

ATTESTATION ENGAGEMENT

Armstrong County
Pennsylvania
03-000
Liquid Fuels Tax Fund,
Act 44 Tax Fund and
Act 89 Tax Fund
for the Period
January 1, 2022 to December 31, 2024

June 2026



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Michael Carroll
Secretary
Department of Transportation
Harrisburg, PA 17120

We have examined the accompanying Forms MS-991 With Adjustments for the Liquid Fuels Tax Fund, the Reports of Act 44 Tax Funds With Adjustments, and the Reports of Act 89 Tax Funds With Adjustments of Armstrong County for the period January 1, 2022 to December 31, 2024 (Forms). The county's management is responsible for presenting the Forms in accordance with the criteria described in the Background section of this report and the Department of Transportation's *Publication 9*. Our responsibility is to express an opinion on the Forms based on our examination.

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

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

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

Independent Auditor's Report (Continued)

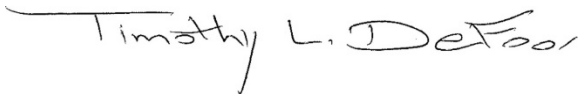
In our opinion, the Forms present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund, the Act 44 Tax Fund, and the Act 89 Tax Fund of Armstrong County for the period January 1, 2022 to December 31, 2024, in accordance with the criteria described in the Background section of this report and the Department of Transportation's *Publication 9*.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Forms; and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Forms are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over the Forms or on compliance and other matters; accordingly, we express no such opinions. The results of our tests did not disclose any matters that are required to be reported under *Government Auditing Standards*. However, we did note a matter that, while not required to be included in this report by *Government Auditing Standards*, has been included in the finding below:

- Late Receipt Of Liquid Fuels Allocations, Act 44 Allocation, And Act 89 Allocations.

The purpose of this report is to provide information related to the county's administration of its Liquid Fuels Tax Fund, Act 44 Tax Fund, and Act 89 Tax Fund to assist the Pennsylvania Department of Transportation in fulfilling its regulatory authority as described in the laws and regulations identified in the Background section of this report and the Department of Transportation's *Publication 9*. This report is not suitable for any other purpose.

We appreciate the courtesy extended by Armstrong County to us during the course of our examination. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.



Timothy L. DeFoor
Auditor General
May 21, 2026

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ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background

The Vehicle Code makes provisions and provides funding for the County Liquid Fuels, Act 44, and Act 89 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 amended by Act 44 of 2007 (July 18, 2007, P.L.169) and Act 89 of 2013 (November 25, 2013, P.L. 169), provides the Pennsylvania Department of Transportation with oversight authority of the Act 44 funds distributed to the counties from the Commonwealth's Motor License Fund (75 Pa. C.S. § 8915.6(b)(2) and as of July 1, 2014 § 9301(b)). 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.

The Vehicle Code, as amended by Act 89 of 2013 (November 25, 2013, P.L. 974, No.89) provides for semi-annual allocations to all counties that own public bridges (75 Pa. C.S. § 9502(a)(2)(iv)). These allocations are made on the first business day of June and December each year. The Commonwealth allocates the funds available through Act 89 to counties 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.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

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.
- Costs of property damages resulting from road and/or bridge construction, reconstruction, or maintenance; and compensation of viewers for services in eminent domain proceedings involving roads, highways, and bridges.
- Ferryboat operations, where applicable.
- Interest and principal payments on road or bridge loans and bonds or sinking fund charges for such bonds becoming due within that current calendar year.
- Acquisition, maintenance, repair, electrification, and operation of traffic signs and traffic signal control systems at intersections and/or railroad crossings.
- Erection of street name signs, traffic directing signs, and traffic control systems.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

- Administrative costs, including benefits, 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.
 - Indirect engineering and transportation planning costs, not to exceed 10 percent of the yearly allocation to the county.
 - Other items as permitted by Department of Transportation Publications.
- (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. Additionally, 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 31 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 may withhold further funding until the delinquent report is filed, the money is allocated, or the expenditures for the prior 12 months are approved.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

B. *The Vehicle Code*, as amended by Act 44 of 2007 (July 18, 2007, P.L. 169) and Act 89 of 2013 (November 25, 2013, P.L. 169), prescribes the Pennsylvania Department of Transportation with oversight authority of the Act 44 funds distributed to the counties from 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.

(1) Funds received by the counties must be deposited in a special fund designated as the County Act 44 Fund and no other money may be deposited and commingled. (Note: Act 44 and Act 89 Funds may be deposited in a single account. However, the county must account for these funds independently for auditing). 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 Act 44 Tax Fund money to be received during the current calendar year.

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

- Construction, reconstruction, maintenance, and repair of public bridges for which the county is legally responsible.
- Interest and principal payments on bridge loans and bonds or sinking fund charges for such bonds becoming due within that current calendar year.
- County Engineer's salary and benefit costs for bridge work (that portion of the total calculated to be relevant to bridge work only).
- Engineering fees related to bridge work (fees in excess of 10% of the total contract price must be documented and justified to the satisfaction of the District Municipal Services Office).
- Liability insurance for bridge equipment and vehicles when the named beneficiary is the entity's Act 44 Fund.
- Inspection costs associated with bridges.
- Purchase of right-of-way for bridge construction, reconstruction, or maintenance.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

- (3) For bridge maintenance/preservation activities, the county must confer with a District Municipal Services Representative to determine if Department of Transportation approval is required. All rehabilitations, replacements or any other work that affects the carrying capacity of the structure or the waterway areas requires the approval of the Department of Transportation.
 - (4) In order to receive Act 44 funds as scheduled, each county must submit an annual report showing the receipts and expenditures for the preceding 12 months. The use of the funds must be in compliance with the Act. Failure to do so may result in the county's not receiving allocations until such deficiencies are resolved.
- C. *The Vehicle Code*, as amended by Act 89 of 2013 (November 25, 2013, P.L. 169), prescribes the Pennsylvania Department of Transportation with oversight authority of the Act 89 funds distributed to the counties from the Department of Transportation. The County's Act 89 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.
- (1) Funds received by the counties must be deposited in a special fund designated as the County Act 89 Fund and no other money may be deposited and commingled. (Note: Act 89 and Act 44 Funds may be deposited in a single account. However, the county must account for these funds independently for auditing). 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 Act 89 Tax Fund money to be received during the current calendar year.
 - (2) Payments from the special fund may be used for:
 - Construction, reconstruction, maintenance, and repair of public bridges for which the county is legally responsible.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

- Interest and principal payments on bridge loans and bonds or sinking fund charges for such bonds becoming due within that current calendar year.
 - County Engineer's salary and benefit costs for bridge work (that portion of the total calculated to be relevant to bridge work only).
 - Engineering fees related to bridge work (fees in excess of 10% of the total contract price must be documented and justified to the satisfaction of the District Municipal Services Office).
 - Liability insurance for bridge equipment and vehicles when the named beneficiary is the entity's Act 89 Fund.
 - Inspection costs associated with bridges.
 - Purchase of right-of-way for bridge construction, reconstruction, or maintenance.
- (3) For bridge maintenance/preservation activities, the county must confer with a District Municipal Services Representative to determine if Department of Transportation approval is required. All rehabilitations, replacements or any other work that affects the carrying capacity of the structure or the waterway areas requires the approval of the Department of Transportation.
- (4) In order to receive Act 89 funds as scheduled, each county must submit an annual report showing the receipts and expenditures for the preceding 12 months. The use of the funds must be in compliance with the Act. Failure to do so may result in the county's not receiving allocations until such deficiencies are resolved.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

Basis Of Presentation

In accordance with reporting requirements prescribed by the Pennsylvania Department of Transportation, the Forms 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, the County Act 44 Tax Fund, and the County Act 89 Tax Fund, respectively.

The Pennsylvania Department of Transportation prescribes that the county report the following on the Form MS-991, *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 the County's Liquid Fuels Tax Fund allocations, interest, reimbursable agreements, and miscellaneous items such as loans, sale of salvageable material, and damage claims to road or bridge property.
- 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.
- 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 unpaid county aid as of the close of the report calendar year.
- I. Encumbered and unencumbered balances on hand at the close of the report calendar year.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background (Continued)

The Pennsylvania Department of Transportation prescribes that the county report the following on the Reports Of Act 44 Tax Fund and Act 89 Tax Fund:

- A. The balance in the County Act 44 and Act 89 Tax Fund at the beginning of the report calendar year.
- B. Receipts which must be itemized and include the County's Act 44 and Act 89 allocations, interest, reimbursable agreements, and miscellaneous items such as loans, sale of salvageable material, and damage claims to road or bridge property.
- C. Total Act 44 and Act 89 funds available for expenditure.
- D. Expenditures for county-owned bridges.
- E. The balance in the fund at the close of the report calendar year.

Basis Of Accounting

The accompanying Forms 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.

ARMSTRONG COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Actual balance in county Liquid Fuels Tax Fund on January 1, 2022	\$ 411,570.82	\$ -	\$ 411,570.82
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	89,989.96	-	89,989.96
Interest	4,597.84	-	4,597.84
Reimbursable agreements	-	-	-
Miscellaneous	12,742.56	-	12,742.56
Total receipts	<u>107,330.36</u>	<u>-</u>	<u>107,330.36</u>
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	<u>518,901.18</u>	<u>-</u>	<u>518,901.18</u>
<u>Expenditures:</u>			
Administrative	-	9,723.17	9,723.17
Minor equipment purchases	-	-	-
County aid payments	66,530.00	-	66,530.00
Major equipment expenditures	-	-	-
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	2,402.74	2,402.74
Street lighting	3,448.13	-	3,448.13
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	50,936.60	5,540.37	56,476.97
Highway construction and rebuilding projects	-	-	-
Miscellaneous	17,666.28	(17,666.28)	-
Total expenditures	<u>138,581.01</u>	<u>-</u>	<u>138,581.01</u>
Remaining funds available as of December 31, 2022	<u>\$ 380,320.17</u>	<u>\$ -</u>	<u>\$ 380,320.17</u>

ARMSTRONG COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-991 WITH ADJUSTMENTS

2022 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Unpaid encumbrances	230,000.00	-	230,000.00
Unpaid county aid grants	101,999.50	-	101,999.50
Total approved future year receipts and expenditures	331,999.50	-	331,999.50
Year end balance available for future years as of December 31, 2022	\$ 48,320.67	\$ -	\$ 48,320.67

ARMSTRONG COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Actual balance in county Liquid Fuels Tax Fund on January 1, 2023	\$ 380,320.17	\$ -	\$ 380,320.17
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	283,402.13	-	283,402.13
Interest	11,320.31	-	11,320.31
Reimbursable agreements	-	-	-
Miscellaneous	3,748.21	-	3,748.21
Total receipts	<u>298,470.65</u>	<u>-</u>	<u>298,470.65</u>
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	<u>678,790.82</u>	<u>-</u>	<u>678,790.82</u>
<u>Expenditures:</u>			
Administrative	28,340.21	-	28,340.21
Minor equipment purchases	-	-	-
County aid payments	31,192.50	48,929.41	80,121.91
Major equipment expenditures	-	-	-
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	-	-
Street lighting	8,197.22	-	8,197.22
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	232,841.24	(208,209.17)	24,632.07
Highway construction and rebuilding projects	-	208,661.50	208,661.50
Miscellaneous	49,381.74	(49,381.74)	-
Total expenditures	<u>349,952.91</u>	<u>-</u>	<u>349,952.91</u>
Remaining funds available as of December 31, 2023	<u>\$ 328,837.91</u>	<u>\$ -</u>	<u>\$ 328,837.91</u>

ARMSTRONG COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-991 WITH ADJUSTMENTS

2023 Form MS-991 With Adjustments (Continued)

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Unpaid encumbrances	100,000.00	-	100,000.00
Unpaid county aid grants	191,418.20	-	191,418.20
Total approved future year receipts and expenditures	<u>291,418.20</u>	<u>-</u>	<u>291,418.20</u>
Year end balance available for future years as of December 31, 2023	<u>\$ 37,419.71</u>	<u>\$ -</u>	<u>\$ 37,419.71</u>

ARMSTRONG COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-991 WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Actual balance in county Liquid Fuels Tax Fund on January 1, 2024	\$ 328,837.91	\$ -	\$ 328,837.91
<u>Receipts:</u>			
Liquid Fuels Tax Funds received from Commonwealth	185,589.24	-	185,589.24
Interest	5,625.36	-	5,625.36
Reimbursable agreements	-	-	-
Miscellaneous	975.87	-	975.87
Total receipts	<u>192,190.47</u>	<u>-</u>	<u>192,190.47</u>
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	<u>521,028.38</u>	<u>-</u>	<u>521,028.38</u>
<u>Expenditures:</u>			
Administrative	18,558.92	-	18,558.92
Minor equipment purchases	-	-	-
County aid payments	186,418.20	-	186,418.20
Major equipment expenditures	65,724.65	77.00	65,801.65
Street cleaning and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	302.76	302.76
Street lighting	3,016.11	303.23	3,319.34
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repairs - roads and bridges	65,311.81	(11,881.75)	53,430.06
Highway construction and rebuilding projects	-	11,881.75	11,881.75
Miscellaneous	1,182.04	(682.99)	499.05
Total expenditures	<u>340,211.73</u>	<u>-</u>	<u>340,211.73</u>
Remaining funds available as of December 31, 2024	<u>\$ 180,816.65</u>	<u>\$ -</u>	<u>\$ 180,816.65</u>

ARMSTRONG COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-991 WITH ADJUSTMENTS

2024 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
<u>Approved future year receipts and expenditures</u>			
Accounts receivable	\$ -	\$ -	\$ -
Accounts payable	3,549.94	-	3,549.94
Unpaid encumbrances	100,000.00	-	100,000.00
Unpaid county aid grants	15,000.00	-	15,000.00
Total approved future year receipts and expenditures	118,549.94	-	118,549.94
Year end balance available for future years as of December 31, 2024	\$ 62,266.71	\$ -	\$ 62,266.71

ARMSTRONG COUNTY
2022 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2022	\$ 527,790.76	\$ -	\$ 527,790.76
<u>Receipts:</u>			
Act 44 Funds	-	-	-
Interest	6,539.05	-	6,539.05
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
	6,539.05	-	6,539.05
Total receipts	6,539.05	-	6,539.05
Total funds available	534,329.81	-	534,329.81
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	-	-	-
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
	-	-	-
Total expenditures	-	-	-
Balance, December 31, 2022	\$ 534,329.81	\$ -	\$ 534,329.81

ARMSTRONG COUNTY
2023 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2023	\$ 534,329.81	\$ -	\$ 534,329.81
<u>Receipts:</u>			
Act 44 Funds	113,972.39	-	113,972.39
Interest	20,263.85	-	20,263.85
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>134,236.24</u>	<u>-</u>	<u>134,236.24</u>
Total funds available	<u>668,566.05</u>	<u>-</u>	<u>668,566.05</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	-	-	-
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2023	<u><u>\$ 668,566.05</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 668,566.05</u></u>

ARMSTRONG COUNTY
2024 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2024	\$ 668,566.05	\$ -	\$ 668,566.05
<u>Receipts:</u>			
Act 44 Funds	56,904.56	-	56,904.56
Interest	26,529.89	-	26,529.89
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>83,434.45</u>	<u>-</u>	<u>83,434.45</u>
Total funds available	<u>752,000.50</u>	<u>-</u>	<u>752,000.50</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	-	-	-
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2024	<u>\$ 752,000.50</u>	<u>\$ -</u>	<u>\$ 752,000.50</u>

ARMSTRONG COUNTY
2022 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2022	\$ 800,151.83	\$ -	\$ 800,151.83
<u>Receipts:</u>			
Act 89 Funds	52,721.75	-	52,721.75
Interest	10,499.15	-	10,499.15
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>63,220.90</u>	<u>-</u>	<u>63,220.90</u>
Total funds available	<u>863,372.73</u>	<u>-</u>	<u>863,372.73</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	-	-	-
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2022	<u><u>\$ 863,372.73</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 863,372.73</u></u>

ARMSTRONG COUNTY
2023 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2023	\$ 863,372.73	\$ -	\$ 863,372.73
<u>Receipts:</u>			
Act 89 Funds	163,040.01	-	163,040.01
Interest	32,353.75	-	32,353.75
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>195,393.76</u>	<u>-</u>	<u>195,393.76</u>
Total funds available	<u>1,058,766.49</u>	<u>-</u>	<u>1,058,766.49</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	-	-	-
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2023	<u><u>\$ 1,058,766.49</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,058,766.49</u></u>

ARMSTRONG COUNTY
2024 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Balance, January 1, 2024	\$ 1,058,766.49	\$ -	\$ 1,058,766.49
<u>Receipts:</u>			
Act 89 Funds	105,984.20	-	105,984.20
Interest	43,035.57	-	43,035.57
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	<u>149,019.77</u>	<u>-</u>	<u>149,019.77</u>
Total funds available	<u>1,207,786.26</u>	<u>-</u>	<u>1,207,786.26</u>
<u>Expenditures:</u>			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	-	-	-
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs-			
Roads and Bridges	-	-	-
Highway Construction and			
Rebuilding Projects	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2024	<u><u>\$ 1,207,786.26</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,207,786.26</u></u>

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

The following information relates to certain types of transactions for which the Pennsylvania Department of Transportation requested that we provide additional detail.

Adjustments

2022 Form MS-991

Adjustments were made to “Administrative,” “Traffic control devices,” “Maintenance and repairs - roads and bridges,” and “Miscellaneous” because expenditures of \$17,666.28 were misclassified.

2023 Form MS-991

Adjustments were made to “County aid payments,” “Maintenance and repairs - roads and bridges,” “Highway construction and rebuilding projects,” and “Miscellaneous” because expenditures of \$257,590.91 were misclassified.

2024 Form MS-991

Adjustments were made to “Major equipment expenditures,” “Traffic Control Devices,” “Street lighting,” “Maintenance and repairs - roads and bridges,” “Highway construction and rebuilding projects,” and “Miscellaneous” because expenditures of \$12,564.74 were misclassified.

Miscellaneous Receipts

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

<u>Source</u>	<u>Description</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund	Reimbursement (Summary Of 2019-2020 Examination Recommendation)	\$11,970.00	\$ -	\$ -
Various Municipalities	Bridge lighting	224.46	2,953.14	266.58
Clarion County	Shared bridge costs	548.10	795.07	709.29
Totals		<u>\$12,742.56</u>	<u>\$3,748.21</u>	<u>\$975.87</u>

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Miscellaneous Expenditures

On August 2, 2024, the county expended \$499.05 from the Liquid Fuels Tax Fund for advertising.

Encumbrances

As of December 31, 2024, \$115,000.00 was encumbered. This amount consists of \$100,000.00 for county projects and \$15,000.00 for grants to political subdivisions.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding - Late Receipt Of Liquid Fuels Allocations, Act 44 Allocation, And Act 89 Allocations

Our examination disclosed that the 2022 and 2023 Liquid Fuels Tax Fund semi-annual allocations of \$93,925.37 and \$79,011.65, respectively, which should have been distributed from the Department of Transportation to the county during the first week of December 1, 2022 and June 1, 2023, were not received until February 17, 2023, and August 16, 2023, respectively.

The Department of Transportation's *Publication 9*, Chapter One, Section 1.4, states:

To qualify for the annual liquid fuels tax allocation, a county shall:

- Submit an annual report showing the receipts, expenditures, and encumbrances for the preceding 12 months (see MS-991 Report of County Liquid Fuels Tax Fund in Section 1.8, Reporting Requirements).
- Make deposits and payments or expenditures in accordance with the Act (see Section 1.6, Appropriate Use of Funds). Failure to do so may result in the county not receiving allocations until such deficiencies are resolved.
- Ensure resolution of all Contractor Responsibility Program (CRP) holds and blocks imposed by the Department of Revenue and the Department of Labor and Industry.
- Ensure resolution of all reimbursements required as a result of audits performed by the Auditor General or monitoring reviews performed by the Department's Financial Consultants.

Additionally, the 2022 Act 44 Tax Fund allocation of \$57,031.09, which should have been distributed from the Department of Transportation to the county during the first week of December of that year, was not received until March 3, 2023.

The Department of Transportation's *Publication 9*, Chapter Four, Section 4.4, states:

In order to receive Act 44 funds as scheduled, each county must submit an annual report showing the receipts and expenditures for the preceding 12 months (see Section 4.8, Required Reports). The use of the funds must be in compliance with the Act (see Section 4.6, Appropriate Use of Funds). Failure to do so may result in the county not receiving allocations until such deficiencies are resolved.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding - Late Receipt Of Liquid Fuels Allocations, Act 44 Allocation, And Act 89 Allocations (Continued)

Furthermore, the 2022 Act 89 Tax Fund December allocation of \$54,938.24 and the 2023 Act 89 Tax Fund June allocation of \$54,782.13, which should have been distributed from the Department of Transportation to the county during the first week of December and June of each year, respectively, were not received until February 28, 2023, and August 24, 2023, respectively.

The Department of Transportation's *Publication 9*, Chapter Six, Section 6.4, states:

In order to receive Act 89 funds as scheduled, each county must submit an annual report showing the receipts and expenditures for the preceding 12 months (see Section 6.8, Required Reports). The use of the funds must be in compliance with the Act (see Section 6.6, Appropriate Use of Funds). Failure to do so may result in the county not receiving allocations until such deficiencies are resolved.

We were unable to determine the cause of the delays. The county indicated that the December 2022 allocations were received late due to delays in reimbursing the Liquid Fuels Tax Fund for a recommendation in a finding in a prior examination report for the 2019-2020 years. Refer to the Management Response section below for additional information.

Because the county failed to file documents and information timely as noted above, the county did not have use of the 2022 and 2023 Liquid Fuels allocations for more than two months, the 2022 Act 44 Tax Fund allocation for more than three months and the December 2022 and June 2023 Act 89 Tax Fund allocations for more than two months. Furthermore, had the allocations been received timely, money may have been available for investment purposes, potentially earning interest income which could have been used for road maintenance and repairs.

We noted that the 2024 Liquid Fuels Tax Fund allocations, Act 44 Tax Fund allocation, and the Act 89 Tax Fund allocations were received timely.

Recommendations

We recommend that the county continue to comply with the Department of Transportation's *Publication 9* to ensure that the Liquid Fuels Tax Fund allocations and the Act 89 Tax Fund allocations are received during the first week in June and December and the Act 44 Tax Fund allocation is received during the first week in December.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding - Late Receipt Of Liquid Fuels Allocations, Act 44 Allocation, And Act 89 Allocations (Continued)

Management's Response

The Executive Director, Department of Planning and Development stated:

Armstrong County acknowledges the finding regarding the late receipt of its December 2022 Liquid Fuels Tax Fund allocations. The delay was result of a temporary hold placed by the Commonwealth pending resolution of a transaction adjustment identified in a prior year's audit. Specifically, the county was required to "clean up" a previously questioned expenditure by transferring funds from the General Fund back to the Liquid Fuels Tax Fund. While necessary administrative steps were taken to resolve the discrepancy, the reconciliation process extended beyond the December distribution window resulting in the allocation being released in February 2023. To prevent recurrence, the county will implement a more proactive audit resolution protocol. The Department of Planning and Development will now prioritize the immediate resolution of any audit recommended adjustments within 30 days of receipt of the draft report.

Auditor's Conclusion

During our next audit, we will determine if the county continued to comply with our recommendations.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
SUMMARY OF 2019-2020 EXAMINATION RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Summary Of 2019-2020 Examination Recommendation

In our 2019-2020 report, we recommended that the Department of Transportation review our examination finding to determine if the county should reimburse \$11,970.00 to its Liquid Fuels Tax Fund for over expending the approved amount for county aid project No. 19-03212-001.

During our current examination, we reviewed a letter dated June 15, 2022, from the Department of Transportation directing the county to reimbursement \$11,970.00 to its Liquid Fuels Tax Fund. We noted that the county reimbursed this amount to its Liquid Fuels Tax Fund on December 9, 2022.

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
SUMMARY OF ONSITE CLOSEOUT MEETING
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

An onsite closeout meeting was held December 16, 2025. Those participating were:

ARMSTRONG COUNTY

The Honorable Tammie L. Gaff, Controller

The Honorable Amanda C. Hiles, Treasurer

Mr. Darin D. Alviano, Executive Director, Department of Planning and Development

Ms. Karen Notto, Chief Clerk

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Brian Delaney, Audit Supervisor

ARMSTRONG COUNTY
LIQUID FUELS, ACT 44 AND ACT 89 TAX FUNDS
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

This report was initially distributed to:

The Honorable Michael Carroll
Secretary
Department of Transportation

The Honorable John Strate
Chairman of the Board of Commissioners

The Honorable Tammie L. Gaff
Controller

Mr. Darin D. Alviano
Executive Director
Department of Planning and Development

Ms. Karen Notto
Chief Clerk

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