

# ATTESTATION ENGAGEMENT

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Berks County

Pennsylvania

06-000

Liquid Fuels Tax Fund

And Act 44 Tax Fund

For the Period

January 1, 2013 to December 31, 2014

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May 2016



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 Forms MS-991 With Adjustments for the Liquid Fuels Tax Fund and the Reports of Act 44 Tax Fund With Adjustments of Berks County for the period January 1, 2013 to December 31, 2014. The county's management is responsible for the Forms MS-991 and the Reports of Act 44 Tax Fund. Our responsibility is to express an opinion on the Forms MS-991 With Adjustments and the Reports of Act 44 Tax Fund 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 Berks County's Forms MS-991 and Reports of Act 44 Tax Fund for the period January 1, 2013 to December 31, 2014 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 county's Liquid Fuels Tax Fund and Act 44 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. 2, the adjustments included on the Forms MS-991 and the Reports of Act 44 Tax Fund With Adjustments are made by the Department of the Auditor General.

### Independent Auditor's Report (Continued)

As discussed in the Findings and Recommendations section of this report, the county:

- Made duplicate transfers totaling \$9,058.95 from its Liquid Fuels Tax Fund to its General Fund for the payment of two invoices (see Finding No. 1).
- Expended \$90,022.26 during 2013 and \$8,215.94 during 2014 for the planning and reconstruction of Bridge No. 24A, Temple Bridge, in Muhlenberg Township, and \$15,034.88 during 2014 for the planning and reconstruction of Bridge No. 10A, Normal Avenue Bridge, in Kutztown Borough, without obtaining the approval of the Department of Transportation (see Finding No. 3).
- Expended \$65,000.00 for project No. 09-06000-02. Final payment was made on this project during 2010, although a Final Completion Report Form MS-999 was not filed with the Department of Transportation as of the exit conference date of this examination of April 29, 2016 (see Finding No. 4).
- Expended \$385.00 during 2013 and \$5,909.55 during 2014 from the Liquid Fuels Tax Fund for nonpermissible expenditures (see Finding No. 5).
- Expended \$2,206.93 during 2014 in excess of the 10 percent limit for indirect/administrative costs from the Liquid Fuels Tax Fund (see Finding No. 6).

In our opinion, except for the matters discussed in the preceding paragraphs, the Forms MS-991 and the Reports of Act 44 Tax Fund With Adjustments present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund and Act 44 Tax Fund of Berks County for the period January 1, 2013 to December 31, 2014, 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 Forms MS-991 and the Reports of Act 44 Tax Fund; 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-991 and the Reports of Act 44 Tax Fund. 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-991 and the Reports of Act 44 Tax Fund are 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 Forms MS-991 and the Reports of Act 44 Tax Fund or on compliance and other matters; accordingly, we express no such opinions.

### Independent Auditor's Report (Continued)

Our consideration of internal control was for the limited purpose of expressing an opinion on whether the Forms MS-991 and the Reports of Act 44 Tax Fund are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Forms MS-991 and the Reports of Act 44 Tax Fund will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies below to be material weaknesses:

- Duplicate Transfers Of Liquid Fuels Money Into The General Fund.
- Failure To Properly Prepare Forms MS-991 And Reports Of Act 44 Tax Fund - Recurring.

As part of obtaining reasonable assurance about whether the Forms MS-991 and the Reports of Act 44 Tax Fund are free from material misstatement, we performed tests of Berks 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-991 and the Reports of Act 44 Tax Fund. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported under *Government Auditing Standards*:

- Failure To Obtain Project Approval.
- Failure To Timely Submit Final Completion Report.
- Nonpermissible Expenditures.
- Expenditures In Excess Of The 10 Percent Limit On Indirect/Administrative Costs.

Independent Auditor's Report (Continued)

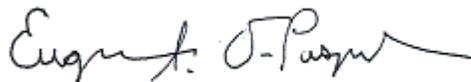
We are concerned that the county failed to comply with our previously reported finding for *Failure To Properly Prepare Forms MS-991*. During our current examination period, the county made duplicate transfers to the General Fund, failed to properly prepare Forms MS-991 and Report of Act 44 Tax Fund, failed to obtain project approvals, failed to timely submit final completion report, made nonpermissible expenditures, and expended more than the 10 percent limit on indirect/administrative costs.

The effects of these findings were as follows:

- Good internal controls ensure that all transactions are reviewed timely to avoid duplicate transfers. The failure to follow this procedure increases the possibility that duplicate transfers can be made and go undetected for long periods of time.
- The failure to properly prepare Forms MS-991 and Reports of Act 44 Tax Fund increases the risk that errors or misappropriations may occur and remain undetected.
- The failure to comply with the Department of Transportation's *Publication 9* regarding obtaining prior approval on projects could result in the county having to reimburse \$113,273.08 to its Liquid Fuels Tax Fund.
- The failure to file a Final Completion Report Form MS-999 could result in the county having to reimburse \$65,000.00 to its Liquid Fuels Tax Fund. T
- The failure to comply with the Liquid Fuels and Fuels Tax Act regarding nonpermissible expenditures could result in the county having to reimburse \$6,294.55 to its Liquid Fuels Tax Fund.
- The failure to comply with the Liquid Fuels and Fuels Tax Act regarding expenditures in excess of the 10 percent limit on indirect/administrative costs could result in the county having the reimburse \$2,206.93 to its Liquid Fuels Tax Fund.

This report is intended solely for the information and use of the Pennsylvania Department of Transportation and the management of Berks 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 Berks 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

May 12, 2016

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BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

Background

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

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

*The Vehicle Code*, as recently amended by Act 44 of 2007 (July 18, 2007, P.L.169), requires the Pennsylvania Turnpike Commission to make annual contributions for the benefit of the Pennsylvania Department of Transportation's Motor License Fund, and further requires the Department of Transportation to distribute \$5,000,000 of the annual contribution to counties (75 Pa. C.S. § 8915.6). The annual distribution to counties is determined based upon the ratio of square footage of deck area of a county's county-owned bridges to the total square footage of deck area of county-owned bridges throughout the Commonwealth. The reporting of the square footage of deck area of a county's county-owned bridges is required as part of the National Bridge Inspection Standards Program.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
2013 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments (Finding No. 2)</u>	<u>Adjusted Amount</u>
Balance, January 1, 2013	\$ 5,761,773.67	\$ (13,857.18)	\$ 5,747,916.49
<u>Receipts:</u>			
State allocations	909,183.99	-	909,183.99
Interest (Note 3)	68,863.27	-	68,863.27
Reimbursable agreements (Note 4)	572,771.00	-	572,771.00
Miscellaneous (Note 5)	4,252.38	-	4,252.38
Accounts receivable	95,514.41	(95,514.41)	-
Total receipts	<u>1,650,585.05</u>	<u>(95,514.41)</u>	<u>1,555,070.64</u>
Total funds available	<u>7,412,358.72</u>	<u>(109,371.59)</u>	<u>7,302,987.13</u>
<u>Expenditures:</u>			
Construction	1,451,847.25	(124,914.69)	1,326,932.56
Maintenance and repair	874,114.68	(34,016.29)	840,098.39
Administrative	67,142.00	-	67,142.00
Grants to political subdivisions	-	185,000.00	185,000.00
Accounts payable	-	-	-
Miscellaneous (Note 6)	42,368.77	(6,656.36)	35,712.41
Total expenditures	<u>2,435,472.70</u>	<u>19,412.66</u>	<u>2,454,885.36</u>
Balance, December 31, 2013	4,976,886.02	(128,784.25)	4,848,101.77
Unpaid encumbrances	<u>4,354,704.25</u>	<u>298,604.80</u>	<u>4,653,309.05</u>
Unencumbered balance, December 31, 2013	<u>\$ 622,181.77</u>	<u>\$ (427,389.05)</u>	<u>\$ 194,792.72</u>

Notes To Forms MS-991 And Reports Of Act 44 Tax Fund With Adjustments are an integral part of this report.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
2014 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments (Finding No. 2)</u>	<u>Adjusted Amount</u>
Balance, January 1, 2014	\$ 4,976,886.02	\$ (128,784.25)	\$ 4,848,101.77
<u>Receipts:</u>			
State allocations	887,110.67	-	887,110.67
Interest (Note 3)	36,513.90	-	36,513.90
Reimbursable agreements (Note 4)	3,533,841.21	-	3,533,841.21
Miscellaneous (Note 5)	1,235,097.99	-	1,235,097.99
Accounts receivable	-	-	-
Total receipts	<u>5,692,563.77</u>	<u>-</u>	<u>5,692,563.77</u>
Total funds available	<u>10,669,449.79</u>	<u>(128,784.25)</u>	<u>10,540,665.54</u>
<u>Expenditures:</u>			
Construction	4,749,679.38	(163,026.97)	4,586,652.41
Maintenance and repair	555,089.65	147,525.14	702,614.79
Administrative	88,711.07	2,206.93	90,918.00
Grants to political subdivisions	-	-	-
Accounts payable	-	-	-
Miscellaneous (Note 6)	34,076.96	30,588.58	64,665.54
Total expenditures	<u>5,427,557.06</u>	<u>17,293.68</u>	<u>5,444,850.74</u>
Balance, December 31, 2014	5,241,892.73	(146,077.93)	5,095,814.80
Unpaid encumbrances (Note 7)	<u>4,262,702.82</u>	<u>30,601.71</u>	<u>4,293,304.53</u>
Unencumbered balance, December 31, 2014	<u>\$ 979,189.91</u>	<u>\$ (176,679.64)</u>	<u>\$ 802,510.27</u>

Notes To Forms MS-991 And Reports Of Act 44 Tax Fund With Adjustments are an integral part of this report.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
2013 REPORT OF ACT 44 TAX FUND  
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2013	\$ 793,986.45	\$ -	\$ 793,986.45
<u>Receipts:</u>			
Act 44 Funds	128,964.23	-	128,964.23
Interest (Note 3)	1,207.52	-	1,207.52
Reimbursable Agreement Receipts	-	-	-
Miscellaneous Receipt (Note 8)	36,409.01	-	36,409.01
Accounts receivable	-	-	-
Total receipts	<u>166,580.76</u>	<u>-</u>	<u>166,580.76</u>
Total funds available	<u>960,567.21</u>	<u>-</u>	<u>960,567.21</u>
<u>Expenditures:</u>			
Construction	-	-	-
Maintenance and repair	-	-	-
Accounts payable	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2013	<u>\$ 960,567.21</u>	<u>\$ -</u>	<u>\$ 960,567.21</u>

Notes To Forms MS-991 And Reports Of Act 44 Tax Fund With Adjustments are an integral part of this report.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
2014 REPORT OF ACT 44 TAX FUND  
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments (Finding No. 2)</u>	<u>Adjusted Amount</u>
Balance, January 1, 2014	\$ 960,567.21	\$ -	\$ 960,567.21
<u>Receipts:</u>			
Act 44 Funds	129,606.56	-	129,606.56
Interest (Note 3)	1,388.32	-	1,388.32
Reimbursable Agreement Receipts	-	-	-
Miscellaneous Receipts	(36,409.01)	36,409.01	-
Accounts receivable	-	-	-
	<u>94,585.87</u>	<u>36,409.01</u>	<u>130,994.88</u>
Total receipts			
Total funds available	<u>1,055,153.08</u>	<u>36,409.01</u>	<u>1,091,562.09</u>
<u>Expenditures:</u>			
Construction	-	-	-
Maintenance and repair	-	-	-
Accounts payable	-	-	-
Miscellaneous (Note 8)	-	36,409.01	36,409.01
	<u>-</u>	<u>36,409.01</u>	<u>36,409.01</u>
Total expenditures			
Balance, December 31, 2014	<u>\$ 1,055,153.08</u>	<u>\$ -</u>	<u>\$ 1,055,153.08</u>

Notes To Forms MS-991 And Reports Of Act 44 Tax Fund With Adjustments are an integral part of this report.

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
REPORTS OF ACT 44 TAX FUND WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

1. Criteria

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

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

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

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

- construction, reconstruction, maintenance and repair of roads, highways, bridges and curb ramps from a road or highway to provide for access by individuals with disabilities consistent with Federal and State law;
- property damages and compensation of viewers for services in eminent domain proceedings involving roads, highways, and bridges;
- construction, reconstruction, operation and maintenance of publicly owned ferryboat operations;
- interest and principal payments on road, bridge, or publicly owned ferryboat operation bonds or sinking fund charges;
- acquisition, maintenance, repair and operation of traffic signs and signals;
- erection and maintenance of stop and go signal lights, blinkers and other like traffic control devices;
- indirect costs, including benefit costs, overhead and other administrative charges for those county employees directly engaged in eligible projects, not to exceed 10 percent of the yearly allocation to the county; and

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
REPORTS OF ACT 44 TAX FUND WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

1. Criteria (Continued)

- individual vehicle liability insurance for equipment purchased under the fund, not to exceed 10 percent of the yearly allocation to the county.
- (3) Counties may not make expenditures from the special fund for new construction on roads, bridges, curb ramps, or publicly owned ferryboat operations without the approval of the plans for construction by the Pennsylvania Department of Transportation. And, counties may not allocate money from the special fund to political subdivisions within the county until the application and the contracts or plans for the proposed expenditures have been made on a form prescribed by the Pennsylvania Department of Transportation.
- (4) Counties may encumber current funds for future road and bridge construction, reconstruction, and maintenance projects including viable municipal projects. Counties must redistribute any unencumbered balance in the special fund to political subdivisions if the unencumbered balance is more than the county's receipts during the preceding twelve month period.
- (5) Counties must submit a report to the Pennsylvania Department of Transportation by January 15 for the period ending December 31 on prescribed Form MS-991, The Report of County Liquid Fuels Tax Fund, showing the receipts and expenditures of the money received by the county from the Commonwealth. Upon failure to file the report or instances of any non-compliant payments, allocations, or expenditures, the Pennsylvania Department of Transportation will withhold further funding until the delinquent report is filed, the money is allocated, or the expenditures for the prior 12 months are approved.
- B. *The Vehicle Code*, as recently amended by Act 44 of 2007 (July 18, 2007, P.L. 169), prescribes the Pennsylvania Department of Transportation with oversight authority of the Act 44 funds distributed to the counties from the Pennsylvania Turnpike Commission's annual contribution of \$5,000,000 to the Commonwealth's Motor License Fund. The County's Act 44 Tax Fund is used to account for the distribution made to the county from the Department of Transportation and the payments made for construction and maintenance of county-owned bridges.

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
REPORTS OF ACT 44 TAX FUND WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

1. Criteria (Continued)

Basis Of Presentation

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

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

- A. The balance in the County Liquid Fuels Tax Fund at the beginning of the report calendar year.
- B. Receipts which must be itemized and include interest, reimbursable agreements, and miscellaneous items such as loans, sale of salvageable material, and damage claims to road or bridge property.

*Refer to the related Notes: Note 3, Interest Earnings; Note 4, Reimbursable Agreements; and Note 5, Miscellaneous Receipts.*

- C. Accounts receivable (to be realized within 60 days of the year end).
- D. Total Liquid Fuels Tax funds available for expenditure and encumbrances.
- E. Expenditures for county-owned roads, highways, and bridges.

*Refer to related Note: Note 6, Miscellaneous Expenditures.*

- F. Accounts payable (accrued wages, accrued payroll taxes, and accounts payable vendors to be realized within 60 days of the year end).
- G. The balance in the fund at the close of the report calendar year.
- H. Encumbered and unencumbered balances on hand at the close of the report calendar year.

*Refer to Note 7, Encumbrances.*

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
REPORTS OF ACT 44 TAX FUND WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

2. Deposits and Investments

*The County Code*, Title 16 P.S. § 17067, authorizes the county to deposit its funds in the following:

- United States Treasury Bills.
- Short-term obligations of the United States government or its agencies or instrumentalities.
- 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.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in authorized investments for county funds.
- 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

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

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
REPORTS OF ACT 44 TAX FUND WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

2. Deposits and Investments (Continued)

There were no deposits exposed to custodial credit risk as of December 31, 2014. 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 county's name.

Investments

The county is authorized to invest Liquid Fuels Tax Fund money in legal investments permitted by *The County Code* (see above).

As of December 31, 2014, the county's Liquid Fuels Tax Fund had the following investments:

<u>Investment Type</u>	<u>Maturity Date</u>	<u>Cost</u>	<u>Fair Value</u>
FHLB Note	01/16/15	\$ 284,904.24	\$ 285,008.55
FHLB Note	02/20/15	274,670.00	275,011.00
FNMA Note	03/15/15	265,310.05	265,116.60
FHLMC Note	04/17/15	261,268.80	260,247.00
FHLB Note	06/12/15	200,188.00	200,262.00
FHLMC Note	08/28/15	245,693.35	245,421.40
FHLB Note	02/19/16	230,029.90	229,926.40
FNMA Note	03/30/16	220,149.20	221,302.40
FHLB Note	04/06/16	240,280.80	239,668.80
FHLMC Note	05/13/16	200,212.00	200,070.00
FHLB Note	06/10/16	206,324.00	204,480.00
US Treasury Note	08/15/16	210,656.25	210,334.40
FNMA Note	08/26/16	210,447.30	209,958.00
FHLB Note	09/09/16	236,053.60	235,094.50
FHLMC Note	10/14/16	241,860.00	240,895.20
FNMA Note	11/15/16	243,799.20	243,235.20
FHLB Note	12/09/16	295,384.72	294,709.60
Totals		<u>\$4,067,231.41</u>	<u>\$4,060,741.05</u>

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
REPORTS OF ACT 44 TAX FUND WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

2. Deposits and Investments (Continued)

There were no investments exposed to custodial credit risk as of December 31, 2014.

Credit Risk: As of December 31, 2014, the county's investments in FHLMC notes, FNMA notes, and FHLB notes are rated AA+ by Standard and Poor's. Additionally, US Treasury notes are guaranteed by the United States Government.

Fund Balance

The fund balance for the Liquid Fuels Tax Fund consists of the following:

Cash	\$1,028,583.39
Investments	<u>4,067,231.41</u>
Total	<u>\$5,095,814.80</u>

The fund balance for the Act 44 Tax Fund consists of the following:

Cash	<u>\$1,055,153.08</u>
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3. Interest Earning

Our examination disclosed that the county deposited idle liquid fuels tax money in approved investments which earned \$68,863.27 during 2013, and \$36,513.90 during 2014, thus providing additional funds for road maintenance and repairs.

Additionally, the county deposited idle Act 44 tax money in an interest-bearing account which earned \$1,207.52 during 2013, and \$1,388.32 during 2014, thus providing additional funds for road maintenance and repairs.

4. Reimbursable Agreements

During our examination, we noted that the county entered into reimbursable agreements with the Department of Transportation for bridge construction. During our current examination period, the county received \$572,771.00 for 2013 and \$3,533,841.21 for 2014 as a result of these agreements and deposited this money into the Liquid Fuels Tax Fund. As of December 31, 2014, \$696,139.64 was due the Liquid Fuels Tax Fund.

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
REPORTS OF ACT 44 TAX FUND WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

5. 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>2013</u>	<u>2014</u>
General Fund	Grant	\$3,835.00	\$ -
Vendor	Refund for materials	417.38	-
Commonwealth of Pennsylvania	Act 13 Funds	-	660,266.08
Reading Area Water Authority	Reimbursement for bridge project	-	544,995.00
General Fund	Refund for payroll	-	29,619.26
Insurance company	Reimbursement for damages	-	217.65
	Totals	<u>\$4,252.38</u>	<u>\$1,235,097.99</u>

6. Miscellaneous Expenditures

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

<u>Source</u>	<u>Description</u>	<u>2013</u>	<u>2014</u>
General Fund	Duplicate transfers (Finding No. 1)	\$ 9,058.95	\$ -
Financial institution	Bank service charges	6,032.58	5,266.36
Financial institution	Realized loss on investments	20,620.88	59,399.18
	Totals	<u>\$35,712.41</u>	<u>\$64,665.54</u>

BERKS COUNTY  
LIQUID FUELS TAX FUND AND ACT 44 TAX FUND  
NOTES TO FORMS MS-991 AND  
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7. Encumbrances

As of December 31, 2014, \$4,293,304.53 was encumbered. This amount consists of \$3,516,446.39 for county projects and \$776,858.14 for grants to political subdivisions.

8. Deposit In Error

On December 6, 2013, the county deposited \$36,409.01 into its Act 44 Tax Fund in error. On January 8, 2014, the county transferred this amount from its Act 44 Tax Fund to its Liquid Fuels Tax Fund to correct the deposit in error.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
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**Finding No. 1 - Duplicate Transfers Of Liquid Fuels Money Into The General Fund**

Our examination disclosed that the county transferred \$4,786.61 from the Liquid Fuels Tax Fund to the General Fund on both January 1, 2013 and April 4, 2013 for the reimbursement of the same expenditures. Additionally, the county issued check No. 5170 for \$4,272.34 on September 3, 2013, and also transferred this amount into the General Fund on October 7, 2013 for the reimbursement of the same expenditures. Although this money was to be reimbursed to the Liquid Fuels Tax Fund, the primary concern is the inadequate internal controls which enabled the duplicate payments to remain undetected for more than three years.

Good internal controls ensure that all transactions are reviewed timely to avoid duplicate transfers. The failure to follow this procedure increases the possibility that duplicate transfers can be made and go undetected for long periods of time.

The practice of transferring liquid fuels money into any account other than the Liquid Fuels Tax Fund account is contrary to the Liquid Fuels and Fuels Tax Act, 75 Pa. C.S.A. § 9010(b)(2), which states, in part: All money received by the counties...shall be deposited and maintained in a special fund designated as the County Liquid Fuels Tax Fund. No other money shall be deposited and commingled into the County Liquid Fuels Tax Fund, except in a county which does not have sufficient money in such special fund to provide for payments designated in the current annual budget.

When Liquid Fuels Tax Fund money is commingled with the General Fund or other funds, the potential for Liquid Fuels Tax Fund money to be used for unauthorized purposes increases significantly.

The failure to comply with the Liquid Fuels and Fuels Tax Act could result in the county having to reimburse \$9,058.95 to its Liquid Fuels Tax Fund.

**Recommendations**

We recommend that the county reimburse \$9,058.95 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that the county establish and implement internal controls to avoid duplicate transfers.

BERKS COUNTY  
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**Finding No. 1 - Duplicate Transfers Of Liquid Fuels Money Into The General Fund (Continued)**

Management's Response

The county officials offered no formal response at this time.

Auditor's Conclusion

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
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FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 2 - Failure To Properly Prepare Forms MS-991 And Reports Of Act 44 Tax Fund - Recurring**

In our prior report we cited the county for failure to prepare Forms MS-991 for the period January 1, 2010 to December 31, 2012. Our examination disclosed that there were numerous errors made in the preparation of the county's 2013 and 2014 Forms MS-991 and 2014 Report of Act 44 Tax Fund. These errors resulted in the following adjustments:

2013 Form MS-991

- An adjustment of \$(13,857.18) was made to "Balance, January 1, 2013" because of prior report adjustments that were not carried forward in the fund balance.
- An adjustment of \$(95,514.41) was made to "Accounts receivable" because there were no accounts receivable.
- An adjustment of \$(124,914.69) was made to "Construction" because expenditures of \$452,662.18 for maintenance and repair were misclassified, grants to political subdivisions of \$185,000.00 were misclassified, expenditures of \$486,649.36 were misclassified as maintenance and repair, check No. 5116 for \$424.80 was voided but was included as an expenditure, and these expenditures were understated by \$26,522.93.
- An adjustment of \$(34,016.29) was made to "Maintenance and repair" because expenditures of \$486,649.36 for construction were misclassified, expenditures of \$452,662.18 were misclassified as construction, and these expenditures were overstated by \$29.11.
- An adjustment of \$185,000.00 was made to "Grants to political subdivisions" because these expenditures were misclassified as construction.
- An adjustment of \$(6,656.36) was made to "Miscellaneous" because transfers in error to the General Fund of \$9,058.95 were not reported and losses on investment were overstated by \$15,715.31.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
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FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 2 - Failure To Properly Prepare Forms MS-991 And Reports Of Act 44 Tax Fund - Recurring (Continued)**

2013 Form MS-991 (Continued)

- An adjustment of \$298,604.80 was made to “Unpaid encumbrances” because the balances of the following encumbrances were reported incorrectly:

<u>Encumbrance No.</u>	<u>Actual Amount</u>	<u>Reported Amount</u>	<u>Adjustment</u>
96-06000-01	\$1,165,226.70	\$ -	\$1,165,226.70
97-06000-02	166,481.63	-	166,481.63
01-06000-01	15,734.57	-	15,734.57
07-06000-01	165,125.00	177,625.00	(12,500.00)
08-06000-01	1,050,000.00	-	1,050,000.00
10-06000-02	124,182.50	-	124,182.50
10-06000-03	198,479.40	-	198,479.40
14-06000-01	-	100,000.00	(100,000.00)
14-06000-02	-	109,000.00	(109,000.00)
14-06000-03	-	1,000,000.00	(1,000,000.00)
14-06000-04	-	400,000.00	(400,000.00)
14-06000-05	-	400,000.00	(400,000.00)
14-06000-06	-	400,000.00	(400,000.00)
Totals	<u>\$2,885,229.80</u>	<u>\$2,586,625.00</u>	<u>\$ 298,604.80</u>

2014 Form MS-991

- An adjustment of \$(128,784.25) was made to “Balance, January 1, 2014” to reflect the adjustments made to the fund balance in 2013.
- An adjustment of \$(163,026.97) was made to “Construction” because expenditures of \$335,122.57 for maintenance and repair were misclassified and expenditures of \$172,095.60 were misclassified as maintenance and repair.
- An adjustment of \$147,525.14 was made to “Maintenance and repair” because expenditures of \$172,095.60 for construction were misclassified, expenditures of \$335,122.57 were misclassified as construction, expenditures of \$10,670.85 were not reported, and these expenditures of were overstated \$26,172.68.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
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**Finding No. 2 - Failure To Properly Prepare Forms MS-991 And Reports Of Act 44 Tax Fund - Recurring (Continued)**

2014 Form MS-991 (Continued)

- An adjustment was made to “Administrative” because expenditures of \$2,206.93 were misclassified as miscellaneous.
- An adjustment of \$30,588.58 was made to “Miscellaneous” because miscellaneous expenditures of \$2,206.93 were misclassified and these expenditures were understated by \$32,795.51.
- An adjustment of \$30,601.71 was made to “Unpaid encumbrances” because the balances of the following encumbrances were reported incorrectly:

<u>Encumbrance No.</u>	<u>Actual Amount</u>	<u>Reported Amount</u>	<u>Adjustment</u>
96-06000-01	\$ 20,668.43	\$ -	\$ 20,668.43
97-06000-02	8,147.22	-	8,147.22
01-06000-01	14,286.06	-	14,286.06
07-06000-01	165,125.00	177,625.00	(12,500.00)
Totals	<u>\$208,226.71</u>	<u>\$177,625.00</u>	<u>\$ 30,601.71</u>

2014 Report of Act 44 Tax Fund

- An adjustment of \$36,409.01 was made to “Miscellaneous” receipts because a deposit in error was not reported.
- An adjustment of \$36,409.01 was made to “Miscellaneous” expenditures because a reimbursement for a deposit in error was not reported.

Good internal controls ensure that the county completes its Form MS-991 and Reports Of Act 44 Tax Fund accurately and completely. The failure to properly complete Form MS-991 and Reports Of Act 44 Tax Fund increases the risk that errors or misappropriations may occur and remain undetected.

This condition occurred because the county failed to comply with our prior examination recommendation to ensure that its Forms MS-991 and Reports of Act 44 Tax Fund are complete and accurate.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 2 - Failure To Properly Prepare Forms MS-991 And Reports Of Act 44 Tax Fund - Recurring (Continued)**

Recommendation

We again recommend that the county ensure that its Forms MS-991 and Reports Of Act 44 Tax Fund are complete and accurate.

Management's Response

The county officials offered no formal response at this time.

Auditor's Conclusion

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 3 - Failure To Obtain Project Approval**

Our examination disclosed that the county expended \$90,022.26 during 2013 and \$8,215.94 during 2014 for the planning and reconstruction of Bridge No. 24A, Temple Bridge, in Muhlenberg Township, without obtaining the approval of the Department of Transportation. Additionally, the county expended \$15,034.88 during 2014 for the planning and reconstruction of Bridge No. 10A, Normal Avenue Bridge, in Kutztown Borough, without obtaining the approval of the Department of Transportation. All rehabilitations, replacements or any other work that affects the carrying capacity of the structure or the waterway areas require the approval of the Department of Transportation. We further noted that the county did not file an application with the Department of Transportation for the projects and also failed to submit specifications for approval.

The Department of Transportation's *Publication 9* contains the policies and procedures for the administration of the Liquid Fuels Tax Fund. *Publication 9*, Chapter One, Section 6.6.1, states:

County Liquid Fuels Tax Fund monies may not be allocated or expended for construction or reconstruction projects by the county or any of its political subdivisions, without the prior approval of the application, contract or plans for the proposed expenditure by the Department of Transportation.

Furthermore, *Publication 9*, Chapter One, Section 6.6.2, states:

Completed work by the county or one of its political subdivisions must be approved by the Municipal Services district office before payment can be made.

The failure to comply with the Department of Transportation's *Publication 9* could result in the county having to reimburse \$113,273.08 to its Liquid Fuels Tax Fund.

**Recommendations**

We recommend that the county reimburse \$113,273.08 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 3 - Failure To Obtain Project Approval (Continued)**

Management's Response

The county officials offered no formal response at this time.

Auditor's Conclusion

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 4 - Failure To Timely Submit Final Completion Report**

Our examination disclosed that the county expended \$65,000.00 for project No. 09-06000-02. Final payment was made on this project during 2010, although a Final Completion Report Form MS-999 was not filed with the Department of Transportation as of the exit conference date of this examination of April 29, 2016.

Department of Transportation *Publication 9* contains the policies and procedures for the administration of the Liquid Fuels Tax Fund. *Publication 9*, Chapter One, Section 1.7, Figure 1, states that Final Completion Report Form MS-999 is to be submitted to the appropriate Department of Transportation Municipal Services District Office upon completion of a project.

Because the county failed to file a Final Completion Report, we were unable to determine if the project was completed to the satisfaction of the Department of Transportation. Additionally, we were unable to determine if the county expended the approved amount of Liquid Fuels Tax Fund money on the project.

**Recommendations**

We recommend that the county reimburse \$65,000.00 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

Additionally, we recommend that the county submit a completed Form MS-999 to the Department of Transportation for the project.

We further recommend that, in the future, the county complies with the Department of Transportation's *Publication 9* by submitting a Final Completion Report Form MS-999 for completed projects in a timely manner.

**Management's Response**

The county officials offered no formal response at this time.

**Auditor's Conclusion**

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 5 - Nonpermissible Expenditures**

Our examination disclosed that the county expended \$385.00 during 2013 and \$5,909.55 during 2014 from the Liquid Fuels Tax Fund for the following nonpermissible items:

2013 Liquid Fuels Tax Fund

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Description</u>	<u>Amount</u>	<u>Totals</u>
GPS Insight	12/04/12	GPS external antenna	\$325.00	
Statement	12/12/13	Pesticide license renewal	<u>60.00</u>	
2013 Total				\$385.00

2014 Liquid Fuels Tax Fund

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Description</u>	<u>Amount</u>	
GPS Insight	05/01/14	GPS monitoring fee	<u>\$3,024.95</u>	
Total				\$3,024.95

<u>Non Bridge Related Payroll</u>	<u>Pay Period</u>	<u>Pay Date</u>	<u>Amount</u>	
Gross wages	06/04/14-06/17/14	07/01/14	\$2,011.44	
Fringe Benefits	06/04/14-06/17/14	07/01/14	<u>873.16</u>	

Total \$2,884.60

Two Year Total \$6,294.55

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 5 - Nonpermissible Expenditures (Continued)**

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 those in the above chart, are outside the scope of permissible expenditures.

The failure to comply with the Liquid Fuels and Fuels Tax Act and the Department of Transportation's Regulations could result in the county having to reimburse \$6,294.55 to its Liquid Fuels Tax Fund.

Recommendations

We recommend that the county reimburse \$6,294.55 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that, in the future, the county complies with the Liquid Fuels and Fuels Tax Act and the Department of Transportation's Regulations regarding permissible expenditures.

Management's Response

The county officials offered no formal response at this time.

Auditor's Conclusion

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 6 - Expenditures In Excess Of The 10 Percent Limit On Indirect/Administrative Costs**

Our examination disclosed that the county expended \$90,918.00 from the Liquid Fuels Tax Fund during the 2014 calendar year for indirect/administrative costs, which is greater than 10 percent of the yearly Liquid Fuels Tax Fund allocation of \$887,110.67 to the county.

The Liquid Fuels and Fuels Tax Act of 75 Pa. C.S.A. § 9010(b)(2)(i)(G) permits the use of county liquid fuels tax funds for “Indirect costs, including benefit costs, overhead and other administrative charges for those county employees directly engaged in eligible projects. . .” However, the use of liquid fuels tax funds for indirect costs “. . . may not exceed 10% of the yearly allocation to the county.” By way of correspondence to county liquid fuels tax fund administrators dated October 28, 1994, and other correspondence, the Department of Transportation explained the use of county Liquid Fuels Tax Fund money for documented, permissible indirect costs.

The indirect/administrative costs charged to the Liquid Fuels Tax Fund by the county during 2014 are as follows:

<u>Description</u>	<u>Amount</u>
Indirect costs	\$90,918.00
Less 10% permissible amount	<u>88,711.07</u>
Excess expenditure for indirect/administrative costs	<u>\$ 2,206.93</u>

The failure to comply with the Liquid Fuels and Fuels Tax Act could result in the county having to reimburse \$2,206.93 to its Liquid Fuels Tax Fund.

**Recommendations**

We recommend that the county reimburse \$2,206.93 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that, in the future, the county limit all indirect/administrative costs charged to the Liquid Fuels Tax Fund to the 10 percent maximum permitted by the Liquid Fuels and Fuels Tax Act.

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

**Finding No. 6 - Expenditures In Excess Of The 10 Percent Limit On Indirect/Administrative  
Costs (Continued)**

Management's Response

The county officials offered no formal response at this time.

Auditor's Conclusion

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

Summary Of Prior Examination Recommendations

In our prior report we recommended that the Department of Transportation review our examination finding to determine if the county should reimburse \$95,514.41 to its Liquid Fuels Tax Fund for retroactive expenditures.

During our current examination, we reviewed a letter dated May 6, 2015, from the Department of Transportation informing the county to reimburse \$95,514.41 to its Liquid Fuels Tax Fund. We noted that the county reimbursed that amount to its Liquid Fuels Tax Fund on May 27, 2015, which was subsequent to our examination period.

In our prior report, we also recommended that the county:

- Implement internal controls to ensure that its Forms MS-991 are complete and accurate.
- Comply with the Department of Transportation's *Publication 9* regarding retroactive expenditures.
- Comply with the policies and procedures outlined in the Department of Transportation's *Publication 9* by not encumbering Liquid Fuels Tax Fund money in excess of its fund balance.

During our current examination we noted that the county complied with the second and third bulleted recommendations, but did not comply with the first bulleted recommendation (see Finding No. 2).

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
SUMMARY OF EXIT CONFERENCE  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

An exit conference was held April 29, 2016. Those participating were:

BERKS COUNTY

The Honorable Sandra M. Graffius, Controller  
Ronald M. Rutkowski, APM, Deputy Controller  
William Consugar, CPA, CGMA, Manager of Accounting & Financial Reporting  
Scott S. Poch, CPA, Senior Government Accountant  
Ms. Jen Lawler, Budget Manager  
Mr. Trevor P. Greth, Financial Analyst  
Mr. Taylor Trump, Facilities Fiscal Coordinator

DEPARTMENT OF THE AUDITOR GENERAL

Ms. Tammy Fleisher, Auditor

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

BERKS COUNTY  
LIQUID FUELS TAX FUND  
AND ACT 44 TAX FUND  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2014

This report was initially distributed to:

**The Honorable Leslie Richards**  
Secretary  
Department of Transportation

**Berks County**  
County Services Center  
633 Court Street, 12th Floor  
Reading, PA 19601

**The Honorable Christian Y. Leinbach**  
Chairman of the Board of Commissioners

**The Honorable Sandra M. Graffius**  
Controller

**The Honorable A. Dennis Adams**  
Treasurer

**Scott S. Poch, CPA**  
Senior Government Accountant

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