

Redevelopment Authority
of the County of Washington

Contract Financial Statements

For the Contract Period
July 10, 2009 to June 30, 2014
with Independent Auditor's Reports

2009 Local Share Account Grant Program
Contract Number C000046099

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**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF WASHINGTON**

2009 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000046099

FOR THE CONTRACT PERIOD JULY 10, 2009 TO JUNE 30, 2014

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Independent Auditor's Report

Board of Directors
Redevelopment Authority of the County of Washington

Report on the Contract Financial Statements

We have audited the accompanying contract financial statements of the Redevelopment Authority of the County of Washington (Authority) – 2009 Local Share Account Grant, Contract Number C000046099, as of and for the contract period ended June 30, 2014, and the related notes to the contract financial statements, which collectively comprise the Authority's contract financial statements as listed in the table of contents.

Management's Responsibility for the Contract Financial Statements

Management is responsible for the preparation and fair presentation of these contract financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of contract financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these contract financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the contract financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the contract financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the contract financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the contract financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the contract financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the contract financial statements referred to above present fairly, in all material respects, the financial position of the Authority's 2009 Local Share Account Program Grant, Contract Number C000046099, as of June 30, 2014, and the results of its operations and the budgetary comparison for the contract period July 10, 2009 to June 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying contract financial statements were prepared for the purpose of complying with the Pennsylvania Department of Community and Economic Development reporting requirements for the Local Share Account Grant Program, Contract Number C000046955, as described in Note 2, and are not intended to be a complete presentation of all contract revenues and contract expenditures of the Authority.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2014 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maher Duessel

Pittsburgh, Pennsylvania
October 24, 2014

**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF WASHINGTON**

2009 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000046099

CONTRACT BALANCE SHEET

JUNE 30, 2014

Assets	
Cash	<u><u>\$ 7,766</u></u>
Liabilities	
Due to Pennsylvania Department of Community and Economic Development	<u><u>\$ 7,766</u></u>

See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF WASHINGTON**

2009 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000046099

STATEMENT OF CONTRACT REVENUES
AND CONTRACT EXPENDITURES

FOR THE CONTRACT PERIOD JULY 10, 2009 TO JUNE 30, 2014

Contract Revenues:

Local Share Account grants	\$ 11,503,231
Total contract revenues	11,503,231

Contract Expenditures:

LS 09-01 Adult Basic Literacy/Workforce Development Program	38,000
LS 09-02 Amwell Township Municipal Building Renovation	31,350
LS 09-03 Amwell Township Park Restrooms	14,500
LS 09-04 Bebout Road/Montour Trail Bridge Replacement	380,500
LS 09-05 Bentleyville Borough Storm Sewer Project	296,000
LS 09-06 Brownson House Recreation Project	80,130
LS 09-07 Canonsburg Hospital Patient Gateway Expansion	200,000
LS 09-08 Canonsburg Roberts House Renovation	218,567
LS 09-09 Canonsburg Town Park Improvements Phase II	65,000
LS 09-10 Canton 2010 Home Rehabilitation Program	125,000
LS 09-11 Canton/Chartiers Sewer System for the Rt. 18 Corridor	359,100
LS 09-12 CDL Truck Drive Training Program	160,000
LS 09-13 Center-West Joint Sewer Authority Sanitary Collection System and Treatment Facility	1,700,000
LS 09-14 Charleroi Community Center and Market House Phase II	326,770
LS 09-15 Charleroi Storm Water Separation Project	473,230
LS 09-16 Chartiers Township Community Center	500,000
LS 09-17 Claysville (CAPRI) Administration Building Project	168,659
LS 09-18 Countrywide Home Rehabilitation Program	250,000
LS 09-19 Cross Creek Valley Regional Street Sweeper	22,500
LS 09-20 East Bethlehem Township Municipal Building Renovation	79,000
LS 09-21 Fallowfield Waterline Extension	231,430
LS 09-22 Finleyville Borough Building Revitalization	90,465
LS 09-23 Greater Canonsburg Public Library Building Project	250,000
LS 09-24 Hickory Main Street Revitalization	125,000
LS 09-25 Historic Morris Township Schoolhouse Renovation	21,338
LS 09-26 Hopewell Township Municipal Building Renovation	199,800
LS 09-27 Keystone Elks Demolition Project	21,956
LS 09-28 Long Branch Borough Road Project	15,000
LS 09-29 Marianna Industrial Park Planning (Old Mine #58 Site)	22,500
LS 09-30 Market at Wiley Station Planning	53,484
LS 09-31 McDonald Borough Bridge Repairs (2)	422,227
LS 09-32 McDonald Borough Façade Improvements Program	30,000
LS 09-33 McDonald Commercial District Expansion	130,000
LS 09-34 McGuffey Park Playground Equipment	25,000
LS 09-35 Meadowcroft Phase II Completion	314,957
LS 09-36 Monongahela Aquatorium Restoration and Expansion	407,000
LS 09-37 Montour Trail Phase 19, Georgetown and Morganza Bridges	419,531
LS 09-38 Morris Township Municipal Building Planning	21,599
LS 09-39 Mt. Pleasant Township Parks and Recreation Expansion	92,185
LS 09-40 Smith Township Industrial Park	298,700
LS 09-41 Vestaburg-New Hill Joint Authority Sanitary Sewerage System	1,716,943
LS 09-42 West Alexander Merger and Community Center	250,000
LS 09-43 Work Certified Academy	310,000
LS 09-44 Administration	500,000
LS 09-45 LeMoyne Center Head Start Recreation	38,044
Total contract expenditures	11,495,465

Excess of Contract Revenues over Contract Expenditures

\$ 7,766

See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF WASHINGTON**

2009 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000046099

BUDGET COMPARISON STATEMENT

FOR THE CONTRACT PERIOD JULY 10, 2009 TO JUNE 30, 2014

	Original Contract Budget	Amended Contract Budget	Contract Revenues /Expenditures During Contract Period	Variance	
				Dollar	Percentage
Contract Revenues:					
Grant revenue	\$11,631,185	\$11,503,231	\$ 11,503,231	\$ -	0%
Total contract revenues	\$11,631,185	\$11,503,231	\$ 11,503,231	\$ -	0%
DCED Funded Contract Expenditures:					
LS 09-01 Adult Basic Literacy/Workforce Development Program	\$ 38,000	\$ 38,000	\$ 38,000	\$ -	0%
LS 09-02 Amwell Township Municipal Building Renovation	31,350	31,350	31,350	-	0%
LS 09-03 Amwell Township Park Restrooms	14,500	14,500	14,500	-	0%
LS 09-04 Bebout Road/Montour Trail Bridge Replacement	380,500	380,500	380,500	-	0%
LS 09-05 Bentleyville Borough Storm Sewer Project	296,000	296,000	296,000	-	0%
LS 09-06 Brownson House Recreation Project	80,540	80,130	80,130	-	0%
LS 09-07 Canonsburg Hospital Patient Gateway Expansion	200,000	200,000	200,000	-	0%
LS 09-08 Canonsburg Roberts House Renovation	218,567	218,567	218,567	-	0%
LS 09-09 Canonsburg Town Park Improvements Phase II	65,000	65,000	65,000	-	0%
LS 09-10 Canton 2010 Home Rehabilitation Program	125,000	125,000	125,000	-	0%
LS 09-11 Canton/Chartiers Sewer System for the Rt. 18 Corridor	359,100	359,100	359,100	-	0%
LS 09-12 CDL Truck Drive Training Program	160,000	160,000	160,000	-	0%
Center-West Joint Sewer Authority Sanitary Collection					
LS 09-13 System and Treatment Facility	1,700,000	1,700,000	1,700,000	-	0%
LS 09-14 Charleroi Community Center and Market House Phase II	300,000	326,770	326,770	-	0%
LS 09-15 Charleroi Storm Water Separation Project	500,000	473,230	473,230	-	0%
LS 09-16 Chartiers Township Community Center	500,000	500,000	500,000	-	0%
LS 09-17 Claysville (CAPRI) Administration Building Project	168,659	168,659	168,659	-	0%
LS 09-18 Countrywide Home Rehabilitation Program	250,000	250,000	250,000	-	0%
LS 09-19 Cross Creek Valley Regional Street Sweeper	22,500	22,500	22,500	-	0%
LS 09-20 East Bethlehem Township Municipal Building Renovation	79,000	79,000	79,000	-	0%
LS 09-21 Fallowfield Waterline Extension	231,430	231,430	231,430	-	0%
LS 09-22 Finleyville Borough Building Revitalization	90,502	90,465	90,465	-	0%
LS 09-23 Greater Canonsburg Public Library Building Project	250,000	250,000	250,000	-	0%
LS 09-24 Hickory Main Street Revitalization	125,000	125,000	125,000	-	0%
LS 09-25 Historic Morris Township Schoolhouse Renovation	21,338	21,338	21,338	-	0%
LS 09-26 Hopewell Township Municipal Building Renovation	200,000	199,800	199,800	-	0%
LS 09-27 Keystone Elks Demolition Project	60,000	21,956	21,956	-	0%

(Continued)

See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF WASHINGTON**

2009 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000046099

BUDGET COMPARISON STATEMENT

FOR THE CONTRACT PERIOD JULY 10, 2009 TO JUNE 30, 2014

(Continued)

	Original Contract Budget	Amended Contract Budget	Contract Revenues /Expenditures During Contract Period	Variance	
				Dollar	Percentage
DCED Funded Contract Expenditures (continued):					
LS 09-28 Long Branch Borough Road Project	15,000	15,000	15,000	-	0%
LS 09-29 Marianna Industrial Park Planning (Old Mine #58 Site)	22,500	22,500	22,500	-	0%
LS 09-30 Market at Wiley Station Planning	61,250	61,250	53,484	7,766	15%
LS 09-31 McDonald Borough Bridge Repairs (2)	431,284	422,227	422,227	-	0%
LS 09-32 McDonald Borough Façade Improvements Program	30,000	30,000	30,000	-	0%
LS 09-33 McDonald Commercial District Expansion	130,000	130,000	130,000	-	0%
LS 09-34 McGuffey Park Playground Equipment	25,000	25,000	25,000	-	0%
LS 09-35 Meadowcroft Phase II Completion	320,000	314,957	314,957	-	0%
LS 09-36 Monongahela Aquatorium Restoration and Expansion Montour Trail Phase 19, Georgetown and Morganza	407,000	407,000	407,000	-	0%
LS 09-37 Bridges	419,531	419,531	419,531	-	0%
LS 09-38 Morris Township Municipal Building Planning	24,500	21,599	21,599	-	0%
LS 09-39 Mt. Pleasant Township Parks and Recreation Expansion	92,185	92,185	92,185	-	0%
LS 09-40 Smith Township Industrial Park Vestaburg-New Hill Joint Authority Sanitary Sewerage	298,740	298,700	298,700	-	0%
LS 09-41 System	1,827,209	1,716,943	1,716,943	-	0%
LS 09-42 West Alexander Merger and Community Center	250,000	250,000	250,000	-	0%
LS 09-43 Work Certified Academy	310,000	310,000	310,000	-	0%
LS 09-44 Administration	500,000	500,000	500,000	-	0%
LS 09-45 LeMoyné Center Head Start Recreation	-	38,044	38,044	-	0%
Total contract expenditures	<u>\$11,631,185</u>	<u>\$11,503,231</u>	<u>\$ 11,495,465</u>	<u>\$ 7,766</u>	<u>0%</u>

(Concluded)

See accompanying notes to contract financial statements.

REDEVELOPMENT AUTHORITY OF THE COUNTY OF WASHINGTON

2009 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000046099

NOTES TO CONTRACT FINANCIAL STATEMENTS

FOR THE CONTRACT PERIOD JULY 10, 2009 TO JUNE 30, 2014

1. ORGANIZATION

The Redevelopment Authority of the County of Washington (Authority) was incorporated in the Commonwealth of Pennsylvania in 1946 under the provisions of Urban Redevelopment Law, Act No. 385, approved May 24, 1945.

The Authority has been designated by the County of Washington (County) Board of Commissioners as the sole County agency to apply for and administer the Pennsylvania Department of Community and Economic Development (DCED) Local Share Account Grant Program (Program) within the County. Through the Program, as authorized by the PA Race Horse Development and Gaming Act (Section 1403 of the Act of July 5, 2004 P.L. 572, No. 71, as amended), the DCED provides the Authority with funding to distribute and administer grants to eligible recipients within the County.

2. PROJECT DESCRIPTION

Under the terms of Contract Number C000046099 (Contract) between the DCED and the Authority, the DCED provided funds to the Authority to be used to administer the Washington County LSA program funds for projects submitted to and approved by the DCED. The funds are to be used for the Projects located in Washington County and may not be used for any other activities without first obtaining the written consent of the DCED.

The accompanying contract financial statements include only the financial position and results of operations for the portion of the project funded by the DCED under the Contract. These contract financial statements are not intended to present the financial position and results of operations of the Authority or of the entire project.

The original term of the contract was from July 10, 2009 to June 30, 2012. The contract was amended to extend the contract term to June 30, 2014.

REDEVELOPMENT AUTHORITY OF THE COUNTY OF WASHINGTON

2009 LOCAL SHARE ACCOUNT GRANT PROGRAM

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NOTES TO CONTRACT FINANCIAL STATEMENTS

FOR THE CONTRACT PERIOD JULY 10, 2009 TO JUNE 30, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying contract financial statements have been prepared on the modified accrual basis of accounting. Accordingly, contract revenues are recognized when available and measurable, and contract expenditures when incurred.

Cash and Cash Equivalents

Amounts were continuously invested in a checking account with a local bank. The Authority maintains one bank account for all Program projects, and it is the Authority's policy to remit interest earned from all projects within the Program to the DCED at the end of each calendar year, as required by the contract agreement. The Authority earned \$20,067 of interest on the funds during the contract period. As such, the interest earnings related to this Project were remitted to the DCED in January 2011 (\$9,673), January 2012 (\$8,141), January 2013 (\$1,793) and March 2014 (\$460).

4. PROJECT EXPENDITURES

The Authority expended \$11,495,465 of the \$11,503,231 grant available as of June 30, 2014. Of the \$11,503,231 total amended grant award, \$7,766 of grant revenue received (related to the Market at Wiley Station Planning Project) was unspent as of June 30, 2014 and was returned to DCED in August 2014. The funds expended were done so in accordance with the grant contract provisions.

Redevelopment Authority
of the County of Washington

Independent Auditor's Report
in Accordance with
Government Auditing Standards

2009 Local Share Account Grant Program
Contract Number C000046099

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Contract Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of Directors
Redevelopment Authority of the County of Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the contract financial statements of the Redevelopment Authority of the County of Washington (Authority) – 2009 Local Share Account Grant Program, Contract Number C000046099, for the contract period July 10, 2009 to June 30, 2014, and the related notes to the contract financial statements, which collectively comprise the Authority's contract financial statements, and have issued our report thereon dated October 24, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the contract financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the contract financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies, in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's contract financial statements are free of material misstatement, we performed tests of its 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 the contract financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not

Board of Directors
Redevelopment Authority of the County of Washington
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maher Duessel

Pittsburgh, Pennsylvania
October 24, 2014