

ATTESTATION ENGAGEMENT

Borough of Munhall
Allegheny County, Pennsylvania
02-448
Liquid Fuels Tax Fund
For the Period
January 1, 2022 to December 31, 2024

October 2025



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-965 With Adjustments for the Liquid Fuels Tax Fund of the Borough of Munhall, Allegheny County, for the period January 1, 2022 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 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 MS-965 With Adjustments are made by the Department of the Auditor General.

Independent Auditor's Report (Continued)

As discussed in Finding No. 1, we were unable to examine the images of the front and back of the cancelled checks because the borough failed to obtain them from its financial institution. Consequently, we were unable to perform procedures to determine whether disbursements were made in accordance with applicable laws and regulations.

In our opinion, except for the effects of the deviation from the criteria discussed in the preceding paragraph, the Forms MS-965 With Adjustments present, in all material respects, the information required by the Pennsylvania Department of Transportation for the Liquid Fuels Tax Fund of the Borough of Munhall, Allegheny 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 MS-965; 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 MS-965 are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over the Forms MS-965 or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed the following findings that are required to be reported under *Government Auditing Standards*:

- Electronic Imaging Of Canceled Checks From The Bank Were Not Available For Examination.
- A Complete Record Of Borough Council Meeting Minutes Were Not Available For Examination.

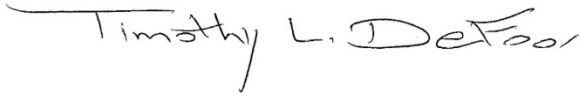
We also noted a matter that, while not required to be included in this report by *Government Auditing Standards*, has been included in the finding below:

- Late Receipt Of Allocation.

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.

Independent Auditor's Report (Continued)

We appreciate the courtesy extended by the Borough of Munhall, Allegheny 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.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line above the first name.

Timothy L. DeFoor
Auditor General
September 25, 2025

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BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Background

The Liquid Fuels Tax Municipal Allocation Law¹ 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.

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

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:

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>\$11,500.00</u>	<u>\$11,800.00</u>	<u>\$12,200.00</u>	<u>\$12,600.00</u>

- 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:

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>\$11,500.00</u>	<u>\$11,800.00</u>	<u>\$12,200.00</u>	<u>\$12,600.00</u>

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

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 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.

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2022 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.

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ -	\$ -	\$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	245,591.77	-	245,591.77
Traffic control devices	-	-	-
Street lighting	39,186.92	-	39,186.92
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	-	-	-
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 284,778.69</u>	<u>\$ -</u>	<u>\$ 284,778.69</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

<u>Fund Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Balance, January 1, 2022	\$ 307.15	\$ -	\$ 307.15
Receipts:			
2. State allocation	283,663.82	-	283,663.82
2a. Turnback allocation	-	-	-
2b. Interest on investments	855.23	-	855.23
2c. Miscellaneous	-	-	-
3. Total receipts	284,519.05	-	284,519.05
4. Total funds available	284,826.20	-	284,826.20
5. Expenditures (Section 1)	284,778.69	-	284,778.69
6. Balance, December 31, 2022	<u>\$ 47.51</u>	<u>\$ -</u>	<u>\$ 47.51</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2022 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

<u>Equipment Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Prior year equipment balance	\$ 307.15	\$ -	\$ 307.15
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	56,732.76	-	56,732.76
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	57,039.91	-	57,039.91
5. Less: Major equipment expenditures	<u>-</u>	<u>-</u>	<u>-</u>
6. Remainder	<u>57,039.91</u>	<u>-</u>	<u>57,039.91</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 47.51</u>	<u>\$ -</u>	<u>\$ 47.51</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ -	\$ -	\$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	-	-	-
Winter maintenance services	331,329.76	-	331,329.76
Traffic control devices	-	-	-
Street lighting	-	-	-
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	-	-	-
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 331,329.76</u>	<u>\$ -</u>	<u>\$ 331,329.76</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

<u>Fund Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Balance, January 1, 2023	\$ 47.51	\$ -	\$ 47.51
Receipts:			
2. State allocation	297,657.20	-	297,657.20
2a. Turnback allocation	-	-	-
2b. Interest on investments	3,448.21	-	3,448.21
2c. Miscellaneous	30,414.94	-	30,414.94
3. Total receipts	331,520.35	-	331,520.35
4. Total funds available	331,567.86	-	331,567.86
5. Expenditures (Section 1)	331,329.76	-	331,329.76
6. Balance, December 31, 2023	<u>\$ 238.10</u>	<u>\$ -</u>	<u>\$ 238.10</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2023 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

<u>Equipment Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Prior year equipment balance	\$ 47.51	\$ -	\$ 47.51
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	59,531.44	-	59,531.44
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	59,578.95	-	59,578.95
5. Less: Major equipment expenditures	<u>-</u>	<u>-</u>	<u>-</u>
6. Remainder	<u>59,578.95</u>	<u>-</u>	<u>59,578.95</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 238.10</u>	<u>\$ -</u>	<u>\$ 238.10</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 1
WITH ADJUSTMENTS

<u>Expenditure Summary</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
Minor equipment purchases	\$ -	\$ -	\$ -
Computer/Computer related training	-	-	-
Major equipment purchases	-	-	-
Agility projects	-	-	-
Cleaning streets and gutters	2,660.00	-	2,660.00
Winter maintenance services	-	-	-
Traffic control devices	22,652.30	(486.00)	22,166.30
Street lighting	172,377.32	8,824.60	181,201.92
Storm sewers and drains	-	-	-
Repairs of tools and machinery	-	-	-
Maintenance and repair of roads and bridges	95,752.32	(2,476.76)	93,275.56
Highway construction and rebuilding projects	-	-	-
Miscellaneous	-	-	-
Total (To Section 2, Line 5)	<u>\$ 293,441.94</u>	<u>\$ 5,861.84</u>	<u>\$ 299,303.78</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 2
WITH ADJUSTMENTS

<u>Fund Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Balance, January 1, 2024	\$ 238.10	\$ -	\$ 238.10
Receipts:			
2. State allocation	292,992.84	-	292,992.84
2a. Turnback allocation	-	-	-
2b. Interest on investments	245.97	5,929.26	6,175.23
2c. Miscellaneous	-	100.00	100.00
3. Total receipts	<u>293,238.81</u>	<u>6,029.26</u>	<u>299,268.07</u>
4. Total funds available	<u>293,476.91</u>	<u>6,029.26</u>	<u>299,506.17</u>
5. Expenditures (Section 1)	<u>293,441.94</u>	<u>5,861.84</u>	<u>299,303.78</u>
6. Balance, December 31, 2024	<u>\$ 34.97</u>	<u>\$ 167.42</u>	<u>\$ 202.39</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
2024 FORM MS-965 – SECTION 3
WITH ADJUSTMENTS

<u>Equipment Balance</u>	<u>Reported</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>
1. Prior year equipment balance	\$ 238.10	\$ -	\$ 238.10
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	58,598.57	-	58,598.57
3. PENNDOT approved adjustments	<u>-</u>	<u>-</u>	<u>-</u>
4. Total funds available for equipment acquisition	58,836.67	-	58,836.67
5. Less: Major equipment expenditures	<u>-</u>	<u>-</u>	<u>-</u>
6. Remainder	<u>58,836.67</u>	<u>-</u>	<u>58,836.67</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 34.97</u>	<u>\$ 167.42</u>	<u>\$ 202.39</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
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

2024 - Section 1

An adjustment of \$(486.00) was made to “Traffic control devices” because these expenditures were overstated.

An adjustment of \$8,824.60 was made to “Street lighting” because these expenditures were understated.

An adjustment of \$(2,476.76) was made to “Maintenance and repair of roads and bridges” because these expenditures were overstated.

2024 - Section 2

An adjustment of \$5,929.26 was made to “Interest on investments” because interest earnings were understated.

An adjustment of \$100.00 was made to “Miscellaneous” because a grant from the General Fund was not reported.

Miscellaneous Receipts

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

<u>Source</u>	<u>Description</u>	<u>2023</u>	<u>2024</u>
General Fund	Reimbursement (Summary Of Prior Examination Recommendations)	\$30,414.94	\$ -
General Fund	Grant	-	100.00
Totals		<u>\$30,414.94</u>	<u>\$100.00</u>

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding No. 1 - Electronic Imaging Of Canceled Checks From The Bank Were Not Available For Examination

Our examination disclosed that the municipality made transfers from the Liquid Fuels Tax Fund to the General Fund for the reimbursement of expenditures that could have been paid from the Liquid Fuels Tax Fund. Therefore, our disbursement test included checks from the General Fund account. During our testing we discovered that the images of canceled checks from the General Fund bank account were not available during our examination. For us to properly complete our examination testing, we have to examine the front and back of the canceled checks. Because the test of disbursements was limited, we had to qualify our opinion as stated in the Independent Auditor's Report.

An effective system of internal controls includes procedures to receive images of the front and back of all canceled checks to compare pertinent information on the front and back of the canceled checks to information recorded in accounting records or to the list of approved payments.

Without this control, errors or misappropriations could occur and remain undetected.

The condition occurred because the municipality only provided us with the monthly bank statements and would not provide us with the front and back images of the canceled checks.

Recommendation

We recommend that the municipal officials obtain images of the front and back of canceled checks, compare the front and back of the canceled checks to information recorded in accounting records or list of approved payments, and investigate any discrepancies.

Management's Response

The municipal officials offered no formal response at this time.

Auditor's Conclusion

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

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding No. 2 - A Complete Record Of Borough Council Meeting Minutes Were Not Available For Examination

Our examination disclosed that a complete written record of minutes reflecting advertised meetings of the borough council were not available for examination for the period January 1, 2022 to July 19, 2022.

Section 1111 of the *Borough Code* states, that “the secretary shall attend all meetings of the council and shall maintain full minutes of its proceeding”. Furthermore, Section 1113 states, that “The fiscal records and documents and the minute book and other records and documents of every borough shall be open in accordance with the act of February 14, 2008 (P.L. 6, No. 3), known as the Right-To-Know Law”.

The primary purpose of the minutes is to provide an official record of council meetings. Without a complete record of readable minutes, we were unable to determine if there were any references to the road projects or information which would have had an impact on the propriety of liquid fuels expenditures. Additionally, we were unable to determine if litigation or related party transactions were noted.

We could not determine the cause of this condition.

Recommendation

We recommend that, in the future, transcribed minutes for the borough council meetings be available for public review within a reasonable period of time after each meeting.

Management’s Response

The municipal officials offered no formal response at this time.

Auditor’s Conclusion

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

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding No. 3 - Late Receipt Of Allocation

Our examination disclosed that the 2022 Liquid Fuels Tax Fund allocation of \$283,663.82 which should have been distributed from the Department of Transportation to the municipality during the first week of March of that year, was not received until June 22, 2022, because the municipality failed to comply with the Department of Transportation's *Publication 9*, Chapter Two, Section 2.4, which states:

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

- Submit annual reports (MS-965, Actual Use Report, MS-965P, Project and Miscellaneous Receipts, and MS-965S, Record of Checks).
- Make deposits and payments or expenditures in compliance with the Act 655. Failure to do so may result in not receiving allocations from PENNDOT until all discrepancies are resolved.
- 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.
- 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 Department of the Auditor General or monitoring reviews performed by the Department of Transportation's Financial Consultants.

Because the municipality failed to file documents and information timely, the municipality did not have use of the 2022 allocation for more than three months. Furthermore, had the allocation 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 2023 and 2024 Liquid Fuels Tax Fund allocations were received timely.

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Finding No. 3 - Late Receipt Of Allocation (Continued)

Recommendation

We recommend that the municipality continue to comply with the Department of Transportation's *Publication 9* to ensure that the allocations are received during the first week in March as outlined above.

Management's Response

The municipal officials offered no formal response at this time.

Auditor's Conclusion

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

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

Summary Of Prior Examination Recommendations

In our prior report we recommended that the Department of Transportation review our examination findings to determine if the municipality should reimburse \$30,414.94 to its Liquid Fuels Tax Fund. This amount consists of \$600.00 for a vendor overcharge, \$17,761.39 for non-permissible expenditures, and \$12,053.55 for failure to maintain documentation for price quotations.

During our current examination we reviewed a letter dated March 21, 2023, from the Department of Transportation directing the municipality to reimburse \$30,414.94 to its Liquid Fuels Tax Fund. We noted that the municipality reimbursed this amount to its Liquid Fuels Tax Fund on March 22, 2023.

In our prior report we also recommended that the municipality:

- Compare invoice prices to contract prices prior to making payments on vendor invoices.
- Comply with the Liquid Fuels Tax Municipal Allocation Law and the Department of Transportation's Regulations regarding permissible expenditures.
- Comply with *The Borough Code* by obtaining price quotations for all purchases between \$11,300.00 and \$21,000.00 for 2020. The thresholds for obtaining price quotations increased to purchases between \$11,500.00 and \$21,300.00 for 2021, \$11,800.00 and \$21,900.00 for 2022, \$12,200.00 and \$22,500.00 for 2023, \$12,600.00 and \$23,200.00 for 2024, and \$12,900.00 and \$23,800.00 for 2025.

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

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
SUMMARY OF ONSITE CLOSEOUT MEETING
FOR THE PERIOD
JANUARY 1, 2022 TO DECEMBER 31, 2024

An onsite closeout meeting was held June 24, 2025. Those participating were:

BOROUGH OF MUNHALL

Mr. David F. Tye, Borough Manager

DEPARTMENT OF THE AUDITOR GENERAL

Ms. Penelope Fjellanger, Auditor

BOROUGH OF MUNHALL
ALLEGHENY COUNTY
LIQUID FUELS TAX FUND
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

Borough of Munhall
Allegheny County
1 Raymond Bodnar Way
Munhall, PA 15120

The Honorable Robert M. Falce
Mayor

The Honorable Bernard Shields
President of Council

Mr. David F. Tye
Borough Manager

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.