ATTESTATION ENGAGEMENT

Berks County
Pennsylvania
06-000
Liquid Fuels Tax Fund, Act 44 Tax Fund, Act 89 Tax Fund and County Fee for Local Use Fund
for the Period
January 1, 2021 to December 31, 2024

August 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, the Reports of Act 89 Tax Funds With Adjustments, and the Reports of County Fee for Local Use Funds With Adjustments of Berks County for the period January 1, 2021 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 qualified 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)

As discussed in the Finding And Recommendations section of this report, our examination disclosed that the county over expended construction project No. 22-06000-002 by $25,826.40, construction project No. 10-06000-002 by $1,995.94, and construction project No. 07-06000-001 by $38,459.22. These amounts should have been paid directly from the General Fund.

In our opinion, except for the matter discussed in the previous paragraph, 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, the Act 89 Tax Fund, and the County Fee for Local Use Fund of Berks County for the period January 1, 2021 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. Our examination disclosed the following finding that is required to be reported under *Government Auditing Standards*:

- Liquid Fuels Money Over Expended On Project.

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, Act 89 Tax Fund, and County Fee for Local Use 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 Berks 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

Timothy L. DeFoor
Auditor General
July 21, 2026

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AND COUNTY FEE FOR LOCAL USE FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

Background

The Vehicle Code makes provisions and provides funding for the County Liquid Fuels, Act 44, Act 89, and County Fee for Local Use 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.

The Vehicle Code, as amended by Act 89 of 2013 (November 25, 2013, P.L. 974, No.89), permits counties to impose a $5 fee for local use on nonexempt vehicles registered to an address located in the county (75 Pa. C.S. § 1935 (b)). This fee is collected by the Department of Transportation and is distributed to counties that impose the fee on the first business day of June and December each year.

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.

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.

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.

Background (Continued)

(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.

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.

- Interest and principal payments on bridge loans and bonds or sinking fund charges for such bonds becoming due within that current calendar year.

Background (Continued)

- 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.

D. *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 County Fee for Local Use funds distributed to the counties from the Department of Transportation. The County Fee for Local Use 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. No other money may be deposited and commingled in this fund. Money should be invested to earn interest until expended.

Background (Continued)

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

- Construction, reconstruction, maintenance, and repair of public roads/streets, or bridges for which the county is legally responsible including a roadway open to the use of the public for vehicular traffic on the grounds of a college or university, public or private school, or public or historical park.

- Curb ramps to provide for access by individuals with disabilities in accordance with the Americans with Disabilities Act (ADA) and Department of Transportation Standards.

- 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.

- Ferry boat operations, where applicable.

- 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.

- 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.

- Transportation related safety studies or safety projects on public highways.

- The construction of sounds walls if included in a highway project as a mitigation measure for environmental purposes and all warrants are met.

- Other expenditures determined, on a case-by-case basis, to be consistent with the requirements and restrictions of Article 8, Section 11 of the Pennsylvania Constitution.

Background (Continued)

(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.

(4) Each county that has adopted a fee for local use ordinance must submit a set of annual reports showing the receipts and expenditures of all fee for local use funds received from the Commonwealth on forms supplied by the Center for Program Development and Management.

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, the County Act 89 Tax Fund, and the County Fee for Local Use 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).

Background (Continued)

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.

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.

The Pennsylvania Department of Transportation prescribes that the county report the following on the Reports of County Fee for Local Use Funds:

A. The balance in the County Fee for Local Use Fund at the beginning of the report calendar year.

B. Receipts which must be itemized and include the County's Fee for Local Use Fund allocations, interest, reimbursable agreements, and miscellaneous items such as loans, sale of salvageable material, and damage claims to road or bridge property.

C. Total County Fee for Local Use funds available for expenditure.

D. Expenditures.

E. The balance in the fund at the close of the report calendar year.

Background (Continued)

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.

BERKS COUNTY
LIQUID FUELS TAX FUND
2021 FORM MS-991 WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Actual balance in county Liquid Fuels Tax Fund on January 1, 2021	$ 1,985,780.87	$ -	$ 1,985,780.87
Receipts:			
Liquid Fuels Tax Funds received from Commonwealth	774,718.33	-	774,718.33
Interest	3,343.46	-	3,343.46
Reimbursable agreements	384,148.03	-	384,148.03
Miscellaneous	968,474.38	-	968,474.38
Total receipts	2,130,684.20	-	2,130,684.20
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	4,116,465.07	-	4,116,465.07
Expenditures:			
Administrative	48,517.10	22,012.79	70,529.89
Minor equipment purchases	33,744.99	-	33,744.99
County aid payments	-	-	-
Major equipment expenditures	38,907.00	-	38,907.00
Street cleaning and gutters	-	-	-
Winter maintenance services	28,539.26	-	28,539.26
Traffic control devices	2,857.90	-	2,857.90
Street lighting	118,209.43	-	118,209.43
Storm sewers and drains	-	-	-
Repairs of tools and machinery	5,821.73	178.96	6,000.69
Maintenance and repairs - roads and bridges	434,946.12	76,220.30	511,166.42
Highway construction and rebuilding projects	505,469.18	549,207.26	1,054,676.44
Miscellaneous	647,619.31	(647,619.31)	-
Total expenditures	1,864,632.02	-	1,864,632.02
Remaining funds available as of December 31, 2021	$ 2,251,833.05	$ -	$ 2,251,833.05

2021 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
Approved future year receipts and expenditures			
Accounts receivable	$ -	$ -	$ -
Accounts payable	-	-	-
Unpaid encumbrances	295,796.59	78,737.91	374,534.50
Unpaid county aid grants	1,056,948.24	-	1,056,948.24
Total approved future year receipts and expenditures	1,352,744.83	78,737.91	1,431,482.74
Year end balance available for future years as of December 31, 2021	$ 899,088.22	$ (78,737.91)	$ 820,350.31

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

	Reported	Adjustments	Adjusted Amount
Actual balance in county Liquid Fuels Tax Fund on January 1, 2022	$ 2,251,833.05	$ -	$ 2,251,833.05
Receipts:			
Liquid Fuels Tax Funds received from Commonwealth	795,956.71	-	795,956.71
Interest	21,764.71	-	21,764.71
Reimbursable agreements	-	-	-
Miscellaneous	1,368,691.93	-	1,368,691.93
Total receipts	2,186,413.35	-	2,186,413.35
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	4,438,246.40	-	4,438,246.40
Expenditures:			
Administrative	-	77,471.83	77,471.83
Minor equipment purchases	19,364.22	-	19,364.22
County aid payments	-	-	-
Major equipment expenditures	10,409.03	-	10,409.03
Street cleaning and gutters	-	-	-
Winter maintenance services	7,582.19	-	7,582.19
Traffic control devices	8,915.30	-	8,915.30
Street lighting	86,891.35	-	86,891.35
Storm sewers and drains	-	-	-
Repairs of tools and machinery	6,112.50	-	6,112.50
Maintenance and repairs - roads and bridges	646,808.65	22,112.02	668,920.67
Highway construction and rebuilding projects	424,415.85	986,416.38	1,410,832.23
Miscellaneous	1,086,000.23	(1,086,000.23)	-
Total expenditures	2,296,499.32	-	2,296,499.32
Remaining funds available as of December 31, 2022	$ 2,141,747.08	$ -	$ 2,141,747.08

2022 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
Approved future year receipts and expenditures			
Accounts receivable	$ -	$ -	$ -
Accounts payable	-	-	-
Unpaid encumbrances	-	117,155.40	117,155.40
Unpaid county aid grants	1,056,948.24	-	1,056,948.24
Total approved future year receipts and expenditures	1,056,948.24	117,155.40	1,174,103.64
Year end balance available for future years as of December 31, 2022	$ 1,084,798.84	$ (117,155.40)	$ 967,643.44

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

	Reported	Adjustments	Adjusted Amount
Actual balance in county Liquid Fuels Tax Fund on January 1, 2023	$ 2,141,747.08	$ -	$ 2,141,747.08
Receipts:			
Liquid Fuels Tax Funds received from Commonwealth	819,135.86	-	819,135.86
Interest	60,435.81	-	60,435.81
Reimbursable agreements	-	-	-
Miscellaneous	209,627.37	-	209,627.37
Total receipts	1,089,199.04	-	1,089,199.04
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	3,230,946.12	-	3,230,946.12
Expenditures:			
Administrative	79,595.67	-	79,595.67
Minor equipment purchases	3,916.96	-	3,916.96
County aid payments	-	-	-
Major equipment expenditures	76,526.90	-	76,526.90
Street cleaning and gutters	-	-	-
Winter maintenance services	5,790.86	-	5,790.86
Traffic control devices	611.30	-	611.30
Street lighting	62,188.59	-	62,188.59
Storm sewers and drains	-	-	-
Repairs of tools and machinery	8,664.65	-	8,664.65
Maintenance and repairs - roads and bridges	439,523.87	12,506.50	452,030.37
Highway construction and rebuilding projects	154,691.88	131,832.60	286,524.48
Miscellaneous	144,339.10	(144,339.10)	-
Total expenditures	975,849.78	-	975,849.78
Remaining funds available as of December 31, 2023	$ 2,255,096.34	$ -	$ 2,255,096.34

2023 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
Approved future year receipts and expenditures			
Accounts receivable	$ -	$ -	$ -
Accounts payable	-	-	-
Unpaid encumbrances	120,000.00	103,875.33	223,875.33
Unpaid county aid grants	1,056,948.24	-	1,056,948.24
Total approved future year receipts and expenditures	1,176,948.24	103,875.33	1,280,823.57
Year end balance available for future years as of December 31, 2023	$ 1,078,148.10	$ (103,875.33)	$ 974,272.77

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

	Reported	Adjustments	Adjusted Amount
Actual balance in county Liquid Fuels Tax Fund on January 1, 2024	$ 2,255,096.34	$ -	$ 2,255,096.34
Receipts:			
Liquid Fuels Tax Funds received from Commonwealth	802,260.14	-	802,260.14
Interest	45,594.02	-	45,594.02
Reimbursable agreements	-	-	-
Miscellaneous	2,919,340.35	-	2,919,340.35
Total receipts	3,767,194.51	-	3,767,194.51
Total Liquid Fuels Tax Funds available for expenditures and encumbrances	6,022,290.85	-	6,022,290.85
Expenditures:			
Administrative	80,226.01	-	80,226.01
Minor equipment purchases	1,962.99	-	1,962.99
County aid payments	-	-	-
Major equipment expenditures	26,040.57	-	26,040.57
Street cleaning and gutters	-	-	-
Winter maintenance services	7,375.83	-	7,375.83
Traffic control devices	-	-	-
Street lighting	106,450.58	-	106,450.58
Storm sewers and drains	-	-	-
Repairs of tools and machinery	12,999.11	-	12,999.11
Maintenance and repairs - roads and bridges	489,432.73	8,175.78	497,608.51
Highway construction and rebuilding projects	494,395.88	3,856,930.80	4,351,326.68
Miscellaneous	3,865,106.58	(3,865,106.58)	-
Total expenditures	5,083,990.28	-	5,083,990.28
Remaining funds available as of December 31, 2024	$ 938,300.57	$ -	$ 938,300.57

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

2024 Form MS-991 With Adjustments (Continued)

	Reported	Adjustments	Adjusted Amount
Approved future year receipts and expenditures			
Accounts receivable	$ 1,013,055.08	$ -	$ 1,013,055.08
Accounts payable	-	-	-
Unpaid encumbrances	120,000.00	(2,844.60)	117,155.40
Unpaid county aid grants	1,056,948.24	-	1,056,948.24
Total approved future year receipts and expenditures	163,893.16	(2,844.60)	161,048.56
Year end balance available for future years as of December 31, 2024	$ 774,407.41	$ 2,844.60	$ 777,252.01

BERKS COUNTY
2021 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2021	$ 715,080.46	$ -	$ 715,080.46
Receipts:			
Act 44 Funds	123,845.84	-	123,845.84
Interest	335.84	-	335.84
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	124,181.68	-	124,181.68
Total funds available	839,262.14	-	839,262.14
Expenditures:			
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	687,444.40	(687,444.40)	-
Miscellaneous	-	687,444.40	687,444.40
Total expenditures	687,444.40	-	687,444.40
Balance, December 31, 2021	$ 151,817.74	$ -	$ 151,817.74

BERKS COUNTY
2022 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2022	$ 151,817.74	$ -	$ 151,817.74
Receipts:			
Act 44 Funds	124,214.12	-	124,214.12
Interest	1,803.59	-	1,803.59
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	126,017.71	-	126,017.71
Total funds available	277,835.45	-	277,835.45
Expenditures:			
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	$ 277,835.45	$ -	$ 277,835.45

BERKS COUNTY
2023 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2023	$ 277,835.45	$ -	$ 277,835.45
Receipts:			
Act 44 Funds	124,013.91	-	124,013.91
Interest	8,838.23	-	8,838.23
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	132,852.14	-	132,852.14
Total funds available	410,687.59	-	410,687.59
Expenditures:			
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, 2023	$ 410,687.59	$ -	$ 410,687.59

BERKS COUNTY
2024 REPORT OF ACT 44 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2024	$ 410,687.59	$ -	$ 410,687.59
Receipts:			
Act 44 Funds	118,484.77	-	118,484.77
Interest	13,303.08	-	13,303.08
Reimbursable agreements	-	-	-
Miscellaneous	60.00	-	60.00
Total receipts	131,847.85	-	131,847.85
Total funds available	542,535.44	-	542,535.44
Expenditures:			
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	60.00	-	60.00
Total expenditures	60.00	-	60.00
Balance, December 31, 2024	$ 542,475.44	$ -	$ 542,475.44

BERKS COUNTY
2021 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2021	$ 1,506,476.79	$ -	$ 1,506,476.79
Receipts:			
Act 89 Funds	240,356.70	-	240,356.70
Interest	2,372.87	-	2,372.87
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	242,729.57	-	242,729.57
Total funds available	1,749,206.36	-	1,749,206.36
Expenditures:			
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, 2021	$ 1,749,206.36	$ -	$ 1,749,206.36

BERKS COUNTY
2022 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2022	$ 1,749,206.36	$ -	$ 1,749,206.36
Receipts:			
Act 89 Funds	233,587.34	-	233,587.34
Interest	20,293.16	-	20,293.16
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	253,880.50	-	253,880.50
Total funds available	2,003,086.86	-	2,003,086.86
Expenditures:			
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	$ 2,003,086.86	$ -	$ 2,003,086.86

BERKS COUNTY
2023 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2023	$ 2,003,086.86	$ -	$ 2,003,086.86
Receipts:			
Act 89 Funds	235,438.44	-	235,438.44
Interest	62,417.05	-	62,417.05
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	297,855.49	-	297,855.49
Total funds available	2,300,942.35	-	2,300,942.35
Expenditures:			
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	136,218.00	(136,218.00)	-
Miscellaneous	-	136,218.00	136,218.00
Total expenditures	136,218.00	-	136,218.00
Balance, December 31, 2023	$ 2,164,724.35	$ -	$ 2,164,724.35

BERKS COUNTY
2024 REPORT OF ACT 89 TAX FUND
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2024	$ 2,164,724.35	$ -	$ 2,164,724.35
Receipts:			
Act 89 Funds	226,044.39	-	226,044.39
Interest	72,415.73	-	72,415.73
Reimbursable agreements	-	-	-
Miscellaneous	67,364.88	-	67,364.88
Total receipts	365,825.00	-	365,825.00
Total funds available	2,530,549.35	-	2,530,549.35
Expenditures:			
Administrative	-	-	-
Minor Equipment Purchases	-	-	-
Major Equipment Purchases	-	-	-
Street Cleaning and Gutters	-	-	-
Traffic Control Devices	2,194.40	(1,203.00)	991.40
Street Lighting	-	-	-
Storm Sewers and Drains	-	-	-
Repairs of Tools and Machinery	-	-	-
Maintenance and Repairs- Roads and Bridges	20,081.84	(13,030.90)	7,050.94
Highway Construction and Rebuilding Projects	13,189.88	(13,189.88)	-
Miscellaneous	60.00	27,423.78	27,483.78
Total expenditures	35,526.12	-	35,526.12
Balance, December 31, 2024	$ 2,495,023.23	$ -	$ 2,495,023.23

BERKS COUNTY
2021 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2021	$ 6,844,051.32	$ -	$ 6,844,051.32
Receipts:			
Local Use Funds	2,137,400.00	-	2,137,400.00
Interest	10,992.15	-	10,992.15
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	2,148,392.15	-	2,148,392.15
Total funds available	8,992,443.47	-	8,992,443.47
Expenditures:			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	-	-	-
County-Owned bridge construction	163,420.12	(163,420.12)	-
Administrative expenditures	-	-	-
Miscellaneous	-	163,420.12	163,420.12
Grants to political subdivisions	-	-	-
Total expenditures	163,420.12	-	163,420.12
Balance, December 31, 2021	$ 8,829,023.35	$ -	$ 8,829,023.35

BERKS COUNTY
2022 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2022	$ 8,829,023.35	$ -	$ 8,829,023.35
Receipts:			
Local Use Funds	2,068,680.00	-	2,068,680.00
Interest	96,349.93	-	96,349.93
Reimbursable agreements	-	-	-
Miscellaneous	315.00	-	315.00
Total receipts	2,165,344.93	-	2,165,344.93
Total funds available	10,994,368.28	-	10,994,368.28
Expenditures:			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	-	-	-
County-Owned bridge construction	1,208,883.36	(1,208,883.36)	-
Administrative expenditures	-	-	-
Miscellaneous	-	1,208,883.36	1,208,883.36
Grants to political subdivisions	-	-	-
Total expenditures	1,208,883.36	-	1,208,883.36
Balance, December 31, 2022	$ 9,785,484.92	$ -	$ 9,785,484.92

BERKS COUNTY
2023 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2023	$ 9,785,484.92	$ -	$ 9,785,484.92
Receipts:			
Local Use Funds	2,076,265.00	-	2,076,265.00
Interest	321,190.64	-	321,190.64
Reimbursable agreements	-	-	-
Miscellaneous	365.28	-	365.28
Total receipts	2,397,820.92	-	2,397,820.92
Total funds available	12,183,305.84	-	12,183,305.84
Expenditures:			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	-	-	-
County-Owned bridge construction	31,071.89	(31,071.89)	-
Administrative expenditures	-	-	-
Miscellaneous	365.28	31,071.89	31,437.17
Grants to political subdivisions	-	-	-
Total expenditures	31,437.17	-	31,437.17
Balance, December 31, 2023	$ 12,151,868.67	$ -	$ 12,151,868.67

BERKS COUNTY
2024 REPORT OF COUNTY FEE FOR LOCAL USE FUNDS
WITH ADJUSTMENTS

	Reported	Adjustments	Adjusted Amount
Balance, January 1, 2024	$ 12,151,868.67	$ -	$ 12,151,868.67
Receipts:			
Local Use Funds	2,075,020.00	-	2,075,020.00
Interest	390,437.38	-	390,437.38
Reimbursable agreements	-	-	-
Miscellaneous	-	-	-
Total receipts	2,465,457.38	-	2,465,457.38
Total funds available	14,617,326.05	-	14,617,326.05
Expenditures:			
County-Owned road maintenance	-	-	-
County-Owned road construction	-	-	-
County-Owned bridge maintenance	-	-	-
County-Owned bridge construction	1,459,128.20	(1,459,128.20)	-
Administrative expenditures	-	-	-
Miscellaneous	-	1,459,128.20	1,459,128.20
Grants to political subdivisions	-	-	-
Total expenditures	1,459,128.20	-	1,459,128.20
Balance, December 31, 2024	$ 13,158,197.85	$ -	$ 13,158,197.85

BERKS COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

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

Adjustments

2021 Form MS-991

Adjustments were made to “Administrative,” “Repairs of tools and machinery,” “Maintenance and repairs - roads and bridges,” “Highway construction and rebuilding projects,” and “Miscellaneous” because expenditures of $647,619.31 were misclassified.

An adjustment of $78,737.91 was made to “Unpaid encumbrances” because the balance of the following encumbrances was reported incorrectly:

Encumbrance No.	Actual Amount	Reported Amount	Adjustment
17-06000-002	$17,361.77	$0.00	$17,361.77
18-06000-004	61,376.14	$0.00	61,376.14
Total	$78,737.91	$0.00	$78,737.91

2022 Form MS-991

Adjustments were made to “Administrative,” “Maintenance and repairs - roads and bridges,” “Highway construction and rebuilding projects,” and “Miscellaneous” because expenditures of $1,086,000.23 were misclassified.

An adjustment of $117,155.40 was made to “Unpaid encumbrances” because the balance of the following encumbrances was reported incorrectly:

Encumbrance No.	Actual Amount	Reported Amount	Adjustment
17-06000-002	$ 17,361.77	$0.00	$ 17,361.77
17-06000-004	24,629.74	0.00	24,629.74
17-06000-005	75,163.89	0.00	75,163.89
Total	$117,155.40	$0.00	$117,155.40

2023 Form MS-991

Adjustments were made to "Maintenance and repairs - roads and bridges," "Highway construction and rebuilding projects," and "Miscellaneous" because expenditures of $144,339.10 were misclassified.

An adjustment of $103,875.33 was made to "Unpaid encumbrances" because the balance of the following encumbrances was reported incorrectly:

Encumbrance No.	Actual Amount	Reported Amount	Adjustment
17-06000-002	$ 17,361.77	$ 0.00	$ 17,361.77
17-06000-004	24,629.74	0.00	24,629.74
17-06000-005	75,163.89	0.00	75,163.89
18-06000-006	106,719.93	120,000.00	(13,280.07)
Total	$223,875.33	$120,000.00	$103,875.33

2024 Form MS-991

Adjustments were made to "Maintenance and repairs - roads and bridges," "Highway construction and rebuilding projects," and "Miscellaneous" because expenditures of $3,865,106.58 were misclassified.

An adjustment of $(2,844.60) was made to "Unpaid encumbrances" because the balance of the following encumbrances was reported incorrectly:

Encumbrance No.	Actual Amount	Reported Amount	Adjustment
17-06000-002	$ 17,361.77	$ 0.00	$ 17,361.77
17-06000-004	24,629.74	0.00	24,629.74
17-06000-005	75,163.89	0.00	75,163.89
18-06000-006	0.00	120,000.00	(120,000.00)
Total	$117,155.40	$120,000.00	$ (2,844.60)

2021 Report of Act 44 Tax Fund

Adjustments were made to “Highway Construction and Rebuilding Projects” and “Miscellaneous” because expenditures of $687,444.40 were misclassified.

2023 Report of Act 89 Tax Fund

Adjustments were made to “Highway Construction and Rebuilding Projects” and “Miscellaneous” because expenditures of $136,218.00 were misclassified.

2024 Report of Act 89 Tax Fund

Adjustments were made to “Traffic Control Devices,” “Maintenance and Repairs - Roads and Bridges,” “Highway Construction and Rebuilding Projects,” and “Miscellaneous” because expenditures of $27,423.78 were misclassified.

2021 Report of County Fee for Local Use Funds

Adjustments were made to “County - Owned bridge construction” and “Miscellaneous” because expenditures of $163,420.12 were misclassified.

2022 Report of County Fee for Local Use Funds

Adjustments were made to “County - Owned bridge construction” and “Miscellaneous” because expenditures of $1,208,883.36 were misclassified.

2023 Report of County Fee for Local Use Funds

Adjustments were made to “County - Owned bridge construction” and “Miscellaneous” because expenditures of $31,071.89 were misclassified.

2024 Report of County Fee for Local Use Funds

Adjustments were made to “County - Owned bridge construction” and “Miscellaneous” because expenditures of $1,459,128.20 were misclassified.

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 $384,148.03 during 2021 as a result of these agreements and deposited this money into its Liquid Fuels Tax Fund.

BERKS COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
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AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
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Miscellaneous Receipts

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

Source	Description	2021	2022	2023	2024
Vendor	Reimbursement for materials	$ -	$ -	$ 1,400.00	$ -
General Fund	Reimbursement for materials	812.15	148,864.57	3,350.00	-
General Fund	Reimbursement (Summary Of Prior Examination Recommendations)	-	-	6,445.79	-
Insurance Company	Reimbursement for damages	14,341.00	11,939.00	7,560.95	4,214.00
Vendor	Lease of Buttonwood Street Utilities	18,500.00	11,100.00	11,100.00	11,100.00
Resident	Sale of equipment	-	-	-	12,288.71
Commonwealth of Pennsylvania	Reimbursement for Right of Way	2,600.00	-	-	-
Act 89 Tax Fund	Reimbursement for Act 89 Tax Fund expenses paid	-	-	136,218.00	27,423.78
Act 44 Tax Fund	Reimbursement for Act 44 Tax Fund expenses paid	687,444.40	-	-	-
Act 13 Tax Fund	Reimbursement for Act 13 Tax Fund expenses paid	81,356.71	-	29,576.90	1,405,185.66
County Fee for Local Use Tax Fund	Reimbursement for County Fee for Local Use Fund expenses paid	163,420.12	1,196,788.36	13,975.73	1,459,128.20
Totals		$968,474.38	$1,368,691.93	$209,627.37	$2,919,340.35

Miscellaneous Receipts (Continued)

On October 15, 2024, the county deposited $60.00 into its Act 44 Tax Fund that was received from its financial institution for the refund of bank service charges.

The following miscellaneous receipts were deposited into the County's Act 89 Tax Fund during the examination period:

Source	Description	2024
Insurance company	Reimbursement for damages	$67,304.88
Financial institution	Reimbursement for bank service charges	60.00
Total		$67,364.88

The following miscellaneous receipts were deposited into the County's County Fee for Local Use Fund during the examination period:

Source	Description	2022	2023
Financial institution	Correction of transfer in error	$315.00	$ -
Commonwealth of Pennsylvania	Deposits in error	-	365.28
Totals		$315.00	$365.28

Miscellaneous Expenditures

The following miscellaneous expenditures were paid from the Act 44 Tax Fund during the examination period:

Payee	Description	2021	2024
Liquid Fuels Tax Fund	Reimbursement for Act 44 expenses paid	$687,444.40	$ -
Financial institution	Bank service charges	-	60.00
Totals		$687,444.40	$60.00

BERKS COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
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Miscellaneous Expenditures (Continued)

The following miscellaneous expenditures were paid from the Act 89 Tax Fund during the examination period:

Payee	Description	2023	2024
Liquid Fuels Tax Fund	Reimbursement for Act 89 expenses paid	$136,218.00	$27,423.78
Financial institution	Bank service charges	-	60.00
Totals		$136,218.00	$27,483.78

The following miscellaneous expenditures were paid from the County Fee for Local Use Fund during the examination period:

Payee	Description	2021	2022	2023	2024
Liquid Fuels Tax Fund	Reimbursement for County Fee for Local Use expenses paid	$163,420.12	$1,196,788.36	$13,975.73	$1,459,128.20
General Fund	Reimbursement for County Fee for Local Use expenditures	-	11,780.00	17,096.16	-
Financial institution	Transfer in error	-	315.00	-	-
Commonwealth of Pennsylvania	Correction of deposits in error	-	-	365.28	-
Totals		$163,420.12	$1,208,883.36	$31,437.17	$1,459,128.20

Transfer In Error

On June 3, 2022, the county’s financial institution transferred $315.00 from the County Fee for Local Use Fund in error. On June 8, 2022, the financial institution reimbursed the county’s County Fee for Local Use Fund $315.00 to correct the transfer in error.

BERKS COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
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AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
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Deposits In Error

The Commonwealth of Pennsylvania deposited $15.00 on January 11, 2023, and $350.28 on December 15, 2023, into the county's County Fee for Local Use Fund in error. On December 15, 2023, the county reimbursed $365.28 from its County Fee for Local Use Fund to the Commonwealth of Pennsylvania to correct the deposits in error.

Accounts Receivable

As of December 31, 2024, accounts receivable totaled $1,013,055.08. This amount consists of $7,117.19 from the Act 89 Fund, $86,776.85 from the Act 13 Fund, and $919,161.04 from the County Fee for Local Use Fund.

Encumbrances

As of December 31, 2024, $1,174,103.64 was encumbered. This amount consists of $117,155.40 for county projects, and $1,056,948.24 for grants to political subdivisions.

Finding - Liquid Fuels Money Over Expended On Project

We tested expenditures totaling $10,547,880.67 related to 13 construction projects and found that the county expended $145,156.36 of Liquid Fuels Tax Fund money on construction project No. 22-06000-002. However, the amount of Liquid Fuels Tax Fund money approved by the Department of Transportation to be expended from the Liquid Fuels Tax Fund for this project was $119,329.96. The difference of $25,826.40 should have been paid directly from the General Fund.

In addition, the county expended $380,698.33 of Liquid Fuels Tax Fund money on construction project No. 10-06000-002. However, the amount of Liquid Fuels Tax Fund money approved by the Department of Transportation to be expended from the Liquid Fuels Tax Fund for this project was $378,702.39. The difference of $1,995.94 should have been paid directly from the General Fund.

Finally, the county expended $210,360.77 of Liquid Fuels Tax Fund money on construction project No. 07-06000-001. However, the amount of Liquid Fuels Tax Fund money approved by the Department of Transportation to be expended from the Liquid Fuels Tax Fund for this project was $171,901.55. The difference of $38,459.22 should have been paid directly from the General Fund.

The total over expended on projects during our examination period from the Liquid Fuels Tax Fund was $66,281.56.

The Department of Transportation's Regulations do not permit a county to expend Liquid Fuels Tax Fund money in excess of the amount approved on Municipal Services Completion Report Form MS-999.

We were unable to determine the cause of this condition.

The failure to comply with the Department of Transportation's Regulations could result in the county having to reimburse $66,281.56 to its Liquid Fuels Tax Fund.

Recommendations

We recommend that the county reimburse $66,281.56 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that the county expend only the approved amount of Liquid Fuels Tax Fund money on road construction projects.

Finding - Liquid Fuels Money Over Expended On Project (Continued)

Management's Response

The county officials stated:

> The County of Berks submitted expenditures for the contracted project based on the recommendation of the contractor to substitute materials that were unavailable at the time. The unavailability of the original materials would have delayed the completion of the project. While the cost of the replacement materials did not significantly alter the overall project budget and therefore did not appear to require a formal change order, it was later determined that the substituted materials did not meet the eligibility criteria for Liquid Fuels reimbursement as prescribed by law.
>
> The County relied on the contractor's professional expertise in recommending the substitution and did not realize the substituted materials would render the expenditure ineligible for reimbursement. This reliance was based on the contractor's presumed knowledge and judgment within the scope of the contract and the expected cause-and-effect of their recommendations.
>
> Future remedy: The County of Berks will strengthen its internal controls by enforcing a policy that all deviations from the original contract (including material substitutions) must be approved through a formal, written "Change Order" process prior to implementation.

Auditor's Conclusion

We determined that the amount of Liquid Fuels Tax Fund money approved by the Department of Transportation to be expended from the Liquid Fuels Tax Fund for these projects was lower than the actual amounts expended. During our next examination, we will determine if the county complied with our recommendations.

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 $6,445.79 to its Liquid Fuels Tax Fund for expenditures in excess of the 10 percent limit on indirect/administrative costs.

During our current examination, we reviewed a letter dated June 27, 2023, from the Department of Transportation directing the county to reimburse $6,445.79 to its Liquid Fuels Tax Fund. We noted that the county reimbursed its Liquid Fuels Tax Fund on August 28, 2023.

In our prior report, we also recommended that the county limit all indirect/administrative costs charged to the Liquid Fuels Tax Fund to the 10 percent maximum permitted by the Liquid Fuels Tax Fund Act.

During our current examination, we noted that the county complied with our recommendations.

BERKS COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
SUMMARY OF ONSITE CLOSEOUT MEETING
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

An onsite closeout meeting was held October 8, 2025. Those participating were:

BERKS COUNTY

The Honorable Joe Rudderow, Controller

Ms. Grazyna Nykiel, Deputy Controller

Mr. Trevor Greth, Fiscal Manager

DEPARTMENT OF THE AUDITOR GENERAL

Mr. Matthew R. Hotchkiss, Audit Supervisor

BERKS COUNTY
LIQUID FUELS, ACT 44, ACT 89 TAX FUNDS
AND COUNTY FEE FOR LOCAL USE FUND
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

This report was initially distributed to:

The Honorable Michael Carroll
Secretary
Department of Transportation

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

The Honorable Joe Rudderow
Controller

The Honorable Mitchell R. Darcourt
Treasurer

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.