

# ATTESTATION ENGAGEMENT

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## Township of Springettsbury

York County, Pennsylvania

66-227

Liquid Fuels Tax Fund

For the Period

January 1, 2014 to December 31, 2015

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December 2016



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania  
Department of the 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-965 With Adjustments for the Liquid Fuels Tax Fund of the Township of Springettsbury, York County, for the period January 1, 2014 to December 31, 2015. The municipality's management is responsible for the Forms MS-965. 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. An examination includes examining, on a test basis, evidence supporting the Township of Springettsbury, York County's Forms MS-965 for the period January 1, 2014 to December 31, 2015 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 discussed in Finding No. 1, the township expended \$22,273.88 during 2014 and \$29,198.16 during 2015 from its Liquid Fuels Tax Fund for traffic signal maintenance without advertising for bids. Additionally, as discussed in Finding No. 2, the township expended \$8,896.14 during 2014 and \$9,182.78 during 2015 for magnesium chloride, which is a nonpermissible expenditure.

### Independent Auditor's Report (Continued)

In our opinion, except for the matters discussed in the preceding paragraph, the Forms MS-965 With Adjustments present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund of the Township of Springettsbury, York County, for the period January 1, 2014 to December 31, 2015, 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-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.

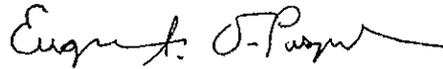
As part of obtaining reasonable assurance about whether the Forms MS-965 are free from material misstatement, we performed tests of the Township of Springettsbury, York County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 the following instances of noncompliance that are required to be reported under *Government Auditing Standards*:

- Noncompliance With Advertising and Bidding Requirements.
- Nonpermissible Expenditures.

Independent Auditor's Report (Continued)

This report is intended solely for the information and use of the Pennsylvania Department of Transportation and the management of the Township of Springettsbury, York 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 Springettsbury, York 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

September 2, 2016

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SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

Background

The Liquid Fuels Tax Municipal Allocation Law, Act 655 of 1956, as amended, (72 P.S. § 2615.5 et seq.), 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 their allocation of Liquid Fuels Tax funds 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. 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.

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

Background (Continued)

3. Submit the Pennsylvania Department of Community and Economic Development's (DCEd) Report of Elected and Appointed Officials by January 31<sup>st</sup> and the Survey of Financial Condition By March 15<sup>th</sup>.
4. Insure resolution of all Contractor Responsibility Program (CRP) holds and blocks imposed by the Department of Revenue and the Department of Labor and Industry.
5. Insure 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.

SPRINGETTSBURY TOWNSHIP  
 YORK COUNTY  
 LIQUID FUELS TAX FUND  
 2014 FORM MS-965 – SECTION 1  
 WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Major equipment purchases	\$ -	\$ -	\$ -
Minor equipment purchases	3,466.00	-	3,466.00
Computer/Computer related training	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	145,759.31	-	145,759.31
Traffic control devices	69,831.17	-	69,831.17
Street lighting	55,770.63	-	55,770.63
Storm sewers and drains	-	-	-
Repairs of tools and machinery	254.27	-	254.27
Maintenance and repair of roads and bridges	46,760.20	-	46,760.20
Highway construction and rebuilding projects	281,896.45	-	281,896.45
Miscellaneous	-	-	-
 Total (To Section 2, Line 5)	 <u>\$ 603,738.03</u>	 <u>\$ -</u>	 <u>\$ 603,738.03</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
2014 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, 2014	\$ 136,700.81	\$ -	\$ 136,700.81
Receipts:			
2. State allocation	593,183.64	-	593,183.64
2a. Turnback allocation	8,760.00	-	8,760.00
2b. Interest on investments (Note 3)	440.06	-	440.06
2c. Miscellaneous	-	-	-
3. Total receipts	<u>602,383.70</u>	<u>-</u>	<u>602,383.70</u>
4. Total funds available	<u>739,084.51</u>	<u>-</u>	<u>739,084.51</u>
5. Expenditures (Section 1)	<u>603,738.03</u>	<u>-</u>	<u>603,738.03</u>
6. Balance, December 31, 2014	<u>\$ 135,346.48</u>	<u>\$ -</u>	<u>\$ 135,346.48</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
2014 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	\$ 136,700.81	\$ -	\$ 136,700.81
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	120,388.73	-	120,388.73
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	257,089.54	-	257,089.54
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>257,089.54</u>	<u>-</u>	<u>257,089.54</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 135,346.48</u>	<u>\$ -</u>	<u>\$ 135,346.48</u>

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

SPRINGETTSBURY TOWNSHIP  
 YORK COUNTY  
 LIQUID FUELS TAX FUND  
 2015 FORM MS-965 – SECTION 1  
 WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Major equipment purchases	\$ -	\$ -	\$ -
Minor equipment purchases	-	-	-
Computer/Computer related training	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	97,177.78	-	97,177.78
Traffic control devices	87,643.43	-	87,643.43
Street lighting	68,638.29	-	68,638.29
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	102,872.92	-	102,872.92
Highway construction and rebuilding projects	310,077.64	-	310,077.64
Miscellaneous	-	-	-
 Total (To Section 2, Line 5)	 <u>\$ 666,410.06</u>	 <u>\$ -</u>	 <u>\$ 666,410.06</u>

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

SPRINGETTSBURY TOWNSHIP  
 YORK COUNTY  
 LIQUID FUELS TAX FUND  
 2015 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, 2015	\$ 135,346.48	\$ -	\$ 135,346.48
Receipts:			
2. State allocation	662,403.17	-	662,403.17
2a. Turnback allocation	8,760.00	-	8,760.00
2b. Interest on investments (Note 3)	477.45	-	477.45
2c. Miscellaneous (Note 4)	2,270.26	-	2,270.26
3. Total receipts	<u>673,910.88</u>	<u>-</u>	<u>673,910.88</u>
4. Total funds available	<u>809,257.36</u>	<u>-</u>	<u>809,257.36</u>
5. Expenditures (Section 1)	<u>666,410.06</u>	<u>-</u>	<u>666,410.06</u>
6. Balance, December 31, 2015	<u>\$ 142,847.30</u>	<u>\$ -</u>	<u>\$ 142,847.30</u>

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

SPRINGETTSBURY TOWNSHIP  
 YORK COUNTY  
 LIQUID FUELS TAX FUND  
 2015 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	\$ 135,346.48	\$ -	\$ 135,346.48
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	134,232.63	-	134,232.63
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	269,579.11	-	269,579.11
5. Less: Major equipment expenditures	<u>-</u>	<u>-</u>	<u>-</u>
6. Remainder	<u>269,579.11</u>	<u>-</u>	<u>269,579.11</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 142,847.30</u>	<u>\$ -</u>	<u>\$ 142,847.30</u>

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

SPRINGETTSBURY TOWNSHIP  
 YORK COUNTY  
 LIQUID FUELS TAX FUND  
 NOTES TO FORMS MS-965 WITH ADJUSTMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2014 TO DECEMBER 31, 2015

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:

2012	2013	2014	2015/2016
\$10,000.00	\$10,200.00	\$10,300.00	\$10,500.00

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

2012	2013	2014	2015/2016
\$10,000.00	\$10,200.00	\$10,300.00	\$10,500.00

- 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 was received from the Department of Transportation in March of each year beginning in 2014. The amount the municipality receives is based half on its population and half on its road mileage.
- The turnback allocation was received from the Department of Transportation in March of each year beginning in 2014. 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.

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
NOTES TO FORMS MS-965 WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

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.

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
NOTES TO FORMS MS-965 WITH ADJUSTMENTS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

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 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.

SPRINGETTSBURY TOWNSHIP  
 YORK COUNTY  
 LIQUID FUELS TAX FUND  
 NOTES TO FORMS MS-965 WITH ADJUSTMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2014 TO DECEMBER 31, 2015

2. Deposits (Continued)

There were no deposits exposed to custodial credit risk as of December 31, 2015. 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 as of December 31, 2015, consists of the following:

Cash	<u>\$142,847.30</u>
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3. Interest On Investments

Our examination disclosed that the municipality deposited idle liquid fuels tax money in an interest-bearing account which earned \$440.06 during 2014, and \$ 477.45 during 2015, thus providing additional funds for road maintenance and repairs.

4. Miscellaneous Receipts

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

Source	Description	2015
Local Business	Reimbursement for damages	\$1,070.26
Local Business	Reimbursement for road materials	<u>1,200.00</u>
Total		<u>\$2,270.26</u>

SPRINGETTSBURY TOWNSHIP  
 YORK COUNTY  
 LIQUID FUELS TAX FUND  
 FINDINGS AND RECOMMENDATIONS  
 FOR THE PERIOD  
 JANUARY 1, 2014 TO DECEMBER 31, 2015

**Finding No. 1 - Noncompliance With Advertising And Bidding Requirements**

Our examination disclosed that the municipality expended \$22,273.88 during 2014 and \$29,198.16 during 2015 from the Liquid Fuels Tax Fund for traffic signal maintenance without advertising for bids. These purchases were as follows:

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Check Number</u>	<u>Check Date</u>	<u>Amount</u>	<u>Totals</u>
9443	01/11/14	10685	01/24/14	\$ 435.66	
Various	Various	10773	02/07/14	1,223.01	
Various	Various	10839	02/21/14	717.84	
9503	02/18/14	10891	03/07/14	75.00	
Various	Various	11118	04/18/14	1,002.15	
Various	Various	11148	05/02/14	538.36	
Various	Various	11190	05/16/14	2,249.95	
Various	Various	11273	06/13/14	325.00	
Various	Various	11431	06/27/14	2,528.38	
Various	Various	11570	07/25/14	1,907.63	
Various	Various	10861	08/08/14	1,406.82	
Various	Various	11711	08/22/14	879.71	
Various	Various	11810	09/19/14	1,504.28	
Various	Various	11884	10/02/14	2,899.48	
9757	10/11/14	12039	10/31/14	231.26	
9773	11/01/14	12124	11/14/14	75.00	
Various	Various	12191	11/28/14	1,403.07	
9792	11/29/14	12240	12/12/14	1,259.55	
Various	Various	10894	01/09/15	1,611.73	
2014 Total					\$22,273.88

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

**Finding No. 1 - Noncompliance With Advertising And Bidding Requirements (Continued)**

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Check Number</u>	<u>Check Date</u>	<u>Amount</u>	<u>Totals</u>
Various	Various	10898	01/23/15	\$ 259.48	
Various	Various	12510	02/06/15	1,429.41	
Various	Various	12660	03/06/15	395.29	
Various	Various	12775	03/20/15	902.09	
Various	Various	10912	04/03/15	1,448.46	
Various	Various	12903	04/17/15	1,053.61	
Various	Various	12943	05/01/15	920.26	
Various	Various	13081	05/29/15	1,841.89	
Various	Various	13219	06/26/15	2,018.66	
Various	Various	13267	07/10/15	980.14	
Various	Various	13394	07/24/15	3,771.26	
Various	Various	13447	08/07/15	716.91	
Various	Various	13499	08/21/15	2,939.54	
10041	08/08/15	13632	09/18/15	303.20	
Various	Various	13755	10/16/15	262.76	
Various	Various	13883	10/30/15	1,479.70	
Various	Various	10953	11/13/15	200.00	
Various	Various	13988	11/27/15	4,147.78	
Various	Various	14043	12/11/15	460.37	
Various	Various	14104	12/24/15	3,667.35	
2015 Total					<u>29,198.16</u>
Grand Total					<u>\$51,472.04</u>

The above expenditures were not made in compliance with the advertising, bidding, and contract requirements of *The Second Class Township Code*, 53 P.S. § 68102(a), (also found at § 3102(a) of *The Second Class Township Code* as published by the Local Government Commission), which requires that purchases over \$18,500.00 during 2012 must be advertised, bid, and awarded by contract. The bidding threshold increased to purchases over \$19,100.00 for 2014 and \$19,400.00 for 2015 and 2016. *The Second Class Township Code*, 53 P.S. § 68104(a), (also found at § 3104(a) of *The Second Class Township Code* as published by the Local Government Commission) further states that advertising, bidding and contract requirements should not be evaded through piecemeal purchases.

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

**Finding No. 1 - Noncompliance With Advertising And Bidding Requirements (Continued)**

The failure to comply with *The Second Class Township Code* could result in the municipality having to reimburse \$51,472.04 to its Liquid Fuels Tax Fund.

Recommendations

We recommend that the municipality reimburse \$51,472.04 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that, in the future, the municipality complies with *The Second Class Township Code* as noted in this finding.

Management's Response

The municipal officials stated:

We followed *The Second Class Township Code*, Article XXXI Contracts Section 3102 (h)(1), which states:

(1) Those made for emergency or routine maintenance, repairs or replacements for water, electric light and other public works of the township if they do not constitute new additions, extensions or enlargements of existing facilities and equipment.

Auditor's Conclusion

The Department of Transportation has determined that traffic signal maintenance over the bidding thresholds is required to be bid. During our next examination we will determine if the municipality complied with our recommendations.

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

**Finding No. 2 - Nonpermissible Expenditures**

Our examination disclosed that the municipality expended \$8,896.14 during 2014 and \$9,182.78 during 2015 from the Liquid Fuels Tax Fund for Liquid Magnesium Chloride, which is a nonpermissible expenditure. These expenditures were as follows:

Materials approved by the Department of Transportation are listed in the Department of Transportation Specifications *Publication 408*, Section 703.2. Liquid Magnesium Chloride does not appear in *Publication 408*.

The failure to follow the *Publication 408* as noted above could result in the municipality having to reimburse \$18,078.92 to its Liquid Fuels Tax Fund.

**Recommendations**

We recommend that the municipality reimburse \$18,078.92 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that, in the future, the municipality purchase stone that is approved by the Department of Transportation.

**Management's Response**

The municipal officials stated:

Public works director was unaware that liquid magnesium was an unapproved material to be purchased with the Liquid Fuels Funds.

**Auditor's Conclusion**

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

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
SUMMARY OF EXIT CONFERENCE  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

An exit conference was held August 16, 2016. Those participating were:

TOWNSHIP OF SPRINGETTSBURY

Ms. Sandy Ratcliffe, Deputy Director of Finance  
Mr. Mark Hodgkinson, Public Works Director

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Ryan W. Shrauder, Auditor

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

SPRINGETTSBURY TOWNSHIP  
YORK COUNTY  
LIQUID FUELS TAX FUND  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2015

This report was initially distributed to:

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

**Township of Springettsbury**  
York County  
1501 Mount Zion Road  
York, PA 17402

**The Honorable Mark M. Swomley**  
Chairman of the Board of Supervisors

**Mr. Mark Hodgkinson**  
Public Works Director

**Ms. Sandy Ratcliffe**  
Deputy Director of Finance

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