

**Redevelopment Authority  
of the County of Washington**

Contract Financial Statements

For the Contract Period  
May 21, 2013 to June 30, 2018  
with Independent Auditor's Reports

2013 Local Share Account Grant Program  
Contract Number C000053910

**MaherDuessel**

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**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

2013 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000053910

FOR THE CONTRACT PERIOD MAY 21, 2013 TO JUNE 30, 2018

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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) – 2013 Local Share Account Grant Program, Contract Number C000053910, as of June 30, 2018, and for the contract period May 21, 2013 to June 30, 2018, 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 2013 Local Share Account Program Grant, Contract Number C000053910, as of June 30, 2018, and the results of its operations and the budgetary comparison for the contract period May 21, 2013 to June 30, 2018 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 C000053910, 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 25, 2018 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 solely 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 the effectiveness of the Authority's 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 25, 2018

**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

2013 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000053910

CONTRACT BALANCE SHEET

JUNE 30, 2018

<u>Assets</u>	
Cash	<u>\$ 201,963</u>
<u>Liabilities</u>	
Grant revenue due to Pennsylvania Department of Community and Economic Development	\$ 199,896
Interest payable to Pennsylvania Department of Community and Economic Development	<u>2,067</u>
Total Liabilities	<u>\$ 201,963</u>

See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

2013 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000053910

STATEMENT OF CONTRACT REVENUES  
AND CONTRACT EXPENDITURES

FOR THE CONTRACT PERIOD MAY 21, 2013 TO JUNE 30, 2018

**Contract Revenues:**

DCED grant	\$ 8,835,083
Total contract revenues	8,835,083

**Contract Expenditures:**

LS 13-01 Bentworth Community Center	\$100,000
LS 13-02 Charleroi Façade Improvements	60,500
LS 13-03 Claysville Community Center	50,000
LS 13-04 Cokeburg Reservoir Dam Rehabilitation	53,100
LS 13-05 Donora Bus Maintenance Facility Phase II	100,000
LS 13-06 Donora Public Parking Garage	249,418
LS 13-07 East Bethlehem Dock Expansion	30,000
LS 13-08 Jefferson Community Building Preservation	77,771
LS 13-09 Monongahela Aquatorium Restoration & Expansion	300,000
LS 13-10 Monongahela Library Accessibility	4,000
LS 13-11 Montour Trail Bridge Replacement	250,000
LS 13-12 Montour Trail Phase 25B - Valley Brook Bridge #2	250,000
LS 13-13 Pigeon #10 Bridge Replacement	305,000
LS 13-14 Twilight Municipal Garage	80,100
LS 13-15 Washington Senior Citizens Center Automatic Doors	1,700
LS 13-16 Smith Township Industrial Park	122,619
LS 13-17 Southpointe II Roadway Construction	320,000
LS 13-18 Starpointe Flex Building 3	750,000
LS 13-19 Washington County Economic Strategy Update & Inventory	47,588
LS 13-20 Washington County Marketing Initiative	150,000
LS 13-21 Welding Technology Training Program	299,984
LS 13-22 Work Certified Academy	399,363
LS 13-23 Cecil Sewer Extension	250,000
LS 13-24 Center-West Sanitary Sewer Phase 3	400,000
LS 13-25 Donora Sump Pump Replacement	50,000
LS 13-26 Monongahela Sewer Phase 2	200,000
LS 13-27 South Franklin/Airport & Route 18 Sanitary Sewer	450,000
LS 13-28 Venetia Road & Bower Hill Road Capacity Augmentation	100,000
LS 13-29 Waynesburg Road Sanitary Sewer	450,000
LS 13-30 Donora Water Lines & Fire Hydrants	99,589
LS 13-31 Redwood Drive Area Waterline Extension	100,000
LS 13-32 Children's Advocacy Center Audio/Visual Recording	24,739
LS 13-33 Countywide Home Rehabilitation & Access	314,010
LS 13-34 Donegal Township Service Truck	25,000
LS 13-35 Illegal Dumpsite Removal & Abatement	94,500
LS 13-36 Multi-Municipal Information Sharing & Truck Scale Multi-Municipal Zoning Ordinances & SALDO - Canton, Hopewell, North Franklin, and West	100,000
LS 13-37 Middletown	30,000
LS 13-38 Regional 13 SWAT Equipment Upgrade & Training	93,554
LS 13-39 Washington County Health Center Electronic Medical Records	211,000
LS 13-40 Administration	560,987
LS 13-41 Airport Pavement Rehabilitation/Runway Microsurfacing	1,000,000
LS 13-42 Cool Valley Development	80,665
Total contract expenditures	8,635,187

<b>Excess of Contract Revenues over Contract Expenditures</b>	<b>\$ 199,896</b>
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See accompanying notes to contract financial statements.

**REDEVELOPMENT AUTHORITY  
OF THE COUNTY OF WASHINGTON**

2013 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000053910

BUDGET COMPARISON STATEMENT

FOR THE CONTRACT PERIOD MAY 21, 2013 TO JUNE 30, 2018

	Original Contract Budget	Amended Contract Budget	Contract Expenditures During Contract Period	Variance	
				Dollar	Percentage
<b>DCED Funded Contract Expenditures:</b>					
LS 13-01 Bentworth Community Center	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0%
LS 13-02 Charleroi Façade Improvements	60,500	60,500	60,500	-	0%
LS 13-03 Claysville Community Center	50,000	50,000	50,000	-	0%
LS 13-04 Cokeburg Reservoir Dam Rehabilitation	200,000	200,000	53,100	146,900	73%
LS 13-05 Donora Bus Maintenance Facility Phase II	100,000	100,000	100,000	-	0%
LS 13-06 Donora Public Parking Garage	250,000	250,000	249,418	582	0%
LS 13-07 East Bethlehem Dock Expansion	30,000	30,000	30,000	-	0%
LS 13-08 Jefferson Community Building Preservation	78,000	77,772	77,771	1	0%
LS 13-09 Monongahela Aquatorium Restoration & Expansion	300,000	300,000	300,000	-	0%
LS 13-10 Monongahela Library Accessibility	4,000	4,000	4,000	-	0%
LS 13-11 Montour Trail Bridge Replacement	250,000	250,000	250,000	-	0%
LS 13-12 Montour Trail Phase 25B - Valley Brook Bridge #2	250,000	250,000	250,000	-	0%
LS 13-13 Pigeon #10 Bridge Replacement	305,000	305,000	305,000	-	0%
LS 13-14 Twilight Municipal Garage	80,100	80,100	80,100	-	0%
LS 13-15 Washington Senior Citizens Center Automatic Doors	1,700	1,700	1,700	-	0%
LS 13-16 Smith Township Industrial Park	128,740	122,619	122,619	-	0%
LS 13-17 Southpointe II Roadway Construction	320,000	320,000	320,000	-	0%
LS 13-18 Starpointe Flex Building 3	750,000	750,000	750,000	-	0%
LS 13-19 Washington County Economic Strategy Update & Inventory	250,000	250,000	47,588	202,412	81%
LS 13-20 Washington County Marketing Initiative	150,000	150,000	150,000	-	0%
LS 13-21 Welding Technology Training Program	300,000	299,984	299,984	-	0%
LS 13-22 Work Certified Academy	399,363	399,363	399,363	-	0%
LS 13-23 Cecil Sewer Extension	250,000	250,000	250,000	-	0%
LS 13-24 Center-West Sanitary Sewer Phase 3	400,000	400,000	400,000	-	0%
LS 13-25 Donora Sump Pump Replacement	50,000	50,000	50,000	-	0%
LS 13-26 Monongahela Sewer Phase 2	200,000	200,000	200,000	-	0%
LS 13-27 South Franklin/Airport & Route 18 Sanitary Sewer	450,000	450,000	450,000	-	0%
LS 13-28 Venetia Road & Bower Hill Road Capacity Augmentation	100,000	100,000	100,000	-	0%
LS 13-29 Waynesburg Road Sanitary Sewer	450,000	450,000	450,000	-	0%
LS 13-30 Donora Water Lines & Fire Hydrants	99,589	99,589	99,589	-	0%
LS 13-31 Redwood Drive Area Waterline Extension	100,000	100,000	100,000	-	0%
LS 13-32 Children's Advocacy Center Audio/Visual Recording	24,739	24,739	24,739	-	0%
LS 13-33 Countywide Home Rehabilitation & Access	314,010	314,010	314,010	-	0%
LS 13-34 Donegal Township Service Truck	25,000	25,000	25,000	-	0%
LS 13-35 Illegal Dumpsite Removal & Abatement	94,500	94,500	94,500	-	0%
LS 13-36 Multi-Municipal Information Sharing & Truck Scale	100,000	100,000	100,000	-	0%
LS 13-37 Hopewell, North Franklin, and West Middletown	30,000	30,000	30,000	-	0%
LS 13-38 Regional 13 SWAT Equipment Upgrade & Training	93,554	93,554	93,554	-	0%
LS 13-39 Washington County Health Center Electronic Medical Records	211,000	211,000	211,000	-	0%
LS 13-40 Administration	440,987	560,987	560,987	-	0%
LS 13-41 Airport Pavement Rehabilitation/Runway Microsurfacing	-	1,000,000	1,000,000	-	0%
LS 13-42 Cool Valley Development	-	1,000,000	80,665	919,335	92%
<b>Total contract expenditures</b>	<b>\$7,790,782</b>	<b>\$ 9,904,417</b>	<b>\$ 8,635,187</b>	<b>\$ 1,269,230</b>	<b>15%</b>

See accompanying notes to contract financial statements.

# REDEVELOPMENT AUTHORITY OF THE COUNTY OF WASHINGTON

## 2013 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000053910

NOTES TO CONTRACT FINANCIAL STATEMENTS

FOR THE CONTRACT PERIOD MAY 21, 2013 TO JUNE 30, 2018

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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 C000053910 (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 May 21, 2013 to June 30, 2016. The contract was amended to extend the contract term to June 30, 2018. All related contract expenditures were paid, and funding received, by June 30, 2018.



# REDEVELOPMENT AUTHORITY OF THE COUNTY OF WASHINGTON

## 2013 LOCAL SHARE ACCOUNT GRANT PROGRAM

CONTRACT NUMBER C000053910

NOTES TO CONTRACT FINANCIAL STATEMENTS

FOR THE CONTRACT PERIOD MAY 21, 2013 TO JUNE 30, 2018

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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 \$17,734 of interest on the funds during the contract period. As such, the interest earnings related to this Project were remitted to the DCED in March 2014 (\$761), March 2015 (\$4,483), March 2016 (\$1,864), and April 2018 (\$8,559). The remaining \$2,067 is included in "Interest payable to the Department of Community and Economic Development" on the contract balance sheet. Additional interest earned after June 30, 2018 on grant funds repaid to the DCED in August 2018 was repaid to the DCED in September 2018.

### 4. Project Revenues and Expenditures

The Authority expended \$8,635,187 of the \$9,904,417 grant available under the terms of the contract. The funds expended were done so in accordance with the grant contract provisions. Of the \$8,835,083 total amended grant funds received by the Authority, \$199,896 of the grant funds received (related to the Cokeburg Reservoir Dam Rehabilitation, Donora Public Parking Garage, Jefferson Community building Preservation, and Washington County Economic Strategy Update & Inventory projects) was unspent and was returned to the DCED in August 2018. This amount is included in the "Due to the Department of Community and Economic Development" on the contract balance sheet.

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**Redevelopment Authority  
of the County of Washington**

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

2013 Local Share Account Grant Program  
Contract Number C000053910

**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) – 2013 Local Share Account Grant Program, Contract Number C000053910 as of June 30, 2018 and for the contract period May 21, 2013 to June 30, 2018, 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 25, 2018.

### **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.

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

### 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 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.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
October 25, 2018