

Southwestern Pennsylvania Commission

Financial Statements
and Required Supplementary and
Supplementary Information

Year Ended June 30, 2019
with Independent Auditor's Report



MaherDuessel

SOUTHWESTERN PENNSYLVANIA COMMISSION

YEAR ENDED JUNE 30, 2019

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SOUTHWESTERN PENNSYLVANIA COMMISSION

YEAR ENDED JUNE 30, 2019

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Independent Auditor's Report

**Executive Committee and
Commissioners
Southwestern Pennsylvania
Commission**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Southwestern Pennsylvania Commission (Commission) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through vi be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and*

Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Commission's financial statements for the year ended June 30, 2018, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements as a whole. The supplementary information listed in the table of contents for the year ended June 30, 2018 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 supplementary information is fairly presented in all material respects in relation to the basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, on our consideration of the Commission's internal controls 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 Commission'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 Commission's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Commission's 2018 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated November 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it was derived.

Maher Duessel

Pittsburgh, Pennsylvania
December 2, 2019

Southwestern Pennsylvania Commission (SPC)

Management Discussion and Analysis (MD&A)

This Management Discussion and Analysis of the financial performance of the governmental activities is to provide a summary understanding and analysis of the basic financial statements for the fiscal year ending June 30, 2019. The following summary analysis should be used in conjunction with the included financial statements.

The Southwestern Pennsylvania Commission (SPC) is the designated Metropolitan Planning Organization (MPO), Local Development District (LDD), and Economic Development District (EDD) for Southwestern Pennsylvania. SPC is charged with developing the regional long range transportation plan and the comprehensive economic development strategy. SPC works with multiple planning partners at the federal, state, regional, and local levels on programs and projects that move the Regional Vision, Major Goals, and Strategies of the long-range plan forward. The region's current long-range plan, *SmartMoves for a Changing Region*, was adopted in June 2019. SPC's planning area encompasses the ten counties of Southwestern Pennsylvania. The planning process addresses surface transportation needs for roadways, bridges, and public transit; travel by automobile, truck, buses, trains, bicycle, or walking; issues with safety, accessibility, and mobility; and, access to work, school, shopping, recreation, and our homes.

This plan focuses on core transportation investments such as maintaining our current system; optimizing our system; investing in safety for all system users; and, providing equitable mobility options for all users through improvements in public transit and pedestrian/bicycle infrastructure. The plan describes the overall strategic vision for the region's transportation system and also, as required by federal regulations, describes the specific projects and investments that can be advanced with revenues that are reasonably expected to be available during the life of the plan. This plan also includes a set of multimodal projects to modernize and expand our transportation system that are in various stages of the planning process.

The plan was developed through a robust and inclusive public process that included use of expert panels, commission members and community leaders in discussion of trends and forces of change affecting the region. SPC utilized expanded video production capabilities, online streaming and use of videos to support outreach and engagement and enhanced use of online surveys to gather input for various planning projects and studies. Ongoing improvements and enhancements of the agency's interactive web-based form provided additional access for the public to provide input to the transportation planning process. SPC used Planning and Environmental Linkage tools including its Regional Ecological Framework and a GIS-based Wetland Mitigation Tool to aid analysis of plans.

SPC continued LRP implementation through its support of committees, including Freight Forum, Active Transportation Forum, Regional Operations & Safety Forum, Transit Operators Committee and Transportation Technical Committee.

The federally mandated target setting process for the transportation performance measures, instituted in MAP-21, is being set in place by state DOTs and MPOs throughout the United States. SPC has been closely working with PennDOT and planning partners to comply with the target setting and performance measure implementation requirements.

The following is a sample of the TIP implementation activities that were advanced:

- SPC conducted and facilitated 12 Project Development Work Group meetings as part of development of the 2021-2024 TIP
- Completed Linking Planning and NEPA (LPN) forms for candidate projects; developed an interactive mapping program and mapped all TIP candidate projects; and, screened all new candidate TIP projects against the adopted performance measures in the LRP.
- Used Decision Lens® in the technical evaluation of projects to assist in the decision-making process for the CMAQ, TA Set-Aside and SMART Programs.
- Conducted four regional workshops to educate and aid local project sponsors in potential state and federal funding programs open to local sponsors and in delivering federal and state funded transportation improvement projects.

SPC continues to place an emphasis on investing in multimodal projects to foster economic growth, enhance livability and connectivity in communities throughout the region, and provide residents with sustainable and resilient transportation choices. SPC:

- Completed the Southwestern Pennsylvania Active Transportation Plan.
- Created a web-based toolkit: *Active Transportation Resource Center*.
- Completed bicycle suitability mapping – Ohio River Trail Council – Allegheny and Beaver Counties.
- Completed the Regional Sidewalk Inventory.
- Completed the *Guide to Understanding Bike Symbols, Signs and Pavement Markings in Southwestern Pennsylvania*.
- Coordinated eight meetings of the Alliance for Transportation Working in Communities focusing on the development of *2019 Southwestern Pennsylvania Public Transit – Human Services Coordinated Transportation Plan*.
- Completed the 2019 update of the *Southwestern Pennsylvania Public Transit – Human Services Coordinated Transportation Plan*, a supplemental document for *SmartMoves*.
- Provided technical support for Multimodal Transportation projects:
 - Bus Purchase – Washington County Transportation Authority - \$500,000
 - Port Authority of Allegheny County – Battery Operated Buses – first regional FTA Low/No Emissions grant - \$2.2 million
 - Management of Title III (Transit) TIP and the 2021-2024 TIP update.
 - Transit-related narratives for *SmartMoves for a Changing Region*.
 - FFY 2018, FFY 2019 Annual Sub-allocation Process for the Distribution of Federal Transit Urban Area Formula Allocations.
- Completed FFY 2018 FTA Triennial Review for the CommuteInfo vanpool program resulting in no findings.
- Provided commuter options support for over 400 worksites in the SPC region.
- Completed the [2019 Regional Operations Plan \(ROP\)](#) update.
- Successfully coordinated and submitted five applications for statewide Transportation Systems Management and Operations (TSMO) funding on behalf of PennDOT Districts 11 and 12. These applications were awarded \$4.3 million for implementation of additional CCTVs, dynamic message signs, and other ITS-related infrastructure on the region’s Interstates and state routes.
- Conducted six Road Safety Audits.
- Assisted with coordinating and providing National SHARP II TIM Responder Training to over 650 City of Pittsburgh Fire Fighters. Outside the region, SPC staff met with staff of Tri-County Regional Planning Commission (TCRPC) and South Central Taskforce to discuss how to start a TIM initiative in their region.
- Maintained data sharing agreements with Carnegie Mellon University and the University of Pittsburgh.

SPC assisted the U.S. Census Bureau with preparatory activities related to the 2020 Census, including the Local Update of Census Addresses (LUCA) Program, Participant Statistical Areas Program (PSAP), Complete Count Committee (CCC) Program, and other 2020 Census initiatives.

SPC continued to maintain an up-to-date, calibrated version of the REMI TranSight model. The REMI TranSight model provides the capability to integrate output from SPC's regional travel demand model into the broader economic model to better evaluate the total economic effects of changes to the transportation network. The REMI TranSight model assists with assessing the performance of the region's LRP. SPC:

- Updated land use data and statistics region-wide from detailed aerial photography, distilled at the municipal level and by traffic analysis zone for the region's demographic forecast and traffic demand models at SPC. Updated, edited and rectified GIS data representing infrastructure, land use/land cover, topography, hydrology, environmental features, and trip generators to correct ground locations through use of recent aerial imagery and county-provided parcels to aid transportation and economic development projects and plans.
- Distributed recent aerial imagery to PennDOT, member counties, municipalities, and planning partners for their use and to promote data sharing across the region.
- Updated the Traffic Signal Asset Management System database and application that joins data from GIS with signal permits and attributes for over 3,400 traffic signal, beacon and flasher locations across the 10-county region.

SPC initiated comprehensive website redevelopment for www.spcregion.org and multiple ancillary websites with thousands of reference materials focused on specific programs and initiatives to make all SPC websites mobile-friendly.

SPC's Planning & Development department provided the following services to small businesses and communities:

- Export Development: 74 Companies Assisted; 105 Counseling Sessions; 20 Overseas Offices Work Orders Processed
- Government Procurement: 198 Companies Assisted; 362 Counseling Sessions; 74 Contract Awards totaling \$106.3 Million +
- Small Business Finance (Loans); 69 Companies Assisted; 114 Counseling Sessions
- Keystone Opportunity Zones (KOZs): 9 Inquiries; 48 applications received/processed; 335 jobs created; 65 jobs retained
- Local Technical Assistance: 44 Communities Served
- Water Resource Center Workshops: 22

SPC's Unified Planning Work Program (UPWP) identifies transportation planning priorities and activities that will be carried out each year, including the implementation of specific Strategies and Actions contained in this plan. Federal transportation legislation authorizes planning funds so that regional planning organizations are able to fulfill the federal planning requirements (23 U.S.C. 134 and 135, 49 U.S.C. 5303-5304, and 23 CFR part 450) and to conduct the regional transportation planning that advances local priorities set forth in the long range planning process. The tasks to update federally required planning and programming documents such as the TIP, the Congestion Management Process, the Human Services Coordinated Transportation Plan, and the region's Safety Action Plan and the Regional Operations Plan are identified. Also identified are the tasks to be undertaken and

the partners needed to advance the implementation of specific Strategies and Actions depicted in previous sections of this plan. Example tasks to implement the Strategies could include initiatives such as creating holistic visions for corridors of regional significance; the development of a best practices resource center; development of a regional plan to tackle climate change; planning to revitalize communities throughout the region; conducting public outreach to raise awareness of the need for increased transportation funding and the public benefits therein; and the examination of how to increase coordination and linkages between regional transit providers. SPC continues broad collaboration and engagement conducted during this long-range plan development process of the past year to develop the projects, programs, and initiatives that will be advanced across Southwestern Pennsylvania on an ongoing basis.

Single Audit Report Overview

- The Independent Auditor's Report expresses an unmodified opinion on the accompanying financial statements.
- There were no identified deficiencies in internal control over financial reporting that were considered to be material weaknesses.
- SPC has complied in all material respects with the compliance requirements under OMB Uniform Guidance 2 CFR Part 200 that could have a direct and material effect on each of SPC's major programs for the year ended June 30, 2019.
- There were no identified deficiencies in internal control over compliance as required under Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance).
- No matters were reported related to the financial statements which are required to be reported in accordance with GAGAS.
- No matters were reported relating to findings and questioned costs for federal awards.
- Statement of Net Position – Total assets increased \$880,567 mainly due to decreased revolving loan funds cash on hand which resulted from pay down of loan accounts receivables and the issuance of new loans. Total Net Position for the years ending June 30, 2019 and 2018 was \$457,444.
- Statement of Activities - Total governmental activities expenses equal \$11,256,729 compared to \$11,099,785 as of June 30, 2018. The net increase of \$156,944 is due mainly to an increase in the highway and transit planning activities and decrease in the economic planning and development program activities.
- Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds reports an increase in federal and state grant revenues and expenditures of \$32,455 compared to the prior year. The increase is due mainly to an increase in the highway and transit planning activities and the economic planning and development program activities.

Basic Financial Statements – SPC uses the accrual basis of accounting to record revenues when earned and expenses when incurred. The following brief summary financial information serves as the basis for analysis of SPC’s financial position.

- **Statement of Net Position** – this financial statement summarizes the overall SPC capital structure as to whether company assets were financed by incurring debt or equity. Increases or decreases in net assets and/or liabilities can be a useful indicator as to whether the financial position of SPC is improving or deteriorating. This statement also reflects the overall financial strength of SPC compared to the previous year.

<u>Governmental Activities</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Total cash and cash equivalents	\$ 3,589,368	\$ 3,999,823
Accounts receivable	2,098,374	2,078,134
Prepaid expenses	199,888	125,040
Loans receivable	<u>6,452,768</u>	<u>5,256,834</u>
Total Assets	<u>12,340,398</u>	<u>11,459,831</u>
<u>Liabilities</u>		
	<u>11,882,954</u>	<u>11,002,387</u>
<u>Net Position</u>		
	<u>\$ 457,444</u>	<u>\$ 457,444</u>

- **Statement of Activities** – this financial statement provides information on SPC’s programs by functions and the revenues generated or used to support program-related activities. This statement generally is a balanced statement for the Governmental Activities.

<u>Summary</u>	<u>Total Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>2018</u>
Total governmental activities	\$ 11,256,729	\$ 9,070,088	\$ (2,186,641)	\$ (2,062,152)
Total general revenues			<u>2,186,641</u>	<u>2,062,152</u>
Change in Net Position			-	-
Net position - beginning of year			<u>457,444</u>	<u>457,444</u>
Net position - end of year			<u>\$ 457,444</u>	<u>\$ 457,444</u>

Balance Sheet – Governmental Funds - the balance sheet reports information about SPC Governmental Funds activities and details changes in SPC’s financial position. This report includes all assets, liabilities, and unreserved fund balance as of June 30, 2019 and reports financial information for the Southwestern Pennsylvania Corporation General Fund as the administrative arm of SPC, and the Southwestern Pennsylvania Commission Special Revenue Fund, which receives federal and state grant funding to support its planning activities and which are transferred out to the General Fund to pay expenditures. The Special Revenue Fund maintains the SPC program grant advances received and restricted for program expenses. Accounts receivable reflect program grant funds due relating to the various planning and economic development programs undertaken by SPC.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds reports information on the accrual basis of accounting, which is most commonly found with a quasi- governmental entity. The overall financial health of SPC is a product of its ability to secure federal, state, local, and private financial assistance grants to move project studies forward. There was sufficient program funding to support program activities.

SOUTHWESTERN PENNSYLVANIA COMMISSION

STATEMENT OF NET POSITION

JUNE 30, 2019

(With Comparative Totals at June 30, 2018)

	Governmental Activities	2018
Assets		
Cash and cash equivalents:		
Operating	\$ 108,865	\$ 300,292
Restricted	2,429,173	2,351,502
Revolving loan funds:		
Uncommitted	1,051,330	1,348,029
Total cash and cash equivalents	3,589,368	3,999,823
Accounts receivable	2,098,374	2,078,134
Prepaid expenses	199,887	125,040
Loans receivable:		
Appalachian Regional Commission - RLF	1,966,495	1,307,797
Economic Development Administration - RLF	647,249	710,920
PIDA/SBF Loan Fund	3,839,025	3,238,117
Total Assets	12,340,398	11,459,831
Liabilities		
Accounts payable	1,286,260	1,163,623
Accrued salaries and fringe benefits	197,903	196,919
Grant advances	1,774,368	1,786,608
Unearned revenue	988,336	1,083,558
Notes payable - PIDA/SBF loan programs	3,839,025	3,238,117
Accrued liabilities	178,836	203,066
Unearned revenues of revolving loan funds	3,618,226	3,330,496
Total Liabilities	11,882,954	11,002,387
Net Position		
Unrestricted	457,444	457,444
Total Net Position	\$ 457,444	\$ 457,444

See accompanying notes to financial statements.

SOUTHWESTERN PENNSYLVANIA COMMISSION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

<u>Functions/Programs</u>	<u>Total Expenses</u>	Program Revenues		Net (Expense) Revenue and Changes in Net Position		<u>2018</u>
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Total	
Governmental Activities:						
General	\$ 76,054	\$ -	\$ -	\$ (76,054)	\$ (76,054)	\$ (122,505)
Highway, transit planning	7,984,068	-	6,877,344	(1,106,724)	(1,106,724)	(1,023,066)
Local government and other programs	121,431	-	-	(121,431)	(121,431)	-
Economic development programs/prep	3,075,176	-	2,192,744	(882,432)	(882,432)	(916,581)
Total government activities	\$ 11,256,729	\$ -	\$ 9,070,088	(2,186,641)	(2,186,641)	(2,062,152)
General revenues:						
Commission member contributions				723,850	723,850	718,883
Loan program fees				41,587	41,587	67,750
Contributions				319,483	319,483	225,990
In-kind contributions				1,101,721	1,101,721	1,049,529
Total general revenues				<u>2,186,641</u>	<u>2,186,641</u>	<u>2,062,152</u>
Change in Net Position				-	-	-
Net position - beginning of year				<u>457,444</u>	<u>457,444</u>	<u>457,444</u>
Net position - end of year				<u>\$ 457,444</u>	<u>\$ 457,444</u>	<u>\$ 457,444</u>

See accompanying notes to financial statements.

SOUTHWESTERN PENNSYLVANIA COMMISSION

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2019
(With Comparative Totals at June 30, 2018)

Assets	Southwestern Pennsylvania Corporation General Fund	Southwestern Pennsylvania Commission Special Revenue Fund	Total	2018
Cash and cash equivalents:				
Operating	\$ 108,865	\$ -	\$ 108,865	\$ 300,292
Restricted	49,222	2,379,951	2,429,173	2,351,502
Revolving loan funds:				
Uncommitted	1,051,330	-	1,051,330	1,348,029
Total cash and cash equivalents	1,209,417	2,379,951	3,589,368	3,999,823
Accounts receivable	1,075	2,097,299	2,098,374	2,078,134
Prepaid expenses	199,887	-	199,887	125,040
Loans receivable:				
Appalachian Regional Commission - RLF	1,966,495	-	1,966,495	1,307,797
Economic Development Administration - RLF	647,249	-	647,249	710,920
PIDA/SBF Loan Fund	3,839,025	-	3,839,025	3,238,117
Due from Commission	1,329,670	-	1,329,670	1,085,613
Total Assets	\$ 9,192,818	\$ 4,477,250	\$ 13,670,068	\$ 12,545,444
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 1,286,260	\$ -	\$ 1,286,260	\$ 1,163,623
Accrued salaries and fringe benefits	197,903	-	197,903	196,919
Grant advances	125,000	1,649,368	1,774,368	1,786,608
Unearned revenue	123,750	864,586	988,336	1,083,558
Notes payable - PIDA/SBF loan program	3,839,025	-	3,839,025	3,238,117
Accrued liabilities	-	178,836	178,836	203,066
Unearned revenues - revolving loan funds	3,618,226	-	3,618,226	3,330,496
Due to Corporation	-	1,329,670	1,329,670	1,085,613
Total Liabilities	9,190,164	4,022,460	13,212,624	12,088,000
Fund Balance:				
Nonspendable:				
Prepaid items	199,887	-	199,887	125,040
Unassigned	(197,233)	-	(197,233)	(122,386)
Assigned - Commission Projects	-	454,790	454,790	454,790
Total Fund Balance	2,654	454,790	457,444	457,444
Total Liabilities and Fund Balance	\$ 9,192,818	\$ 4,477,250	\$ 13,670,068	\$ 12,545,444

See accompanying notes to financial statements.

SOUTHWESTERN PENNSYLVANIA COMMISSION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

	Southwestern Pennsylvania Corporation	Southwestern Pennsylvania Commission	Total	2018
	General Fund	Special Revenue Fund		
Revenues:				
Federal grants	\$ -	\$ 7,098,343	\$ 7,098,343	\$ 6,904,042
State grants	-	1,971,745	1,971,745	2,133,591
SPC member contributions	-	723,850	723,850	718,883
In-kind service contributions	-	1,101,721	1,101,721	1,049,529
Contributions	73,634	245,849	319,483	225,990
Loan program fees	41,587	-	41,587	67,750
Total revenues	115,221	11,141,508	11,256,729	11,099,785
Expenditures:				
Salaries and employee benefits	4,980,811	-	4,980,811	5,065,887
Contractual	3,474,172	-	3,474,172	3,223,095
Printing and publications	30,282	-	30,282	25,927
Telephone	35,841	-	35,841	35,440
Postage	3,236	-	3,236	4,309
Supplies	150,749	-	150,749	163,337
In-kind services - match	1,101,721	-	1,101,721	1,049,529
Travel	102,664	-	102,664	141,035
Promotion, PR, and advertising	-	-	-	4,862
Equipment and computer services	168,851	-	168,851	196,916
Temporary personnel	31,901	-	31,901	120,278
Books, dues, and subscriptions	300,589	-	300,589	241,698
Legal/audit	125,149	-	125,149	94,447
Rent	616,302	-	616,302	605,299
Insurance	42,932	-	42,932	44,277
Meetings	80,186	-	80,186	59,969
Training and development	11,343	-	11,343	23,480
Total expenditures	11,256,729	-	11,256,729	11,099,785
Excess (Deficiency) of Revenues Over Expenditures	(11,141,508)	11,141,508	-	-
Other Financing Sources (Uses):				
Transfers in	11,490,165	348,657	11,838,822	11,551,664
Transfers out	(348,657)	(11,490,165)	(11,838,822)	(11,551,644)
Total other financing sources (uses)	11,141,508	(11,141,508)	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance:				
Beginning of year	2,654	454,790	457,444	457,444
End of year	\$ 2,654	\$ 454,790	\$ 457,444	\$ 457,444

See accompanying notes to financial statements.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

1. Reporting Entity and Organization

Reporting Entity

The Southwestern Pennsylvania Commission (Commission) is a voluntary organization comprising the ten Counties of Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland, as well as, the City of Pittsburgh. It was created under the Regional Planning Law, May 29, 1956, P.L. 1845, as amended, Section 3 of the Intergovernmental Cooperation Act, Number 180, July 12, 1972. The general purpose to be accomplished through the establishment of the Commission is to foster cooperative planning and coordinated effort among local government jurisdictions in southwestern Pennsylvania and to serve as a forum for the discussion of their common problems and aspirations. In keeping with this general purpose, the Commission maintains active programs of transportation planning and programming, economic development planning, and technical assistance to local governments.

The Commission consists of sixty-one voting individuals called Commissioners, which represent the Members of the Commission, the Pennsylvania Department of Transportation, the Governor's Office, the Pennsylvania Department of Community and Economic Development, the Port Authority of Allegheny County, and the Transit Operators Committee. The Commission is managed by Officers elected by the Board of Commissioners (Board).

The Commission has retained the Southwestern Pennsylvania Corporation (Corporation), a blended component unit, to conduct studies and render services and to perform its administrative functions. All administrative costs and the costs associated with studies or services provided by the Corporation on behalf of the Commission are allocated directly or by an indirect cost allocation plan. The activities of the Corporation are discussed below.

The Commission maintains an ongoing program of assistance to local governments. It is intended to help local elected officials improve management techniques and fiscal practices which will result in more efficient municipal operations. These intentions are accomplished by producing practical reference manuals, conducting workshops, and furnishing services directly to community officials on a selective basis.

As the designated Metropolitan Planning Organization, the Commission develops a comprehensive transportation plan and a transportation improvement program for the southwestern Pennsylvania area. The scope of the planning and programming process includes highways, bridges, transit, and airport system elements. Projects must originate in

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

the plan and be consistent with the program to qualify for federal funding. The Commission receives the majority of its funding from the Pennsylvania Department of Transportation as pass-through funds from the U.S. Department of Transportation.

The Commission contributes to the ongoing economic development effort in the region by sponsoring transportation-related economic impact studies, when warranted, and by providing technical support services to existing economic development agencies so that they can perform their roles more effectively.

The Commission is exempt from federal income tax as a governmental entity defined in Section 115(2) of the Code.

In accordance with accounting principles generally accepted in the United States of America the Commission is defined as a primary government. Consistent with applicable guidance, the criteria used by the Commission to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the Commission reviews the applicability of the following criteria:

The Commission is financially accountable for:

1. Organizations that make up the legal entity.
2. Legally separate organizations if the Commission appoints a voting majority of the organizations' governing body and the Commission is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Commission.
 - a. Impose its Will - If the Commission can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden - Exists if the Commission (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

3. Organizations that are fiscally dependent on the Commission. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes, or set rates or charges, or issue bonded debt without approval by the Commission.

Following is a brief description of the component unit, the Southwestern Pennsylvania Corporation (Corporation), meeting the above criteria, which is included within the financial reporting entity as a blended presentation. The blended presentation is required when a component unit is so closely related to the primary government that it is, in substance, the same as the primary government, such as when the component unit's governing body is substantively the same as the governing body of the primary government or the component unit provides services entirely to, or almost entirely, or exclusively, or almost exclusively, indirectly benefits the primary government. The component unit of the Commission is reported as the General Fund and is presented as a blended component unit because the Commission appoints the voting majority of their Board, the Commission can impose its will on the component unit, and a financial benefit or burden exists.

The Corporation was incorporated on November 1, 2010, for civic, charitable, literary, and educational purposes. The Corporation provides services to the Commission, which includes conducting studies and performing administrative functions. The Corporation's members include the voting members of the Commission as described above. The Corporation is managed by directors elected by the members. These financial statements include the financial position and the results of operations of both the Commission and the Corporation, collectively referred to as SPC.

The Corporation is the administrator of the Local Development District serving the member counties. In that capacity, the Corporation offers an array of financial, marketing, and strategic support services directed toward businesses and municipalities including the Appalachian Regional Commission - Revolving Loan Fund (ARC/RLF), Economic Development Administration – Revolving Loan Fund (EDA/RLF), and the Small Business First Loan Fund (SBF). ARC/RLF, EDA/RLF and the SBF are programs to provide low-interest loans to small businesses to achieve economic benefits in the service area.

The Corporation has been determined to be exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code (Code) and has further been classified as an organization which is not a private foundation in accordance with Section 509(a)(3) of the Code. Because the appointment of a controlling majority of the members of the Corporation's governing body consists of local government officials, the Corporation is considered a government organization for financial reporting purposes.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. Summary of Significant Accounting Policies

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of SPC. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. SPC has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of SPC as of year-end. All net position is considered unrestricted as of June 30, 2019, as there are no external restrictions on net position, or amounts invested in capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants and member contributions associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The accounts of SPC are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

SPC reports the following major governmental funds:

The General Fund is the Corporation's primary operating fund. It accounts for all financial resources of the Corporation. The Corporation is considered the administrative arm of the Commission and provides the Commission with personnel to work on Commission projects and pays bills on behalf of the Commission. The Commission in return reimburses the Corporation for the above services. This reimbursement is reflected as an operating transfer out on the Commission Special Revenue Fund and an operating transfer in on the Corporation General Fund.

The Commission Special Revenue Fund accounts for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Receivables

Loans receivable are recorded at the time amounts are disbursed to the borrower. A loan is written off at the time the Corporation determines that a loan is not collectible and upon approval from the sponsoring agency.

Prepaid

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

Unearned Revenue

Unearned revenue consists of grant funds received prior to incurring eligible expenditures. In addition, interest earned and loan program fees on the revolving loan funds are unearned in accordance with grant provisions until needed.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated using the straight-line method over their estimated useful lives. Donated capital assets are recorded at estimated fair market value at the date of donation.

Equipment purchased under programs where the grantor retains title to the fixed asset is not capitalized. Instead, the cost of the equipment is charged to the program when purchased.

Compensated Absences

It is SPC's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since SPC does not have a policy to pay any amounts when employees separate from service with the corporation. All vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in governmental funds when earned.

Cash and Cash Equivalents

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

In-Kind Contributions

In-kind contributions include services provided by various organizations which are recorded at estimated value and board members' time which is recorded at predetermined rates applied on an hourly basis. The services are recognized when the in-kind support is characterized as integral to operations. Contributed support is recognized in the financial statements in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform*

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes such items as prepaid expenditures.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the board. Such commitment is made via a board resolution and must be made prior to the end of the fiscal year. Removal of this commitment requires a board resolution. SPC currently does not have any committed funds.
- Assigned – This category represents intentions of the board to use the funds for specific purposes. Such assignment is made by the Finance Director, but approval is obtained from the board for all such assignments.
- Unassigned – This category represents all other funds not otherwise defined.

SPC's policy is to use funds in the order of the most restrictive to the least restrictive.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

Classification of Net Position

The government-wide and proprietary fund financial statements are required to classify net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net position consists of constraints placed on assets through external restrictions, reduced by liabilities related to those assets.
- Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted” or “net investment in capital assets.”

Budgets and Budgetary Accounting

The General Fund and the Special Revenue Fund do not have legally adopted budgets that would require separate budgetary comparison schedules. Budgetary control for certain SPC programs is maintained through enforcement of the related grant provisions.

Adopted Pronouncements

The requirements of the following Governmental Accounting Standards Board (GASB) statements were adopted for the Commission’s financial statements:

GASB Statement No. 83, “*Certain Retirement Obligations*,” addresses accounting and financial reporting for certain asset retirement obligations (AROs).

GASB Statement No. 88, “*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*,” to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

These statements did not affect the financial statements of the Commission.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 84 (Fiduciary Activities), 87 (Leases), 89 (Accounting for Interest Cost Incurred before the End of a Construction Period), 90 (Majority Equity Interests – an amendment of GASB Statements No. 14 and No.61), and 91 (Conduit Debt Obligations). Management has not yet determined the impact of these statements on the Commission's financial statements.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. Cash and Cash Equivalents

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes allow pooling of governmental funds for investment purposes.

The deposit and investment policy of SPC adheres to state statutes. Deposits are maintained in demand accounts. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of SPC.

As of year-end, SPC does not hold any investments; as such, the following is a description of SPC's deposit risk:

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, SPC's deposits may not be returned to it. SPC does not have a formal deposit policy for custodial credit risk. As of June 30, 2019, \$3,389,039 of SPC's bank balance of \$3,889,039 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have a carrying amount of \$3,589,368 as of June 30, 2019, of which \$1,051,330 is reported as revolving loan funds in the statement of net position.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

Committed revolving loan funds cash and cash equivalents represent amounts approved for loans under the ARC/RLF, EDA/RLF, or SBF but not yet disbursed to the borrower. There were no committed funds as of June 30, 2019. Uncommitted cash and cash equivalents include approximately \$537,873 of net loan fees paid by borrowers and held for future administrative costs.

Restricted cash for the Corporation represents amounts contributed for specific purposes. Restricted cash for the Commission represents contributed or grant funding that has been deferred because it has not yet been spent for its intended purpose.

4. Pension Plan

SPC has a noncontributory, defined contribution pension plan (Plan) for all employees eligible to participate in the Plan. The contribution for the year ended June 30, 2019 was \$224,529. The Plan Trustee administrative fees were \$31,587. The funding policy is to contribute 7% of the employees' salaries plus a supplemental amount for employees in the Plan prior to 1985. All employees are 100% vested once three years of service are completed.

5. Accounts Receivable

Accounts receivable consist of the following:

Pennsylvania Department of Transportation	\$ 1,384,965
Pennsylvania Department of Community and Economic Development	562,677
Appalachian Regional Commission	93,789
Federal Transit Administration	31,605
Indiana University of Pennsylvania	18,679
Other	6,659
	<u>\$ 2,098,374</u>

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

6. Loans Receivable

Following is a roll forward of loans outstanding under the ARC/RLF, EDA/RLF, and PIDA/SBF for the year ended June 30, 2019:

	<u>ARC/RLF</u>	<u>EDA/RLF</u>	<u>PIDA/SBF</u>
Balance at June 30, 2018	\$ 1,307,797	\$ 710,920	\$ 3,238,117
Add back monies in escrow at June 30, 2018	-	-	-
Less monies in escrow at June 30, 2019	-	-	-
Loans issued	960,041	149,350	930,000
Payments received	(301,343)	(213,021)	(329,092)
Loans written off	-	-	-
Balance at June 30, 2019	<u>\$ 1,966,495</u>	<u>\$ 647,249</u>	<u>\$ 3,839,025</u>
Number of loans outstanding	<u>18</u>	<u>10</u>	<u>36</u>

The above loans bear interest at rates ranging from 2.0% to 4.0% per annum. The outstanding loan balances range in amounts from \$4,054 to \$361,983 and mature through 2030.

Loans receivable - ARC/RLF consist of the outstanding balance of notes assigned to the Corporation via a Novation of the Pennsylvania Enterprise Development Revolving Loan Fund grant (ARC Contract No. 80-232), which was entered into between and among the Corporation, the Commonwealth of Pennsylvania, and the Appalachian Regional Commission on October 1, 1992, plus amounts disbursed for subsequent loans. The Corporation's obligation under these loans is to issue the loans under ARC/RLF guidelines, process payments, and employ valid collection efforts. If ARC/RLF loans are administered under the above guidelines, the Corporation will be relieved of any liability from delinquent loans by ARC.

Loans receivable - EDA/RLF consist of outstanding loan balances awarded to borrowers via a federal grant from the U.S. Department of Commerce – Economic Development Administration to the Corporation via grant award number 01-39-03634, amended, the purpose of which is to provide a revolving loan fund to assist in the retention, expansion, and inception of small business in the southwestern Pennsylvania region. The Corporation's obligation under this grant award is to issue loans in accordance with EDA/RLF guidelines, process payments, and employ valid loan collection efforts. If the EDA/RLF loans are

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

administered under the above guidelines, the Corporation will be relieved of any obligation for delinquent loans.

Loans receivable – PIDA/SBF consist of the outstanding balance of notes assigned to the Corporation on July 1, 1992, via an assignment of notes receivable agreement plus disbursements for subsequent loans less repayments. A new Master Loan Agreement for PIDA/SBF was entered into between SPC and Commonwealth of Pennsylvania Department of Community and Economic Development. This agreement is effective July 1, 2005. The Corporation's obligations under these loans are limited to administering the loans and to the assignment of collateral from the borrower. Principal and interest payments for the loans are made by the borrowers, on behalf of the Corporation, directly to the Commonwealth of Pennsylvania Department of Community and Economic Development.

7. Notes Payable – PIDA/SBF Loan Program

Notes payable – PIDA/SBF Loan Program consists of promissory notes between the Corporation and the Commonwealth of Pennsylvania Department of Community and Economic Development. This balance includes an assignment of notes receivable agreement plus notes for subsequent loans less repayments. Any difference between the loans receivable and notes payable arise due to cash on hand for loans approved but not yet disbursed at June 30, 2019.

8. Contingencies

SPC receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of such funds generally requires compliance with contract requirements and is subject to audit. Any disallowed costs that may arise, resulting from such audits, could become a liability of SPC. Management expects no disallowed costs at this time.

SPC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. SPC maintains insurance through an independent insurance carrier for these types of business losses. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years. There have been no significant changes in insurance coverage since the prior fiscal year. Management believes the insurance coverage is sufficient to cover SPC against potential losses.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

9. Operating Leases

SPC currently leases approximately 28,392 square feet of office space.

The following is a schedule, by years, of future minimum rental payments required under this operating lease that has initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2019:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 599,189
2021	606,288
2022	613,386
2023	<u>360,221</u>
Total minimum payments required	<u><u>\$ 2,179,084</u></u>

Lease payments for the year ended June 30, 2019 were \$612,193.

SUPPLEMENTARY INFORMATION

SOUTHWESTERN PENNSYLVANIA COMMISSION

STATEMENT OF CHANGES IN UNEARNED REVENUES OF REVOLVING LOAN FUNDS

JUNE 30, 2019

(With Comparative Totals at June 30, 2018)

	Revolving Loan Funds					2018
	Appalachian Regional Commission	Small Business First Loan Fund	Economic Development Administration	Other	Total	
Increases:						
Interest income	\$ 39	\$ -	\$ 58	\$ -	\$ 97	\$ 136
Loan interest	42,544	-	18,557	-	61,101	62,877
Incentive payment	-	3,311	-	-	3,311	2,622
Excess funds returned by ARC	233,073	-	-	-	233,073	-
Fees	16,461	8,712	10,813	-	35,986	35,352
Total increases	292,117	12,023	29,428	-	333,568	100,987
Decreases:						
Refund application/admin fees	2,882	-	1,369	-	4,251	965
Fee sharing	1,000	2,250	-	-	3,250	-
Loan fees used	3,448	33,740	1,149	-	38,337	67,750
Total decreases	7,330	35,990	2,518	-	45,838	68,715
Net Increase (Decrease)	284,787	(23,967)	26,910	-	287,730	32,272
Transfers in (out)	-	-	-	-	-	-
Unearned Revenues:						
Beginning of year	1,977,053	363,135	990,308	-	3,330,496	3,298,224
End of year	\$ 2,261,840	\$ 339,168	\$ 1,017,218	\$ -	\$ 3,618,226	\$ 3,330,496

SOUTHWESTERN PENNSYLVANIA COMMISSION

DETAILS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GENERAL FUNDS

YEAR ENDED JUNE 30, 2019
(With Comparative Totals for Year Ended June 30, 2018)

	Corporation General Expenses	Commission General Expenses	2019	2018
Revenues:				
Commission member contributions	\$ -	\$ 11,380	\$ 11,380	\$ 7,994
Contributions	64,674	-	64,674	-
Corporation contribution	-	-	-	64,163
Total revenues	64,674	11,380	76,054	72,157
Expenditures:				
Staff and employee benefits	-	-	-	-
Contractual	60,932	-	60,932	60,700
Printing and reproduction	-	-	-	-
Postage	-	-	-	-
Supplies	-	-	-	627
Travel and meetings	3,442	8,423	11,865	10,772
Communications	-	2,957	2,957	-
Books/dues/subscriptions	-	-	-	58
Legal/audit	300	-	300	-
Unallocated indirect expenses	-	-	-	-
Indirect	-	-	-	-
Total expenditures	64,674	11,380	76,054	72,157
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - Beginning of Year	2,654	454,790	457,444	457,444
Fund Balance - End of Year	\$ 2,654	\$ 454,790	\$ 457,444	\$ 457,444

SOUTHWESTERN PENNSYLVANIA COMMISSION

UNIFIED PLANNING WORK PROGRAM 2018 - 2020 PROGRAM YEAR

DETAILS OF EXPENDITURES BY ACTIVITY CLASSIFICATION

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

	Funding Source					Cash Match	2019	2018	TOTAL
	FHWA	FTA	PennDOT	Local	Other (In-Kind)				
Transportation Program Development:									
Long Range Plan Implementation	\$ 493,404	\$ 111,151	\$ 55,912	\$ 34,250	\$ 61,000	\$ -	\$ 755,717	\$ 620,198	\$ 1,375,915
TIP Development & Management	331,973	-	18,740	6,247	58,006	-	414,966	407,731	822,697
Lawrence County Corridor Study	-	-	-	-	-	-	-	30,460	30,460
Corridor Based Small Area Plan, North Washington County	-	-	-	-	-	-	-	102,685	102,685
Total transportation program development	<u>825,377</u>	<u>111,151</u>	<u>74,652</u>	<u>40,497</u>	<u>119,006</u>	<u>-</u>	<u>1,170,683</u>	<u>1,161,074</u>	<u>2,331,757</u>
Multimodal Transportation Planning:									
Multimodal Transportation Planning	250,702	491,671	23,855	103,163	58,575	-	927,966	1,036,589	1,964,555
Regional Freight Planning	124,340	-	15,543	7,049	8,493	-	155,425	175,506	330,931
Port Authority planning program	-	184,000	-	-	46,000	-	230,000	230,000	460,000
Regional TDM Strategic Action Plan	137,300	-	-	-	-	-	137,300	-	137,300
SR 885/Second Ave Multimodal	134,806	-	33,702	-	-	-	168,508	-	168,508
East End Rapid Transit Study	-	-	-	-	-	-	-	-	-
Washington County Transit Development Plan	-	-	-	-	-	-	-	108,564	108,564
Total multimodal transportation planning	<u>647,148</u>	<u>675,671</u>	<u>73,100</u>	<u>110,212</u>	<u>113,068</u>	<u>-</u>	<u>1,619,199</u>	<u>1,550,659</u>	<u>3,169,858</u>
Transportation Operations and Safety:									
Transportation Operations and Congestion management	213,155	-	13,961	4,654	34,674	-	266,444	286,020	552,464
Transportation Safety Planning	225,955	-	26,569	8,856	21,064	-	282,444	244,133	526,577
ITS planning and implementation	71,477	-	11,540	3,847	2,482	-	89,346	126,705	216,051
Regional Traffic Signal Program	105,901	-	15,144	5,048	6,284	-	132,377	127,214	259,591
Total transportation operations and safety	<u>616,488</u>	<u>-</u>	<u>67,214</u>	<u>22,405</u>	<u>64,504</u>	<u>-</u>	<u>770,611</u>	<u>784,072</u>	<u>1,554,683</u>
Data Systems and Modeling:									
Geographic Information Systems	218,705	54,676	27,338	41,008	-	-	341,727	344,765	686,492
Regional Aerial Photography	-	-	-	-	-	-	-	-	-
Regional Data and Graphics Clearinghouse	183,908	-	22,988	22,988	-	-	229,884	303,194	533,078
Air Quality Modeling	208,650	-	39,122	13,040	-	-	260,812	261,641	522,453
Land use models and regional forecasts	164,341	41,085	30,814	20,543	-	-	256,783	247,962	504,745
Transportation models	180,979	45,245	33,934	22,622	-	-	282,780	297,777	580,557
Traffic Forecasts and Needs Reports	-	-	54,646	-	-	-	54,646	71,208	125,854
Highway performance monitoring - traffic count program	131,835	-	87,372	-	-	-	219,207	312,699	531,906
Highway performance monitoring - inventory	64,979	-	55,250	-	-	-	120,229	95,607	215,836
Highway performance monitoring - Lawrence County	15,000	-	-	-	3,750	-	18,750	31,772	50,522
Local Asset Management	-	-	-	-	-	-	-	144,882	144,882
Total data systems and modeling	<u>1,168,397</u>	<u>141,006</u>	<u>351,464</u>	<u>120,201</u>	<u>3,750</u>	<u>-</u>	<u>1,784,818</u>	<u>2,111,507</u>	<u>3,896,325</u>
Outreach and Coordination:									
UPWP administration	100,889	-	18,917	6,305	-	-	126,111	108,897	235,008
General support services	256,584	-	32,073	32,073	-	-	320,730	332,772	653,502
Member planning agency participation	200,359	-	-	-	50,091	-	250,450	245,132	495,582
Public participation / communications program	142,986	-	9,929	9,929	15,887	-	178,731	230,982	409,713
Local Technical Assistance Program	33,285	-	-	8,322	-	-	41,607	42,986	84,593
Total outreach and coordination	<u>734,103</u>	<u>-</u>	<u>60,919</u>	<u>56,629</u>	<u>65,978</u>	<u>-</u>	<u>917,629</u>	<u>960,769</u>	<u>1,878,398</u>
sub-total	<u>3,991,513</u>	<u>927,828</u>	<u>627,349</u>	<u>349,944</u>	<u>366,306</u>	<u>-</u>	<u>6,262,940</u>	<u>6,568,081</u>	<u>12,831,021</u>

(Continued)

SOUTHWESTERN PENNSYLVANIA COMMISSION

UNIFIED PLANNING WORK PROGRAM 2018 - 2020 PROGRAM YEAR

DETAILS OF EXPENDITURES BY ACTIVITY CLASSIFICATION

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

(Continued)

	Funding Source					2019	2018	TOTAL	
	FHWA	FTA	PennDOT	Local	Other (In-Kind)				Cash Match
Regional Traffic Signal Program: Cycle 3 Projects									
City of Butler/Butler Township SINC UP	24,103	-	-	-	-	6,026	30,129	40,849	70,978
Slippery Rock Borough SINC UP	9,229	-	-	-	-	2,307	11,536	17,369	28,905
Cranberry SINC	-	-	-	-	-	-	-	28,472	28,472
Cranberry Township/Adams Township/Seven Fields SINC UP	29,169	-	-	-	-	7,292	36,461	55,315	91,776
Cranberry Township/Marshall SINC	11,151	-	-	-	-	2,787	13,938	59,076	73,014
Ellwood City SINC UP	12,420	-	-	-	-	3,105	15,525	26,106	41,631
Greentree Borough SINC UP	3,768	-	-	-	-	942	4,710	48,492	53,202
Bethel Park/USC McMurray Road SINC UP	6,426	-	-	-	-	1,607	8,033	15,030	23,063
McKeesport SR 148 SINC UP	9,613	-	-	-	-	2,403	12,016	30,497	42,513
Midland Borough SR 68/168 SINC UP	9,824	-	-	-	-	2,456	12,280	47,972	60,252
City of Pittsburgh Liberty Ave	64,381	-	-	-	-	16,097	80,478	-	80,478
City of Washington SINC UP	6,653	-	-	-	-	11,754	18,407	21,272	39,679
North Huntingdon Township SINC UP	28,302	-	-	-	-	93,933	122,235	31,373	153,608
Total regional traffic signal program: Cycle 3 projects	219,433	-	-	-	-	151,808	371,241	464,108	835,349
Total UPWP program	\$ 4,210,946	\$ 927,828	\$ 627,349	\$ 349,944	\$ 366,306	\$ 151,808	\$ 6,634,181	\$ 7,032,189	\$ 13,666,370

(Concluded)

SOUTHWESTERN PENNSYLVANIA COMMISSION

UNIFIED PLANNING WORK PROGRAM 2016 - 2018 PROGRAM YEAR

DETAILS OF EXPENDITURES BY ACTIVITY CLASSIFICATION

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

	Funding Source						2019	2018	TOTAL
	FHWA	FTA	PennDot	Local	Other	Cash Match			
Transportation Program Development:									
Long Range Plan Implementation	\$ 103,408	\$ 24,677	\$ 12,734	\$ 7,849	\$ 11,042	\$ -	\$ 159,710	\$ -	\$ 159,710
TIP Development & Management	28,248	-	2,082	694	4,286	-	35,310	-	35,310
Lawrence County Corridor Study	-	-	-	-	-	-	-	-	-
Corridor Based Small Area Plan, North Washington County	117,852	-	11,785	-	-	17,678	147,315	-	147,315
Total transportation program development	<u>249,508</u>	<u>24,677</u>	<u>26,601</u>	<u>8,543</u>	<u>15,328</u>	<u>17,678</u>	<u>342,335</u>	<u>-</u>	<u>342,335</u>
Multimodal Transportation Planning:									
Multimodal Transportation Planning	374	1,506	-	867	-	-	2,747	-	2,747
Regional Freight Planning	-	-	-	-	-	-	-	-	-
Port Authority planning program	-	-	-	-	-	-	-	-	-
Active Transportation Plan	-	-	-	-	-	-	-	-	-
Transit Development Plans	-	-	-	-	-	-	-	-	-
East End Rapid Transit Study	-	-	-	-	-	-	-	-	-
Washington County Transit Development Plan	-	-	-	-	-	-	-	-	-
Total multimodal transportation planning	<u>374</u>	<u>1,506</u>	<u>-</u>	<u>867</u>	<u>-</u>	<u>-</u>	<u>2,747</u>	<u>-</u>	<u>2,747</u>
Transportation Operations and Safety:									
Transportation Operations and Congestion management	430	-	31	10	66	-	537	-	537
Transportation Safety Planning	-	-	-	-	-	-	-	-	-
ITS planning and implementation	337	-	51	17	17	-	422	-	422
Regional Traffic Signal Program	707	-	86	29	62	-	884	-	884
Total transportation operations and safety	<u>1,474</u>	<u>-</u>	<u>168</u>	<u>56</u>	<u>145</u>	<u>-</u>	<u>1,843</u>	<u>-</u>	<u>1,843</u>
Data Systems and Modeling:									
Geographic Information Systems	304	77	39	650	-	-	1,070	-	1,070
Regional Aerial Photography	-	-	-	-	-	-	-	-	-
Regional Data and Graphics Clearinghouse	7,514	-	939	939	-	-	9,392	-	9,392
Air Quality Modeling	5,651	-	1,082	361	-	-	7,094	-	7,094
Land use models and regional forecasts	2,097	525	393	262	-	-	3,277	-	3,277
Transportation models	9,608	2,402	1,802	1,201	-	-	15,013	-	15,013
Traffic Forecasts and Needs Reports	-	-	190	-	-	-	190	-	190
Highway performance monitoring - traffic count program	1,067	-	-	-	-	-	1,067	-	1,067
Highway performance monitoring - inventory	328	-	193	-	-	-	521	-	521
Highway performance monitoring - Lawrence County	-	-	-	-	-	-	-	-	-
Local Asset Management	-	-	-	-	-	-	-	-	-
Total data systems and modeling	<u>26,569</u>	<u>3,004</u>	<u>4,638</u>	<u>3,413</u>	<u>-</u>	<u>-</u>	<u>37,624</u>	<u>-</u>	<u>37,624</u>
Outreach and Coordination:									
UPWP administration	723	-	136	45	-	-	904	-	904
General support services	1,052	-	131	131	-	-	1,314	-	1,314
Member planning agency participation	3,291	-	-	-	822	-	4,113	-	4,113
Public participation / communications program	542	-	32	32	71	-	677	-	677
Local Technical Assistance Program	309	-	-	77	-	-	386	-	386
Total outreach and coordination	<u>5,917</u>	<u>-</u>	<u>299</u>	<u>285</u>	<u>893</u>	<u>-</u>	<u>7,394</u>	<u>-</u>	<u>7,394</u>
sub-total	<u>283,842</u>	<u>29,187</u>	<u>31,706</u>	<u>13,164</u>	<u>16,366</u>	<u>17,678</u>	<u>391,943</u>	<u>-</u>	<u>391,943</u>
Total UPWP program	<u>\$ 283,842</u>	<u>\$ 29,187</u>	<u>\$ 31,706</u>	<u>\$ 13,164</u>	<u>\$ 16,366</u>	<u>\$ 17,678</u>	<u>\$ 391,943</u>	<u>\$ -</u>	<u>\$ 391,943</u>

SOUTHWESTERN PENNSYLVANIA COMMISSION

PENNSYLVANIA TURNPIKE COMMISSION

CUMULATIVE REVENUES, EXPENDITURES, AND COMPUTATION
OF PROJECT GRANTS ON CURRENT PROJECTS

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

	Turnpike			Southern Beltway	June 30, 2019		June 30, 2018	
	Contract No. 6105-86-019, 00-28-0019, 8130-28-019, 6114-89-125, and 89-014-G125 1986-2014	Contract No. 00-28-0019 and 89-014-G125 2014-2016	Project Total	Contract No. 8130-29-019, 6114-89-125, 00-29-0019, 89-014-G125 and 4400001154 Total	Current Year Total	Cumulative Total	Total	Cumulative Total
Revenues:								
State grants	\$ 1,327,848	\$ -	\$ 1,327,848	\$ 244,507	\$ -	\$ 1,572,355	\$ -	\$ 1,572,355
Expenditures:								
Salaries and employee benefits	\$ 797,559	\$ -	\$ 797,559	\$ 129,634	\$ -	\$ 927,193	\$ -	\$ 927,193
Consultants	65,724	-	65,724	54,054	-	119,778	-	119,778
Printing and publications	5,617	-	5,617	2,746	-	8,363	-	8,363
Telephone	5	-	5	-	-	5	-	5
Postage	389	-	389	25	-	414	-	414
Supplies	379	-	379	260	-	639	-	639
Travel and meetings	8,471	-	8,471	1,351	-	9,822	-	9,822
Equipment and computer services	103,459	-	103,459	-	-	103,459	-	103,459
Temporary personnel	2,616	-	2,616	-	-	2,616	-	2,616
Books, dues, and subscriptions	16	-	16	11	-	27	-	27
Legal/audit	63	-	63	-	-	63	-	63
Indirect costs	343,550	-	343,550	56,426	-	399,976	-	399,976
Total expenditures	\$ 1,327,848	\$ -	\$ 1,327,848	\$ 244,507	\$ -	\$ 1,572,355	\$ -	\$ 1,572,355
					100%	\$ 1,700,000	100%	\$ 1,700,000
					\$ -	\$ 1,572,355	\$ -	\$ 1,572,355
					-	(1,572,355)	-	(1,572,355)
					\$ -	\$ -	\$ -	\$ -
					\$ -	\$ -	\$ -	\$ -

SOUTHWESTERN PENNSYLVANIA COMMISSION

ECONOMIC DEVELOPMENT PROGRAMS

COMBINING STATEMENT OF REVENUES AND EXPENDITURES BY PROGRAM

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

	<u>Appalachian Regional Commission</u>				<u>U.S. DoD - Defense Logistics Agency</u> <u>IUP Research Subaward</u>				Page Subtotal
	Planning and Administration 302 (a)				Procurement Technical Assistance				
	PA-0708E-C26-R1-18			PA-0708E-C27-R1-19	SP4800-17-2-1635			SP4800-18-2-1835	
	Jan 1, 2018 to June 30, 2018	3101 July 1, 2018 to Dec 31, 2018	Total	5101 Jan 1, 2019 to June 30, 2019	3901 Sept 1, 2017 to June 30, 2018	3901 July 1, 2018 to August 31, 2018	Total	5901 Sept 1, 2018 to June 30, 2019	
Revenues:									
Federal grants	\$ 39,227	\$ 58,270	\$ 97,497	\$ 54,164	\$ 85,403	\$ 22,218	\$ 107,621	\$ 64,229	\$ 198,881
State grants	-	-	-	-	-	-	-	-	-
SPC member contributions	26,791	32,628	59,419	37,072	-	-	-	-	69,700
In-kind contributions	18,667	6,333	25,000	13,617	-	-	-	-	19,950
Contributions	4,480	4,480	8,960	4,480	-	-	-	-	8,960
Loan program fees	-	-	-	-	-	-	-	-	-
Interest income and other	-	5,000	5,000	-	-	-	-	-	5,000
Total revenues	89,165	106,711	195,876	109,333	85,403	22,218	107,621	64,229	302,491
Expenditures:									
Salaries and employee benefits	40,298	56,544	96,842	54,849	49,121	13,786	62,907	34,950	160,129
Contractual	-	-	-	-	-	-	-	-	-
Printing and publications	-	4	4	10	-	6	6	66	86
Telephone	-	-	-	-	-	-	-	-	-
Postage	-	2	2	-	-	-	-	-	2
Supplies	-	316	316	-	119	-	119	-	316
In-kind services - match	18,667	6,333	25,000	13,617	-	-	-	-	19,950
Travel and meetings	3,350	3,513	6,863	4,024	5,443	659	6,102	3,376	11,572
Communications	-	-	-	-	-	-	-	-	-
Equipment and computer services	-	-	-	-	-	-	-	-	-
Books, dues, and subscriptions	5,975	16,225	22,200	6,225	6,150	1,092	7,242	7,294	30,836
Temp personnel	-	-	-	-	-	-	-	-	-
Legal/audit	-	-	-	-	-	-	-	626	626
Education	-	-	-	-	-	-	-	-	-
Indirect costs	20,875	23,774	44,649	30,608	24,570	6,675	31,245	17,917	78,974
Total expenditures	89,165	106,711	195,876	109,333	85,403	22,218	107,621	64,229	302,491
Excess (Deficiency) Revenues Over Expenditures	-	-	-	-	-	-	-	-	-
Other Financing Source:									
Operating transfer in	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWESTERN PENNSYLVANIA COMMISSION

ECONOMIC DEVELOPMENT PROGRAMS

COMBINING STATEMENT OF REVENUES AND EXPENDITURES BY PROGRAM

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

(Continued)

	PA DCED Regional Export Network	PA DCED ENGAGE! Program	PA DCED Keystone Communities Phase I	PA DCED Keystone Communities Phase II	Appalachian Regional Planning 3221			Page Subtotal
	C000064095 July 1, 2018 to June 30, 2019	C000068411 July 1, 2018 to June 30, 2019	C000065637 July 1, 2018 to June 30, 2019	C000065639 July 1, 2018 to June 30, 2019	PW-18714-IM-17			
					Oct 1, 2016 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	
Revenues:								
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ 424,479	\$ 221,478	\$ 645,957	\$ 221,478
State grants	117,323	192,986	96,829	85,869	-	-	-	493,007
SPC member contributions	-	-	-	-	-	-	-	-
In-kind contributions	-	-	-	-	652,035	434,073	1,086,108	434,073
Contributions	-	-	-	-	-	-	-	-
Loan program fees	-	-	-	-	-	-	-	-
Interest income and other	-	-	-	-	-	-	-	-
Total revenues	117,323	192,986	96,829	85,869	1,076,514	655,551	1,732,065	1,148,558
Expenditures:								
Salaries and employee benefits	71,551	-	5,263	18,237	45,559	12,634	58,193	107,685
Contractual	-	192,986	87,605	58,091	348,278	201,722	550,000	540,404
Printing and publications	35	-	2	25	-	-	-	62
Telephone	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-
Supplies	1,112	-	270	-	-	-	-	1,382
In-kind services - match	-	-	-	-	652,035	434,073	1,086,108	434,073
Travel and meetings	10,020	-	1,142	224	2,524	-	2,524	11,386
Communications	-	-	-	-	2,840	-	2,840	-
Equipment and computer services	-	-	-	-	-	-	-	-
Books, dues, and subscriptions	-	-	-	-	-	-	-	-
Temp personnel	-	-	-	-	-	-	-	-
Legal/audit	1,500	-	-	-	-	-	-	1,500
Education	-	-	-	-	500	-	500	-
Indirect costs	33,105	-	2,547	9,292	24,778	7,122	31,900	52,066
Total expenditures	117,323	192,986	96,829	85,869	1,076,514	655,551	1,732,065	1,148,558
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-
Other Financing Source:								
Operating transfer in	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

SOUTHWESTERN PENNSYLVANIA COMMISSION
ECONOMIC DEVELOPMENT PROGRAMS
COMBINING STATEMENT OF REVENUES AND EXPENDITURES BY PROGRAM
 YEAR ENDED JUNE 30, 2019
 (With Comparative Totals for Year Ended June 30, 2018)
 (Continued)

	Partnerships for Regional Economic Performance (PREP) Program						Partnerships for Regional Economic Performance (PREP) Program						Page Subtotal	2019 Total	2018 Total
	Economic Development Administration 301(b) EDA ED16PHI3020046(Yr3) July 1, 2018 to June 30, 2019	ARC 302 (b) PREP	PADCED PREP	Local Match	Loan Program Fees	Total	ARC 302 (b) PREP	PADCED PREP	Local Match	Loan Program Fees	Total				
		PA-11055-C25-302-17 July 1, 2018 to June 30, 2018	C000066868 July 1, 2018 to Dec 31, 2018	July 1, 2018 to June 30, 2018	July 1, 2018 to June 30, 2018		PA-11055-C26-302-18 July 1, 2018 to June 30, 2019	C000070279 July 1, 2018 to June 30, 2019	July 1, 2018 to June 30, 2019	July 1, 2018 to June 30, 2019	July 1, 2018 to June 30, 2019	Total			
Revenues:															
Federal grants	\$ 63,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 396,555	\$ -	\$ -	\$ -	\$ 396,555	\$ 459,695	\$ 880,054	\$ 977,577	
State grants	-	-	201,181	-	-	201,181	-	618,502	-	-	618,502	819,683	1,312,690	1,438,500	
SPC member contributions	41,944	-	-	-	-	-	-	-	-	-	-	41,944	111,644	116,638	
In-kind contributions	23,500	-	-	-	-	-	-	-	-	-	-	23,500	477,523	509,726	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	8,960	8,960	
Loan program fees	-	-	-	-	-	-	-	-	-	41,587	41,587	41,587	41,587	67,751	
Interest income and other	-	-	-	-	-	-	-	-	-	-	-	-	5,000	-	
Total revenues	128,584	-	201,181	-	-	201,181	396,555	618,502	-	41,587	1,056,644	1,386,409	2,837,458	3,119,152	
Expenditures:															
Salaries and employee benefits	64,249	-	-	-	-	-	229,826	200,995	-	22,568	453,389	517,638	785,452	812,635	
Contractual	-	-	201,181	-	-	201,181	-	267,269	-	-	267,269	468,450	1,008,854	1,193,786	
Printing and publications	32	-	-	-	-	-	1,736	1,079	-	208	3,023	3,055	3,203	269	
Telephone	-	-	-	-	-	-	1,335	1,194	-	41	2,570	2,570	2,570	1,952	
Postage	-	-	-	-	-	-	332	174	-	48	554	554	556	564	
Supplies	-	-	-	-	-	-	65	34	-	9	108	108	1,806	6,512	
In-kind services - match	23,500	-	-	-	-	-	-	-	-	-	-	23,500	477,523	509,726	
Travel and meetings	9,481	-	-	-	-	-	5,191	6,947	-	667	12,805	22,286	45,244	54,249	
Communications	-	-	-	-	-	-	33,100	24,371	-	2,519	59,990	59,990	59,990	59,728	
Equipment and computer services	-	-	-	-	-	-	2,411	1,248	-	336	3,995	3,995	3,995	2,001	
Books, dues, and subscriptions	-	-	-	-	-	-	1,126	9,114	-	118	10,358	10,358	41,194	52,289	
Temp personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Legal/audit	-	-	-	-	-	-	6,985	5,445	-	3,906	16,336	16,336	18,462	25,324	
Education	-	-	-	-	-	-	634	325	-	88	1,047	1,047	1,047	1,982	
Indirect costs	31,322	-	-	-	-	-	113,814	100,307	-	11,079	225,200	256,522	387,562	398,135	
Total expenditures	128,584	-	201,181	-	-	201,181	396,555	618,502	-	41,587	1,056,644	1,386,409	2,837,458	3,119,152	
Excess (Deficiency) Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Financing Source:															
Operating transfer in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(Concluded)

SOUTHWESTERN PENNSYLVANIA COMMISSION

SCHEDULE OF OTHER PROGRAMS AND GRANTS

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

	SPC Communications	Water Resource Planning	CommuteInfo Commuter Challenge 2019	Natural Heritage Data Update	ALCO Traffic Counts Project	2019	2018
Revenues:							
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000
State grants	-	-	-	-	-	-	44,983
SPC member contributions	-	237,718	-	-	-	237,718	213,508
In-kind contributions	-	-	-	50,129	-	50,129	50,347
Contributions	-	-	-	-	-	-	-
Other	-	-	2,976	26,090	42,236	71,302	41,593
Total revenues	-	237,718	2,976	76,219	42,236	359,149	368,431
Expenditures:							
Salaries and employee benefits	204,512	143,406	-	-	27,312	375,230	344,710
Contractual	25,000	-	-	26,090	-	51,090	44,983
Printing and publications	1,164	578	-	-	-	1,742	10
Telephone	-	-	-	-	-	-	-
Postage	-	143	-	-	-	143	4
Supplies	6,027	506	2,976	-	-	9,509	12,108
In-kind services match	-	-	-	50,129	-	50,129	50,347
Travel and meetings	640	7,970	-	-	2,492	11,102	31,087
Communications	-	10,000	-	-	-	10,000	-
Equipment and computer services	-	-	-	-	-	-	-
Books, dues, and subscriptions	9,206	1,183	-	-	-	10,389	11,646
Temporary personnel	-	-	-	-	-	-	-
Legal/audit	1,285	1,592	-	-	-	2,877	1,521
Training and development	-	1,731	-	-	-	1,731	2,225
Indirect costs	100,823	70,609	-	-	12,432	183,864	166,156
Total expenditures	348,657	237,718	2,976	76,219	42,236	707,806	664,797
Excess (Deficiency) of Revenues Over Expenditures	(348,657)	-	-	-	-	(348,657)	(296,366)
Other Financing Source:							
Operating transfers in	348,657	-	-	-	-	348,657	296,366
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWESTERN PENNSYLVANIA COMMISSION

SCHEDULE OF FEDERAL TRANSIT ADMINISTRATION GRANTS

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

(Continued)

	<u>FTA-CommuterInfo Programs (2601-2604-2606)</u>			<u>FTA-CommuterInfo Programs (2601)</u>			<u>FTA-CMAQ Planning Program (2605,2609)</u>			Page Subtotal
	<u>PA-90-X471-01-02</u>			<u>PA-90-X672-01-05</u>			<u>PA-95-X007-00-03-06-07</u>			
	March 10, 2003 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	July 1, 2008 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	July 1, 2007 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	
Revenues:										
Federal grants	\$ 3,093,020	\$ 55,191	\$ 3,148,211	\$ 1,787,076	\$ -	\$ 1,787,076	\$ 1,898,733	\$ 468,407	\$ 2,367,140	\$ 523,598
State grants	100,000	-	100,000	50,000	-	50,000	-	-	-	-
SPC member contributions	-	-	-	1,340	-	1,340	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Other local match	50,641	88	50,729	-	-	-	9,000	-	9,000	88
In-kind contributions	636,621	13,710	650,331	396,770	-	396,770	476,768	117,102	593,870	130,812
Contributions	-	-	-	-	-	-	-	-	-	-
Regional Enterprise Tower	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	3,880,282	68,989	3,949,271	2,235,186	-	2,235,186	2,384,501	585,509	2,970,010	654,498
Expenditures:										
Salaries and employee benefits	477,754	30,280	508,034	21,947	-	21,947	438,381	53,909	492,290	84,189
Contractual	2,279,361	440	2,279,801	1,802,036	-	1,802,036	1,134,321	387,334	1,521,655	387,774
Printing and publications	30,552	34	30,586	-	-	-	26,093	17	26,110	51
Telephone	1,673	-	1,673	-	-	-	-	-	-	-
Postage	541	-	541	-	-	-	5	-	5	-
Supplies	48,894	-	48,894	395	-	395	6,961	-	6,961	-
In-kind services match	636,623	13,710	650,333	396,770	-	396,770	476,768	117,102	593,870	130,812
Travel, meetings and rent	78,777	2,400	81,177	2,543	-	2,543	7,649	800	8,449	3,200
Equipment and computer services	29,908	-	29,908	-	-	-	-	-	-	-
Books, dues, and subscriptions	2,000	82	2,082	-	-	-	74	-	74	82
Communications	49,329	-	49,329	-	-	-	67,500	-	67,500	-
Legal/audit	5,895	6,084	11,979	58	-	58	16,158	-	16,158	6,084
Education	5,068	-	5,068	1,200	-	1,200	589	-	589	-
Indirect costs	233,907	15,959	249,866	10,237	-	10,237	210,002	26,347	236,349	42,306
Total expenditures	3,880,282	68,989	3,949,271	2,235,186	-	2,235,186	2,384,501	585,509	2,970,010	654,498
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-
Other Financing Source:										
Operating transfers in	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

SOUTHWESTERN PENNSYLVANIA COMMISSION

SCHEDULE OF FEDERAL TRANSIT ADMINISTRATION GRANTS

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

(Continued)

	FTA - JARC Program (2650)			FTA - JARC Program (2650)			FTA - JARC Program (2650)			Page Subtotal
	PA-37-X048-00			PA-37-X037-00-01			PA-37-X046-00 (2650) closed			
	July 1, 2011 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	July 1, 2009 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	July 1, 2011 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	
Revenues:										
Federal grants	\$ 2,586,137	\$ -	\$ 2,586,137	\$ 1,657,039	\$ 548	\$ 1,657,587	\$ 1,335,404	\$ -	\$ 1,335,404	\$ 548
State grants	2,068,336	-	2,068,336	1,349,244	-	1,349,244	1,241,078	-	1,241,078	-
SPC member contributions	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Other local match	-	-	-	-	-	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Regional Enterprise Tower	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	4,654,473	-	4,654,473	3,006,283	548	3,006,831	2,576,482	-	2,576,482	548
Expenditures:										
Salaries and employee benefits	67,481	-	67,481	242,598	-	242,598	55,118	-	55,118	-
Contractual	4,554,572	-	4,554,572	2,645,490	-	2,645,490	2,493,192	-	2,493,192	-
Printing and publications	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
In-kind services match	-	-	-	-	-	-	-	-	-	-
Travel and meetings	180	-	180	1,014	-	1,014	552	-	552	-
Equipment and computer services	-	-	-	-	-	-	-	-	-	-
Books, dues, and subscriptions	45	-	45	474	548	1,022	100	-	100	548
Communications	-	-	-	-	-	-	-	-	-	-
Legal/audit	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	483	-	483	-	-	-	-
Indirect costs	32,195	-	32,195	116,224	-	116,224	27,520	-	27,520	-
Total expenditures	4,654,473	-	4,654,473	3,006,283	548	3,006,831	2,576,482	-	2,576,482	548
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-
Other Financing Source:										
Operating transfers in	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

SOUTHWESTERN PENNSYLVANIA COMMISSION

SCHEDULE OF FEDERAL TRANSIT ADMINISTRATION GRANTS

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

(Continued)

	FTA-NFI Program (2651)			FTA-NFI Program (2651)			FTA-CommuteInfo Programs (2601)			2019	2018
	PA-57-X009-00-01			PA-57-X016-00 (2651)			PA-90-X749 (2601)				
	July 1, 2009 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	July 1, 2011 to June 30, 2018	July 1, 2018 to June 30, 2019	Total	July 1, 2011 to June 30, 2018	July 1, 2018 to June 30, 2019	Total		
Revenues:											
Federal grants	\$ 885,379	\$ -	\$ 885,379	\$ 2,458,310	\$ -	\$ 2,458,310	\$ 1,311,842	\$ 242,340	\$ 1,554,182	\$ 766,486	\$ 411,142
State grants	439,473	-	439,473	1,898,658	-	1,898,658	-	-	-	-	-
SPC member contributions	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Other local match	-	-	-	-	-	-	-	-	-	88	39
In-kind contributions	-	-	-	-	-	-	327,960	60,585	388,545	191,397	96,680
Contributions	-	-	-	-	-	-	-	-	-	-	-
Regional Enterprise Tower	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	1,324,852	-	1,324,852	4,356,968	-	4,356,968	1,639,802	302,925	1,942,727	957,971	507,861
Expenditures:											
Salaries and employee benefits	196,398	-	196,398	54,556	-	54,556	154,834	36,697	191,531	120,886	119,425
Contractual	1,030,785	-	1,030,785	4,276,035	-	4,276,035	1,039,550	156,400	1,195,950	544,174	204,621
Printing and publications	-	-	-	-	-	-	-	-	-	51	21
Telephone	-	-	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-	-	139
Supplies	-	-	-	-	-	-	24,013	-	24,013	-	18,444
In-kind services match	-	-	-	-	-	-	327,960	60,585	388,545	191,397	96,680
Travel and meetings	1,622	-	1,622	56	-	56	15,385	-	15,385	3,200	3,161
Equipment and computer services	-	-	-	-	-	-	-	-	-	-	-
Books, dues, and subscriptions	388	-	388	120	-	120	60	-	60	630	60
Communications	-	-	-	-	-	-	-	-	-	-	4,862
Legal/audit	3,589	-	3,589	-	-	-	1,916	32,172	34,088	38,256	1,500
Education	-	-	-	14	-	14	195	-	195	-	-
Indirect costs	92,070	-	92,070	26,187	-	26,187	75,889	17,071	92,960	59,377	58,948
Total expenditures	1,324,852	-	1,324,852	4,356,968	-	4,356,968	1,639,802	302,925	1,942,727	957,971	507,861
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-	-
Other Financing Source:											
Operating transfers in	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Concluded)

SOUTHWESTERN PENNSYLVANIA COMMISSION

ACTUAL OVERHEAD COSTS

YEAR ENDED JUNE 30, 2019

(With Comparative Totals for Year Ended June 30, 2018)

	2019	2018
Overhead Costs:		
Salaries and fringe benefits	\$ 886,037	\$ 886,861
Contractual	194,480	191,955
Printing	5,370	23,258
Telephone	28,018	28,399
Postage	2,192	1,113
Supplies	66,795	58,008
Travel and meeting	5,243	10,134
Equipment purchase/lease/maintenance	117,875	116,009
Dues and subscriptions	12,685	28,557
Insurance	42,932	44,277
Legal/audit	45,790	43,545
Rent	612,762	601,759
Training and development	-	-
	<u>2,020,179</u>	<u>2,033,875</u>
Overhead incurred	<u>2,020,179</u>	<u>2,033,875</u>
Total overhead applied	<u>2,020,179</u>	<u>2,033,875</u>
Fringe Costs:		
FICA employer taxes	269,511	272,778
Health insurance	731,447	750,294
Life/disability insurance	39,088	46,419
Unemployment compensation	18,343	30,237
Workmen's compensation insurance	(325)	442
Pension	256,116	255,306
Financial planning, tuition, etc.	800	-
Flex benefits/fees	32,463	32,950
Transit deduct	27,136	26,926
Leave time	550,512	568,180
	<u>1,925,091</u>	<u>1,983,532</u>
Fringe costs incurred	<u>1,925,091</u>	<u>1,983,532</u>
Total fringe costs applied	<u>1,925,091</u>	<u>1,983,532</u>
Total Overhead and Fringe Costs Applied	<u>\$ 3,945,270</u>	<u>\$ 4,017,407</u>

SOUTHWESTERN PENNSYLVANIA COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's and Pass-Through Numbers</u>	<u>Program or Award Amount</u>	<u>Cumulative Award Expenditures Through June 30, 2018</u>	<u>Amounts Passed through to Subrecipients</u>	<u>2019 Direct Expenditures</u>	<u>2019 Total Expenditures</u>	<u>Cumulative Award Expenditures Through June 30, 2019</u>
U.S. Department of Transportation								
Passed through the Pennsylvania Department of Transportation and the Southwestern Pennsylvania Commission:								
Highway Planning and Construction Cluster:								
Highway Planning and Construction	20.205	118455	\$ 2,099,837	\$ 685,403	\$ -	\$ -	\$ -	\$ 685,403
Highway Planning and Construction	20.205	521165	8,252,000	7,610,134	-	283,842	283,842	7,893,976
Highway Planning and Construction	20.205	521165	2,246,000	2,161,189	-	29,187	29,187	2,190,376
Highway Planning and Construction	20.205	521165	8,940,000	-	-	3,991,513	3,991,513	3,991,513
Highway Planning and Construction	20.205	521165	2,157,000	-	-	927,828	927,828	927,828
Highway Planning and Construction	20.205	520906-5	3,444,124	3,341,046	-	-	-	3,341,046
Highway Planning and Construction	20.205	520906-6	7,976,000	7,440,868	-	-	-	7,440,868
Highway Planning and Construction	20.205	520906-6	2,216,000	1,942,868	-	-	-	1,942,868
Highway Planning and Construction	20.205	1000017	1,281,037	295,361	-	73,652	73,652	369,013
Highway Planning and Construction	20.205	119111	2,502,880	213,335	-	110,826	110,826	324,161
Highway Planning and Construction	20.205	M125558000	616,131	131,739	-	34,955	34,955	166,694
Total Highway Planning and Construction Cluster				<u>23,821,943</u>	<u>-</u>	<u>5,451,803</u>	<u>5,451,803</u>	<u>29,273,746</u>
Direct Programs:								
Federal Transit Cluster:								
Federal Transit Formula Grants - Section 5307	20.507	PA-90-X471-00-01-02	3,287,952	3,093,020	-	55,191	55,191	3,148,211
Federal Transit Formula Grants - Section 5307	20.507	PA-90-X749-00-01	2,000,000	1,311,842	-	242,340	242,340	1,554,182
Federal Transit Formula Grants - Section 5307	20.507	PA-95-X007-00-01-02-03-06-07	3,085,000	1,898,733	-	468,407	468,407	2,367,140
Federal Transit Formula Grants - Section 5307	20.507	PA-90-X672-00-01-02-03-04-05	1,787,076	1,787,076	-	-	-	1,787,076
Total Federal Transit Cluster				<u>8,090,671</u>	<u>-</u>	<u>765,938</u>	<u>765,938</u>	<u>8,856,609</u>
Transit Services Programs Cluster:								
Job Access and Reverse Commute Program - Section 5316	20.516	PA-37-X037-00-01	1,658,273	1,657,039	-	548	548	1,657,587
Job Access and Reverse Commute Program - Section 5316	20.516	PA-37-X048-00	2,586,137	2,586,137	-	-	-	2,586,137
New Freedom Program - Section 5317	20.521	PA-57-X009-00-01	885,378	885,379	-	-	-	885,379
New Freedom Program - Section 5317	20.521	PA-57-X016-00	2,458,308	2,458,310	-	-	-	2,458,310
Total Transit Services Programs Cluster				<u>7,586,865</u>	<u>-</u>	<u>548</u>	<u>548</u>	<u>7,587,413</u>
Total U.S. Department of Transportation				<u>39,499,479</u>	<u>-</u>	<u>6,218,289</u>	<u>6,218,289</u>	<u>45,717,768</u>
Appalachian Regional Commission								
Direct Programs:								
Appalachian Regional Development:								
ARC 302(a) 2018	23.001	PA-0708E-C26-R1-302-18	101,000	-	-	54,164	54,164	54,164
ARC 302(a) 2019	23.001	PA-0708E-C27-R1-302-19	101,000	39,227	-	58,270	58,270	97,497
ARC 302(b) 07/17 - 06/18	23.001	PA-11055-C25-302-17	400,000	394,621	-	-	-	394,621
ARC 302(b) 07/18 - 06/19	23.001	PA-11055-C26-302-18	400,000	-	-	396,555	396,555	396,555
Total Appalachian Regional Development				<u>433,848</u>	<u>-</u>	<u>508,989</u>	<u>508,989</u>	<u>942,837</u>
Appalachian Area Development:								
ARC POWER 2016 Grant	23.002	PW-18714-IM-302-17	662,567	424,479	201,722	19,756	221,478	645,957
ARC 2017 Fall Summit	23.002	CO-19081-R1-18	25,000	18,000	-	-	-	18,000
Total Appalachian Area Development				<u>442,479</u>	<u>201,722</u>	<u>19,756</u>	<u>221,478</u>	<u>663,957</u>
Total Direct Programs				<u>876,327</u>	<u>201,722</u>	<u>528,745</u>	<u>730,467</u>	<u>1,606,794</u>

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

SOUTHWESTERN PENNSYLVANIA COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's and Pass-Through Numbers	Program or Award Amount	Cumulative Award Expenditures Through June 30, 2018	Amounts Passed through to Subrecipients	2019 Direct Expenditures	2019 Total Expenditures	Cumulative Award Expenditures Through June 30, 2019
<u>Appalachian Regional Commission (continued)</u>								
Revolving Loan Program:								
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	ARC 93-67	1,451,274	5,231,292	-	2,271,049	2,271,049	7,502,341
Total Appalachian Regional Commission				<u>6,107,619</u>	<u>201,722</u>	<u>2,799,794</u>	<u>3,001,516</u>	<u>9,109,135</u>
<u>U.S. Department of Defense</u>								
Passed Through Indiana University of Pennsylvania:								
DOD Procurement Technical Assistance for Business Firms - 09/1/2018 to 8/31/2019	12.002	SP4800-18-2-1835	114,398	-	-	64,229	64,229	64,229
DOD Procurement Technical Assistance for Business Firms - 09/1/2017 to 8/31/2018	12.002	SP4800-17-2-1735	113,649	85,403	-	22,218	22,218	107,621
Total U.S. Department of Defense				<u>85,403</u>	<u>-</u>	<u>86,447</u>	<u>86,447</u>	<u>171,850</u>
<u>U.S. Department of Commerce</u>								
Direct Programs:								
Economic Development - Support for								
Planning Organizations - 07/15 - 6/16	11.302	01-83-14353.02	70,000	58,798	-	-	-	58,798
Planning Organizations - 07/16 - 6/17	11.302	ED16PHI3020046 Year 1	70,000	52,918	-	-	-	52,918
Planning Organizations - 07/17 - 6/18	11.302	ED16PHI3020046 Year 2	70,000	63,254	-	-	-	63,254
Planning Organizations - 07/18 - 6/19	11.302	ED16PHI3020046 Year 3	70,000	-	-	63,140	63,140	63,140
Total Direct Programs				<u>174,970</u>	<u>-</u>	<u>63,140</u>	<u>63,140</u>	<u>238,110</u>
Economic Development Cluster:								
Revolving Loan Program:								
Economic Adjustment Assistance	11.307	01-39-03634	375,000	2,090,839	-	721,356	721,356	2,812,195
Total U.S. Department of Commerce				<u>2,265,809</u>	<u>-</u>	<u>784,496</u>	<u>784,496</u>	<u>3,050,305</u>
Total Expenditures of Federal Awards				<u>\$ 47,958,310</u>	<u>\$ 201,722</u>	<u>\$ 9,889,026</u>	<u>\$ 10,090,748</u>	<u>\$ 58,049,058</u>

(Concluded)

See accompanying notes to schedule of expenditures of federal awards.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Southwestern Pennsylvania Commission (SPC) under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SPC, it is not intended to and does not present the financial statements of SPC.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

3. Revolving Loan Funds

Federal expenditures for the Economic Development Administration (EDA) and the Appalachian Regional Commission (ARC) Revolving Loan Fund (RLF) were calculated as follows:

	<u>EDA</u>
Balance of the RLF at June 30, 2019	\$ 647,249
Plus:	
Cash and investment balance in the RLF at June 30, 2019	314,559
Administrative expenses paid out of the RLF during the fiscal year	-
The unpaid principal of all loans written off during the fiscal year	-
	<u>961,808</u>
Multiplied by:	
The federal share of the RLF	<u>75%</u>
Total RLF federal expenditures	<u>\$ 721,356</u>
	<u>ARC</u>
Balance of the RLF at July 1, 2018	\$ 1,307,797
Plus:	
Current year new loans	960,041
RLF income earned and expended	3,211
	<u>2,271,049</u>
Multiplied by:	
The federal share of the RLF	<u>100%</u>
Total RLF federal expenditures	<u>\$ 2,271,049</u>

SOUTHWESTERN PENNSYLVANIA COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

The federal revolving loan fund programs subsequently are administered directly by SPC, and balances and transactions relating to these programs are included in SPC's financial statements. Loans outstanding at the beginning of the year, loans made during the year, and balance of loans outstanding at June 30, 2019 consist of:

Revolving Loan Fund Program	EDA	ARC
Balance of the RLF at July 1, 2018	\$ 710,920	\$ 1,307,797
Plus: Loans issued	149,350	960,041
Less: Loans paid off	(213,021)	(301,343)
Less: Writeoffs	-	-
Balance of the RLF at June 30, 2019	<u>\$ 647,249</u>	<u>\$ 1,966,495</u>
CFDA #	11.307	23.011

4. Indirect Cost Rate

SPC did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Southwestern Pennsylvania Commission

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended June 30, 2019



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

**Executive Committee and
Commissioners
Southwestern Pennsylvania
Commission**

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 financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Southwestern Pennsylvania Commission (Commission) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we

Executive Committee and Commissioners
Southwestern Pennsylvania Commission
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

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 Commission's financial statements are free from 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mahe Duessel

Pittsburgh, Pennsylvania
December 2, 2019

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**Executive Committee and
Commissioners
Southwestern Pennsylvania
Commission**

Report on Compliance for Each Major Federal Program

We have audited the Southwestern Pennsylvania Commission's (Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2019. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Executive Committee and Commissioners
Southwestern Pennsylvania Commission
Independent Auditor's Report on Compliance
for Each Major Program

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

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

Executive Committee and Commissioners
Southwestern Pennsylvania Commission
Independent Auditor's Report on Compliance
for Each Major Program

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mahe Duessel

Pittsburgh, Pennsylvania
December 2, 2019

SOUTHWESTERN PENNSYLVANIA COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles

2. Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

3. Noncompliance material to financial statements noted? yes no

4. Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes no

7. Major Programs:

CFDA Number(s)

20.205

20.507

Name of Federal Program or Cluster

Highway Planning and Construction Cluster

Federal Transit Cluster

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? yes no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

SOUTHWESTERN PENNSYLVANIA COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

III. Findings and questioned costs for federal awards.

No matters were reported.

SOUTHWESTERN PENNSYLVANIA COMMISSION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2019

NONE