

ATTESTATION ENGAGEMENT

Township of Madison
Columbia County, Pennsylvania
19-213
Liquid Fuels Tax Fund
For the Period
January 1, 2013 to December 31, 2013

May 2015



Commonwealth of Pennsylvania
Department of the Auditor General
Eugene A. DePasquale • Auditor General



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EUGENE A. DEPASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Leslie Richards
Secretary
Department of Transportation
Harrisburg, PA 17120

We examined the accompanying Form MS-965 With Adjustments for the Liquid Fuels Tax Fund of the Township of Madison, Columbia County, for the period January 1, 2013 to December 31, 2013. The municipality's management is responsible for the Form MS-965. Our responsibility is to express an opinion on the Form 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. An examination includes examining, on a test basis, evidence supporting the Township of Madison, Columbia County's Form MS-965 for the period January 1, 2013 to December 31, 2013 and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Section 403 of *The Fiscal Code*, 72 P.S. § 403, to audit each municipality's Liquid Fuels Tax Fund to ensure that funds received are expended in accordance with applicable laws and regulations. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 403 of *The Fiscal Code*.

As described in Finding No. 1, the adjustments included on the Form MS-965 With Adjustments are made by the Department of the Auditor General.

Independent Auditor's Report (Continued)

Although management of the municipality provided us with a management representation letter on the date of our exit conference of January 14, 2015, held at the municipality, they did not respond to our request for an updated management representation letter including the disclosure of any subsequent events that affected the Form MS-965 through the date of this report.

In our opinion, except for the possible effects of the matter described in the preceding paragraph, the Form MS-965 With Adjustments presents, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund of the Township of Madison, Columbia County, for the period January 1, 2013 to December 31, 2013, in conformity with the criteria set forth in Note 1.

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 Form 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 Form 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 Form MS-965 is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over reporting on the Form MS-965 or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control was for the limited purpose of expressing an opinion on whether the Form MS-965 is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Form MS-965 will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency below to be a material weakness.

- Failure To Properly Prepare Form MS-965 - Recurring.

Independent Auditor's Report (Continued)

As part of obtaining reasonable assurance about whether the Form MS-965 is free from material misstatement, we performed tests of the Township of Madison, Columbia 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 Form 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 the following instance of noncompliance that is required to be reported under *Government Auditing Standards*:

- Restrictive Bidding.

We are concerned that the municipality failed to comply with our prior examination finding for failure to properly prepare Form MS-965. During our current examination the municipality failed to properly prepare Form MS-965 and restrictively bid a dump truck. The failure to properly complete Form MS-965 increases the risk that errors or misappropriations may occur and remain undetected. Additionally, because the dump truck was restrictively bid, payment may not be made from the Liquid Fuels Tax Fund without the permission of the Department of Transportation. The municipality should strive to comply with the recommendations and corrective actions noted in this report.

This report is intended solely for the information and use of the Pennsylvania Department of Transportation and the management of the Township of Madison, Columbia County, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy extended by the Township of Madison, Columbia County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.



Eugene A. DePasquale
Auditor General

February 4, 2015

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TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

Background

The Liquid Fuels Tax Municipal Allocation Law, Title 72 P.S. § 2615.5, provides municipalities other than counties (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: (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.

The Vehicle Code, Title 75 P.S. § 9511, 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 Liquid Fuels Tax Fund money and annual maintenance payments that it receives into a special fund called 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 this 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. To qualify for its annual allocation, each municipality shall submit the following documents and information to the Department of Transportation:

1. Evidence that the treasurer is bonded in accordance with the law, or that its treasurer is a bank requiring no bond by January 31 of each year.
2. A report indicating the manner in which its liquid fuels tax allocation was expended in the previous year (Form MS-965) by January 31 of each year.
3. A report of elected and appointed officials by January 31 of each year.
4. A Survey of Financial Condition by March 15 of each year.

Department of Transportation *Publication 9* contains the policies and procedures that govern the use of Liquid Fuels Tax Fund money. However, if there is a difference between *Publication 9* and any legislation, the legislation shall govern.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
2013 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments (Finding No. 1)</u>	<u>Adjusted Amount</u>
Major equipment purchases	\$ 40,000.00	\$ -	\$ 40,000.00
Minor equipment purchases	7,280.98	-	7,280.98
Computer/Computer related training	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	10,429.63	-	10,429.63
Traffic control devices	1,177.17	-	1,177.17
Street lighting	-	-	-
Storm sewers and drains	3,234.85	-	3,234.85
Repairs of tools and machinery	39,621.53	35.90	39,657.43
Maintenance and repair of roads and bridges	128,522.93	(54,743.85)	73,779.08
Highway construction and rebuilding projects	-	-	-
Miscellaneous (Note 5)	60,000.00	(5,256.15)	54,743.85
 Total (To Section 2, Line 5)	 <u>\$ 290,267.09</u>	 <u>\$ (59,964.10)</u>	 <u>\$ 230,302.99</u>

Notes to Form MS-965 With Adjustments are an integral part of this report.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
2013 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

<u>Fund Balance</u>	<u>Reported</u>	<u>Adjustments (Finding No. 1)</u>	<u>Adjusted Amount</u>
1. Balance, January 1, 2013	\$ 133,012.58	\$ 35.90	\$ 133,048.48
Receipts:			
2. State allocation	126,535.11	-	126,535.11
2a. Turnback allocation	-	-	-
2b. Interest on investments (Note 3)	407.03	-	407.03
2c. Miscellaneous (Note 4)	<u>200,599.58</u>	<u>(60,000.00)</u>	<u>140,599.58</u>
3. Total receipts	<u>327,541.72</u>	<u>(60,000.00)</u>	<u>267,541.72</u>
4. Total funds available	<u>460,554.30</u>	<u>(59,964.10)</u>	<u>400,590.20</u>
5. Expenditures (Section 1)	<u>290,267.09</u>	<u>(59,964.10)</u>	<u>230,302.99</u>
6. Balance, December 31, 2013	<u><u>\$ 170,287.21</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 170,287.21</u></u>

Notes to Form MS-965 With Adjustments are an integral part of this report.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
2013 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

<u>Equipment Balance</u>	<u>Reported</u>	<u>Adjustments (Finding No. 1)</u>	<u>Adjusted Amount</u>
1. Prior year equipment balance	\$ 82,976.21	\$ 41,587.34	\$ 124,563.55
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	25,307.02	-	25,307.02
3. PENNDOT approved adjustments	-	40,000.00	40,000.00
4. Total funds available for equipment acquisition	108,283.23	81,587.34	189,870.57
5. Less: Major equipment expenditures	40,000.00	-	40,000.00
6. Remainder	<u>68,283.23</u>	<u>81,587.34</u>	<u>149,870.57</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 68,283.23</u>	<u>\$ 81,587.34</u>	<u>\$ 149,870.57</u>

Notes to Form MS-965 With Adjustments are an integral part of this report.

TOWNSHIP OF MADISON
 COLUMBIA COUNTY
 LIQUID FUELS TAX FUND
 NOTES TO FORM MS-965 WITH ADJUSTMENTS
 FOR THE PERIOD
 JANUARY 1, 2013 TO DECEMBER 31, 2013

1. Criteria

Section 1

This section 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:

Prior To 2012	2012	2013	2014
\$4,000.00	\$10,000.00	\$10,200.00	\$10,300.00

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

Prior To 2012	2012	2013	2014
\$4,000.00	\$10,000.00	\$10,200.00	\$10,300.00

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

Section 2

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

- The state allocation is generally received from the Department of Transportation during the first week in April of each year. The amount the municipality receives is based half on its population and half on its road mileage.
- The turnback allocation is generally received from the Department of Transportation during the first week in April of each year. A municipality receives a yearly turnback allocation based on road mileage for all roads that were transferred to the municipality from the Commonwealth of Pennsylvania through the Highway Transfer Program.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
NOTES TO FORM MS-965 WITH ADJUSTMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

1. Criteria (Continued)

Section 2 (Continued)

- Expenditures include the total transferred from Section 1.

Section 3

This section 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.

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 Forms MS-965 have 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 Forms MS-965 With Adjustments is restricted to the Liquid Fuels Tax Fund, which represents a segment of the entity.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
NOTES TO FORM MS-965 WITH ADJUSTMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

1. Criteria (Continued)

Basis Of Accounting

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

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.

2. Deposits

The Second Class Township Code, Title 53 P.S. § 68204, authorizes the township to deposit its funds in the following:

- Deposits in savings accounts or time deposits, other than certificates of deposit or share accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance. For any amount above the insured maximum, the depository shall pledge approved collateral.
- Certificates of deposit purchased from institutions insured by the FDIC or other like insurance to the extent that such accounts are so insured. For any amounts in excess of the insured maximum, such deposits shall be collateralized by a pledge or assignment of assets. Certificates of deposit may not exceed 20 percent of a bank's total capital surplus or 20 percent of a savings and loan or savings bank's assets minus liabilities.

Deposits consist of receipts and deposits in financial institutions. Pennsylvania statutes require all deposits to be insured and, for any amount above the insured maximum, to be secured with approved collateral as defined.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
NOTES TO FORM MS-965 WITH ADJUSTMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

2. Deposits (Continued)

There were no deposits exposed to custodial credit risk as of December 31, 2013. Custodial credit risk, as defined by GASB No. 40, includes deposits that are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the municipality's name.

Fund Balance

The fund balance consists of the following:

Cash	\$ 84,842.65
Certificates of deposit	<u>85,444.56</u>
Total	<u>\$170,287.21</u>

3. Interest On Investments

Our examination disclosed that the municipality deposited idle liquid fuels tax money in interest-bearing accounts and a certificate of deposit which earned \$407.03 during 2013, thus providing additional funds for road maintenance and repairs.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
NOTES TO FORM MS-965 WITH ADJUSTMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

4. 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>Amount</u>
General Fund	Reimbursement (Summary of 2010-2011 examination recommendation)	\$ 1,057.05
General Fund	Transfer in error (Note 5)	40,000.00
General Fund	Transfer in error (Note 5)	54,743.85
Financial institution	Loan to purchase truck (Note 6)	40,000.00
Columbia County	County aid	4,798.68
Total		<u>\$140,599.58</u>

5. Transfers in Error

On August 7, 2013, the municipality transferred \$40,000.00 from its General Fund to its Liquid Fuels Tax Fund in error. The municipality corrected the error by transferring \$40,000.00 from its Liquid Fuels Tax Fund to its General Fund on March 13, 2014, which was subsequent to our examination period.

On October 28, 2013, the municipality transferred \$54,743.85 from its General Fund to its Liquid Fuels Tax Fund in error. On October 30, 2013, the municipality transferred \$54,743.85 from its Liquid Fuels Tax Fund to its General Fund to correct the transfer in error.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
NOTES TO FORM MS-965 WITH ADJUSTMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

6. Bank Loan

On July 12, 2013, the municipality borrowed \$40,000.00 from First Columbia Bank & Trust Company to purchase a 2006 dump truck. The proceeds of the loan were deposited into and expended from the Liquid Fuels Tax Fund. The term of the loan was for five years at an interest rate of 2.95 percent. Principal and interest payments of \$8,689.95 are due annually.

The first annual payment was due on May 12, 2014. The outstanding balance of the loan as of December 31, 2013 was \$40,000.00, plus interest. Because the dump truck was restrictively bid, future payments on this loan are not permitted to be made from the Liquid Fuels Tax Fund without the permission of the Department of Transportation.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

Finding No.1 - Failure To Properly Prepare Form MS-965 - Recurring

We cited the municipality for a failure to properly prepare its Form MS-965 in our prior report for the period January 1, 2012 to December 31, 2012. Our current examination again disclosed that there were numerous errors made in the preparation of the municipality's 2013 Form MS-965. These errors resulted in the following adjustments:

Section 1

An adjustment of \$35.90 was made to "Repair of tools and machinery" because check No. 902 was not reported.

An adjustment of \$(54,743.85) was made to "Maintenance and repair of roads and bridges" because miscellaneous expenditures of \$54,743.85 were misclassified.

An adjustment of \$(5,256.15) was made to "Miscellaneous" because the purchase of a certificate of deposit for \$35,000.00 and a transfer of \$25,000.00 to open a new account were incorrectly classified as expenditures and a transfer to the General Fund of \$54,743.85 to correct a deposit in error was misclassified as maintenance and repair of roads and bridges.

Section 2

An adjustment of \$35.90 was made to "Balance, January 1, 2013" because an incorrect fund balance was reported.

An adjustment of \$(60,000.00) was made to "Miscellaneous" because the purchase of a certificate of deposit for \$35,000.00 and a transfer of \$25,000.00 to open a new account were incorrectly reported as receipts.

Section 3

An adjustment of \$41,587.34 was made to "Prior year equipment balance" because of prior report adjustments that were not carried forward in the equipment balance.

An adjustment of \$40,000.00 was made to "PENNDOT approved adjustments" because the proceeds from a loan used to purchase a truck were not reported as an approved adjustment.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

Finding - Failure To Properly Prepare Form MS-965 – Recurring (Continued)

Good internal controls ensure that the municipality complete its Form MS-965 accurately and completely. The failure to properly complete Form MS-965 increases the risk that errors or misappropriations may occur and remain undetected.

This condition occurred because the municipality failed to comply with our prior examination recommendation to ensure that its Form MS-965 is complete and accurate.

Recommendation

We again recommend that the municipality ensure that its Form MS-965 is complete and accurate.

Management's Response

The secretary/treasurer stated:

I thought the CD transfer and the new account were recorded correctly.

Auditor's Conclusion

Because the purchase of the certificate of deposit and the opening of a new account were not transfers to or from another fund, these transactions are not receipts or expenditures. This is a recurring finding. We strongly recommend that the municipality comply with our recommendation. During our next examination we will determine if the municipality complied with our recommendation.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

Finding No. 2 - Restrictive Bidding

Our examination disclosed that on July 17, 2013, the municipality expended \$40,000.00 from the Liquid Fuels Tax Fund for the purchase of a 2006 dump truck. The advertisement for this purchase requested sealed proposals for 2006 dump truck with a “Cat” engine and an Allison Transmission. Cat (short for Caterpillar) and Allison are Brand names. The use of Brand names in advertising for equipment without including the words “or its equivalent,” is considered restrictive bidding, and therefore, is prohibited by the Department of Transportation’s *Publication 9*, § 449.3(f), which states:

Brand names. In advertising for equipment to be rented or purchased, or for materials to be purchased or delivered in place, it is unlawful to require or specify any particular make or brand thereof, thereby excluding other makes or brands; however, a particular brand name or its equivalent may be specified if equal consideration is given to all brands which are reasonably similar to the specified brand. Such specifications must be reasonable and not merely imposed in order to exclude some brands of equipment or material in favor of other brands.

On July 16, 2013, the municipality deposited the proceeds of a bank loan of \$40,000.00 into the Liquid Fuels Tax Fund. As of December 31, 2014, no payment had been made on the loan.

Because the dump truck was restrictively bid, payment may not be made from the Liquid Fuels Tax Fund without the permission of the Department of Transportation.

Recommendations

We recommend that the Department of Transportation review our finding to determine the permissibility of any future payments on this loan from the Liquid Fuels Tax Fund.

We further recommend that, in the future, the municipality follow the Department of Transportation’s *Publication 9* if it uses Brand names in future advertisements for purchases as cited above.

Management’s Response

The municipal officials stated:

This was an oversight.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

Finding No. 2 - Restrictive Bidding (Continued)

Auditor's Conclusion

The municipality should follow the Department of Transportation's *Publication 9* if it uses Brand names in future advertisements for purchases. During our next examination we will determine if the municipality complied with our recommendations.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF PRIOR EXAMINATIONS' RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

Summary Of 2010-2011 Examination Recommendation

In our 2010-2011 report we recommended that the Department of Transportation review our examination finding to determine if the municipality should reimburse \$1,057.05 to its Liquid Fuels Tax Fund for the purchase of heating oil, which is a nonpermissible expenditure.

During our current examination we reviewed a letter dated July 7, 2013, from the Department of Transportation informing the municipality to reimburse \$1,057.05 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed this amount to its Liquid Fuels Tax Fund on April 25, 2013.

Summary Of 2012 Examination Recommendations

In our 2012 report we recommended that:

- The municipality continue to comply with the Liquid Fuels Tax Municipal Allocation Law and the Department of Transportation's Regulations regarding permissible expenditures.
- The municipality ensure that its Form MS-965 is complete and accurate.

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

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF EXIT CONFERENCE
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

An exit conference was held January 14, 2015. Those participating were:

TOWNSHIP OF MADISON

Ms. Peggy Long, Secretary/Treasurer

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Vernon J. Brennan, Auditor

The results of the examination were presented and discussed in their entirety.

TOWNSHIP OF MADISON
COLUMBIA COUNTY
LIQUID FUELS TAX FUND
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2013 TO DECEMBER 31, 2013

This report was initially distributed to:

The Honorable Leslie Richards
Secretary
Department of Transportation

Township of Madison
Columbia County
136 Morehead Avenue
Millville, PA 17846-0620

The Honorable Michelle Densberger

Chairman of the Board of Supervisors

Ms. Peggy Long

Secretary/Treasurer

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General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to:
news@PaAuditor.gov.