

**Redevelopment Authority  
of the County of Washington**

Contract Financial Statements

For the Contract Period  
July 6, 2010 to June 30, 2015  
with Independent Auditor's Reports

2010 Local Share Account Grant Program  
Contract Number C000049188

**MaherDuessel**  
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Pittsburgh | Harrisburg | Butler

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**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

2010 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000049188

FOR THE CONTRACT PERIOD JULY 6, 2010 TO JUNE 30, 2015

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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) – 2010 Local Share Account Grant Program, Contract Number C000049188, as of June 30, 2015, and for the contract period from July 6, 2010 to June 30, 2015, 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.

Board of Directors  
Redevelopment Authority of  
the County of Washington  
Independent Auditor's Report

***Opinion***

In our opinion, the contract financial statements referred to above present fairly, in all material respects, the financial position of the Authority's 2010 Local Share Account Program Grant, Contract Number C000049188, as of June 30, 2015, and the changes in financial position and the budgetary comparison for the contract period July 6, 2010 to June 30, 2015 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 C000049188, as described in Note 2, and are not intended to be a complete presentation of all contract revenues and contract expenditures of the Authority. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2015 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.

***Mahe Duessel***

Pittsburgh, Pennsylvania  
October 28, 2015

**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

**2010 LOCAL SHARE ACCOUNT GRANT PROGRAM**

**CONTRACT NUMBER C000049188**

**CONTRACT BALANCE SHEET**

**JUNE 30, 2015**

<b>Assets</b>	
Cash	<u>\$ 1,214,066</u>
<b>Liabilities</b>	
Due to Pennsylvania Department of Community and Economic Development	<u>\$ 1,214,066</u>

See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

**2010 LOCAL SHARE ACCOUNT GRANT PROGRAM**

CONTRACT NUMBER C000049188

STATEMENT OF CONTRACT REVENUES  
AND CONTRACT EXPENDITURES

FOR THE CONTRACT PERIOD JULY 6, 2010 TO JUNE 30, 2015

**Contract Revenues:**

DCED grant	\$ 10,651,059
Total contract revenues	10,651,059

**Contract Expenditures:**

LS 10-01 CUP Advanced Technology Equipment	500,000
LS 10-02 Catfish Creek Flood Control	50,625
LS 10-03 Cecil Recreation Campus	210,000
LS 10-04 Centerville Community Park Master Plan	20,000
LS 10-05 Chartiers Parallel Interceptor	500,000
LS 10-06 Cokeburgh Water System Improvements	200,000
LS 10-07 Countywide Home Rehabilitation	267,600
LS 10-08 Donora Place Sewer Extension	1,469,536
LS 10-09 Downtown Charleroi Façade Improvement	51,062
LS 10-10 Historic David Bradford House Museum Renovation	131,867
LS 10-11 Historic Lincoln National Bank Restoration	285,040
LS 10-12 Historic Primrose School Restoration	97,000
LS 10-13 Hospitals Electronic Medical Records (multi-year)	1,000,000
LS 10-14 Houston Storm Sanitary Sewer Replacement	120,000
LS 10-15 Low Hays Pony Field Restoration	215,570
LS 10-16 Low Level Literacy/Workforce Development	47,000
LS 10-17 Marianna Backwash Water Action Plan	30,000
LS 10-18 Monongahela Mounds Sanitary Sewer Improvements	99,440
Multi-Municipal Comprehensive Plan - Canton/Hopewell/North Franklin/West	
LS 10-19 Middletown	40,000
LS 10-20 Multi-Municipal Comprehensive Plan - Donegal/Claysville	40,000
LS 10-21 Multi-Municipal Comprehensive Plan - Washington/East Washington	40,000
LS 10-22 North Franklin Regional Park Phase II	220,000
LS 10-23 Pigeon Creek Interceptor Improvements	500,000
LS 10-25 Starpointe Business Park Phase 1-B	1,000,000
LS 10-26 Washington Area Humane Society Renovation	74,517
LS 10-27 Washington County Airport Improvements	540,000
LS 10-28 Washington County Fairgrounds Horse Barn	230,000
LS 10-29 Washington County Marketing Initiative	200,000
LS 10-30 WCCED Main Street Loan Program	142,256
LS 10-31 Work Certified Academy	340,480
LS 10-32 Administration	475,000
LS 10-33 City of Washington Route 19 Corridor	300,000
Total contract expenditures	9,436,993

<b>Excess of Contract Revenues over Contract Expenditures</b>	<b>\$ 1,214,066</b>
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See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

**2010 LOCAL SHARE ACCOUNT GRANT PROGRAM**

CONTRACT NUMBER C000049188

**BUDGETARY COMPARISON STATEMENT**

FOR THE CONTRACT PERIOD JULY 6, 2010 TO JUNE 30, 2015

	Original Contract Budget	Amended Contract Budget	Contract Expenditures During Contract Period	Variance	
				Dollar	Percentage
<b>DCED Funded Contract Expenditures:</b>					
LS 10-01 CUP Advanced Technology Equipment	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	0%
LS 10-02 Catfish Creek Flood Control	876,000	876,000	50,625	825,375	94%
LS 10-03 Cecil Recreation Campus	210,000	210,000	210,000	-	0%
LS 10-04 Centerville Community Park Master Plan	20,000	20,000	20,000	-	0%
LS 10-05 Chartiers Parallel Interceptor	500,000	500,000	500,000	-	0%
LS 10-06 Cokeburgh Water System Improvements	200,000	200,000	200,000	-	0%
LS 10-07 Countywide Home Rehabilitation	267,600	267,600	267,600	-	0%
LS 10-08 Donora Place Sewer Extension	1,500,000	1,500,000	1,469,536	30,464	2%
LS 10-09 Downtown Charleroi Façade Improvement	51,700	51,062	51,062	-	0%
LS 10-10 Historic David Bradford House Museum Renovation	133,240	131,867	131,867	-	0%
LS 10-11 Historic Lincoln National Bank Restoration	285,040	285,040	285,040	-	0%
LS 10-12 Historic Primrose School Restoration	97,000	97,000	97,000	-	0%
LS 10-13 Hospitals Electronic Medical Records (multi-year)	1,000,000	1,000,000	1,000,000	-	0%
LS 10-14 Houston Storm Sanitary Sewer Replacement	120,000	120,000	120,000	-	0%
LS 10-15 Lew Hays Pony Field Restoration	215,570	215,570	215,570	-	0%
LS 10-16 Low Level Literacy/Workforce Development	47,000	47,000	47,000	-	0%
LS 10-17 Marianna Backwash Water Action Plan	30,000	30,000	30,000	-	0%
LS 10-18 Monongahela Mounds Sanitary Sewer Improvements	99,440	99,440	99,440	-	0%
LS 10-19 Multi-Municipal Comprehensive Plan - Canton/Hopewell/North Franklin/West Middletown	40,000	40,000	40,000	-	0%

(Continued)

See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

2010 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000049188

BUDGETARY COMPARISON STATEMENT

FOR THE CONTRACT PERIOD JULY 6, 2010 TO JUNE 30, 2015

(Continued)

	Original Contract Budget	Amended Contract Budget	Contract Expenditures During Contract Period	Variance	
				Dollar	Percentage
<b>DCED Funded Contract Expenditures (continued):</b>					
LS 10-20 Multi-Municipal Comprehensive Plan - Donegal/Claysville	40,000	40,000	40,000	-	0%
LS 10-21 Multi-Municipal Comprehensive Plan - Washington/East Washington	40,000	40,000	40,000	-	0%
LS 10-22 North Franklin Regional Park Phase II	220,000	220,000	220,000	-	0%
LS 10-23 Pigeon Creek Interceptor Improvements	500,000	500,000	500,000	-	0%
LS 10-25 Starpointe Business Park Phase 1-B	1,000,000	1,000,000	1,000,000	-	0%
LS 10-26 Washington Area Humane Society Renovation	75,000	75,000	74,517	483	1%
LS 10-27 Washington County Airport Improvements	540,000	540,000	540,000	-	0%
LS 10-28 Washington County Fairgrounds Horse Barn	230,000	230,000	230,000	-	0%
LS 10-29 Washington County Marketing Initiative	200,000	200,000	200,000	-	0%
LS 10-30 WCCED Main Street Loan Program	500,000	500,000	142,256	357,744	72%
LS 10-31 Work Certified Academy	340,480	340,480	340,480	-	0%
LS 10-32 Administration	475,000	475,000	475,000	-	0%
LS 10-33 City of Washington Route 19 Corridor	300,000	300,000	300,000	-	0%
Total contract expenditures	<u>\$ 10,653,070</u>	<u>\$ 10,651,059</u>	<u>\$ 9,436,993</u>	<u>\$ 1,214,066</u>	11%

See accompanying notes to contract financial statements.



# **REDEVELOPMENT AUTHORITY OF THE COUNTY OF WASHINGTON**

## **2010 LOCAL SHARE ACCOUNT GRANT PROGRAM**

**CONTRACT NUMBER C000049188**

**NOTES TO CONTRACT FINANCIAL STATEMENTS**

**FOR THE CONTRACT PERIOD JULY 6, 2010 TO JUNE 30, 2015**

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### **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 C000049188 (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 6, 2010 to June 30, 2013. The Contract was amended to extend the contract term to June 30, 2015.

# **REDEVELOPMENT AUTHORITY OF THE COUNTY OF WASHINGTON**

## **2010 LOCAL SHARE ACCOUNT GRANT PROGRAM**

**CONTRACT NUMBER C000049188**

**NOTES TO CONTRACT FINANCIAL STATEMENTS**

**FOR THE CONTRACT PERIOD JULY 6, 2010 TO JUNE 30, 2015**

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Accounting

The accompanying contract financial statements have been prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### 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 approximately \$33,838 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 (\$2,862), January 2012 (\$20,900), January 2013 (\$8,785), January 2014 (\$633), and March 2015 (\$658).

### **4. PROJECT EXPENDITURES**

The Authority expended \$9,436,993 of the \$10,651,059 grant available as of June 30, 2015. The funds expended were done so in accordance with the grant contract provisions. Of the \$10,651,059 total amended grant award, \$1,214,066 of grant funds received (related to the Catfish Creek Flood Control, Donora Place Sewer Extension, Washington Area Humane Society Renovation, and WCCED Main Street Loan Program projects) was unspent as of June 30, 2015 and was returned to the DCED in August 2015 and is presented as "Due to the Department of Community and Economic Development" on the contract balance sheet.

**Redevelopment Authority  
of the County of Washington**

Independent Auditor's Report  
in Accordance with  
*Government Auditing Standards*

2010 Local Share Account Grant Program  
Contract Number C000049188

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) – 2010 Local Share Account Grant Program, Contract Number C000049188 as of June 30, 2015 and for the contract period July 6, 2010 to June 30, 2015, 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 28, 2015.

**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

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

on compliance with those provisions was not an objective of our audit and, accordingly, we do not 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 28, 2015