ATTESTATION ENGAGEMENT

Township of Cook

Westmoreland County, Pennsylvania

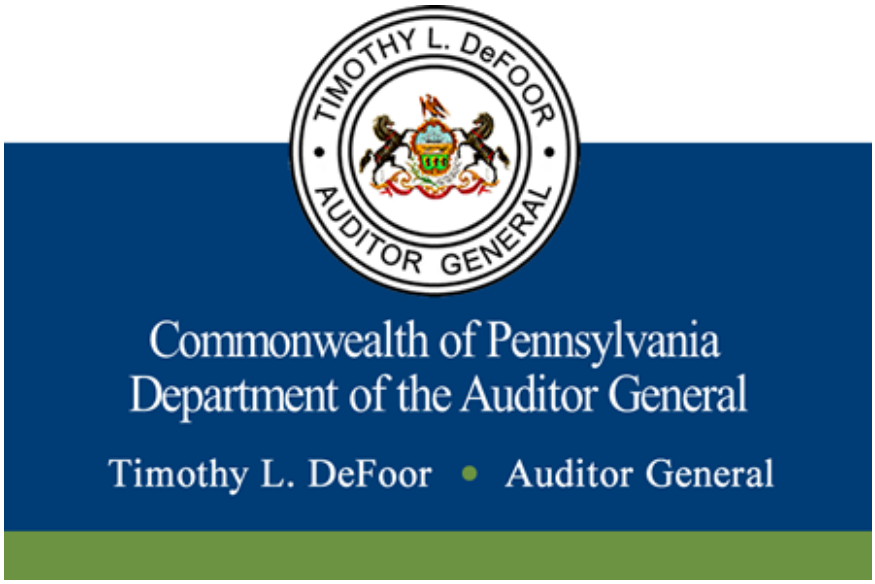
64-203

Liquid Fuels Tax Fund

For the Period

January 1, 2023 to December 31, 2024

November 2025



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
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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-965 With Adjustments for the Liquid Fuels Tax Fund of the Township of Cook, Westmoreland County, for the period January 1, 2023 to December 31, 2024. The municipality's management is responsible for presenting the Forms MS-965 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 MS-965 With Adjustments based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Forms MS-965 are presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the Forms MS-965. 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 MS-965, 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.

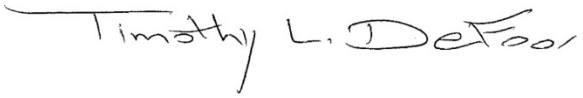
We are required to be independent and to meet our other ethical responsibilities in accordance with ethical requirements relating to the engagement.

As described in the Auditor Description Of Select Transactions section of this report, the adjustments included on the Forms MS-965 With Adjustments are made by the Department of the Auditor General.

In our opinion, the Forms MS-965 With Adjustments present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund of the Township of Cook, Westmoreland County, for the period January 1, 2023 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*.

The purpose of this report is to provide information related to the municipality's Liquid Fuels 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 Pennsylvania Department of Transportation's *Publication 9*. This report is not suitable for any other purpose.

We appreciate the courtesy extended by the Township of Cook, Westmoreland 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
October 13, 2025

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TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Background

The Liquid Fuels Tax Municipal Allocation Law[1] provides municipalities other than counties (i.e., townships, boroughs, cities, towns, home rule, and optional plan governments) with an annual allocation of liquid fuels taxes from the state's Motor License Fund to be used for the maintenance and repair of streets, roads, and bridges for which the municipality is responsible. The allocation of these funds to municipalities is based upon: (1) 50 percent on the municipality's proportion of local road mileage to the total local road mileage maintained by all political subdivisions making application in the county; and (2) 50 percent on the proportion of a municipality's population to the total population of all municipalities making application in the state.[2]

Section 9511 (relating to Allocation of proceeds) of the Pennsylvania Vehicle Code provides municipalities with annual maintenance payments to be received from the Motor License Fund.[3]

Each municipality must deposit the allocation of Liquid Fuels Tax funds and annual maintenance payments that it receives into a special fund called either the Municipal Liquid Fuels Tax Fund or State Fund. A municipality may not deposit any other monies into this fund except when the municipality does not have enough money in the special fund to meet the payments called for by its current annual budget for road and bridge purposes. In such a case, the municipality may borrow money or transfer money from its General Fund to its Liquid Fuels Tax Fund.

The Department of Transportation has been given the regulatory authority for the administration of these funds. Department of Transportation's *Publication 9* includes the policies and procedures for the administration of Act 655, as amended, and the Liquid Fuels Tax Fund money. However, if there is a difference between *Publication 9* and any legislation, the legislation shall govern.

To qualify for the annual allocation of Liquid Fuels Tax funds, *Publication 9* indicates that each municipality shall:

1. Submit annual reports (MS-965, Actual Use Report, MS-965P, Project and Miscellaneous Receipts, and MS-965S, Record of Checks).

[1] 72 P.S. § 2615.1 *et seq.*, Act 655 of 1956, as amended.
[2] 75 Pa.C.S. § 9010(c)(1)-(2) as last amended by Act 89 of 2013.
[3] 75 Pa.C.S. § 9511, as last amended by Act 89 of 2013 and Act 101 of 2016, *See also* 72 P.S. § 2615.4, as last amended by Act 42 of 2013.

Background (Continued)

2. Make deposits and payments or expenditures in compliance with Act 655, as amended. Failure to do so may result in not receiving allocations from PennDOT until all discrepancies are resolved. *Publication 9*, Section 2.6, includes information about investing Liquid Fuels Tax monies, using loan or bond proceeds, and types of receipts that can be placed into the Liquid Fuels Tax Fund.

3. Submit the Pennsylvania Department of Community and Economic Development's (DCED) Report of Elected and Appointed Officials by January 31st and the Survey of Financial Condition By March 15th.

4. Ensure resolution of all Contractor Responsibility Program (CRP) holds and blocks imposed by the Department of Revenue and the Department of Labor and Industry.

5. Ensure resolution of all reimbursements required as a result of audits performed by the Department of the Auditor General or monitoring reviews performed by the Department of Transportation's Financial Consultants.

Criteria

The criteria for the Form MS-965 With Adjustment are described below.

Section 1 of Form MS-965 With Adjustments provides a summary of Liquid Fuels Tax Fund expenditures by category. Categories requiring explanation include:

- Major equipment purchases are purchases of road machinery and road equipment with varying yearly costs in excess of the amounts indicated below:

2021	2022	2023	2024
$11,500.00	$11,800.00	$12,200.00	$12,600.00

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

2021	2022	2023	2024
$11,500.00	$11,800.00	$12,200.00	$12,600.00

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

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Background (Continued)

Section 2 of Form MS-965 With Adjustments provides information on the fund balance. Categories requiring explanation include:

- The state allocation is available from the Department of Transportation in March of each year. The amount the municipality receives is based half on its population and half on its road mileage.

- Municipalities that transferred roads from the Commonwealth of Pennsylvania to the municipality through the Highway Transfer Program receive annual turnback allocations in March of each year from the Department of Transportation. Turnback allocations are based on the mileage of the roads transferred.

- Expenditures include the total transferred from Section 1.

Section 3 of Form MS-965 With Adjustments determines if the municipality expended Liquid Fuels Tax Fund money in excess of the permissible amount for equipment and the balance that the municipality may carry forward for the purchase of equipment to the subsequent year.

Department of Transportation *Publication 9* requires that the amount expended for equipment purchases in a given year not exceed the sum of the equipment balance carried forward from the previous year and 20 percent of the current year's Liquid Fuels Tax Fund allocation and, if applicable, 20 percent of the turnback allocation plus other Department of Transportation approved adjustments.

If the municipality spent in excess of the amount listed on Line 4, the excess must be reimbursed to the Liquid Fuels Tax Fund.

The equipment balance to be carried forward for the subsequent year is the lesser of the amount on Line 6 or the ending fund balance on Line 6 of Section 2, but not less than zero.

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Background (Continued)

Basis of Presentation

The financial activities of the municipality are accounted for in separate funds. The Liquid Fuels Tax Fund is used to account for state aid revenues from the Pennsylvania Department of Transportation used primarily for building and improving local roads and bridges. The Form MS-965 has been prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Transportation as a result of the Fuels Tax Act 655, as amended, which does not constitute a complete presentation of the entity's assets, liabilities, expenses, and fund balance. Accordingly, the presentation of Form MS-965 With Adjustments is restricted to the Liquid Fuels Tax Fund, which represents a segment of the entity's financial activities.

Basis Of Accounting

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

General Fixed Assets

General fixed assets are recognized as expenditures at the time of purchase. No depreciation has been provided on the heavy equipment used to maintain and repair roads and bridges.

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

Expenditure Summary	Reported	Adjustments	Adjusted Amount
Minor equipment purchases	$ -	$ -	$ -
Computer/Computer related training	-	-	-
Major equipment purchases	1,554.71	-	1,554.71
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	476.69	-	476.69
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	872.42	-	872.42
Maintenance and repair of roads and bridges	18,674.47	-	18,674.47
Highway construction and rebuilding projects	137,965.00	-	137,965.00
Miscellaneous	3.00	-	3.00
Total (To Section 2, Line 5)	$ 159,546.29	$ -	$ 159,546.29

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

Fund Balance	Reported	Adjustments	Adjusted Amount
1. Balance, January 1, 2023	$ 164,858.33	$ -	$ 164,858.33
Receipts:			
2. State allocation	150,281.39	-	150,281.39
2a. Turnback allocation	-	-	-
2b. Interest on investments	944.90	-	944.90
2c. Miscellaneous	2,376.14	-	2,376.14
3. Total receipts	153,602.43	-	153,602.43
4. Total funds available	318,460.76	-	318,460.76
5. Expenditures (Section 1)	159,546.29	-	159,546.29
6. Balance, December 31, 2023	$ 158,914.47	$ -	$ 158,914.47

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

Equipment Balance	Reported	Adjustments	Adjusted Amount
1. Prior year equipment balance	$ (409.90)	$ 409.90	$ -
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	30,056.28	-	30,056.28
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	29,646.38	409.90	30,056.28
5. Less: Major equipment expenditures	1,554.71	-	1,554.71
6. Remainder	28,091.67	409.90	28,501.57
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	$ 28,091.67	$ 409.90	$ 28,501.57

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

Expenditure Summary	Reported	Adjustments	Adjusted Amount
Minor equipment purchases	$ -	$ -	$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	-	-	-
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	101,539.91	-	101,539.91
Highway construction and rebuilding projects	6,602.00	-	6,602.00
Miscellaneous	116.18	-	116.18
Total (To Section 2, Line 5)	$ 108,258.09	$ -	$ 108,258.09

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

Fund Balance	Reported	Adjustments	Adjusted Amount
1. Balance, January 1, 2024	$ 158,914.47	$ -	$ 158,914.47
Receipts:			
2. State allocation	150,272.90	-	150,272.90
2a. Turnback allocation	-	-	-
2b. Interest on investments	3,214.38	-	3,214.38
2c. Miscellaneous	2,843.20	-	2,843.20
3. Total receipts	156,330.48	-	156,330.48
4. Total funds available	315,244.95	-	315,244.95
5. Expenditures (Section 1)	108,258.09	-	108,258.09
6. Balance, December 31, 2024	$ 206,986.86	$ -	$ 206,986.86

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

Equipment Balance	Reported	Adjustments	Adjusted Amount
1. Prior year equipment balance	$ 28,091.67	$ 409.90	$ 28,501.57
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	30,054.58	-	30,054.58
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	58,146.25	409.90	58,556.15
5. Less: Major equipment expenditures	-	-	-
6. Remainder	58,146.25	409.90	58,556.15
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	$ 58,146.25	$ 409.90	$ 58,556.15

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2023 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

2023 - Section 3

An adjustment of $409.90 was made to "Prior year equipment balance" because an incorrect equipment balance was carried forward.

2024 - Section 3

An adjustment of $409.90 was made to "Prior year equipment balance" to reflect the adjustment made to the equipment balance in 2023 - Section 3.

Miscellaneous Receipts

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

Source	Description	2023	2024
Donegal Township	Share of road maintenance	$2,376.14	$2,359.12
Financial institution	Refund for bank service charges	-	74.18
General Fund	Reimbursement (Summary Of Prior Examination Recommendations)	-	409.90
Totals		$2,376.14	$2,843.20

Miscellaneous Expenditures

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

Payee	Description	2023	2024
Financial institution	Bank service charges	$3.00	$116.18

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Bank Loan

On January 30, 2018, the municipality borrowed $84,530.00 from Standard Bank Commercial Lending to finance the purchase of a 2017 F-550 Ford truck. The term of the loan was for five years at an interest rate of 3.50 percent. Principal and interest payments of $1,539.55 are due monthly. Prior years principal and interest payments from the Liquid Fuels Tax Fund were $68,371.41 and $7,066.54, respectively. Additionally, the municipality paid principal of $14,609.45 and interest of $786.05 from the General Fund.

During the current examination period, the municipality paid principal of $1,549.14 and interest of $5.57 from the Liquid Fuels Tax Fund. These amounts are reflected in major equipment purchases on the 2023 Form MS-965 - Section 1. The loan was paid in full on February 9, 2023.

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

Summary Of Prior Examination Recommendations

In our prior report, we recommended that the Department of Transportation review our examination finding to determine if the municipality should reimburse $409.90 to its Liquid Fuels Tax Fund for an over expenditure of its equipment purchase tally.

During our current examination, we reviewed a letter dated July 25, 2024, from the Department of Transportation directing the municipality to reimburse $409.90 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed this amount to its Liquid Fuels Tax Fund on September 4, 2024.

In our prior report, we also recommended that the municipality only expend up to the approved amount on equipment expenditures in accordance with the Department of Transportation's *Publication 9*.

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

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF ONSITE CLOSEOUT MEETING
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

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

TOWNSHIP OF COOK

Mrs. Jill Bachner, Assistant Secretary

DEPARTMENT OF THE AUDITOR GENERAL

Oldriska Hoch, CFE, Auditor

TOWNSHIP OF COOK
WESTMORELAND COUNTY
LIQUID FUELS TAX FUND
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2023 TO DECEMBER 31, 2024

This report was initially distributed to:

The Honorable Michael Carroll
Secretary
Department of Transportation

Township of Cook
Westmoreland County
1716 State Route 711
P. O. Box 221
Stahlstown, PA 15687

The Honorable Luke Grimm
Chairman of the Board of Supervisors

The Honorable Martin Stahl
Supervisor/Secretary/Treasurer

Mrs. Jill Bachner
Assistant Secretary

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.