

# ATTESTATION ENGAGEMENT

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City of Duquesne  
Allegheny County, Pennsylvania  
02-303  
Liquid Fuels Tax Fund  
For the Period  
January 1, 2018 to December 31, 2022

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February 2024



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 examined the accompanying Forms MS-965 With Adjustments for the Liquid Fuels Tax Fund of the City of Duquesne, Allegheny County, for the period January 1, 2018 to December 31, 2022. 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. An examination involves performing procedures 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.

## Independent Auditor's Report (Continued)

As discussed in the Findings And Recommendations section of this report:

- The municipality did not maintain invoices to support expenditures of \$216,531.81 during 2018 and \$48,619.50 during 2019 (Finding No. 3).
- The municipality deposited its 2019, 2020, and 2022 Liquid Fuels Tax Fund allocations of \$180,830.66, \$175,993.68, and \$156,740.40, respectively, into its General Fund. As of the onsite closeout meeting date of this examination of December 7, 2023, the municipality had not transferred the 2018 and 2019 allocations to the municipality's Liquid Fuels Tax Fund. Additionally, the 2022 allocation was not transferred to the municipality's Liquid Fuels Tax Fund until May 16, 2023, which was subsequent to our examination period (Finding No. 4).
- The 2018, 2019, 2020, 2021, and 2022 annual turnback allocations of \$3,720.00 for each year were deposited into the General Fund during early March of each year (Finding No. 5).

In our opinion, except for the bulleted matters discussed above, 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 City of Duquesne, Allegheny County, for the period January 1, 2018 to December 31, 2022, 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 or regulations that have a material effect on the Forms MS-965, any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements; and abuse that has a material effect on the Forms MS-965. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Forms MS-965 are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over reporting on the Forms MS-965 or on compliance and other matters; accordingly, we express no such opinions.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Forms MS-965 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Independent Auditor's Report (Continued)

Our consideration of internal control was for the limited purpose of expressing an opinion on whether the Forms MS-965 are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the finding listed below, that we consider to be material weaknesses in internal control:

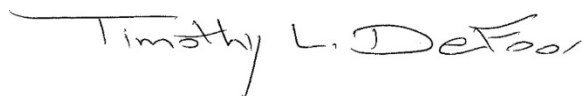
- Electronic Imaging Of Cancelled Checks From The Bank Did Not Include The Front Or Back Of The Checks.
- One Signature On Accounts Payable Fund Checks - Recurring.
- Documentation Supporting Expenditures Was Not Available For Examination.

As part of obtaining reasonable assurance about whether the Forms MS-965 are free from material misstatement, we performed tests of the City of Duquesne, Allegheny County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of amounts on the Forms MS-965. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported under *Government Auditing Standards*:

- Late Receipt Of Allocations, Allocations Deposited Into The General Fund, And Untimely Deposit Of Allocation - Recurring.
- Turnback Allocations Deposited Into The General Fund

The purpose of this report is to determine whether the municipality's Liquid Fuels Tax Fund money is spent in accordance with 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 the City of Duquesne, 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.



Timothy L. DeFoor  
Auditor General  
January 9, 2024

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CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

Background

The Liquid Fuels Tax Municipal Allocation Law, Act 655 of 1956, as amended, see also 72 P.S. § 2615.5, et sec., 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 in the state; and (2) 50 percent on the proportion of a municipality's population to the total population in the state.

Title 75 Pa.C.S. § 9511 of the Pennsylvania Vehicle Code provides municipalities with annual maintenance payments to be received from the Motor License Fund for functionally local highways that were transferred to a municipality from the Commonwealth of Pennsylvania.

Each municipality must deposit 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).
2. Make deposits and payments or expenditures in compliance with Act 655 of 1956, as amended. Failure to do so may result in not receiving allocations from PennDOT until all discrepancies are resolved. *Publication 9*, Section 2.6, includes information about investing Liquid Fuels Tax monies, using loan or bond proceeds, and types of receipts into the Liquid Fuels Tax Fund.

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 BACKGROUND  
 FOR THE PERIOD  
 JANUARY 1, 2018 TO DECEMBER 31, 2022

Background (Continued)

3. Submit the Pennsylvania Department of Community and Economic Development’s (DCED) Report of Elected and Appointed Officials by January 31<sup>st</sup> and the Survey of Financial Condition By March 15<sup>th</sup>.
4. 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:

2018	2019	2020	2021	2022
\$10,900.00	\$11,100.00	\$11,300.00	\$11,500.00	\$11,800.00

- 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:

2018	2019	2020	2021	2022
\$10,900.00	\$11,100.00	\$11,300.00	\$11,500.00	\$11,800.00

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

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

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.



CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

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, dated 1956 and as amended, which does not constitute a complete presentation of the entity's assets, liabilities, expenses, and fund balance. Accordingly, the presentation of Form MS-965 With Adjustments is restricted to the Liquid Fuels Tax Fund, which represents a segment of the entity.

*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.

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2018 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	2,475.00	-	2,475.00
Traffic control devices	-	-	-
Street lighting	159,060.21	54,996.60	214,056.81
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>\$ 161,535.21</u>	 <u>\$ 54,996.60</u>	 <u>\$ 216,531.81</u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2018 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, 2018	\$ 44,460.21	\$ -	\$ 44,460.21
Receipts:			
2. State allocation	176,649.72	-	176,649.72
2a. Turnback allocation	3,720.00	(3,720.00)	-
2b. Interest on investments	52.67	-	52.67
2c. Miscellaneous	-	-	-
3. Total receipts	<u>180,422.39</u>	<u>(3,720.00)</u>	<u>176,702.39</u>
4. Total funds available	<u>224,882.60</u>	<u>(3,720.00)</u>	<u>221,162.60</u>
5. Expenditures (Section 1)	<u>161,535.21</u>	<u>54,996.60</u>	<u>216,531.81</u>
6. Balance, December 31, 2018	<u><u>\$ 63,347.39</u></u>	<u><u>\$ (58,716.60)</u></u>	<u><u>\$ 4,630.79</u></u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2018 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	\$ 44,460.21	\$ -	\$ 44,460.21
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	36,073.94	(744.00)	35,329.94
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	80,534.15	(744.00)	79,790.15
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>80,534.15</u>	<u>(744.00)</u>	<u>79,790.15</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 63,347.39</u>	<u>\$ (58,716.60)</u>	<u>\$ 4,630.79</u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2019 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	74,285.38	(74,285.38)	-
Traffic control devices	-	-	-
Street lighting	162,179.30	(102,179.30)	60,000.00
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>\$ 236,464.68</u>	 <u>\$ (176,464.68)</u>	 <u>\$ 60,000.00</u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2019 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, 2019	\$ 63,347.39	\$ (58,716.60)	\$ 4,630.79
Receipts:			
2. State allocation	180,830.66	(180,830.66)	-
2a. Turnback allocation	3,720.00	(3,720.00)	-
2b. Interest on investments	203.97	-	203.97
2c. Miscellaneous	-	58,716.60	58,716.60
3. Total receipts	<u>184,754.63</u>	<u>(125,834.06)</u>	<u>58,920.57</u>
4. Total funds available	<u>248,102.02</u>	<u>(184,550.66)</u>	<u>63,551.36</u>
5. Expenditures (Section 1)	<u>236,464.68</u>	<u>(176,464.68)</u>	<u>60,000.00</u>
6. Balance, December 31, 2019	<u><u>\$ 11,637.34</u></u>	<u><u>\$ (8,085.98)</u></u>	<u><u>\$ 3,551.36</u></u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2019 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	\$ 63,347.39	\$ (58,716.60)	\$ 4,630.79
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	36,910.13	(36,910.13)	-
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	100,257.52	(95,626.73)	4,630.79
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>100,257.52</u>	<u>(95,626.73)</u>	<u>4,630.79</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 11,637.34</u>	<u>\$ (8,085.98)</u>	<u>\$ 3,551.36</u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2020 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	12,332.16	(12,332.16)	-
Traffic control devices	-	-	-
Street lighting	118,923.32	(118,923.32)	-
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>\$ 131,255.48</u>	 <u>\$ (131,255.48)</u>	 <u>\$ -</u>



CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2020 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, 2020	\$ 11,637.34	\$ (8,085.98)	\$ 3,551.36
Receipts:			
2. State allocation	175,993.68	(175,993.68)	-
2a. Turnback allocation	3,720.00	(3,720.00)	-
2b. Interest on investments	2.80	-	2.80
2c. Miscellaneous	-	-	-
3. Total receipts	<u>179,716.48</u>	<u>(179,713.68)</u>	<u>2.80</u>
4. Total funds available	<u>191,353.82</u>	<u>(187,799.66)</u>	<u>3,554.16</u>
5. Expenditures (Section 1)	<u>131,255.48</u>	<u>(131,255.48)</u>	<u>-</u>
6. Balance, December 31, 2020	<u><u>\$ 60,098.34</u></u>	<u><u>\$ (56,544.18)</u></u>	<u><u>\$ 3,554.16</u></u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2020 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	\$ 11,637.34	\$ (8,085.98)	\$ 3,551.36
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	35,942.74	(35,942.74)	-
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	47,580.08	(44,028.72)	3,551.36
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>47,580.08</u>	<u>(44,028.72)</u>	<u>3,551.36</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 47,580.08</u>	<u>\$ (44,028.72)</u>	<u>\$ 3,551.36</u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2021 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	4,207.72	4,809.72	9,017.44
Traffic control devices	-	-	-
Street lighting	163,380.09	(8,517.44)	154,862.65
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>\$ 167,587.81</u>	 <u>\$ (3,707.72)</u>	 <u>\$ 163,880.09</u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2021 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, 2021	\$ 60,098.34	\$ (56,544.18)	\$ 3,554.16
Receipts:			
2. State allocation	163,391.64	-	163,391.64
2a. Turnback allocation	3,720.00	(3,720.00)	-
2b. Interest on investments	-	15.18	15.18
2c. Miscellaneous	-	56,544.18	56,544.18
3. Total receipts	<u>167,111.64</u>	<u>52,839.36</u>	<u>219,951.00</u>
4. Total funds available	<u>227,209.98</u>	<u>(3,704.82)</u>	<u>223,505.16</u>
5. Expenditures (Section 1)	<u>167,587.81</u>	<u>(3,707.72)</u>	<u>163,880.09</u>
6. Balance, December 31, 2021	<u><u>\$ 59,622.17</u></u>	<u><u>\$ 2.90</u></u>	<u><u>\$ 59,625.07</u></u>

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 2021 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	\$ 47,580.08	\$ (44,028.72)	\$ 3,551.36
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	33,422.33	(744.00)	32,678.33
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	81,002.41	(44,772.72)	36,229.69
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>81,002.41</u>	<u>(44,772.72)</u>	<u>36,229.69</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 59,622.17</u>	<u>\$ (23,392.48)</u>	<u>\$ 36,229.69</u>

CITY OF DUQUESNE  
 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	-	-	-
Traffic control devices	-	-	-
Street lighting	59,632.62	-	59,632.62
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>\$ 59,632.62</u>	 <u>\$ -</u>	 <u>\$ 59,632.62</u>

CITY OF DUQUESNE  
 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	\$ 59,622.17	\$ 2.90	\$ 59,625.07
Receipts:			
2. State allocation	156,740.40	(156,740.40)	-
2a. Turnback allocation	3,720.00	(3,720.00)	-
2b. Interest on investments	10.64	(2.90)	7.74
2c. Miscellaneous	-	-	-
3. Total receipts	<u>160,471.04</u>	<u>(160,463.30)</u>	<u>7.74</u>
4. Total funds available	<u>220,093.21</u>	<u>(160,460.40)</u>	<u>59,632.81</u>
5. Expenditures (Section 1)	<u>59,632.62</u>	<u>-</u>	<u>59,632.62</u>
6. Balance, December 31, 2022	<u><u>\$ 160,460.59</u></u>	<u><u>\$ (160,460.40)</u></u>	<u><u>\$ .19</u></u>

CITY OF DUQUESNE  
 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	\$ 59,622.17	\$ (23,392.48)	\$ 36,229.69
2. Add: Current year equipment allocation (20% of Lines 2 + 2a, Section 2)	32,092.08	(32,092.08)	-
3. PENNDOT approved adjustments	-	-	-
4. Total funds available for equipment acquisition	91,714.25	(55,484.56)	36,229.69
5. Less: Major equipment expenditures	-	-	-
6. Remainder	<u>91,714.25</u>	<u>(55,484.56)</u>	<u>36,229.69</u>
7. Equipment balance available for subsequent year (Lesser of Line 6 or Section 2 balance, but not less than zero)	<u>\$ 91,714.25</u>	<u>\$ (91,714.06)</u>	<u>\$ .19</u>



CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

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

Adjustments

2018 - Section 1

An adjustment of \$54,996.60 was made to “Street lighting” because these expenditures were understated.

2018 - Section 2

An adjustment of \$(3,720.00) was made to the “Turnback” allocation because the allocation was deposited into the General Fund.

2018 - Section 3

An adjustment of \$(744.00) was made to “Current year equipment allocation” because the turnback allocation of \$3,720.00 reported in 2018 - Section 2, which is used to calculate this figure, was deposited into the General Fund.

2019 - Section 1

An adjustment of \$(74,285.38) was made to “Winter maintenance services” because there were no expenditures for winter maintenance services.

An adjustment of \$(102,179.30) was made to “Street lighting” because these expenditures were overstated.

2019 - Section 2

An adjustment of \$(58,716.60) was made to “Balance, January 1, 2019” to reflect the adjustment made to the fund balance in 2018 - Section 2.

An adjustment of \$(180,830.66) was made to the “State allocation” because the allocation was deposited into the General Fund.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

Adjustments (Continued)

2019 - Section 2 (Continued)

An adjustment of \$(3,720.00) was made to the “Turnback allocation” because the allocation was deposited into the General Fund.

An adjustment of \$58,716.60 was made to “Miscellaneous” receipts because this receipt was not reported.

2019 - Section 3

An adjustment of \$(58,716.60) was made to “Prior year equipment balance” to reflect the adjustment made to the equipment balance in 2018 – Section 3.

An adjustment of \$(36,910.13) was made to “Current year equipment allocation” because the state allocation of \$180,830.66 and turnback allocation of \$3,720.00 from 2019 - Section 2, which are used to calculate this figure, were deposited into the General Fund.

2020 - Section 1

An adjustment of \$(12,332.16) was made to “Winter maintenance services” because there were no expenditures for winter maintenance services.

An adjustment of \$(118,923.32) was made to “Street lighting” because there were no expenditures for street lighting.

2020 - Section 2

An adjustment of \$(8,085.98) was made to “Balance, January 1, 2020” to reflect the adjustment made to the fund balance in 2019 - Section 2.

An adjustment of \$(175,993.68) was made to the “State allocation” because the allocation was deposited into the General Fund.

An adjustment of \$(3,720.00) was made to the “Turnback allocation” because the allocation was deposited into the General Fund.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

Adjustments (Continued)

2020 - Section 3

An adjustment of \$(8,085.98) was made to “Prior year equipment balance” to reflect the adjustment made to the equipment balance in 2018 – Section 3.

An adjustment of \$(35,942.74) was made to “Current year equipment allocation” because the state allocation of \$175,993.68 and turnback allocation of \$3,720.00 from 2020 - Section 2, which are used to calculate this figure, were deposited into the General Fund.

2021 - Section 1

An adjustment of \$4,809.72 was made to “Winter maintenance services” because these expenditures were understated.

An adjustment of \$(8,517.44) was made to “Street lighting” because these expenditures were overstated.

2021 - Section 2

An adjustment of \$(56,544.18) was made to “Balance, January 1, 2021” to reflect the adjustment made to the fund balance in 2020 - Section 2.

An adjustment of \$(3,720.00) was made to the “Turnback allocation” because the allocation was deposited into the General Fund.

An adjustment of \$15.18 was made to “Interest on investments” because interest earnings were understated.

An adjustment of \$56,544.18 was made to “Miscellaneous” receipts because this receipt was not reported.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
AUDITOR DESCRIPTION OF SELECT TRANSACTIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

Adjustments (Continued)

2021 - Section 3

An adjustment of \$(44,028.72) was made to “Prior year equipment balance” to reflect the adjustment made to the equipment balance in 2020 – Section 3.

An adjustment of \$(744.00) was made to “Current year equipment allocation” because the turnback allocation of \$3,720.00 from 2021 - Section 2, which is used to calculate this figure, was overstated.

2022 - Section 2

An adjustment of \$2.90 was made to “Balance, January 1, 2022” to reflect the adjustment made to the fund balance in 2021 - Section 2.

An adjustment of \$(156,740.40) was made to the “State allocation” because the allocation was deposited into the General Fund.

An adjustment of \$(3,720.00) was made to the “Turnback allocation” because the allocation was deposited into the General Fund.

An adjustment of \$(2.90) was made to “Interest on investments” because interest earnings were overstated.

2022 - Section 3

An adjustment of \$(23,392.48) was made to “Prior year equipment balance” to reflect the adjustment made to the equipment balance in 2021 – Section 3.

An adjustment of \$(32,092.08) was made to “Current year equipment allocation” because the state allocation of \$156,740.40 and turnback allocation of \$3,720.00 from 2022 - Section 2, which are used to calculate this figure, were deposited into the General Fund.

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 AUDITOR DESCRIPTION OF SELECT TRANSACTIONS  
 FOR THE PERIOD  
 JANUARY 1, 2018 TO DECEMBER 31, 2022

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>2019</u>	<u>2021</u>
General Fund	Grant	<u>\$58,716.60</u>	<u>\$56,544.18</u>

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 1 - Electronic Imaging Of Cancelled Checks From The Bank Did Not Include The Front Or Back Of The Checks**

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

Good internal controls and the Commonwealth of Pennsylvania Management Directive 210.11, dated June 16, 1997, require that imaging systems comply with the provisions of the Internal Revenue Service (IRS) procedures for record keeping with electronic imaging. To be acceptable, the documents provided by the system must meet IRS procedures governing size, content, format, and pattern. Those procedures require that all images produced by the imaging system exhibit a high degree of legibility and readability when displayed on paper. Legibility includes the ability to identify all letters and numerals positively and quickly. Readability includes the ability to recognize a group of letters or numerals as words or completed numbers. Imaged documents must include the front and back of a document in which both the front and back are used.

Further, good internal controls ensure that by having a municipal official review the front and back of the cancelled checks, any errors or misappropriations can be detected on a timely basis.

Without this control, the potential exists for errors or misappropriations to go undetected for long periods of time.

We were unable to determine why the municipality did not obtain images of the backs of the canceled checks from its financial institution.

**Recommendations**

We recommend that the municipal officials obtain images of the front and back of cancelled checks in accordance with Directive 210.11. Additionally, municipal officials should review the front and back of each cancelled check for any errors or misappropriations.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 1 - Electronic Imaging Of Cancelled Checks From The Bank Did Not Include  
The Front Or Back Of The Checks (Continued)**

Management's Response

The municipal officials stated:

We will communicate with the bank to ensure [the] city receives check images with hard copy of bank statements.

Auditor's Conclusion

The municipality could also request access to the cancelled checks on-line and print them for their review. During our next examination, we will determine if the municipality complied with our recommendations.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 2 - One Signature On Accounts Payable Fund Checks - Recurring**

We cited the municipality for one signature on Accounts Payable fund checks in our prior examination for the period January 1, 2017 to December 31, 2017. Our current 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. These Liquid Fuels Tax Fund transfers were then transferred to the accounts payable fund to pay Liquid Fuels permissible expenditures. As a result, we reviewed the accounts payable disbursement procedures and discovered that only one signature was required to authorize checks drawn on the Accounts Payable Fund.

Good internal controls require that at least two authorized signatures be required to authorize checks drawn on the General Fund.

When only one signature is required, there is a significant risk of unauthorized disbursements, errors, or misappropriations occurring and remaining undetected.

This condition occurred because city policies and procedures, at the time, only required one signature. The municipality stated that two signatures are now required for all checks and wire transfers.

**Recommendation**

We recommend that the municipality improve internal control procedures over disbursements by requiring at least two signatures on all disbursements from the General Fund account.

**Management's Response**

The municipal officials stated:

Resolutions for bank signatories now contain a requirement for two signatures on all checks and wires.

**Auditors Conclusion**

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



CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 3 - Documentation Supporting Expenditures Was Not Available For Examination**

Our examination disclosed that the municipality did not maintain invoices to support expenditures of \$216,531.81 during 2018 and \$48,619.50 during 2019.

Good internal control procedures ensure that there is documentation to support all expenditures.

The Liquid Fuels Tax Municipal Allocation Law, 72 P.S. § 2615.4, provides, in part, that monies herein allocated may be used only for construction, reconstruction, maintenance and repairs of such public roads or streets, including bridges, culverts and drainage structures, for which they are legally responsible. Also permitted are expenditures involving acquisition, maintenance, repairs and operation of street signs, traffic signs, traffic signal control systems, road equipment, and snow fences.

The Department of Transportation has been statutorily authorized to promulgate regulations concerning the administration of Liquid Fuels Tax Fund money and has determined that certain items, including expenditures made without supporting documentation, are outside the scope of permissible expenditures.

Without adequate documentation, we could not determine if the expenditures were permissible according to the Liquid Fuels Tax Municipal Allocation Law and the Department of Transportation's Regulations.

The failure to maintain documentation to support expenditures could result in the municipality having to reimburse \$265,151.31 to its Liquid Fuels Tax Fund.

According to city officials this condition occurred because the stored documents were moved, and city employees could not locate the invoices.

**Recommendations**

We recommend that the municipality reimburse \$265,151.31 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We further recommend that the municipality ensure good internal control over expenditures by maintaining adequate documentation to support all expenditures.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 3 - Documentation Supporting Expenditures Was Not Available For Examination (Continued)**

Management's Response

The municipal officials stated:

The prior city officials did not keep good records. We could not find documentation.

Auditors Conclusion

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

CITY OF DUQUESNE  
 ALLEGHENY COUNTY  
 LIQUID FUELS TAX FUND  
 FINDINGS AND RECOMMENDATIONS  
 FOR THE PERIOD  
 JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 4 - Late Receipt Of Allocations, Allocations Deposited Into The General Fund, And Untimely Deposit Of Allocation - Recurring**

We cited the municipality for the late receipt of its allocation in our prior examination for the period January 1, 2017 to December 31, 2017. Our current examination disclosed that the 2018, 2019, 2020, 2021 and 2022 Liquid Fuels Tax Fund allocations were not received timely. Additionally, all five allocations were deposited into the General Fund. The 2019 and 2020 allocations remained in the General Fund as of the onsite closeout meeting date of this examination of December 7, 2023. Furthermore, the 2018 allocation was not deposited into the General Fund until more than six months after it was received. The allocations are as follows:

<u>Year</u>	<u>Allocation Amount</u>	<u>Allocation Release Date</u>	<u>Date Deposited Into General Fund</u>	<u>Date Transferred to Liquid Fuels Tax Fund</u>
2018	\$176,649.72	05/04/2018	11/14/2018	11/29/2018
2019	180,830.66	05/28/2019	06/10/2019	-
2020	175,993.68	09/25/2020	09/30/2020	-
2021	163,391.64	09/07/2021	09/10/2021	09/22/2021
2022	156,740.40	10/18/2022	10/24/2022	05/16/2023
Total	<u>\$853,606.10</u>			

The allocations were not received timely 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 31<sup>st</sup> and the Survey of Financial Condition by March 15<sup>th</sup>.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 4 - Late Receipt Of Allocations, Allocations Deposited Into The General Fund, And Untimely Deposit Of Allocation - Recurring (Continued)**

- 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.

Additionally, the practice of depositing liquid fuels money into any account other than the Liquid Fuels Tax Fund account is contrary to the Act of June 1, 1956, P.L. (1955) 1944, 72 P.S. § 2615.5, known as the Liquid Fuels Tax Municipal Allocation Law, which states:

. . .each city, borough, town and township, shall . . . Establish and maintain a special fund into which the moneys [liquid fuels tax funds] . . . shall be deposited and into which no other moneys may be deposited or commingled . . .

Furthermore, good internal control procedures require that all funds received be deposited immediately upon receipt. The failure to do so increases the risk that errors and misappropriations may occur and remain undetected.

Because the municipality failed to file documents and information timely and deposited the allocations into the General Fund as noted above, the municipality did not have use of the allocations for long periods of time. Furthermore, had the allocations been received and deposited into the Liquid Fuels Tax Fund timely, money may have been available for investment purposes, potentially earning interest income which could have been used for road maintenance and repairs. Furthermore, the risk that Liquid Fuels Tax Fund money may be used for unauthorized purposes increases when liquid fuels money is commingled with other funds.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 4 - Late Receipt Of Allocations, Allocations Deposited Into The General Fund, And Untimely Deposit Of Allocation - Recurring (Continued)**

City officials stated that the late receipt of allocations occurred because the prior city officials were not completing the necessary forms for a timely disbursement of funds to the city.

City officials stated the city's practice is for all ACH deposits from the Commonwealth to be deposited into the General Fund account. The officials stated they will work with the Department of Transportation to have Liquid Fuels allocations deposited directly to the Liquid Fuels bank account.

City officials could not provide a reason for the untimely deposit of funds due to the untimely deposits occurring prior to their employment.

**Recommendations**

We recommend that the municipality:

- Transfer the 2019 and 2020 Liquid Fuels Tax Fund allocations of \$180,830.66 and \$175,993.68, respectively, to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.
- 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.
- Deposit all allocations immediately upon receipt.
- Consider using the electronic transfer of funds offered by the Department of Transportation.
- Ensure that all liquid fuels tax allocations are deposited into the Liquid Fuels Tax Fund. Additionally, the municipality should ensure that the bank statements are reconciled monthly to reduce the risk of errors occurring and remaining undetected.
- Deposit all liquid fuels tax money promptly into the Liquid Fuels Tax Fund.

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 4 - Late Receipt Of Allocations - Recurring, Allocations Deposited Into The General Fund, And Untimely Deposit Of Allocation (Continued)**

Management's Response

The municipal officials stated:

- The prior city officials were not completing the necessary forms for a timely disbursement of funds to the city.
- Currently, all ACH deposits from the Commonwealth are deposited in the General Fund account. Will work with the Department of Transportation to have Liquid Fuels allocations deposited directly to that bank account.
- The untimely deposit occurred under prior City Officials. We don't know why this occurred.

Auditor's Conclusion

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

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

**Finding No. 5 - Turnback Allocations Deposited Into The General Fund**

Our examination disclosed that the 2018, 2019, 2020, 2021, and 2022 annual turnback allocations of \$3,720.00 for each year were deposited into the General Fund during early March of each year. These turnback allocations were made to the municipality in accordance with the *Vehicle Code*, 75 Pa. C.S.A. § 9511(4), which requires that “Annual maintenance payments . . . shall be deposited into the municipality’s liquid fuels tax account. . . .”

If the turnback allocations were deposited into the Liquid Fuels Tax Fund, money may have been available for investment purposes, potentially earning interest income which could have been used for road maintenance and repairs. Additionally, the risk that Liquid Fuels Tax Fund money may be used for unauthorized purposes increases when liquid fuels money is commingled with other funds.

We were unable to determine why the prior city officials deposited the turnback allocations into the General Fund.

**Recommendations**

We recommend that the municipality transfer the turnback allocations totaling \$18,600.00 to its Liquid Fuels Tax Fund upon official notification by the Department of Transportation.

We recommend that the municipality deposit all liquid fuels tax money promptly into the Liquid Fuels Tax Fund.

**Management’s Response**

The municipal officials stated:

Currently all ACH deposits from the Commonwealth are deposited in the General Fund account. We will work with PennDot to have Turnback Allocations deposited directly to the Liquid Fuels Tax Fund account.

**Auditors Conclusion**

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

CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
SUMMARY OF ONSITE CLOSEOUT MEETING  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

An onsite closeout meeting was held December 7, 2023. Those participating were:

CITY OF DUQUESNE

Mr. Douglas Sample, City Manager

Ms. MaryLouise Bittner, Financial Consultant

DEPARTMENT OF THE AUDITOR GENERAL

Mrs. Michele Simpson, Auditor

Mr. Joe Landy, Audit Supervisor



CITY OF DUQUESNE  
ALLEGHENY COUNTY  
LIQUID FUELS TAX FUND  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2022

This report was initially distributed to:

**The Honorable Michael Carroll**  
Secretary  
Department of Transportation

**City of Duquesne**  
Allegheny County  
12 South Second Street  
Duquesne, PA 15110

**Mr. Douglas Sample**  
City Manager

**The Honorable Maureen Strahl**  
Treasurer

**Ms. MaryLouise Bittner**  
Financial Consultant

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