

ATTESTATION ENGAGEMENT

Township of Roulette

Potter County, Pennsylvania

52-217

Liquid Fuels Tax Fund

For the Period

January 1, 2020 to December 31, 2024

October 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania 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-965 With Adjustments for the Liquid Fuels Tax Fund of the Township of Roulette, Potter 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 Roulette, Potter 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 or regulations that have a material effect on the Forms MS-965; and 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 MS-965. 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 reporting on the Forms MS-965 or on compliance and other matters; accordingly, we express no such opinions.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Forms MS-965 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

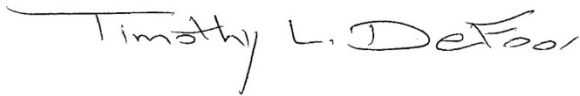
Our consideration of internal control over reporting on the Forms MS-965 was for the limited purpose of expressing an opinion on whether the Forms MS-965 are presented in accordance with the criteria described above and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our engagement we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As part of obtaining reasonable assurance about whether the Forms MS-965 are free from material misstatement, we performed tests of the Township of Roulette, Potter 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 MS-965. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report (Continued)

The purpose of this report is to determine whether the municipality's Liquid Fuels Tax 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 the Township of Roulette, Potter 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 extending from the left.

Timothy L. DeFoor
Auditor General
August 4, 2025

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
Summary Of Prior Examination Recommendations.....	25
Summary Of Onsite Closeout Meeting.....	26
Report Distribution	27

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

Background

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

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

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

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

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

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

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

Background (Continued)

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

Criteria

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

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

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

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>\$11,300.00</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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>\$11,300.00</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 ROULETTE
POTTER 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 ROULETTE
POTTER 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, dated 1956 and as amended, which does not constitute a complete presentation of the entity's assets, liabilities, expenses, and fund balance. Accordingly, the presentation of Form MS-965 With Adjustments is restricted to the Liquid Fuels Tax Fund, which represents a segment of the entity.

Basis Of Accounting

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

General Fixed Assets

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

TOWNSHIP OF ROULETTE
POTTER 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	\$ 534.71	\$ -	\$ 534.71
Computer/Computer related training	-	-	-
Major equipment purchases	9,092.69	-	9,092.69
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	28,831.65	-	28,831.65
Traffic control devices	2,411.76	-	2,411.76
Street lighting	7,173.10	-	7,173.10
Storm sewers and drains	5,104.26	-	5,104.26
Repairs of tools and machinery	28,659.44	-	28,659.44
Maintenance and repair of roads and bridges	59,869.55	-	59,869.55
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 141,677.16</u>	<u>\$ -</u>	<u>\$ 141,677.16</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 167,611.39	\$ -	\$ 167,611.39
Receipts:			
2. State allocation	74,744.83	-	74,744.83
2a. Turnback allocation	49,400.00	-	49,400.00
2b. Interest on investments	365.82	-	365.82
2c. Miscellaneous	19,809.12	-	19,809.12
3. Total receipts	144,319.77	-	144,319.77
4. Total funds available	311,931.16	-	311,931.16
5. Expenditures (Section 1)	141,677.16	-	141,677.16
6. Balance, December 31, 2020	<u>\$ 170,254.00</u>	<u>\$ -</u>	<u>\$ 170,254.00</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 158,758.33	\$ -	\$ 158,758.33
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	24,828.97	-	24,828.97
3. PENNDOT approved adjustments	<u>15,000.00</u>	<u>-</u>	<u>15,000.00</u>
4. Total funds available for equipment acquisition	198,587.30	-	198,587.30
5. Less: Major equipment expenditures	<u>9,092.69</u>	<u>-</u>	<u>9,092.69</u>
6. Remainder	<u>189,494.61</u>	<u>-</u>	<u>189,494.61</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 170,254.00</u>	<u>\$ -</u>	<u>\$ 170,254.00</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 1,062.84	\$ -	\$ 1,062.84
Computer/Computer related training	-	-	-
Major equipment purchases	20,169.81	-	20,169.81
Agility projects	-	-	-
Cleaning streets and gutters	68.28	-	68.28
Winter maintenance services	26,720.83	-	26,720.83
Traffic control devices	856.36	-	856.36
Street lighting	7,043.55	-	7,043.55
Storm sewers and drains	273.12	-	273.12
Repairs of tools and machinery	12,514.26	-	12,514.26
Maintenance and repair of roads and bridges	38,735.90	(22.99)	38,712.91
Highway construction and rebuilding projects	101,964.20	-	101,964.20
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 209,409.15</u>	<u>\$ (22.99)</u>	<u>\$ 209,386.16</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 170,254.00	\$ -	\$ 170,254.00
Receipts:			
2. State allocation	69,131.93	-	69,131.93
2a. Turnback allocation	49,400.00	-	49,400.00
2b. Interest on investments	82.09	-	82.09
2c. Miscellaneous	1,174.14	-	1,174.14
3. Total receipts	119,788.16	-	119,788.16
4. Total funds available	290,042.16	-	290,042.16
5. Expenditures (Section 1)	209,409.15	(22.99)	209,386.16
6. Balance, December 31, 2021	<u>\$ 80,633.01</u>	<u>\$ 22.99</u>	<u>\$ 80,656.00</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 170,254.00	\$ -	\$ 170,254.00
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	23,706.39	-	23,706.39
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	193,960.39	-	193,960.39
5. Less: Major equipment expenditures	<u>20,169.81</u>	<u>-</u>	<u>20,169.81</u>
6. Remainder	<u>173,790.58</u>	<u>-</u>	<u>173,790.58</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 80,633.01</u>	<u>\$ 22.99</u>	<u>\$ 80,656.00</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 1,395.80	\$ -	\$ 1,395.80
Computer/Computer related training	-	-	-
Major equipment purchases	18,982.14	-	18,982.14
Agility projects	-	-	-
Cleaning streets and gutters	550.00	-	550.00
Winter maintenance services	22,601.73	-	22,601.73
Traffic control devices	4,174.78	-	4,174.78
Street lighting	7,344.75	-	7,344.75
Storm sewers and drains	-	-	-
Repairs of tools and machinery	14,756.28	-	14,756.28
Maintenance and repair of roads and bridges	114,777.71	-	114,777.71
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 184,583.19</u>	<u>\$ -</u>	<u>\$ 184,583.19</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 80,633.01	\$ 22.99	\$ 80,656.00
Receipts:			
2. State allocation	68,163.39	-	68,163.39
2a. Turnback allocation	49,400.00	-	49,400.00
2b. Interest on investments	80.01	-	80.01
2c. Miscellaneous	5,679.07	-	5,679.07
3. Total receipts	123,322.47	-	123,322.47
4. Total funds available	203,955.48	22.99	203,978.47
5. Expenditures (Section 1)	184,583.19	-	184,583.19
6. Balance, December 31, 2022	<u>\$ 19,372.29</u>	<u>\$ 22.99</u>	<u>\$ 19,395.28</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 80,633.01	\$ 22.99	\$ 80,656.00
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	23,512.68	-	23,512.68
3. PENNDOT approved adjustments	<u>1,252.00</u>	<u>-</u>	<u>1,252.00</u>
4. Total funds available for equipment acquisition	105,397.69	22.99	105,420.68
5. Less: Major equipment expenditures	<u>18,982.14</u>	<u>-</u>	<u>18,982.14</u>
6. Remainder	<u>86,415.55</u>	<u>22.99</u>	<u>86,438.54</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 19,372.29</u>	<u>\$ 22.99</u>	<u>\$ 19,395.28</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 1,566.47	\$ -	\$ 1,566.47
Computer/Computer related training	-	-	-
Major equipment purchases	37,683.69	(37,683.69)	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	15,935.87	-	15,935.87
Traffic control devices	-	-	-
Street lighting	8,025.01	-	8,025.01
Storm sewers and drains	-	-	-
Repairs of tools and machinery	42,114.37	-	42,114.37
Maintenance and repair of roads and bridges	47,076.22	-	47,076.22
Highway construction and rebuilding projects	-	-	-
Miscellaneous	584.71	(.08)	584.63
Total (To Section 2, Line 5)	<u>\$ 152,986.34</u>	<u>\$ (37,683.77)</u>	<u>\$ 115,302.57</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 19,372.29	\$ 22.99	\$ 19,395.28
Receipts:			
2. State allocation	69,466.21	-	69,466.21
2a. Turnback allocation	49,400.00	-	49,400.00
2b. Interest on investments	1,184.61	(.08)	1,184.53
2c. Miscellaneous	<u>38,268.32</u>	<u>(37,683.69)</u>	<u>584.63</u>
3. Total receipts	<u>158,319.14</u>	<u>(37,683.77)</u>	<u>120,635.37</u>
4. Total funds available	<u>177,691.43</u>	<u>(37,660.78)</u>	<u>140,030.65</u>
5. Expenditures (Section 1)	<u>152,986.34</u>	<u>(37,683.77)</u>	<u>115,302.57</u>
6. Balance, December 31, 2023	<u>\$ 24,705.09</u>	<u>\$ 22.99</u>	<u>\$ 24,728.08</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 19,372.29	\$ 22.99	\$ 19,395.28
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	23,773.24	-	23,773.24
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	43,145.53	22.99	43,168.52
5. Less: Major equipment expenditures	<u>37,683.69</u>	<u>(37,683.69)</u>	<u>-</u>
6. Remainder	<u>5,461.84</u>	<u>37,706.68</u>	<u>43,168.52</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 5,461.84</u>	<u>\$ 19,266.24</u>	<u>\$ 24,728.08</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 17,394.53	\$ -	\$ 17,394.53
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	3,737.50	-	3,737.50
Winter maintenance services	20,359.36	-	20,359.36
Traffic control devices	640.67	-	640.67
Street lighting	7,478.65	668.70	8,147.35
Storm sewers and drains	442.75	-	442.75
Repairs of tools and machinery	26,475.90	-	26,475.90
Maintenance and repair of roads and bridges	60,023.70	-	60,023.70
Highway construction and rebuilding projects	-	-	-
Miscellaneous	10,420.00	-	10,420.00
	<u>10,420.00</u>	<u>-</u>	<u>10,420.00</u>
Total (To Section 2, Line 5)	<u>\$ 146,973.06</u>	<u>\$ 668.70</u>	<u>\$ 147,641.76</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 24,705.09	\$ 22.99	\$ 24,728.08
Receipts:			
2. State allocation	69,764.63	-	69,764.63
2a. Turnback allocation	49,400.00	-	49,400.00
2b. Interest on investments	1,578.90	-	1,578.90
2c. Miscellaneous	23,551.00	-	23,551.00
3. Total receipts	144,294.53	-	144,294.53
4. Total funds available	168,999.62	22.99	169,022.61
5. Expenditures (Section 1)	146,973.06	668.70	147,641.76
6. Balance, December 31, 2024	<u>\$ 22,026.56</u>	<u>\$ (645.71)</u>	<u>\$ 21,380.85</u>

TOWNSHIP OF ROULETTE
POTTER 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	\$ 5,461.84	\$ 19,266.24	\$ 24,728.08
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	23,832.93	-	23,832.93
3. PENNDOT approved adjustments	<u>21,401.00</u>	<u>-</u>	<u>21,401.00</u>
4. Total funds available for equipment acquisition	50,695.77	19,266.24	69,962.01
5. Less: Major equipment expenditures	<u>-</u>	<u>-</u>	<u>-</u>
6. Remainder	<u>50,695.77</u>	<u>19,266.24</u>	<u>69,962.01</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 22,026.56</u>	<u>\$ (645.71)</u>	<u>\$ 21,380.85</u>

TOWNSHIP OF ROULETTE
POTTER 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

2021 - Section 1

An adjustment of \$(22.99) was made to “Maintenance and repair of roads and bridges” because check No. 2706 was voided but was included as an expenditure.

2022 - Section 2

An adjustment of \$22.99 was made to “Balance, January 1, 2022” to reflect the adjustment made to the fund balance in 2021 - Section 2.

2022 - Section 3

An adjustment of \$22.99 was made to “Prior year equipment balance” to reflect the adjustment made to the equipment balance in 2021 - Section 3.

2023 - Section 1

An adjustment of \$(37,683.69) was made to “Major equipment purchases” because a payment from the General Fund was reported as a Liquid Fuels Tax Fund expenditure.

An adjustment of \$(.08) was made to “Miscellaneous” because these expenditures were overstated.

2023 - Section 2

An adjustment of \$22.99 was made to “Balance, January 1, 2023” to reflect the adjustment made to the fund balance in 2022 - Section 2.

An adjustment of \$(.08) was made to “Interest on investments” because interest earnings were overstated.

An adjustment of \$(37,683.69) was made to “Miscellaneous” because these receipts were overstated.

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

Adjustments (Continued)

2023 - Section 3

An adjustment of \$22.99 was made to "Prior year equipment balance" to reflect the adjustment made to the equipment balance in 2022 - Section 3.

An adjustment of \$(37,683.69) was made to "Major equipment expenditures" to reflect the adjustment made to major equipment purchases in 2023 - Section 1.

2024 - Section 1

An adjustment of \$668.70 was made to "Street lighting" because an electronic payment of \$668.70 was not reported.

2024 - Section 2

An adjustment of \$22.99 was made to "Balance, January 1, 2024" to reflect the adjustment made to the fund balance in 2023 - Section 2.

2024 - Section 3

An adjustment of \$19,266.24 was made to "Prior year equipment balance" to reflect the adjustment made to the equipment balance in 2023 - Section 3.

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

Miscellaneous Receipts

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

Source	Description	2020	2021	2022	2023	2024
Liberty Township General Fund	Sale of equipment	\$15,000.00	\$ -	\$ -	\$ -	\$ -
	Reimbursement (Summary of Prior Examination Recommendations)	1,230.18	-	-	-	-
General Fund	County Aid	3,044.23	-	-	-	-
General Fund	Reimbursement for parts	534.71	-	-	-	-
Sewer Fund	Reimbursement for parts	-	34.14	-	-	-
Local business	Reimbursement for damages	-	-	400.00	-	-
Expense card	Reimbursement for overpayment	-	-	1.29	-	-
Payroll Fund	Refund of overpayment	-	-	35.78	-	-
Local business	Equipment rental	-	1,140.00	3,990.00	-	-
Local business	Sale of equipment	-	-	1,252.00	-	-
Water Fund	Transfer in error	-	-	-	584.63	-
General Fund	Reimbursement for bank service fees	-	-	-	-	2,150.00
Resident	Sale of dump truck	-	-	-	-	5,001.00
Resident	Sale of dump truck	-	-	-	-	8,200.00
Resident	Sale of dump truck	-	-	-	-	8,200.00
Totals		<u>\$19,809.12</u>	<u>\$1,174.14</u>	<u>\$5,679.07</u>	<u>\$584.63</u>	<u>\$23,551.00</u>

TOWNSHIP OF ROULETTE
POTTER 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 examination period:

Payee	Description	2023	2024
Water Fund	Correction of transfer in error	\$584.63	\$ -
Financial institution	Bank service charges	-	70.00
General Fund	Correction of transfers in error	-	2,150.00
Financial institution	Return check from resident	-	8,200.00
Totals		\$584.63	\$10,420.00

Transfers In Error

On March 20, 2023, the municipality transferred \$584.63 from its Water Fund to its Liquid Fuels Tax Fund in error. On November 13, 2023, the municipality transferred this amount from its Liquid Fuels Tax Fund to its Water Fund to correct the transfer in error.

On October 14, 2024, and October 18, 2024, the municipality transferred \$650.00 and \$1,500.00, respectively, from its General Fund into its Liquid Fuels Tax Fund in error. On October 23, 2024, the municipality transferred \$2,150.00 from its Liquid Fuels Tax Fund to its General Fund to correct the transfers in error.

Lease-Purchase Agreement

On September 4, 2020, the municipality entered into a lease-purchase agreement with Ford Motor Credit to purchase a 2019 Ford F550 for \$78,023.00. The agreement was for a term of five years at an interest rate of 2.84 percent. Principal and interest payments of \$1,818.54 were due monthly.

During the current examination period, the municipality paid principal of \$9,878.28 and interest of \$2,884.22 from the Liquid Fuels Tax Fund. These amounts are reflected in major equipment purchases on the 2020 and 2021 Forms MS-965 - Section 1. The outstanding balance of the lease-purchase agreement of \$68,144.72 was paid in full with the proceeds of a loan from Citizens & Northern Bank on March 9, 2021.

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

Bank Loan

On March 9, 2021, the municipality borrowed \$71,000.00 from Citizens & Northern Bank to refinance the purchase of a 2019 Ford F550 truck. The proceeds of the loan were used as follows: \$68,144.72 for payoff of the existing lease-purchase agreement, \$231.00 document fees, and an extra \$2,624.28 that was not eligible to be repaid using Liquid Fuels Tax Fund money. The term of the loan was for five years at an interest rate of 4.5 percent. Principal and interest payments of \$3,991.07 are due monthly.

During the current examination period the municipality paid principal of \$30,578.92 and interest of \$4,903.22 from the Liquid Fuels Tax Fund. These amounts are reflected in major equipment purchases on the 2021 and 2022 Forms MS-965 - Section 1. Additionally, the municipality paid principal of \$40,421.08 from the General Fund. The loan was paid in full on March 17, 2023.

TOWNSHIP OF ROULETTE
POTTER 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 \$1,230.18 to its Liquid Fuels Tax Fund for failing to maintain documentation to support payroll expenditures.

During our current examination, we reviewed a letter dated July 15, 2020, from the Department of Transportation directing the municipality to reimburse \$1,230.18 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed this amount to its Liquid Fuels Tax Fund on August 17, 2020.

In our prior report, we also recommended that the municipality ensure good internal control over payroll by maintaining daily time sheets that identify the nature of work performed and the location of work assignments.

During our current examination, we noted that the municipality did not fail to maintain documentation to support payroll expenditures.

TOWNSHIP OF ROULETTE
POTTER 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 May 14, 2025. Those participating were:

TOWNSHIP OF ROULETTE

Ms. Kelli Snyder, Secretary/Treasurer

Ms. Trudi Bowser, Assistant Secretary/Treasurer

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Joel Long, Auditor

TOWNSHIP OF ROULETTE
POTTER 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 Roulette
Potter County
P. O. Box 253
80 RR Avenue
Roulette, PA 16746

The Honorable Jeremy S. Morey
Chairman of the Board of Supervisors

Ms. Kelli Snyder
Secretary/Treasurer

Ms. Trudi Bowser
Assistant Secretary/Treasurer

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