

**ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF ALLEGHENY COUNTY, PENNSYLVANIA)**

**FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024
WITH INDEPENDENT AUDITOR'S REPORT**

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
YEAR ENDED DECEMBER 31, 2024

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Independent Auditor's Report

Board of Directors
Allegheny County Industrial Development Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements each major fund and the aggregate remaining fund information of the Allegheny County Industrial Development Authority (Authority), a component unit of Allegheny County, Pennsylvania, as of December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Authority as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Governmental Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



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Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance

Pittsburgh, Pennsylvania
March 24, 2025

Zelenkofske Axelrod LLC

Zelenkofske Axelrod, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2024

The Allegheny County Industrial Development Authority's (Authority) Management's Discussion and Analysis is designated to provide an overview of the Authority's financial activities for the year ended December 31, 2024, and should be read in conjunction with the Authority's financial statements, which begin on page 8.

Financial Highlights

- The Authority's net position increased by \$129,714 during the current year.
- The Authority has approximately \$3.7 million in restricted net position available to fund development throughout the County of Allegheny by issuing loans to eligible individuals and organizations.
- The Authority continues to provide access to capital markets through its conduit debt program.

Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of two components: 1) fund financial statements and 2) notes to financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Authority's funds are proprietary funds.

The Statement of Net Position, found on page 8, provides information about the Authority's financial position of the various enterprise funds using the accrual basis of accounting. It includes all of the Authority's assets and liabilities and indicates which assets, if any, are restricted as to use. Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The Statement of Revenues, Expenses, and Changes in Net Position, on page 9, reports all of the Authority's earnings and expenses by business-type activity using the accrual basis of accounting.

The Statement of Cash Flows, on page 10, indicates how much cash was provided and used by operating activities as well as other cash sources and uses such as investing and financing activities.

Proprietary Funds

The Authority maintains one type of proprietary fund. Enterprise funds are used to report activities that are intended to recover all or a significant portion of their costs through user fees and charges.

The Authority maintains nine individual enterprise funds. Information is presented separately in the proprietary funds' Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows for the Administrative Fund, Small Business Distressed Communities, Mon Valley Revolving Loan Program, Allegheny County UPARC Program, Allegheny County EDA Program, and Developmental Action Assistance Program which are considered to be major funds. Data from the other three enterprise funds are combined into a single aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

Notes to Financial Statements

The notes, which begin on page 11, provide additional information that is essential to a full understanding of data provided in the fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Other Information

The combining statements referred to earlier in connection with non-major proprietary funds are presented immediately following the Notes to Financial Statements. Combining and individual fund statements can be found on pages 18-20.

Analysis of Net Position

Net position is a useful indicator of a government's financial position. For the Authority, total assets were greater than liabilities by \$3,966,145 for the year ended December 31, 2024 and \$3,836,431 for the year ended December 31, 2023.

Condensed Statements of Net Position

The following is a summary of the Authority's Statements of Net Position as of December 31, 2024 and 2023:

<u>Assets</u>	2024	2023	Change
Cash	\$ 3,254,651	\$ 2,995,181	\$ 259,470
Loans receivable, net	688,860	840,905	(152,045)
Due from other funds	992,695	992,695	-
Other	24,394	4,813	19,581
Total Assets	\$ 4,960,600	\$ 4,833,594	\$ 127,006
<u>Liabilities</u>			
Accounts payable/accrued expenses	1,760	4,468	(2,708)
Due to other funds	992,695	992,695	-
Total Liabilities	\$ 994,455	\$ 997,163	\$ (2,708)
<u>Net Position</u>			
Restricted	\$ 3,660,650	\$ 3,610,878	\$ 49,772
Unrestricted	\$ 305,495	225,553	79,942
Total Net Position	\$ 3,966,145	\$ 3,836,431	\$ 129,714

Approximately 92% of the Authority's net position is restricted by outside parties for specific purposes, primarily lending.

Changes in Net Position

The Authority's net position increased by \$129,714 for the year ended December 31, 2024 and decreased by \$4,525 for the year ended December 31, 2023. During the current year, 71.2% of the Authority's operating revenue came from administrative fees, 26.3% from loan interest, and 2.5% from other sources. During the prior year, 89.7% of the Authority's operating revenue came from administrative fees, 10.3% from loan interest, and 0.0% from other sources.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

The following summarizes the Authority's Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31, 2024 and 2023.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

Operating Revenues	2024	2023	Change
Administrative fees	\$ 105,409	\$ 102,873	\$ 2,536
Loan interest	39,010	11,842	27,168
Other operating revenues	3,716	-	3,716
Total operating revenues	148,135	114,715	33,420
Operating Expenses			
Professional fees	21,075	23,511	(2,436)
Other operating costs	8,520	25,992	(17,472)
Bad debt expense	-	12,074	(12,074)
Provision for uncollectible loans	37,526	(18,811)	56,337
Payment to Allegheny County	50,000	200,000	(150,000)
Total operating expenses	117,121	242,766	(125,645)
Operating Income (Loss)	31,014	(128,051)	159,065
Non-operating Revenues			
Grant revenue and other	-	70,722	(70,722)
Interest income	98,700	52,804	45,896
Total non-operating revenues	98,700	123,526	(24,826)
Net Income (Loss)	129,714	(4,525)	134,239
Net Position			
Beginning of year	3,836,431	3,840,956	(4,525)
End of year	\$ 3,966,145	\$ 3,836,431	\$ 129,714

Financial Analysis of Individual Funds

The following discussion focuses on the Authority's major funds.

The Administrative Fund reported a net position of \$305,495, an increase of \$79,942 from the prior year. Administrative fees increased from \$102,873 to \$105,409 primarily due to closing fees.

The Small Business Distressed Communities Fund reported a net position of \$541,717, an increase of \$32,442 from the prior year, primarily due to loan interest.

The Mon Valley Revolving Loan Program reported a net position of \$798,005, a \$0 change from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

The Allegheny County UPARC Program reported a net position of \$771,521, an increase of \$33,355 from the prior year, primarily due to interest earned on the fund's cash deposits.

The Allegheny County EDA Program reported a net position of \$983,064, a decrease of \$15,498 from the prior year, primarily due to provision for uncollectible loans receivable based on current estimates of loan collectability.

The Allegheny County Development Action Assistance program reported a net position of \$315,961, a decrease of \$254 from the prior year, primarily due to other operating costs.

Requests for Information

The financial report is designed to provide an overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Fiscal Manager of Operations; Koppers Building, 436 Seventh Avenue, Suite 500, Pittsburgh, PA 15219.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2024

Assets	Business-Type Activities - Enterprise Funds							Total
	Administrative Fund	Small Business Distressed Communities	Mon Valley Revolving Loan Program	Allegheny County UPARC Program	Allegheny County EDA Program	Development Action Assistance Program	Other Enterprise Funds	
Current assets								
Cash and cash equivalents	\$ 1,275,556	\$ 391,836	\$ -	\$ 771,521	\$ 549,589	\$ 210,457	\$ 55,692	\$ 3,254,651
Current portion of loans receivable	-	29,653	-	-	53,314	20,746	-	103,713
Fees receivable	24,394	-	-	-	-	-	-	24,394
Due from other funds	-	-	798,005	-	-	-	194,690	992,695
Total current assets	<u>1,299,950</u>	<u>421,489</u>	<u>798,005</u>	<u>771,521</u>	<u>602,903</u>	<u>231,203</u>	<u>250,382</u>	<u>4,375,453</u>
Noncurrent assets								
Loans receivable, net of allowance for loan losses	-	120,228	-	-	380,161	84,758	-	585,147
Total noncurrent assets	<u>-</u>	<u>120,228</u>	<u>-</u>	<u>-</u>	<u>380,161</u>	<u>84,758</u>	<u>-</u>	<u>585,147</u>
Total Assets	<u>\$ 1,299,950</u>	<u>\$ 541,717</u>	<u>\$ 798,005</u>	<u>\$ 771,521</u>	<u>\$ 983,064</u>	<u>\$ 315,961</u>	<u>\$ 250,382</u>	<u>\$ 4,960,600</u>
Liabilities and Net Position								
Liabilities								
Accounts payable and accrued expenses	\$ 1,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,760
Due to other funds	992,695	-	-	-	-	-	-	992,695
Total Liabilities	<u>994,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>994,455</u>
Net Position								
Restricted	-	541,717	798,005	771,521	983,064	315,961	250,382	3,660,650
Unrestricted	305,495	-	-	-	-	-	-	305,495
Total Net Position	<u>305,495</u>	<u>541,717</u>	<u>798,005</u>	<u>771,521</u>	<u>983,064</u>	<u>315,961</u>	<u>250,382</u>	<u>3,966,145</u>
Total Liabilities and Net Position	<u>\$ 1,299,950</u>	<u>\$ 541,717</u>	<u>\$ 798,005</u>	<u>\$ 771,521</u>	<u>\$ 983,064</u>	<u>\$ 315,961</u>	<u>\$ 250,382</u>	<u>\$ 4,960,600</u>

See accompanying notes to financial statements.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities - Enterprise Funds							Total
	Administrative Fund	Small Business Distressed Communities	Mon Valley Revolving Loan Program	Allegheny County UPARC Program	Allegheny County EDA Program	Development Action Assistance Program	Other Enterprise Funds	
Operating Revenues								
Administrative fees:								
Annual	\$ 105,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,409
Other	-	3,277	-	-	439	-	-	3,716
Loan interest	-	29,372	-	-	9,638	-	-	39,010
Total operating revenues	105,409	32,649	-	-	10,077	-	-	148,135
Operating Expenses								
Professional fees	21,075	-	-	-	-	-	-	21,075
Other operating costs	6,771	207	-	-	1,015	254	273	8,520
Provision for uncollectible loans receivable	-	-	-	-	37,526	-	-	37,526
Payments to Allegheny County	50,000	-	-	-	-	-	-	50,000
Total operating expenses	77,846	207	-	-	38,541	254	273	117,121
Operating Income (Loss)	27,563	32,442	-	-	(28,464)	(254)	(273)	31,014
Non-Operating Revenues (Expenses)								
Investment interest revenue	52,379	-	-	33,355	12,966	-	-	98,700
Total non-operating revenues (expenses)	52,379	-	-	33,355	12,966	-	-	98,700
Net Income (Loss)	79,942	32,442	-	33,355	(15,498)	(254)	(273)	129,714
Net Position								
Beginning of year	225,553	509,275	798,005	738,166	998,562	316,215	250,655	3,836,431
End of year	\$ 305,495	\$ 541,717	\$ 798,005	\$ 771,521	\$ 983,064	\$ 315,961	\$ 250,382	\$ 3,966,145

See accompanying notes to financial statements.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities - Enterprise Funds							
	Administrative Fund	Small Business Distressed Communities	Mon Valley Revolving Loan Program	Allegheny County UPARC Program	Allegheny County EDA Program	Development Action Assistance Program	Other Enterprise Funds	Total
Cash Flows From Operating Activities:								
Receipts from customers	\$ 85,828	\$ 3,277	\$ -	\$ -	\$ 439	\$ -	\$ -	\$ 89,544
Payments for goods and services	(80,554)	(207)	-	-	(1,015)	(254)	(273)	(82,303)
Loan disbursed	-	(26,372)	-	-	-	-	-	(26,372)
Loan principal payments received	-	29,023	-	-	92,323	-	-	121,346
Loan interest received	-	29,372	-	-	9,638	19,545	-	58,555
Net cash provided by (used in) operating activities	5,274	35,093	-	-	101,385	19,291	(273)	160,770
Cash Flows From Investing Activities:								
Interest on investments	52,379	-	-	33,355	12,966	-	-	98,700
Net cash provided by (used in) investing activities	52,379	-	-	33,355	12,966	-	-	98,700
Net Increase (Decrease) in Cash and Cash Equivalents	57,653	35,093	-	33,355	114,351	19,291	(273)	259,470
Cash and Cash Equivalents:								
Beginning of year	1,217,903	356,743	-	738,166	435,238	191,166	55,965	2,995,181
End of year	<u>\$ 1,275,556</u>	<u>\$ 391,836</u>	<u>\$ -</u>	<u>\$ 771,521</u>	<u>\$ 549,589</u>	<u>\$ 210,457</u>	<u>\$ 55,692</u>	<u>\$ 3,254,651</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:								
Operating income (loss)	\$ 27,563	\$ 32,442	\$ -	\$ -	\$ (28,464)	\$ (254)	\$ (273)	\$ 31,014
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Provision for uncollectible loans receivable	-	-	-	-	37,526	-	-	37,526
Change in:								
Fees receivable	(19,581)	-	-	-	-	-	-	(19,581)
Accounts payable and accrued expenses	(2,708)	-	-	-	-	-	-	(2,708)
Loans receivable	-	2,651	-	-	92,323	19,545	-	114,519
Net cash provided by (used in) operating activities	<u>\$ 5,274</u>	<u>\$ 35,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,385</u>	<u>\$ 19,291</u>	<u>\$ (273)</u>	<u>\$ 160,770</u>

See accompanying notes to financial statements.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 1 ORGANIZATION AND PURPOSE

The Allegheny County Industrial Development Authority (Authority) was incorporated in 1969, pursuant to a resolution of the Board of Commissioners of the County of Allegheny (County) under the Economic Development Financing Law. The Authority's purpose is to aid in alleviating unemployment and to maintain levels of existing employment through promotion the construction of industrial, manufacturing, research, and development facilities. The Authority has a legal life through 2060.

The Authority issues revenue bonds and notes for eligible projects in the County. Each issue is payable from receipts derived by the Authority from the entity on whose behalf the debt was issued; and each issue is secured separately and distinctly. All debt instruments are supported by the credit of the respective institution involved in each individual project. The interest rate, terms of the repayment, and dollar amount of the bonds are matters of direct negotiation between the institution and the bond underwriters.

In 1996, the Authority entered into an agreement with the County, whereby the County transferred the administration of certain programs to the Authority. The Small Business Distressed Communities, Development Action Assistance Program, Port of Pittsburgh Loan Program and Allegheny County Economic Development Administration programs are all revolving loan programs that the Authority also administers, whereby the Authority is fully exposed to the risk that the borrower will not repay the full balance of the loans outstanding. The Port of Pittsburgh Loan Program loans were all paid off in 1999.

In addition, the Authority administers the proceeds of the University of Pittsburgh Applied Research Center (UPARC) grant repayments on behalf of the County. During 2002, the MEC Loans Program was transferred to the Authority and the Sanders SELF Loan Program was funded.

The governing body of the Authority consists of a Board of Directors (Board). Members of the Board are appointed by the County Executive. The Authority is included as a component unit of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority has various programs that are reported as separate Enterprise Funds. The Authority accounts for its programs on the accrual basis of accounting in accordance with the provisions of the Government Accounting Standards Board (GASB) Statements. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist primarily of fees and interest on loans receivable. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transaction, such as capital contributions, grants, or ancillary activities.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expense is incurred, for purposes in which there are both restricted and unrestricted resources available, it is the Authority's policy to apply those expenses first to restricted resources, to the extent that such are available; and then to unrestricted resources.

The Authority reports the following major proprietary funds:

- The Administrative Fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except for those required to be accounted for in another fund.
- The Small Business Distressed Communities (SBDC) Fund is a revolving loan program which uses Community Development Funds for the promotion of industrial and economic development in the County.
- The Mon Valley Revolving Loan Program (MON) is a revolving loan program to assist small businesses with the purchase of equipment and machinery in the promotion of industrial and economic development in the County.
- The Allegheny County UPARC Program (UPARC) is a revolving loan program which uses Economic Development Administration funds for the promotion of industrial and economic development in the County.
- The Allegheny County EDA Program (EDA) is a revolving loan program which uses Economic Development Administration funds for the promotion of industrial and economic development in the County.
- The Development Action Assistance Program (DAAP) was a revolving loan fund originally capitalized with Community Development Block Grant funds. The program is no longer revolving as all loan repayments are returned to program income annually.

Administrative Fees

The Administrative Fund charges those entities on whose behalf the debt is issued a closing fee at the inception of each issue, and annual fees due on each anniversary of the issue for as long as the issue is outstanding. Borrowers must pay the first annual fee at closing, and then on each anniversary of the issue for as long as the issue is outstanding. Administrative fees are recognized as revenue at the time they are due.

Cash and Cash Equivalents

For the purposes of presentation, the Authority considers all highly liquid instruments with maturities of three months or less when purchased to be cash equivalents.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

Restricted cash represents cash and cash equivalents set aside for Local Economic Development Assistance programs (LEDA).

Allowance for Uncollectible Amounts

The Authority uses the allowance method in providing for loan losses. Accordingly, potential loan losses are recorded to the allowance and provided for as provision for uncollectible loans receivable when the collection is doubtful. Conversely, when management is of opinion that previously reserved loans are collectible, the current year's provision is reduced.

Classification of Net Position

Net position is classified into three components: net investment in capital assets, restricted and unrestricted. These classification are defined as follows:

Restricted – This component of net position consists of constraints places on net position used through external restrictions imposed by creditors, grantors, contributors, or regulation.

Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted” or “net investments in capital assets”.

Interfund Receivable and Payables

Transactions between funds that are representative of lending or borrowing arrangements outstanding at the end of the year. These balances are referred to as “due to/from other funds” on the Statement of Net Position.

Adopted Pronouncements

The following GASB Statements were adopted for the year ended December 31, 2024: Nos. 100 (Accounting Changes and Error Corrections) and 101 (Compensated Absences). These statements had no significant impact on the Organization's financial statements for the year ended December 31, 2024.

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 102 (Certain Risk Disclosures), 103 (Financial Reporting Model Improvements), and 104 (Disclosure of Certain Capital Assets). Management has not yet determined the impact of these statements on the financial statements.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

NOTE 3 ADMINISTRATIVE SERVICES

The authority contracts with the Allegheny County Department of Economic Development (ACED) for various administrative support services, including space and personnel. The Authority was required to pay \$50,000 for the year ended December 31, 2024.

NOTE 4 DEPOSITS AND INVESTMENTS

GASB Statement No. 40, *"Deposits and Investment Risk Disclosures"*, requires disclosures related to the following deposit and investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. The following is a description of the Authority's deposit and investment risks:

The Authority is authorized to make investments of the following types: (1) United States Treasury bills, (2) short-term obligations of the United States government or its agencies or instrumentalities, (3) deposits in savings accounts or time deposits or share accounts of institutions which are insured, (4) obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities or any political subdivision thereof, and (5) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the investments of the company meet the criteria in (1) through (4) above.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk. As of December 31, 2024, \$2,031,623 of the Authority's bank balance of \$2,531,623 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 carrying amounts of \$2,534,676 as of December 31, 2024 and are classified as cash and cash equivalents on the statement of net position.

The Authority also has deposits managed by the Pennsylvania Local Government Investment Trust (PLGIT). These funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical form. The Authority's investment in PLGIT (an external investment pool) is the same as the value of the pool shares and is reported at amortized costs which approximates fair value. All investments in an external investment pool that is not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. The Authority can withdraw funds from the external investment pool without limitations or fees. As of December 31, 2024, the bank and book balances of the investments in PLGIT are \$719,975 and are classified as cash and cash equivalents on the statement of net position. As of December 31, 2024, the Authority's investments in PLGIT are rated AAAm by Standard & Poor's.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

NOTE 5 CONDUIT DEBT

The Authority issues tax-exempt and taxable limited-obligation debt through various lending and financial institutions to provide below-market interest rate financing to private-sector entities for eligible projects. The debt is secured by the property financed and is payable solely from the payments received on the underlying loans. Neither the Authority, the Commonwealth of Pennsylvania, nor any political subdivision thereof, is obligated in any matter for the repayment of the debt. Accordingly, the debt is not reported as a liability in the accompanying financial statements.

The principal amount outstanding for the debt issued, as of December 31, 2024, is approximately \$189 million.

NOTE 6 RECEIVABLES

The Authority receives an annual administrative fee for each bond series that is outstanding. The fees are recorded in the Administrative Fund. As of December 31, 2024, the fees receivable in the Administrative fund are \$24,394.

NOTE 7 LOAN RECEIVABLE

As previously discussed, the Authority administers certain programs on behalf of other entities. Under this arrangement, the Authority collects certain loans from third parties. These loans receivable are recorded in the various proprietary funds.

The following is a summary of commercial loans outstanding, not including deferred loans that are recorded at a net zero value, at December 31, 2024:

Program	Number of Loans	Receivable Balance	Allowance for Loan Losses	Net Receivable Balance
Small Business Distressed Communities	3	\$ 341,272	\$ 191,390	\$ 149,882
Development Action Assistance Program	1	107,193	1,689	105,504
Allegheny County EDA	8	925,119	491,645	433,474
Total	12	<u>\$ 1,373,584</u>	<u>\$ 684,724</u>	<u>\$ 688,860</u>

The above loans bear interest at rates ranging from 0% to 4.0% per annum. These loans range in amounts from \$17,434 to \$400,000 and mature through 2038.

NOTE 8 ECONOMIC DEPENDENCE

The Authority receives significant financial assistance from governmental agencies in the form of contracts, grants, and other entitlements. The disbursement of funds received under such programs generally requires compliance with terms and conditions specified in the contract/grant agreements and is subject to audit by grantor agencies. Any disallowed costs resulting from such audits could become a liability of the Authority. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. Management expects such amount, if any, to be immaterial.

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

NOTE 9 INTERFUND BALANCES

Individual fund due to/from balances at December 31, 2024 are:

Fund	Due From	Due To
Administrative Fund	\$ -	\$ 992,695
Mon Valley Revolving Loan Program	798,005	-
Port of Pittsburgh Loan Program	136,246	-
Sanders SELF Loan Program	58,444	-
	<u>\$ 992,695</u>	<u>\$ 992,695</u>

Funds due to the Mon Valley Loan Program, Port of Pittsburgh Loan Program, and Sanders SELF Loan Program reflect cash balances transferred to the Administrative Fund from these programs with the intention of closing the above referenced programs. As of December 31, 2024, restrictions on these funds have not been met. As such, these balances are reflected as due to/from on the Statement of Net Position as of December 31, 2024.

SUPPLEMENTARY INFORMATION

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF NET POSITION – OTHER ENTERPRISE FUNDS
DECEMBER 31, 2024

Assets	Port of Pittsburgh Loan Program	MEC	Sanders SELF Loan Program	Total
Current assets				
Cash and cash equivalents	\$ -	\$ 55,692	\$ -	\$ 55,692
Due from other fund	136,246	-	58,444	194,690
	<u>136,246</u>	<u>-</u>	<u>58,444</u>	<u>194,690</u>
Total Assets	<u>\$ 136,246</u>	<u>\$ 55,692</u>	<u>\$ 58,444</u>	<u>\$ 250,382</u>
Net Position				
Restricted	<u>\$ 136,246</u>	<u>\$ 55,692</u>	<u>\$ 58,444</u>	<u>\$ 250,382</u>
Total Net Position	<u>136,246</u>	<u>55,692</u>	<u>58,444</u>	<u>250,382</u>
Total Liabilities and Net Position	<u>\$ 136,246</u>	<u>\$ 55,692</u>	<u>\$ 58,444</u>	<u>\$ 250,382</u>

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – OTHER ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2024

	Port of Pittsburgh Loan Program	MEC	Sanders SELF Loan Program	Total
Operating Expenses				
Other operating costs	\$ -	\$ (273)	\$ -	\$ (273)
Total operating expenses	-	(273)	-	(273)
Net Income (Loss)	-	(273)	-	(273)
Net Position:				
Beginning of year	136,246	55,965	58,444	250,655
End of year	\$ 136,246	\$ 55,692	\$ 58,444	\$ 250,382

ALLEGHENY COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF CASH FLOWS – OTHER ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2024

	Port of Pittsburgh Loan Program	MEC	Sanders SELF Loan Program	Total
Cash Flows From Operating Activities:				
Other operating costs	\$ -	\$ (273)	\$ -	\$ (273)
Net cash provided by (used in) operating activities	-	(273)	-	(273)
Net Increase (Decrease) in Cash and Cash Equivalents	-	(273)	-	(273)
Cash and Cash Equivalents:				
Beginning of year	-	55,965	-	55,965
End of year	<u>\$ -</u>	<u>\$ 55,692</u>	<u>\$ -</u>	<u>\$ 55,692</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Operating income (loss)	\$ -	\$ (273)	\$ -	\$ (273)
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ (273)</u>	<u>\$ -</u>	<u>\$ (273)</u>