

# ATTESTATION ENGAGEMENT

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Township of Decatur  
Clearfield County, Pennsylvania  
17-212  
Liquid Fuels Tax Fund  
For the Period  
January 1, 2020 to December 31, 2024

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March 2026



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



Commonwealth of Pennsylvania  
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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 Decatur, Clearfield County, for the period January 1, 2020 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 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)

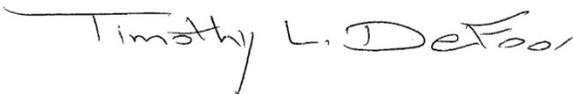
In our opinion, the Forms MS-965 With Adjustments present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund of the Township of Decatur, Clearfield County, for the period January 1, 2020 to December 31, 2024, in accordance 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. The results of our tests did not disclose any matters that are required to be reported under *Government Auditing Standards*. However, we did note a matter that, while not required to be included in this report by *Government Auditing Standards*, has been included in the finding below:

- Non-Permissible Expenditures - Recurring.

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 Decatur, Clearfield 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  
February 10, 2026

# CONTENTS

	<u>Page</u>
Background.....	1
Financial Section:	
2020 Form MS-965 With Adjustments .....	5
2021 Form MS-965 With Adjustments .....	8
2022 Form MS-965 With Adjustments .....	11
2023 Form MS-965 With Adjustments .....	14
2024 Form MS-965 With Adjustments .....	17
Auditor Description Of Select Transactions.....	20
Finding And Recommendations:	
Finding - Non-Permissible Expenditures - Recurring .....	22
Summary Of Prior Examination Recommendations.....	24
Summary Of Onsite Closeout Meeting.....	25
Report Distribution .....	26

TOWNSHIP OF DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2020 TO DECEMBER 31, 2024

Background

The Liquid Fuels Tax Municipal Allocation Law<sup>1</sup> 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 maintained by all political subdivisions making application in the county; and (2) 50 percent on the proportion of a municipality's population to the total population of all municipalities making application in the state.<sup>2</sup>

Section 9511 (relating to Allocation of proceeds) of the Pennsylvania Vehicle Code provides municipalities with annual maintenance payments to be received from the Motor License Fund.<sup>3</sup>

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).

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<sup>1</sup> 72 P.S. § 2615.1 *et seq.*, Act 655 of 1956, as amended.

<sup>2</sup> 75 Pa.C.S. § 9010(c)(1)-(2) as last amended by Act 89 of 2013.

<sup>3</sup> 75 Pa.C.S. § 9511, as last amended by Act 89 of 2013 and Act 101 of 2016, *See also* 72 P.S. § 2615.4, as last amended by Act 42 of 2013.

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 BACKGROUND  
 FOR THE PERIOD  
 JANUARY 1, 2020 TO DECEMBER 31, 2024

Background (Continued)

2. Make deposits and payments or expenditures in compliance with Act 655, 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 that can be placed into the Liquid Fuels Tax Fund.
3. Submit the Pennsylvania Department of Community and Economic Development’s (DCED) Report of Elected and Appointed Officials by January 31<sup>st</sup> and the Survey of Financial Condition By March 15<sup>th</sup>.
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:

2020	2021	2022	2023	2024
\$11,300.00	\$11,500.00	\$11,800.00	\$12,200.00	\$12,600.00

- 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:

2020	2021	2022	2023	2024
\$11,300.00	\$11,500.00	\$11,800.00	\$12,200.00	\$12,600.00

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

TOWNSHIP OF DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2020 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 DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2020 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, 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's financial activities.

*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 DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 2020 FORM MS-965 – SECTION 1  
 WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ -	\$ -	\$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	13,277.52	-	13,277.52
Traffic control devices	3,374.10	-	3,374.10
Street lighting	-	-	-
Storm sewers and drains	1,626.37	-	1,626.37
Repairs of tools and machinery	16,026.03	-	16,026.03
Maintenance and repair of roads and bridges	31,661.75	-	31,661.75
Highway construction and rebuilding projects	286,786.34	-	286,786.34
Miscellaneous	-	-	-
 Total (To Section 2, Line 5)	 <u>\$ 352,752.11</u>	 <u>\$ -</u>	 <u>\$ 352,752.11</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 2020 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, 2020	\$ 326,929.30	\$ -	\$ 326,929.30
Receipts:			
2. State allocation	180,339.83	-	180,339.83
2a. Turnback allocation	-	-	-
2b. Interest on investments	2,508.82	-	2,508.82
2c. Miscellaneous	-	-	-
3. Total receipts	<u>182,848.65</u>	<u>-</u>	<u>182,848.65</u>
4. Total funds available	<u>509,777.95</u>	<u>-</u>	<u>509,777.95</u>
5. Expenditures (Section 1)	<u>352,752.11</u>	<u>-</u>	<u>352,752.11</u>
6. Balance, December 31, 2020	<u><u>\$ 157,025.84</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 157,025.84</u></u>

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 2020 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	\$ 223,273.03	\$ -	\$ 223,273.03
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	36,067.97	-	36,067.97
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	259,341.00	-	259,341.00
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>259,341.00</u>	<u>-</u>	<u>259,341.00</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 157,025.84</u>	<u>\$ -</u>	<u>\$ 157,025.84</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 2021 FORM MS-965 – SECTION 1  
 WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ -	\$ -	\$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	15,615.20	-	15,615.20
Traffic control devices	2,040.46	-	2,040.46
Street lighting	-	-	-
Storm sewers and drains	2,906.39	-	2,906.39
Repairs of tools and machinery	16,448.39	-	16,448.39
Maintenance and repair of roads and bridges	13,402.15	-	13,402.15
Highway construction and rebuilding projects	155,758.20	-	155,758.20
Miscellaneous	-	-	-
 Total (To Section 2, Line 5)	 <u>\$ 206,170.79</u>	 <u>\$ -</u>	 <u>\$ 206,170.79</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 2021 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, 2021	\$ 157,025.84	\$ -	\$ 157,025.84
Receipts:			
2. State allocation	166,877.56	-	166,877.56
2a. Turnback allocation	-	-	-
2b. Interest on investments	99.23	-	99.23
2c. Miscellaneous	2,214.00	-	2,214.00
3. Total receipts	<u>169,190.79</u>	<u>-</u>	<u>169,190.79</u>
4. Total funds available	<u>326,216.63</u>	<u>-</u>	<u>326,216.63</u>
5. Expenditures (Section 1)	<u>206,170.79</u>	<u>-</u>	<u>206,170.79</u>
6. Balance, December 31, 2021	<u><u>\$ 120,045.84</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120,045.84</u></u>

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 2021 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	\$ 157,025.84	\$ -	\$ 157,025.84
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	33,375.51	-	33,375.51
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	190,401.35	-	190,401.35
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>190,401.35</u>	<u>-</u>	<u>190,401.35</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 120,045.84</u>	<u>\$ -</u>	<u>\$ 120,045.84</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD 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	\$ -	\$ -	\$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	18,229.23	-	18,229.23
Traffic control devices	2,655.87	(70.75)	2,585.12
Street lighting	-	-	-
Storm sewers and drains	2,125.76	-	2,125.76
Repairs of tools and machinery	15,962.10	-	15,962.10
Maintenance and repair of roads and bridges	12,771.99	-	12,771.99
Highway construction and rebuilding projects	100,000.00	-	100,000.00
Miscellaneous	-	-	-
 Total (To Section 2, Line 5)	 <u>\$ 151,744.95</u>	 <u>\$ (70.75)</u>	 <u>\$ 151,674.20</u>

TOWNSHIP OF DECATUR  
CLEARFIELD 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	\$ 120,045.84	\$ -	\$ 120,045.84
Receipts:			
2. State allocation	166,822.05	-	166,822.05
2a. Turnback allocation	-	-	-
2b. Interest on investments	2,760.97	-	2,760.97
2c. Miscellaneous	70.75	(70.75)	-
3. Total receipts	<u>169,653.77</u>	<u>(70.75)</u>	<u>169,583.02</u>
4. Total funds available	<u>289,699.61</u>	<u>(70.75)</u>	<u>289,628.86</u>
5. Expenditures (Section 1)	<u>151,744.95</u>	<u>(70.75)</u>	<u>151,674.20</u>
6. Balance, December 31, 2022	<u><u>\$ 137,954.66</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 137,954.66</u></u>

TOWNSHIP OF DECATUR  
 CLEARFIELD 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	\$ 120,045.84	\$ -	\$ 120,045.84
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	33,364.41	-	33,364.41
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	153,410.25	-	153,410.25
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>153,410.25</u>	<u>-</u>	<u>153,410.25</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 137,954.66</u>	<u>\$ -</u>	<u>\$ 137,954.66</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD 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	\$ -	\$ -	\$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	15,605.00	-	15,605.00
Traffic control devices	2,825.53	-	2,825.53
Street lighting	-	-	-
Storm sewers and drains	5,249.00	-	5,249.00
Repairs of tools and machinery	16,560.55	-	16,560.55
Maintenance and repair of roads and bridges	25,292.00	-	25,292.00
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
 Total (To Section 2, Line 5)	 <u>\$ 65,532.08</u>	 <u>\$ -</u>	 <u>\$ 65,532.08</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD 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	\$ 137,954.66	\$ -	\$ 137,954.66
Receipts:			
2. State allocation	171,446.41	-	171,446.41
2a. Turnback allocation	-	-	-
2b. Interest on investments	13,227.36	-	13,227.36
2c. Miscellaneous	-	-	-
3. Total receipts	<u>184,673.77</u>	<u>-</u>	<u>184,673.77</u>
4. Total funds available	<u>322,628.43</u>	<u>-</u>	<u>322,628.43</u>
5. Expenditures (Section 1)	<u>65,532.08</u>	<u>-</u>	<u>65,532.08</u>
6. Balance, December 31, 2023	<u><u>\$ 257,096.35</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 257,096.35</u></u>

TOWNSHIP OF DECATUR  
 CLEARFIELD 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	\$ 137,954.66	\$ -	\$ 137,954.66
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	34,289.28	-	34,289.28
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	172,243.94	-	172,243.94
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>172,243.94</u>	<u>-</u>	<u>172,243.94</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 172,243.94</u>	<u>\$ -</u>	<u>\$ 172,243.94</u>

TOWNSHIP OF DECATUR  
CLEARFIELD 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	\$ -	\$ -	\$ -
Computer/Computer related training	123.94	-	123.94
Major equipment purchases	50,500.00	-	50,500.00
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	10,767.45	-	10,767.45
Traffic control devices	2,869.68	-	2,869.68
Street lighting	-	-	-
Storm sewers and drains	3,909.84	-	3,909.84
Repairs of tools and machinery	9,888.98	-	9,888.98
Maintenance and repair of roads and bridges	10,515.06	-	10,515.06
Highway construction and rebuilding projects	52,580.86	-	52,580.86
Miscellaneous	1,412.28	-	1,412.28
 Total (To Section 2, Line 5)	 <u>\$ 142,568.09</u>	 <u>\$ -</u>	 <u>\$ 142,568.09</u>

TOWNSHIP OF DECATUR  
CLEARFIELD 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	\$ 257,096.35	\$ -	\$ 257,096.35
Receipts:			
2. State allocation	170,803.27	-	170,803.27
2a. Turnback allocation	-	-	-
2b. Interest on investments	19,010.17	-	19,010.17
2c. Miscellaneous	2,166.63	-	2,166.63
3. Total receipts	<u>191,980.07</u>	<u>-</u>	<u>191,980.07</u>
4. Total funds available	<u>449,076.42</u>	<u>-</u>	<u>449,076.42</u>
5. Expenditures (Section 1)	<u>142,568.09</u>	<u>-</u>	<u>142,568.09</u>
6. Balance, December 31, 2024	<u><u>\$ 306,508.33</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 306,508.33</u></u>

TOWNSHIP OF DECATUR  
 CLEARFIELD 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	\$ 172,243.94	\$ -	\$ 172,243.94
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	34,160.65	-	34,160.65
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	206,404.59	-	206,404.59
5. Less: Major equipment expenditures	50,500.00	-	50,500.00
6. Remainder	<u>155,904.59</u>	<u>-</u>	<u>155,904.59</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 155,904.59</u>	<u>\$ -</u>	<u>\$ 155,904.59</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 AUDITOR DESCRIPTION OF SELECT TRANSACTIONS  
 FOR THE PERIOD  
 JANUARY 1, 2020 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 \$(70.75) was made to “Traffic control devices” because check No. 3371 was voided but was included as an expenditure.

2022 - Section 2

An adjustment of \$(70.75) was made to “Miscellaneous” because there were no miscellaneous receipts.

Miscellaneous Receipts

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

<u>Source</u>	<u>Description</u>	<u>2021</u>	<u>2024</u>
General Fund	Reimbursement (Summary Of Prior Examination Recommendations)	\$1,818.00	\$ -
Insurance Company	Refund for towing charges	396.00	-
Commonwealth of Pennsylvania	Deposit in error	-	900.00
General Fund	Reimbursement for materials	-	45.00
Sewer Fund	Reimbursement (see Finding)	-	67.27
General Fund	Reimbursement (see Finding)	-	465.26
Fire Fund	Reimbursement (see Finding)	-	689.10
Totals		<u>\$2,214.00</u>	<u>\$2,166.63</u>

TOWNSHIP OF DECATUR  
 CLEARFIELD COUNTY  
 LIQUID FUELS TAX FUND  
 AUDITOR DESCRIPTION OF SELECT TRANSACTIONS  
 FOR THE PERIOD  
 JANUARY 1, 2020 TO DECEMBER 31, 2024

Miscellaneous Expenditures

The following miscellaneous expenditures were paid from the Liquid Fuels Tax Fund during the audit period:

Payee	Description	2024
Vendors	Non-Permissible Expenditures (see Finding)	\$1,367.28
Vendor	Vehicle inspection	45.00
Total		\$1,412.28

Deposit In Error

On March 7, 2024, state funds of \$900.00 were electronically deposited into the municipality's Liquid Fuels Tax Fund in error. As of the date of the onsite closeout meeting, the deposit in error has not been reimbursed.

TOWNSHIP OF DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2020 TO DECEMBER 31, 2024

**Finding - Non-Permissible Expenditures - Recurring**

We cited the municipality for a non-permissible expenditure in our prior report for the period January 1, 2019 to December 31, 2019. During our current examination, we tested 42 expenditures totaling \$747,914.76 and found that during 2024, the municipality made three expenditures for internet services, two expenditures for water utility services, and one expenditure for sewer electricity services, totaling \$1,367.28, from the Liquid Fuels Tax Fund, which are all non-permissible expenditures.

The Liquid Fuels Tax Municipal Allocation Law, 72 P.S. § 2615.4, provides, in part, that monies herein allocated may be used only for construction, reconstruction, maintenance, and repairs of such public roads or streets, including bridges, culverts and drainage structures, for which they are legally responsible. Also permitted are expenditures involving acquisition, maintenance, repairs and operation of street signs, traffic signs, traffic signal control systems, road equipment, and snow fences.

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 internet, water utilities, and sewer electricity services, are outside the scope of permissible expenditures.

We were unable to determine the cause of this condition.

During 2024, the municipality reimbursed a total of \$1,221.63 to the Liquid Fuels Tax Fund, leaving \$145.65 that had not been reimbursed prior to our onsite closeout meeting for this examination.

The failure to follow the Liquid Fuels Tax Municipal Allocation Law and the Department of Transportation's Regulations as noted above could result in the municipality having to reimburse \$145.65 to its Liquid Fuels Tax Fund.

TOWNSHIP OF DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2020 TO DECEMBER 31, 2024

**Finding - Non-Permissible Expenditures - Recurring (Continued)**

Recommendations

We recommend the municipality reimburse \$145.65 to the Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We again recommend that the municipality comply with the Liquid Fuels Tax Municipal Allocation Law and the Department of Transportation's Regulations regarding permissible expenditures.

Management's Response

The municipal officials offered no formal response at this time.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the municipality comply with our recommendations. During our next examination, we will determine if the municipality complied with our recommendations.

TOWNSHIP OF DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2020 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 \$1,818.00 to its Liquid Fuels Tax Fund for a non-permissible expenditure.

During our current examination, we reviewed a letter dated April 19, 2021, from the Department of Transportation directing the municipality to reimburse \$1,818.00 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed this amount to its Liquid Fuels Tax Fund on April 22, 2021.

In our prior report, we also recommended that the municipality comply with the Liquid Fuels Tax Municipal Allocation Law and the Department of Transportation's Regulations regarding permissible expenditures.

During our current examination, we noted that the municipality did not comply with our recommendation (see Finding).

TOWNSHIP OF DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
SUMMARY OF ONSITE CLOSEOUT MEETING  
FOR THE PERIOD  
JANUARY 1, 2020 TO DECEMBER 31, 2024

An onsite closeout meeting was held December 30, 2025. Those participating were:

TOWNSHIP OF DECATUR

Mrs. Diane Herr, Secretary/Treasurer

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Gavin Hrzic, Auditor

TOWNSHIP OF DECATUR  
CLEARFIELD COUNTY  
LIQUID FUELS TAX FUND  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2020 TO DECEMBER 31, 2024

This report was initially distributed to:

**The Honorable Michael Carroll**  
Secretary  
Department of Transportation

**Township of Decatur**  
Clearfield County  
575 Fairview Road  
Osceola Mills, PA 16666

**The Honorable James M. Rice**  
Chairman of the Board of Supervisors

**Mrs. Diane Herr**  
Secretary/Treasurer

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