227.57	-	88,227.57
Interest	32.59	-	32.59
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>88,260.16</u>	<u>-</u>	<u>88,260.16</u>
Total funds available	<u>132,715.94</u>	<u>-</u>	<u>132,715.94</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	104,443.99	-	104,443.99
Highway Construction and Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>104,443.99</u>	<u>-</u>	<u>104,443.99</u>
Balance, December 31, 2021	<u>\$ 28,271.95</u>	<u>\$ -</u>	<u>\$ 28,271.95</u>

CHESTER COUNTY
2022 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2022	\$ 28,271.95	\$ -	\$ 28,271.95
<u>Receipts:</u>			
Act 44 Funds	87,395.34	-	87,395.34
Interest	5.28	-	5.28
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>87,400.62</u>	<u>-</u>	<u>87,400.62</u>
Total funds available	<u>115,672.57</u>	<u>-</u>	<u>115,672.57</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	114,089.35	-	114,089.35
Highway Construction and Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>114,089.35</u>	<u>-</u>	<u>114,089.35</u>
Balance, December 31, 2022	<u>\$ 1,583.22</u>	<u>\$ -</u>	<u>\$ 1,583.22</u>

CHESTER COUNTY
2018 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2018	\$ 85,966.24	\$ -	\$ 85,966.24
<u>Receipts:</u>			
Act 89 Funds	177,116.43	-	177,116.43
Interest	810.22	-	810.22
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>177,926.65</u>	<u>-</u>	<u>177,926.65</u>
Total funds available	<u>263,892.89</u>	<u>-</u>	<u>263,892.89</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	185,403.66	-	185,403.66
Highway Construction and Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>185,403.66</u>	<u>-</u>	<u>185,403.66</u>
Balance, December 31, 2018	<u>\$ 78,489.23</u>	<u>\$ -</u>	<u>\$ 78,489.23</u>

CHESTER COUNTY
2019 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2019	\$ 78,489.23	\$ -	\$ 78,489.23
<u>Receipts:</u>			
Act 89 Funds	167,562.60	-	167,562.60
Interest	964.88	-	964.88
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>168,527.48</u>	<u>-</u>	<u>168,527.48</u>
Total funds available	<u>247,016.71</u>	<u>-</u>	<u>247,016.71</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	179,826.01	-	179,826.01
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>179,826.01</u>	<u>-</u>	<u>179,826.01</u>
Balance, December 31, 2019	<u>\$ 67,190.70</u>	<u>\$ -</u>	<u>\$ 67,190.70</u>

CHESTER COUNTY
2020 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2020	\$ 67,190.70	\$ -	\$ 67,190.70
<u>Receipts:</u>			
Act 89 Funds	156,340.48	-	156,340.48
Interest	189.25	-	189.25
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>156,529.73</u>	<u>-</u>	<u>156,529.73</u>
Total funds available	<u>223,720.43</u>	<u>-</u>	<u>223,720.43</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	212,397.89	-	212,397.89
Highway Construction and Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>212,397.89</u>	<u>-</u>	<u>212,397.89</u>
Balance, December 31, 2020	<u>\$ 11,322.54</u>	<u>\$ -</u>	<u>\$ 11,322.54</u>

CHESTER COUNTY
2021 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2021	\$ 11,322.54	\$ -	\$ 11,322.54
<u>Receipts:</u>			
Act 89 Funds	171,229.71	-	171,229.71
Interest	62.21	-	62.21
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>171,291.92</u>	<u>-</u>	<u>171,291.92</u>
Total funds available	<u>182,614.46</u>	<u>-</u>	<u>182,614.46</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	172,260.27	-	172,260.27
Highway Construction and Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>172,260.27</u>	<u>-</u>	<u>172,260.27</u>
Balance, December 31, 2021	<u>\$ 10,354.19</u>	<u>\$ -</u>	<u>\$ 10,354.19</u>

CHESTER COUNTY
2022 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2022	\$ 10,354.19	\$ -	\$ 10,354.19
<u>Receipts:</u>			
Act 89 Funds	164,979.29	-	164,979.29
Interest	9.98	-	9.98
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>164,989.27</u>	<u>-</u>	<u>164,989.27</u>
Total funds available	<u>175,343.46</u>	<u>-</u>	<u>175,343.46</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	174,719.22	-	174,719.22
Highway Construction and Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>174,719.22</u>	<u>-</u>	<u>174,719.22</u>
Balance, December 31, 2022	<u>\$ 624.24</u>	<u>\$ -</u>	<u>\$ 624.24</u>

CHESTER COUNTY
2018 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2018	\$ 3,276,688.30	\$ -	\$ 3,276,688.30
<u>Receipts:</u>			
Local Use Funds	2,041,780.00	-	2,041,780.00
Interest	38,407.07	-	38,407.07
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>2,080,187.07</u>	<u>-</u>	<u>2,080,187.07</u>
Total funds available	<u>5,356,875.37</u>	<u>-</u>	<u>5,356,875.37</u>
<u>Expenditures:</u>			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	-	-	-
County-Owned bridge construction	62,197.04	-	62,197.04
Administrative expenditures	-	-	-
Miscellaneous	-	-	-
Grants to political subdivisions	-	-	-
Total expenditures	<u>62,197.04</u>	<u>-</u>	<u>62,197.04</u>
Balance, December 31, 2018	<u><u>\$ 5,294,678.33</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,294,678.33</u></u>

CHESTER COUNTY
2019 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2019	\$ 5,294,678.33	\$ -	\$ 5,294,678.33
<u>Receipts:</u>			
Local Use Funds	2,405,115.00	-	2,405,115.00
Interest	44,086.80	-	44,086.80
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>2,449,201.80</u>	<u>-</u>	<u>2,449,201.80</u>
Total funds available	<u>7,743,880.13</u>	<u>-</u>	<u>7,743,880.13</u>
<u>Expenditures:</u>			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	-	-	-
County-Owned bridge construction	76,555.06	-	76,555.06
Administrative expenditures	-	-	-
Miscellaneous	-	-	-
Grants to political subdivisions	-	-	-
Total expenditures	<u>76,555.06</u>	<u>-</u>	<u>76,555.06</u>
Balance, December 31, 2019	<u><u>\$ 7,667,325.07</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,667,325.07</u></u>

CHESTER COUNTY
2020 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2020	\$ 7,667,325.07	\$ -	\$ 7,667,325.07
<u>Receipts:</u>			
Local Use Funds	2,373,935.00	-	2,373,935.00
Interest	37,142.81	-	37,142.81
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>2,411,077.81</u>	<u>-</u>	<u>2,411,077.81</u>
Total funds available	<u>10,078,402.88</u>	<u>-</u>	<u>10,078,402.88</u>
<u>Expenditures:</u>			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	16,436.15	-	16,436.15
County-Owned bridge construction	112,890.83	-	112,890.83
Administrative expenditures	-	-	-
Miscellaneous	-	-	-
Grants to political subdivisions	-	-	-
Total expenditures	<u>129,326.98</u>	<u>-</u>	<u>129,326.98</u>
Balance, December 31, 2020	<u><u>\$ 9,949,075.90</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,949,075.90</u></u>

CHESTER COUNTY
2021 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2021	\$ 9,949,075.90	\$ -	\$ 9,949,075.90
<u>Receipts:</u>			
Local Use Funds	2,538,985.00	-	2,538,985.00
Interest	33,956.09	-	33,956.09
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>2,572,941.09</u>	<u>-</u>	<u>2,572,941.09</u>
Total funds available	<u>12,522,016.99</u>	<u>-</u>	<u>12,522,016.99</u>
<u>Expenditures:</u>			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	2,038.11	-	2,038.11
County-Owned bridge construction	-	-	-
Administrative expenditures	-	-	-
Miscellaneous	-	-	-
Grants to political subdivisions	-	-	-
Total expenditures	<u>2,038.11</u>	<u>-</u>	<u>2,038.11</u>
Balance, December 31, 2021	<u><u>\$ 12,519,978.88</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,519,978.88</u></u>

CHESTER COUNTY
2022 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2022	\$ 12,519,978.88	\$ -	\$ 12,519,978.88
<u>Receipts:</u>			
Local Use Funds	2,450,325.00	-	2,450,325.00
Interest	205,902.64	-	205,902.64
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>2,656,227.64</u>	<u>-</u>	<u>2,656,227.64</u>
Total funds available	<u>15,176,206.52</u>	<u>-</u>	<u>15,176,206.52</u>
<u>Expenditures:</u>			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	517,052.28	-	517,052.28
County-Owned bridge construction	-	-	-
Administrative expenditures	-	-	-
Miscellaneous	-	-	-
Grants to political subdivisions	-	-	-
Total expenditures	<u>517,052.28</u>	<u>-</u>	<u>517,052.28</u>
Balance, December 31, 2022	<u>\$ 14,659,154.24</u>	<u>\$ -</u>	<u>\$ 14,659,154.24</u>

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

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

Reimbursable Agreements

During our examination, we noted that the county entered into reimbursable agreements with the Department of Transportation for the inspection of county bridges. During our current examination period, the county received \$189,210.94 for 2018, \$163,327.12 for 2019, \$157,002.93 for 2020, \$156,242.55 for 2021 and \$183,612.20 for 2022 as a result of these agreements and deposited this money into its Liquid Fuels Tax Fund. As of December 31, 2022, \$43,246.26 was due the Liquid Fuels Tax Fund.

Miscellaneous Receipts

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

Source	Description	2018	2019	2020	2021	2022
Insurance Company	Reimbursement for damages	\$62,019.74	\$ -	\$13,328.43	\$ 766.76	\$ -
Chester County Clerk of Courts	Reimbursement for damages	175.70	173.80	40.00	-	-
Vendor	Reimbursement for traffic signal electricity	462.45	-	-	-	-
Vendor	Unclaimed discounts	51.11	-	-	-	-
General Fund	Reimbursement for bridge maintenance	-	486.50	-	-	-
Vendor	Reimbursement for damages	-	492.51	-	2,587.35	-
Vendor	Reimbursement for loader repairs	-	-	-	588.59	-
General Fund	Grants	-	-	-	318,429.29	93,147.55
General Fund	Reimbursement (Finding No. 5)	-	-	-	1,640.00	-
Capital Reserve Fund	Grant	-	-	-	-	31,220.02
Totals		<u>\$62,709.00</u>	<u>\$1,152.81</u>	<u>\$13,368.43</u>	<u>\$324,011.99</u>	<u>\$124,367.57</u>

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Equity Lease Agreement

On August 3, 2018, the county entered into an equity lease agreement with Enterprise Fleet Management to purchase a 2018 Ford F-450 for \$45,420.30. The agreement was for a term of five years at an interest rate of 1.50 percent. Principal, interest, management, and maintenance payments of \$810.56 are due in month one and principal, interest, management, and maintenance payments of 866.46 are due monthly from months two through sixty.

During the current examination period, the county paid principal of \$36,056.72, interest of \$4,566.48, management fees of \$2,191.55, and maintenance fees of \$3,051.73 from the Liquid Fuels Tax Fund. These amounts are reflected in maintenance and repair – roads and bridges on the 2018, 2019, 2020, 2021, and 2022 Forms MS-965 - Section 1. The outstanding balance of the equity lease agreement as of December 31, 2022, was \$9,363.58, plus interest.

Equity Lease Agreement

On August 1, 2019, the county entered into an equity lease agreement with Enterprise Fleet Management to purchase a 2019 Ford F-750 for \$63,971.64. The agreement was for a term of five years at an interest rate of 1.35 percent. Principal, interest, management, and maintenance payments of \$1,106.77 are due monthly.

During the current examination period, the county paid principal, interest, management fees, and maintenance fees of \$34,544.80, \$3,461.20, \$2,395.60, and \$3,869.20, respectively, from the Liquid Fuels Tax Fund. These amounts are reflected in maintenance and repairs – roads and bridges on the 2019, 2020, 2021, and 2022 Forms MS-965 - Section 1. The outstanding balance of the equity lease agreement as of December 31, 2022, was \$29,426.84 plus interest.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
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Finding No. 1 - Duplicate Payment Of Invoice

Our examination disclosed that the county paid the following invoice from its Liquid Fuels Tax Fund twice:

<u>Invoice Number</u>	<u>First Check No.</u>	<u>First Date Paid</u>	<u>Second Check No.</u>	<u>Second Date Paid</u>	<u>Invoice Amount</u>
118	1047346	09/28/2021	1048746	10/07/2021	<u>\$38,425.87</u>

Although this money was credited to a subsequent Liquid Fuels Tax Fund expenditure on December 29, 2021, the primary concern is the inadequate internal controls which enabled the duplicate payment of \$38,425.87 to remain uncorrected for more than two months.

A sufficient system of internal controls includes procedures to avoid duplicate payments. The failure to implement such procedures increases the risk of vendor fraud, misappropriation of funds, and duplicate payments on vendor invoices occurring and remaining undetected.

We were unable to determine the cause of this condition.

Recommendation

We recommend that the county avoid duplicate payments.

Management's Response

The county controller stated:

We understand we cannot accept credits towards future invoices going forward.

Auditor's Conclusion

The basis for the finding was not the acceptance of a credit. The finding was issued because the duplicate payment was not detected timely. During our next examination, we will determine if the county complied with our recommendation.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 2 - Retroactive Expenditure

Our examination disclosed that the county transferred \$112,890.83 from its County Fee For Local Use Fund to the Capital Reserve, Fund 301, for engineering services on December 31, 2020, for an invoice that was paid nearly two years earlier from the Capital Reserve Fund on February 5, 2019, which is a retroactive expenditure.

The Department of Transportation's *Publication 9* contains the policies and procedures for the administration of the Liquid Fuels Tax Fund. *Publication 9*, Chapter Five, Section 5.8.2, states, in relevant part:

Examples of Unacceptable Expenditures include:

10. Retroactive expenditures.

Because these expenditures were paid from the Capital Reserve, Fund 301, and were not reimbursed by the County Fee For Local Use Fund until December 31, 2020, the expenditures incurred were not reimbursed in a reasonable period of time. Therefore, the county did not comply with the Department of Transportation's *Publication 9*.

The failure to follow the Department of Transportation's *Publication 9* could result in the county having to reimburse \$112,890.83 to its Liquid Fuels Tax Fund.

We were unable to determine the cause of this condition.

Recommendations

We recommend that the county reimburse \$112,890.83 to its Local Fee For Local Use Fund upon official notification by the Department of Transportation.

We further recommend that the county comply with the Department of Transportation's *Publication 9* as noted above.

Management's Response

The county controller stated:

The vendor was paid with check No. 406965 from our Capital Reserve, Fund 301, in the amount of \$114,697.83. This was mailed on February 5, 2019, and deposited on February 11, 2019. This amount included an additional \$1,807.00 for invoice No. 17.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
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FINDINGS AND RECOMMENDATIONS
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JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 2 - Retroactive Expenditure (Continued)

Auditor's Conclusion

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

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 3 - Failure To Obtain Project Approval

Our examination disclosed that the county expended \$65,936.00 on January 1, 2022, from its Liquid Fuels Tax Fund for repairs to bridge No. 175. However, the county did not file an application with the Department of Transportation for the project and also failed to submit specifications for approval.

The Department of Transportation's *Publication 9* contains the policies and procedures for the administration of the Liquid Fuels Tax Fund. *Publication 9*, Chapter Two, Section 2.7.2, states that nonpermissible expenditures include "Construction and reconstruction projects without prior PENNDOT approval."

Additionally, *Publication 9*, Chapter Two, Section 2.8, states, in part:

The following criteria is used to determine when a project is required for work on local roads utilizing Liquid Fuels Tax Funds, when construction, reconstruction and/or resurfacing work exceeds one inch or more in depth as well as other activities.

Bridges:	For bridge maintenance/preservation activities, confer with Municipal Services to determine if project approval is required. All rehabilitations, replacements, or any other work that affects the carrying capacity of the structure or waterway areas require project approval.
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The county stated that this expenditure was an emergency and felt that contacting the Department of Transportation would take too long to receive approval.

The failure to comply with the Department of Transportation's *Publication 9* could result in the county having to reimburse \$65,936.00 to its Liquid Fuels Tax Fund.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
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FINDINGS AND RECOMMENDATIONS
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Finding No. 3 - Failure To Obtain Project Approval (Continued)

Recommendations

We recommend that the county reimburse \$65,936.00 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that before the county expends money on a project, it applies for and obtains prior approval for the project, and when the project is completed, it obtains approval of the completed work.

Management's Response

The county controller stated:

We respectfully disagree with this finding. The [vendors'] invoices were part of the same project on the same bridge resulting from the same disaster, Hurricane Ida. The [first vendor's] invoices were for work completed above the water line and were cleared for payment as an emergency expense. The [second vendor's] work was below the water line. We understand the information provided to PennDOT relating to [the second vendor's] payment was classified as "limited" during review and thus was determined to need pre-approval through a Form MS-329. We are hopeful that this additional information will provide clarification that the work provided by [the second vendor] was emergency repairs to underwater scouring that went hand in hand with the emergency repair work performed by [the first vendor].

Auditor's Conclusion

We discussed this information with the Department of Transportation, and it was determined that the county should have obtained approval for the project. The Department of Transportation will determine if the county will be required to reimburse \$65,936.00 to its Liquid Fuels Tax Fund. During our next examination we will determine if the county complied with our recommendations.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
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FINDINGS AND RECOMMENDATIONS
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Finding No. 4 - Liquid Fuels Money Over Expended On Project

Our examination disclosed that the county expended \$8,249.60 during 2021 of Liquid Fuels Tax Fund money on construction project No. 21-15000-001. However, the amount of Liquid Fuels Tax Fund money approved by the Department of Transportation to be expended from the Liquid Fuels Tax Fund for this project was \$6,089.60. The difference of \$2,160.00 should have been paid directly from the General Fund.

The Department of Transportation's Regulations do not permit a county to expend Liquid Fuels Tax Fund money in excess of the amount approved on Municipal Services Completion Report Form MS-999.

The failure to comply with the Department of Transportation's Regulations could result in the county having to reimburse \$2,160.00 to its Liquid Fuels Tax Fund.

We could not determine the cause of this condition.

Recommendations

We recommend that the county reimburse \$2,160.00 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that the county expend only the approved amount of Liquid Fuels Tax Fund money on road construction projects.

Management's Response

The county controller stated:

Per the engineers "Form CS-4171 proving material certification was originally considered to be the only Form 4171 for the project, however, a 2nd form for a separate line item was required but not obtained. Therefore, the line item with a value for \$2,160.00 that required the 2nd CS-4171 was disallowed for payment from the Liquid Fuels Fund by Municipal Services."

Auditor's Conclusion

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

CHESTER COUNTY
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FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
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Finding No. 5 - Nonpermissible Expenditure

Our examination disclosed that the county expended \$1,640.00 during 2021 from the Liquid Fuels Tax Fund for repairs to a prison wall, which is a nonpermissible expenditure.

The Liquid Fuels and Fuels Tax Act of April 17, 1997, P.L. 6, § 12, 75 Pa. C.S.A. § 9010(b)(2)(i)(A-H), provides, in part, that Liquid Fuels Tax Fund money can only be used “for the purposes of construction, reconstruction, maintenance and repair of roads, highways, and bridges. . . .”

The Department of Transportation has been statutorily authorized to promulgate regulations concerning the administration of Liquid Fuels Tax Fund money and has determined that certain items, including prison wall repairs, are outside the scope of permissible expenditures.

On October 20, 2021, the county reimbursed \$1,640.00 to the Liquid Fuels Tax Fund.

We were unable to determine the cause of this condition.

Recommendation

We recommend that the county comply with the Liquid Fuels and Fuels Tax Act and the Department of Transportation’s regulations regarding permissible expenditures.

Management’s Response

The county controller stated:

We understand that this was a non-Liquid Fuels eligible expense.

Auditor’s Conclusion

During our next examination, we will determine if the county complied with our recommendation.

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
SUMMARY OF ONSITE CLOSEOUT MEETING
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

An onsite closeout meeting was held June 13, 2024. Those participating were:

CHESTER COUNTY

The Honorable Margaret Reif, Controller

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Corey Tomasetti, Auditor

CHESTER COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

This report was initially distributed to:

The Honorable Michael Carroll
Secretary
Department of Transportation

Chester County
313 West Market Street Suite 6302
P. O. Box 2748
West Chester, PA 19382

The Honorable Marian Moskowitz
Chairperson of the Board of Commissioners

The Honorable Margaret Reif
Controller

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