



TO: Finance Committee  
Jennifer M. Liptak  
Representative Austin A. Davis

FROM: Ann M. Ogoreuc, Chair

DATE: October 12, 2020

SUBJECT: Finance Committee Meeting – October 15, 2020

The next meeting of the Finance Committee is scheduled for Thursday, October 15, 2020, being held virtually via WebEx and conference call-in, immediately following the 8:30 a.m. Planning and Stakeholder Relations Committee meeting.

The preliminary agenda is as follows:

1. Approval of Minutes of the September 17, 2020 Finance Committee Meeting
2. September 2020 Financial Statements and Cash Flow (Pete Schenk)
3. Adjourn

cc: Other Port Authority Board Members

**FINANCE COMMITTEE MEETING**

September 17, 2020

Board Committee Members*(all by WebEx)*

Ann Ogoreuc, Chair

Jennifer Liptak

Rep. Austin Davis

Jeff Letwin

Other Board Member*(all by WebEx)*

John Tague

Michelle Zmijanac

Stephanie Turman

1. Approval of Minutes:

The minutes of the July 16, 2020 Finance Committee Meeting were approved.

2. July and August 2020 Financial Statements:

Chief Financial Officer Peter Schenk reported on the July and August 2020 Financial Statements. It was reported that for the month of July, Total Operating Income was \$5.9 million under budget. All revenue categories except ACCESS Revenues were below budget. ACCESS Revenues were booked at budget until invoices are received. Total Expenses for the month were \$6.7 million under budget with all expense categories, other than Salary and Wages, remaining under budget.

Total Subsidy for July was \$1.1 million below budget due to lower State Operating Assistance.

Mr. Schenk next reported that Total Revenue for August was \$5.2 million under budget with all revenue categories except ACCESS Revenue below budget. Year-to-date revenue levels are \$11.1 million under budget. The July and August revenue shortfalls are indirectly eligible for CARES ACT funding. Total Expenses for August and year-to-date is below budget by \$4.7 million and \$11.5 million, respectively.

Total Subsidy for August and year-to-date is significantly over budget due to receipt of State funds earlier than last fiscal year.

Primarily due to receipt of over \$40 million in State Operating Assistance and \$27.48 million in CARES ACT funding, Operating Reserves ended August at \$131.6 million.

It was also reported that the Authority has invoiced \$27.48 million in CARES ACT invoicing through May with the expectation of invoicing another \$3 to \$5 million for the month of June.

With no further business, the meeting was adjourned.

**SEPTEMBER 2020 FINANCIAL STATEMENTS**



Port Authority of Allegheny County  
**CONSOLIDATED STATEMENT OF NET POSITION**  
*For the Current Period*  
**As of September 30, 2020**

	<u>OPERN</u>	<u>CAPTL</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 115,615,514.79	\$ 19,267,789.22	134,883,304.01
Capital grants receivable	-	17,218,119.28	17,218,119.28
Other receivables	4,687,826.19	0.00	4,687,826.19
Prepaid expenses	727,137.55	-	727,137.55
Materials & supplies	18,339,772.73	-	18,339,772.73
<b>Total Current Assets</b>	<b>139,370,251.26</b>	<b>36,485,908.50</b>	<b>175,856,159.76</b>
NONCURRENT ASSETS			
Restricted assets for capital additions and related debt	-	9,946,093.80	9,946,093.80
Designated for reserve fund	38,488,582.00		38,488,582.00
Capital assets, net of accumulated depreciation	-	1,231,880,322.00	1,231,880,322.00
<b>Total Non-Current Assets</b>	<b>38,488,582.00</b>	<b>1,241,826,415.80</b>	<b>1,280,314,997.80</b>
<b>TOTAL ASSETS</b>	<b>\$ 177,858,833.26</b>	<b>\$ 1,278,312,324.30</b>	<b>\$ 1,456,171,157.56</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	-	6,648,821.51	6,648,821.51
Related to pensions	122,420,337.00	-	122,420,337.00
Related to OPEB	47,529,185.00	-	47,529,185.00
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 169,949,522.00</b>	<b>\$ 6,648,821.51</b>	<b>\$ 176,598,343.51</b>
<b><u>LIABILITIES</u></b>			
CURRENT LIABILITIES			
Accounts payable	14,875,058.45	985,537.05	15,860,595.50
Accrued compensation, benefits & withholdings	15,414,052.78	-	15,414,052.78
Unearned revenue	134,010,684.48	25,646,050.22	159,656,734.70
Reserves for claims & settlements	6,272,850.00	-	6,272,850.00
Other current liabilities	-	687,990.66	687,990.66
<b>Total Current Liabilities</b>	<b>170,572,645.71</b>	<b>27,319,577.93</b>	<b>197,892,223.64</b>
NONCURRENT LIABILITIES			
Bond payable, net	-	158,775,174.15	158,775,174.15
Reserves for claims & settlements	5,006,967.00	-	5,006,967.00
Accrued OPEB liability	624,412,121.00	-	624,412,121.00
Net pension liability	421,374,849.00	-	421,374,849.00
<b>Total Non-Current Liabilities</b>	<b>1,050,793,937.00</b>	<b>158,775,174.15</b>	<b>1,209,569,111.15</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 1,221,366,582.71</b>	<b>\$ 186,094,752.08</b>	<b>\$ 1,407,461,334.79</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Related to pensions	44,435,626.00	-	44,435,626.00
Related to OPEB	23,704,202.00	-	23,704,202.00
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 68,139,828.00</b>	<b>\$ -</b>	<b>\$ 68,139,828.00</b>
<b><u>NET ASSETS</u></b>			
<b>TOTAL NET POSITION</b>	<b>\$ (941,698,055.45)</b>	<b>\$ 1,098,866,393.73</b>	<b>\$ 157,168,338.28</b>



PORT AUTHORITY OF ALLEGHENY COUNTY  
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Month of September 2020			3 Month Year-to-Date			
	Budget	Actual	Variance	Budget	Actual	Variance	Notes
<b>REVENUE :</b>							
Passenger revenue -							
Bus, Light Rail & Incline Plane	\$7,618,117	\$2,698,793	(\$4,919,324)	\$22,711,692	\$7,326,398	(\$15,385,294)	
ACCESS program service	900,701	507,930	(\$392,771)	2,665,067	2,272,296	(\$392,771)	
Advertising	271,869	138,183	(\$133,686)	723,085	367,550	(\$355,535)	
Interest income	186,406	17,077	(\$169,329)	638,581	88,001	(\$550,580)	
Other income	67,066	17,734	(\$49,332)	206,448	102,456	(\$103,992)	
<b>Total Operating Income</b>	<b>\$9,044,159</b>	<b>\$3,379,717</b>	<b>(\$5,664,442)</b>	<b>\$26,944,873</b>	<b>\$10,156,701</b>	<b>(\$16,788,172)</b>	Total Operating Income was \$5.6 million under budget for the month. Passenger Revenue was \$4.9 million under budget due to lower ridership from the Pandemic. ACCESS Shared Ride revenues were under budget due to lower ridership as well. Interest Income was below budget due to significantly lower interest rates. This income shortfall will indirectly be covered by CARES ACT Funding. Total Operating Income for the first quarter is \$16.7 million under budget.
<b>EXPENSE :</b>							
Wages & salaries	\$13,312,344	\$13,264,293	\$48,051	\$36,251,788	\$36,744,193	(\$492,405)	
Employee benefits	14,623,229	13,279,979	\$1,343,250	43,692,910	39,563,628	\$4,129,282	
Materials & supplies	4,013,039	3,239,941	\$773,098	12,281,647	9,123,136	\$3,158,511	
Provision for injuries & damages	357,415	277,762	\$79,653	1,402,245	781,754	\$620,491	
Purchased services	1,703,176	1,557,154	\$146,022	5,193,588	2,358,214	\$2,835,374	
Utilities	687,339	650,612	\$36,727	2,062,217	1,286,801	\$775,416	
Other expense	1,061,870	1,117,461	(\$55,591)	4,595,476	1,914,426	\$2,681,050	
Interest			\$0			\$0	
ACCESS program service	2,435,235	2,418,614	\$16,621	7,305,705	7,148,834	\$156,871	
<b>Total Expense</b>	<b>\$38,193,647</b>	<b>\$35,805,816</b>	<b>\$2,387,831</b>	<b>\$112,785,576</b>	<b>\$98,920,986</b>	<b>\$13,864,590</b>	Total Expense was \$2.3 million below budget for the month of September. Employee Benefits were below budget by \$1.34 million primarily due to lower Active and Retiree Healthcare. Materials & Supplies are below budget due to lower diesel fuel prices and lower line-item expenses in Materials and Supplies. For the first quarter every expense category other than Salaries and Wages is below budget.
<b>Deficit before Subsidy</b>	<b>(\$29,149,488)</b>	<b>(\$32,426,099)</b>	<b>(\$3,276,611)</b>	<b>(\$85,840,703)</b>	<b>(\$88,764,285)</b>	<b>(\$2,923,582)</b>	
<b>Operating Subsidy:</b>							
County Drink Tax Revenue			\$0			\$0	
RAD Assistance - Local	275,000	182,143	(\$92,857)	825,000	546,429	(\$278,571)	
Gen Operating Assist - State	47,979,755	17,114,210	(\$30,865,545)	62,371,259	63,000,043	\$628,784	
Gen Op Assist - State Match 5310			\$0			\$0	
Defer State Operating Assist			\$0			\$0	
Cost of Contracting	1,863,383	1,863,383	\$0	1,863,383	1,863,383	\$0	
Redistribute to Vehicle Overhaul	550,000	19,428	(\$530,572)	1,090,000	411,181	(\$678,819)	
Redistribute to Capital Accounts	169,383	294,208	\$124,825	508,149	499,073	(\$9,076)	
Fringe Benefits Redistrib Cap Accts	85,000	151,784	\$66,784	255,000	236,109	(\$18,891)	
Preventive Maintenance	7,055,697	7,055,697	\$0	8,199,602	8,199,602	\$0	
ACM Capitalizations			\$0			\$0	
Third Party Reimbursements	51,000	79,287	\$28,287	61,000	92,891	\$31,891	
ACCESS-JARC/New Freedom			\$0			\$0	
ACCESS-5310 revenue			\$0			\$0	
ACCESS-PWD	51,600	29,990	(\$21,610)	154,800	133,190	(\$21,610)	
CARES - Port Authority	8,333		(\$8,333)	24,999		(\$24,999)	
CARES - County		2,524,217	\$2,524,217		2,524,217	\$2,524,217	
<b>Total Subsidy</b>	<b>\$58,089,151</b>	<b>\$29,314,346</b>	<b>(\$28,774,805)</b>	<b>\$75,353,192</b>	<b>\$77,506,118</b>	<b>\$2,152,926</b>	Total Subsidy for the month of September was \$28.7 million under budget. This was due to receipt of State Operating Assistance in August versus the budget in September. For the first quarter, total subsidy is slightly above budget.
<b>Surplus/Deficit</b>	<b>\$28,939,663</b>	<b>(\$3,111,753)</b>	<b>(\$32,051,416)</b>	<b>(\$10,487,511)</b>	<b>(\$11,258,167)</b>	<b>(\$770,656)</b>	





PORT AUTHORITY OF ALLEGHENY COUNTY  
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Monthly Actuals			Year to Date Actuals			
	September 2019	September 2020	Variance	FY2020	FY2021	Variance	Notes
REVENUE :							
Passenger revenue -							
Bus, Light Rail & Incline Plane	\$7,615,062	\$2,698,793	(\$4,916,269)	\$22,691,416	\$7,326,398	(\$15,365,018)	
ACCESS program service	900,701	507,930	(\$392,771)	2,665,067	2,272,296	(\$392,771)	
Advertising	251,879	138,183	(\$113,696)	703,075	367,550	(\$335,525)	
Interest income	186,406	17,077	(\$169,329)	638,581	88,001	(\$550,580)	
Other income	70,221	17,734	(\$52,487)	226,825	102,456	(\$124,369)	
							Total Operating Income is \$16.7 million below last fiscal year's total for the first quarter. Every revenue category is below last fiscal year's level. CARES ACT Funding will indirectly be used to lessen the impact of this variance.
Total Operating Income	\$9,024,269	\$3,379,717	(\$5,644,552)	\$26,924,964	\$10,156,701	(\$16,768,263)	
EXPENSE :							
Wages & salaries	\$12,757,247	\$13,264,293	(\$507,046)	\$35,121,452	\$36,744,193	(\$1,622,741)	
Employee benefits	13,193,496	13,279,979	(\$86,483)	38,965,308	39,563,628	(\$598,320)	
Materials & supplies	3,309,259	3,239,941	\$69,318	10,477,574	9,123,136	\$1,354,438	
Provision for injuries & damages	172,317	277,762	(\$105,445)	700,300	781,754	(\$81,454)	
Purchased services	593,251	1,557,154	(\$963,903)	1,779,493	2,358,214	(\$578,721)	
Utilities	502,847	650,612	(\$147,765)	1,316,938	1,286,801	\$30,137	
Other expense	539,376	1,117,461	(\$578,085)	1,629,164	1,914,426	(\$285,262)	
Interest	0		\$0	0		\$0	
ACCESS program service	2,850,360	2,418,614	\$431,746	7,508,204	7,148,834	\$359,370	
							Total Expense for the first quarter of FY2021 is \$1.4 million ahead of last fiscal year. This is primarily due to higher Wages & Salaries and Employee Benefit levels.
Total Expense	\$33,918,153	\$35,805,816	(\$1,887,663)	\$97,498,433	\$98,920,986	(\$1,422,553)	
Deficit before Subsidy	(\$24,893,884)	(\$32,426,099)	(\$7,532,215)	(\$70,573,469)	(\$88,764,285)	(\$18,190,816)	
Operating Subsidy:							
County Drink Tax Revenue			-			-	
RAD Assistance - Local	275,000	182,143	(92,857)	825,000	546,429	(278,571)	
Gen Operating Assist - State	47,979,756	17,114,210	(30,865,546)	62,371,259	63,000,043	628,784	
Gen Op Assist - State Match 5310			-			-	
Defer State Operating Assist			-			-	
Cost of Contracting	1,756,862	1,863,383	106,521	1,756,862	1,863,383	106,521	
Redistribute to Vehicle Overhaul	591,855	19,428	(572,427)	1,386,716	411,181	(975,535)	
Redistribute to Capital Accounts	384,377	294,208	(90,169)	547,825	499,073	(48,752)	
Fringe Benefits Redistrib Cap Accts	136,826	151,784	14,958	223,011	236,109	13,098	
Preventive Maintenance	5,271,658	7,055,697	1,784,039	9,473,164	8,199,602	(1,273,562)	
ACM Capitalizations			-			-	
Third Party Reimbursements	83,106	79,287	(3,819)	202,901	92,891	(110,010)	
ACCESS-JARC/New Freedom			-			-	
ACCESS-5310 revenue			-			-	
ACCESS-PWD	49,935	29,990	(19,945)	153,335	133,190	(20,145)	
CARES - Port Authority			-			-	
CARES - County		2,524,217	2,524,217		2,524,217	2,524,217	
							Total Subsidy is \$566,045 higher than last fiscal year primarily due to higher State Operating Assistance.
Total Subsidy	\$56,529,375	\$29,314,346	\$ (27,215,029)	\$76,940,073	\$77,506,118	\$ 566,045	
Surplus/Deficit	\$31,635,491	(\$3,111,753)	\$ (34,747,244)	\$6,366,604	(\$11,258,167)	(\$17,624,771)	

**PORT AUTHORITY OF ALLEGHENY COUNTY**  
**FY 2021 PROJECTED OPERATING RESERVE**  
**(As of August 31, 2020)**

(Dollars in Thousands)  
**Actual/Estimate**

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	TOTAL
Begin Cash & Investments	147,001	117,785	96,433	131,616	141,117	139,266	137,415	135,564	133,663	131,762	129,861	127,960	126,059	
Oper Grants:														
. County/ Additional County Assistance	0	0	9,456	2,534	2,811	2,811	2,811	2,811	2,811	2,811	2,811	2,811	2,811	37,289
. Regional Asset District	182	182	182	182	275	275	275	225	225	225	225	225	225	2,721
. State	1,705	16,672	27,120	20,141	22,259	22,259	22,259	22,259	22,259	22,259	22,259	22,259	22,260	264,265
. Additional State Operating Assistance/Rebase														0
. CARES/Deferred Oper Assist	0	0	27,483	4,000	0		0	0	0	0	0	0	42,708	74,191
Revenues:														
. ACM/Grants Management/T&L	221	257	0	446	276	276	276	276	276	276	276	276	273	3,184
. ACCESS/Shared Ride	623	0	642	0	882	882	882	882	882	882	882	882	884	8,582
. ACCESS/Capital Cost of Contracting	0	0	0	1,863	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,375	14,246
. ACCESS/Connections and Works	0	0	0	0	35	35	35	35	35	35	35	35	36	316
. Passenger Revenues	2,003	1,953	2,379	3,000	7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,388	73,824
. VOH	873	0	0	19	542	542	542	542	542	542	542	542	538	4,893
. PREVENTIVE MAINTENANCE	1,508	0	0	7,056	2,441	2,441	2,441	2,441	2,441	2,441	2,441	2,441	2,448	29,032
. Investment Income	63	44	28	18	130	130	130	130	130	130	130	130	133	1,263
. Advertising Income	0	352	116	132	229	229	229	229	229	229	229	229	231	2,663
. OTHER	691	290	3,126	2,907	69	69	69	69	69	69	69	69	66	6,941
Cash Available	154,870	137,535	166,965	173,914	179,830	177,979	176,128	174,227	172,326	170,425	168,524	166,623	207,435	523,410
Payments:														
. Pay/Withold/Fringe	13,741	20,610	14,082	13,326	16,433	16,433	16,433	16,433	16,433	16,433	16,433	16,433	16,437	195,919
. Healthcare	11,925	6,580	6,562	4,057	7,414	7,414	7,414	7,414	7,414	7,414	7,414	7,414	7,416	83,927
. Pension Payment	5,038	5,050	5,603	5,047	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,828	50,176
. All Other	6,371	8,832	9,082	10,307	12,794	12,794	12,794	12,794	12,794	12,794	12,794	12,794	12,790	143,363
. Treasury Service Expense	10	30	20	60	92	92	92	92	92	92	92	92	98	944
Total Payments	37,085	41,102	35,349	32,797	40,564	40,564	40,564	40,564	40,564	40,564	40,564	40,564	40,569	474,329
Ending Cash & Investments	117,785	96,433	131,616	141,117	139,266	137,415	135,564	133,663	131,762	129,861	127,960	126,059	166,866	