

ATTESTATION ENGAGEMENT

Township of Dunkard
Greene County, Pennsylvania
30-204
Liquid Fuels Tax Fund
For the Period
January 1, 2023 to December 31, 2024

October 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 have examined the accompanying Forms MS-965 With Adjustments for the Liquid Fuels Tax Fund of the Township of Dunkard, Greene County, for the period January 1, 2023 to December 31, 2024. The municipality's management is responsible for presenting the Forms MS-965 in accordance with the criteria described in the Background section of this report and the Department of Transportation's *Publication 9*. Our responsibility is to express an opinion on the Forms MS-965 With Adjustments based on our examination.

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

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

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

Independent Auditor's Report (Continued)

As discussed in the Findings And Recommendations and Summary Of Prior Examinations' Recommendations sections of this report:

- The township made duplicate payments of \$5,144.73 during 2024 from the Liquid Fuels Tax Fund. On July 15, 2025, subsequent to our examination, the municipality reimbursed \$2,848.25 leaving a balance of \$2,296.48 due to the Liquid Fuels Tax Fund (see Finding No. 1).
- The township did not maintain documentation to support a transfer of \$3,500.00 from the Liquid Fuels Tax Fund to the Payroll Fund (see Finding No. 2).
- In the prior examination period, the municipality expended \$1,339.55 for duplicate payment of invoices, \$1,040.82 for non-permissible expenditures, \$89,409.65 for contracts awarded that were not documented in the board of supervisors' meeting minutes, and \$15,354.64 for failure to maintain documentation for price quotations. The municipality reimbursed these amounts to its Liquid Fuels Tax Fund on January 24, 2025, which was subsequent to our examination period (see Summary Of 2022 Examination Recommendations).

In our opinion, except for the effects of the deviations from the criteria discussed in the preceding paragraph, the Forms MS-965 With Adjustments present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund of the Township of Dunkard, Greene County, for the period January 1, 2023 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*.

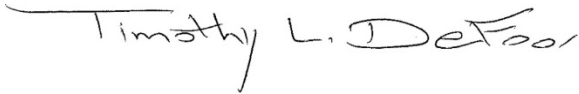
In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material 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 matters that, while not required to be included in this report by *Government Auditing Standards*, have been included in the findings below:

- Duplicate Payment Of Invoices - Recurring.
- Documentation Supporting A Transfer To Payroll Fund Was Not Available For Examination.

Independent Auditor's Report (Continued)

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 Dunkard, Greene 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.

A handwritten signature in dark ink, reading "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line above the first name.

Timothy L. DeFoor
Auditor General
September 17, 2025

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TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Background

The Liquid Fuels Tax Municipal Allocation Law¹ 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.²

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.³

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).

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

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

³ 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 DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2023 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 31st and the Survey of Financial Condition By March 15th.
4. Ensure resolution of all Contractor Responsibility Program (CRP) holds and blocks imposed by the Department of Revenue and the Department of Labor and Industry.
5. Ensure resolution of all reimbursements required as a result of audits performed by the Department of the Auditor General or monitoring reviews performed by the Department of Transportation's Financial Consultants.

Criteria

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

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

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

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

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

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

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

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2023 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 DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2023 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 DUNKARD
GREENE 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	3,970.25	-	3,970.25
Traffic control devices	480.87	-	480.87
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	66,442.33	-	66,442.33
Maintenance and repair of roads and bridges	334,363.58	-	334,363.58
Highway construction and rebuilding projects	-	-	-
Miscellaneous	3,500.00	-	3,500.00
Total (To Section 2, Line 5)	<u>\$ 408,757.03</u>	<u>\$ -</u>	<u>\$ 408,757.03</u>

TOWNSHIP OF DUNKARD
 GREENE 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	\$ 154,409.46	\$ 929.87	\$ 155,339.33
Receipts:			
2. State allocation	161,179.42	-	161,179.42
2a. Turnback allocation	52,200.00	-	52,200.00
2b. Interest on investments	10,346.92	-	10,346.92
2c. Miscellaneous	161,869.46	-	161,869.46
3. Total receipts	385,595.80	-	385,595.80
4. Total funds available	540,005.26	929.87	540,935.13
5. Expenditures (Section 1)	408,757.03	-	408,757.03
6. Balance, December 31, 2023	<u>\$ 131,248.23</u>	<u>\$ 929.87</u>	<u>\$ 132,178.10</u>

TOWNSHIP OF DUNKARD
GREENE 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	\$ 154,409.46	\$ 929.87	\$ 155,339.33
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	42,675.88	-	42,675.88
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	197,085.34	929.87	198,015.21
5. Less: Major equipment expenditures	<u>-</u>	<u>-</u>	<u>-</u>
6. Remainder	<u>197,085.34</u>	<u>929.87</u>	<u>198,015.21</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 131,248.23</u>	<u>\$ 929.87</u>	<u>\$ 132,178.10</u>

TOWNSHIP OF DUNKARD
 GREENE 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	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	13,364.60	-	13,364.60
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	64,251.53	(4,282.13)	59,969.40
Maintenance and repair of roads and bridges	115,781.91	(4,362.60)	111,419.31
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	8,645.00	8,645.00
	<u>-</u>	<u>8,645.00</u>	<u>8,645.00</u>
Total (To Section 2, Line 5)	<u>\$ 193,398.04</u>	<u>\$.27</u>	<u>\$ 193,398.31</u>

TOWNSHIP OF DUNKARD
GREENE 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	\$ 132,178.10	\$ -	\$ 132,178.10
Receipts:			
2. State allocation	161,381.76	-	161,381.76
2a. Turnback allocation	52,200.00	-	52,200.00
2b. Interest on investments	9,920.36	-	9,920.36
2c. Miscellaneous	3,500.00	.27	3,500.27
3. Total receipts	227,002.12	.27	227,002.39
4. Total funds available	359,180.22	.27	359,180.49
5. Expenditures (Section 1)	193,398.04	.27	193,398.31
6. Balance, December 31, 2024	<u>\$ 165,782.18</u>	<u>\$ -</u>	<u>\$ 165,782.18</u>

TOWNSHIP OF DUNKARD
GREENE 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	\$ 132,178.10	\$ -	\$ 132,178.10
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	42,716.35	-	42,716.35
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	174,894.45	-	174,894.45
5. Less: Major equipment expenditures	<u>-</u>	<u>-</u>	<u>-</u>
6. Remainder	<u>174,894.45</u>	<u>-</u>	<u>174,894.45</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 165,782.18</u>	<u>\$ -</u>	<u>\$ 165,782.18</u>
	-		

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2023 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

2023 - Section 2

An adjustment of \$929.87 was made to “Balance, January 1, 2023” because an incorrect fund balance was reported.

2023 - Section 3

An adjustment of \$929.87 was made to “Prior year equipment balance” because an incorrect equipment balance was reported.

2024 - Section 1

An adjustment of \$(4,282.13) was made to “Repairs of tools and machinery” because miscellaneous expenditures were misclassified.

An adjustment of \$(4,362.60) was made to “Maintenance and repair of roads and bridges” because miscellaneous expenditures were misclassified.

An adjustment of \$8,645.00 was made to “Miscellaneous” because expenditures of \$4,282.13 were misclassified as repairs of tools and machinery, expenditures of \$4,362.60 were misclassified as maintenance and repair of roads and bridges, and a software fee of \$.27 was not reported.

2024 - Section 2

An adjustment of \$.27 was made to “Miscellaneous” because a refund for a software fee was not reported.

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

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>2023</u>	<u>2024</u>
General Fund	Reimbursement (Summary Of 2021 Examination Recommendation)	\$159,766.22	\$ -
General Fund	Reimbursement for road repairs	2,103.24	-
Payroll Fund	Correction of transfer in error	-	3,500.00
Vendor	Refund for software fee	-	.27
Totals		<u>\$161,869.46</u>	<u>\$3,500.27</u>

Miscellaneous Expenditures

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

<u>Payee</u>	<u>Description</u>	<u>2023</u>	<u>2024</u>
Payroll Fund	Transfer in error	\$3,500.00	\$ -
Payroll Fund	Transfer to Payroll Fund (Finding No. 2)	-	3,500.00
Vendor	Software fee	-	.27
Vendor	Duplicate payments (Finding No. 1)	-	5,144.73
Totals		<u>\$3,500.00</u>	<u>\$8,645.00</u>

Transfer In Error

On December 18, 2023, the municipality transferred \$3,500.00 from its Liquid Fuels Tax Fund to its Payroll Fund in error. On January 26, 2024, the municipality transferred this amount from its Payroll Fund to its Liquid Fuels Tax Fund to correct the transfer in error.

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Finding No. 1 - Duplicate Payment Of Invoices - Recurring

We cited the municipality for duplicate payment of invoices in our prior report for the period January 1, 2022, to December 31, 2022. During our current examination, we tested 36 expenditures and found that the municipality paid the following invoices 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>
R104039861:01	1088	01/12/24	1093	01/31/24	\$2,489.24
R104039861:02	1088	01/13/24	1093	01/31/24	359.01
18073775	1091	01/31/24	1097	02/12/24	1,433.88
1055472	1092	01/31/24	1106	02/28/24	862.60
Total					<u>\$5,144.73</u>

The primary concern is the inadequate internal controls which enabled the duplicate payments of \$5,144.73 to remain undetected for an extended period of time.

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.

The municipality stated that this condition occurred because invoices were paid twice using both the statement and the invoice.

On July 15, 2025, subsequent to our examination, the municipality reimbursed \$2,848.25 to its Liquid Fuels Tax Fund. Additionally, the township received credits of \$1,433.88 on February 14, 2024, and \$862.60 on May 30, 2024. However, we were unable to determine if the credits were used for purchases eligible to be made from the Liquid Fuels Tax Fund.

Recommendations

We recommend that the municipality reimburse the remaining \$2,296.48 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that the municipality avoid making duplicate payments.

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Finding No. 1 - Duplicate Payment Of Invoices - Recurring (Continued)

Management's Response

The secretary/treasurer officials stated:

The former secretary was not properly trained in QuickBooks software and did not enter invoices correctly. She was creating checks using invoices and vendor statements. This issue has been resolved, as all invoices are entered properly and paid accordingly. QuickBooks, when used correctly, will not permit duplicate invoices to be entered for payment.

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 DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

**Finding No. 2 - Documentation Supporting A Transfer To Payroll Fund Was Not Available
For Examination**

Our examination disclosed that the municipality did not maintain documentation to support a transfer to the Payroll Fund totaling \$3,500.00 during 2024.

An adequate system of internal controls includes procedures to provide assurance that documentation identifying the nature of the work performed and location of work assignments is maintained.

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 expenditures made without supporting documentation, are outside the scope of permissible expenditures.

The municipality did not have sufficient internal controls to ensure that documentation was prepared and maintained identifying the nature of the work performed and location of work assignments for payroll expenditures from the Liquid Fuels Tax Fund.

Without payroll documentation that includes daily time sheets that identify the nature of work performed and the location of work assignments, we could not determine if the payroll expenditures were permissible according to the Liquid Fuels Tax Municipal Allocation Law.

The failure to maintain documentation to support expenditures could result in the municipality having to reimburse \$3,500.00 to its Liquid Fuels Tax Fund.

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

**Finding No. 2 - Documentation Supporting A Transfer To Payroll Fund Was Not Available
For Examination (Continued)**

Recommendations

We recommend that the municipality reimburse \$3,500.00 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that the municipality maintain daily time sheets that identify the nature of work performed and the location of work assignments for payroll paid from the Liquid Fuels Tax Fund.

Management's Response

The secretary/treasurer stated:

All documentation to support transfers to the payroll account has been located and provided as required. This has all been corrected, as all bank statements are placed in a three ring binder.

Auditor's Conclusion

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

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF PRIOR EXAMINATIONS' RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Summary Of 2021 Examination Recommendation

In our 2021 report, we recommended that the Department of Transportation review our examination findings to determine if the municipality should reimburse \$159,766.22 to its Liquid Fuels Tax Fund. This amount consisted of \$140,266.22 for failure to maintain documentation supporting payroll expenditures and \$19,500.00 for failure to maintain documentation for price quotations.

During our current examination, we reviewed a letter dated March 16, 2023, from the Department of Transportation directing the municipality to reimburse \$159,766.22 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed this amount to its Liquid Fuels Tax Fund on July 26, 2023.

Summary Of 2022 Examination Recommendations

In our 2022 report, we recommended that the Department of Transportation review our examination findings to determine if the municipality should reimburse \$107,144.66 to its Liquid Fuels Tax Fund. This amount consists of \$1,339.55 for duplicate payment of invoices, \$1,040.82 for non-permissible expenditures, \$89,409.65 for contracts awarded that were not documented in the board of supervisors' meeting minutes, and \$15,354.64 for failure to maintain documentation for price quotations.

During our current examination, we reviewed a letter dated December 3, 2024, from the Department of Transportation directing the municipality to reimburse \$107,144.66 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed this amount to its Liquid Fuels Tax Fund on January 24, 2025, which was subsequent to our examination period.

In our 2022 report, we also recommended that the municipality:

- Establish and implement internal controls to ensure that vendor invoices are reviewed timely to avoid duplicate payments.
- Comply with the Liquid Fuels Tax Municipal Allocation Law and the Department of Transportation's Regulations regarding permissible expenditures.
- Ensure that contracts are awarded during public meetings and are documented in the minute book.
- Comply with *The Second Class Township Code* regarding price quotations.

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF PRIOR EXAMINATIONS' RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Summary Of 2022 Examination Recommendations (Continued)

During our current examination, we noted that the municipality complied with the second, third, and fourth bulleted recommendations but did not comply with the first bulleted recommendation (see Finding No.1).

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF ONSITE CLOSEOUT MEETING
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

An onsite closeout meeting was held August 21, 2025. Those participating were:

TOWNSHIP OF DUNKARD

Ms. Lisa Miller, Secretary/Treasurer

DEPARTMENT OF THE AUDITOR GENERAL

Mrs. Michele Simpson, Auditor

TOWNSHIP OF DUNKARD
GREENE COUNTY
LIQUID FUELS TAX FUND
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

This report was initially distributed to:

The Honorable Michael Carroll
Secretary
Department of Transportation

Township of Dunkard
Greene County
P. O. Box 369
370 North Moreland Street
Bobtown, PA 15315

The Honorable Rodger K. Franks
Chairman of the Board of Supervisors

The Honorable Brian Gansor
Vice-Chairman of the Board of Supervisors

Ms. Lisa Miller
Secretary/Treasurer

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.