



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

FROM: Ann M. Ogoreuc, Chair

DATE: November 9, 2020

SUBJECT: Finance Committee Meeting – November 12, 2020

The next meeting of the Finance Committee is scheduled for Thursday, November 12, 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 October 15, 2020 Finance Committee Meeting
2. October 2020 Financial Statements and Cash Flow (Pete Schenk)
3. Adjourn

cc: Other Port Authority Board Members

**FINANCE COMMITTEE MEETING**  
October 15, 2020

**DRAFT**

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  
Rep. Lori Mizgorski

1. Approval of Minutes:

The minutes of the September 17, 2020 Finance Committee Meeting were approved.

2. September 2020 Financial Statements:

Chief Financial Officer, Peter Schenk, reported on the September Financial Statements. He reported that for the month of September, Total Operating Income was \$5.6 million under budget and Passenger Revenues were \$4.9 million under budget due to lower ridership caused by the pandemic. ACCESS Shared Ride Revenues were under budget due to lower ridership as well. Total Advertising Revenues were \$133,686 under budget due to lower advertising commitments. Interest Income was below budget due to lower interest rates.

Total Operating Income for the first quarter of the fiscal year was \$16.7 million under budget. Mr. Schenk noted that this shortfall would indirectly be covered by CARES Act Funding.

Next, Mr. Schenk reported that Total Expenses for the month were \$2.38 million under budget primarily due to lower expenses in Employee Benefits, Materials and Supplies. For the first quarter, every expense category, other than salary and wages, were below budget.

Total Subsidy for September was \$28.7 million below budget due to receipt of State Operating Assistance in August versus the budgeted month of September.

Finally, Mr. Schenk reported that the Authority ended the month of September with \$141.1 million in Operating Reserves.

With no further business, the meeting was adjourned.

## **FINANCIAL STATEMENTS**



*Port Authority of Allegheny County*  
**CONSOLIDATED STATEMENT OF NET POSITION**

*For the Current Period*

*As of October 31, 2020*

	<b>OPERN</b>	<b>CAPTL</b>	<b>TOTAL</b>
<b><u>ASSETS</u></b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 113,439,384.13	\$ 23,265,887.20	136,705,271.33
Capital grants receivable	-	15,121,282.39	15,121,282.39
Other receivables	3,972,345.17	0.00	3,972,345.17
Prepaid expenses	601,114.46	-	601,114.46
Materials & supplies	18,501,075.69	-	18,501,075.69
<b>Total Current Assets</b>	<b>136,513,919.45</b>	<b>38,387,169.59</b>	<b>174,901,089.04</b>
NONCURRENT ASSETS			
Restricted assets for capital additions and related debt	-	12,462,700.88	12,462,700.88
Designated for reserve fund	38,488,582.00	-	38,488,582.00
Capital assets, net of accumulated depreciation	-	1,225,853,268.52	1,225,853,268.52
<b>Total Non-Current Assets</b>	<b>38,488,582.00</b>	<b>1,238,315,969.40</b>	<b>1,276,804,551.40</b>
<b>TOTAL ASSETS</b>	<b>\$ 175,002,501.45</b>	<b>\$ 1,276,703,138.99</b>	<b>\$ 1,451,705,640.44</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	-	6,582,991.68	6,582,991.68
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>\$ 6,582,991.68</b>	<b>\$ 176,532,513.68</b>
<b><u>LIABILITIES</u></b>			
CURRENT LIABILITIES			
Accounts payable	14,177,897.98	958,339.98	15,136,237.96
Accrued compensation, benefits & withholdings	14,977,442.60	-	14,977,442.60
Unearned revenue	133,995,758.85	29,306,068.87	163,301,827.72
Reserves for claims & settlements	6,456,215.00	-	6,456,215.00
Other current liabilities	-	1,375,981.29	1,375,981.29
<b>Total Current Liabilities</b>	<b>169,607,314.43</b>	<b>31,640,390.14</b>	<b>201,247,704.57</b>
NONCURRENT LIABILITIES			
Bond payable, net	-	158,727,449.15	158,727,449.15
Reserves for claims & settlements	4,843,711.00	-	4,843,711.00
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>1,050,630,681.00</b>	<b>158,727,449.15</b>	<b>1,209,358,130.15</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 1,220,237,995.43</b>	<b>\$ 190,367,839.29</b>	<b>\$ 1,410,605,834.72</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>\$ (943,425,799.98)</b>	<b>\$ 1,092,918,291.38</b>	<b>\$ 149,492,491.40</b>



PORT AUTHORITY OF ALLEGHENY COUNTY

COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Month of October 2020			4 Month Year-to-Date			Notes
	Budget	Actual	Variance	Budget	Actual	Variance	
<b>REVENUE :</b>							
Passenger revenue -							
Bus, Light Rail & Incline Plane	\$7,764,550	\$2,699,997	(\$5,064,553)	\$30,455,995	\$10,010,694	(\$20,445,301)	
ACCESS program service	937,403	553,914	(\$383,489)	3,602,470	2,826,210	(\$776,260)	
Advertising	205,435	133,544	(\$71,891)	928,490	501,094	(\$427,396)	
Interest income	186,301	16,698	(\$169,603)	824,882	104,699	(\$720,183)	
Other income	70,716	38,282	(\$32,434)	297,441	156,440	(\$141,001)	
<b>Total Operating Income</b>	<b>\$9,164,405</b>	<b>\$3,442,435</b>	<b>(\$5,721,970)</b>	<b>\$36,109,278</b>	<b>\$13,599,137</b>	<b>(\$22,510,141)</b>	Total Operating Income was \$5.7 million under budget for the month and \$22.5 million under budget year-to-date. This is due to lower ridership related to the pandemic. The shortfall is indirectly eligible for CARES Funding.
<b>EXPENSE :</b>							
Wages & salaries	\$13,982,899	\$13,958,150	\$24,749	\$50,234,687	\$50,702,344	(\$467,657)	
Employee benefits	13,620,059	12,641,297	\$978,762	57,312,969	52,204,924	\$5,108,045	
Materials & supplies	4,062,325	3,552,996	\$509,329	16,343,972	12,676,132	\$3,667,840	
Provision for injuries & damages	357,415	229,911	\$127,504	1,759,660	1,011,666	\$747,994	
Purchased services	1,694,311	883,169	\$811,142	6,887,899	3,241,383	\$3,646,516	
Utilities	687,339	482,171	\$205,168	2,749,556	1,768,971	\$980,585	
Other expense	1,071,102	951,209	\$119,893	5,666,578	2,865,635	\$2,800,943	
ACCESS program service	2,435,235	1,457,128	\$978,107	9,740,940	8,605,962	\$1,134,978	
<b>Total Expense</b>	<b>\$37,910,685</b>	<b>\$34,156,031</b>	<b>\$3,754,654</b>	<b>\$150,696,261</b>	<b>\$133,077,017</b>	<b>\$17,619,244</b>	Total Expense for the month of October is \$3.7 million below budget. Year-to-date Total Expense is \$17.6 million below budget with every expense category except Wages & Salaries below budget.
<b>Deficit before Subsidy</b>	<b>(\$28,746,280)</b>	<b>(\$30,713,596)</b>	<b>(\$1,967,316)</b>	<b>(\$114,586,983)</b>	<b>(\$119,477,880)</b>	<b>(\$4,890,897)</b>	
<b>Operating Subsidy:</b>							
County Drink Tax Revenue			\$0			\$0	
RAD Assistance - Local	275,000	182,143	(\$92,857)	1,100,000	728,572	(\$371,428)	
Gen Operating Assist - State	17,208,722	17,116,669	(\$92,053)	79,579,981	80,116,712	\$536,731	
Gen Op Assist - State Match 5310			\$0			\$0	
Defer State Operating Assist			\$0			\$0	
Cost of Contracting			\$0	1,863,383	1,863,383	\$0	
Redistribute to Vehicle Overhaul	550,000		(\$550,000)	1,640,000	411,181	(\$1,228,819)	
Redistribute to Capital Accounts	169,383	266,947	\$97,564	677,532	766,019	\$88,487	
Fringe Benefits Redistrib Cap Accts	85,000	86,978	\$1,978	340,000	323,088	(\$16,912)	
Preventive Maintenance	7,279,763	7,279,763	\$0	15,479,365	15,479,365	\$0	
Third Party Reimbursements	5,000	42,026	\$37,026	66,000	134,917	\$68,917	
ACCESS-5310 revenue			\$0			\$0	
ACCESS-PWD	51,600	31,433	(\$20,167)	206,400	164,623	(\$41,777)	
CARES - Port Authority	8,333		(\$8,333)	33,332		(\$33,332)	
CARES - County			\$0		2,524,217	\$2,524,217	
<b>Total Subsidy</b>	<b>\$25,632,801</b>	<b>\$25,005,960</b>	<b>(\$626,841)</b>	<b>\$100,985,993</b>	<b>\$102,512,078</b>	<b>\$1,526,085</b>	Total Subsidy for the month was \$626,841 below budget. This is due to a shortfall in Vehicle Overhaul funding that the Authority will not receive without new State Capital Funding. Year-to-date, Total Subsidy is \$1.5 million above budget due to CARES funding.
<b>Surplus/Deficit</b>	<b>(\$3,113,479)</b>	<b>(\$5,707,636)</b>	<b>(\$2,594,157)</b>	<b>(\$13,600,990)</b>	<b>(\$16,965,802)</b>	<b>(\$3,364,812)</b>	



PORT AUTHORITY OF ALLEGHENY COUNTY  
COMPARATIVE SUMMARY OF REVENUES AND EXPENSES

	Monthly Actuals			Year to Date Actuals			Notes
	October 2019	October 2020	Variance	FY2020	FY2021	Variance	
<b>REVENUE :</b>							
Passenger revenue -							
Bus, Light Rail & Incline Plane	\$7,764,580	\$2,699,997	(\$5,064,583)	\$30,455,995	\$10,010,694	(\$20,445,301)	
ACCESS program service	937,403	553,914	(\$383,489)	3,602,470	2,826,210	(\$776,260)	
Advertising	205,404	133,544	(\$71,860)	908,479	501,094	(\$407,385)	
Interest income	186,301	16,698	(\$169,603)	824,882	104,699	(\$720,183)	
Other income	70,717	38,282	(\$32,435)	297,542	156,440	(\$141,102)	
<b>Total Operating Income</b>	<b>\$9,164,405</b>	<b>\$3,442,435</b>	<b>(\$5,721,970)</b>	<b>\$36,089,368</b>	<b>\$13,599,137</b>	<b>(\$22,490,231)</b>	Total Operating Income is \$22.5 million below last fiscal year with every income category below budget. This variance will indirectly be eligible for CARES Funding.
<b>EXPENSE :</b>							
Wages & salaries	\$13,308,789	\$13,958,150	(\$649,361)	\$48,430,241	\$50,702,344	(\$2,272,103)	
Employee benefits	12,406,152	12,641,297	(\$235,145)	51,371,460	52,204,924	(\$833,464)	
Materials & supplies	3,594,846	3,552,996	\$41,850	14,072,421	12,676,132	\$1,396,289	
Provision for injuries & damages	268,680	229,911	\$38,769	968,980	1,011,666	(\$42,686)	
Purchased services	1,034,036	883,169	\$150,867	2,813,529	3,241,383	(\$427,854)	
Utilities	679,573	482,171	\$197,402	1,996,511	1,768,971	\$227,540	
Other expense	1,200,112	951,209	\$248,903	2,829,276	2,865,635	(\$36,359)	
Interest		0	\$0		0	\$0	
ACCESS program service	2,320,946	1,457,128	\$863,818	9,829,150	8,605,962	\$1,223,188	
<b>Total Expense</b>	<b>\$34,813,134</b>	<b>\$34,156,031</b>	<b>\$657,103</b>	<b>\$132,311,568</b>	<b>\$133,077,017</b>	<b>(\$765,449)</b>	Total Expense is \$765,449 higher than last fiscal year, predominantly due to higher Wages & Salaries and Benefits.
<b>Deficit before Subsidy</b>	<b>(\$25,648,729)</b>	<b>(\$30,713,596)</b>	<b>(\$5,064,867)</b>	<b>(\$96,222,200)</b>	<b>(\$119,477,880)</b>	<b>(\$23,255,680)</b>	
<b>Operating Subsidy:</b>							
County Drink Tax Revenue			-			-	
RAD Assistance - Local	275,000	182,143	(92,857)	1,100,000	728,572	(371,428)	
Gen Operating Assist - State	17,208,722	17,116,669	(92,053)	79,579,980	80,116,712	536,732	
Gen Op Assist - State Match 5310			-			-	
Defer State Operating Assist			-			-	
Cost of Contracting			-	1,756,862	1,863,383	106,521	
Redistribute to Vehicle Overhaul	464,636		(464,636)	1,851,352	411,181	(1,440,171)	
Redistribute to Capital Accounts	170,453	266,947	96,494	718,278	766,019	47,741	
Fringe Benefits Redistrib Cap Accts	39,610	86,978	47,368	262,622	323,088	60,466	
Preventive Maintenance	5,025,549	7,279,763	2,254,214	14,498,712	15,479,365	980,653	
Third Party Reimbursements	18,685	42,026	23,341	221,586	134,917	(86,669)	
ACCESS-5310 revenue			-			-	
ACCESS-PWD	52,235	31,433	(20,802)	205,570	164,623	(40,947)	
CARES - Port Authority			-			-	
CARES - County			-		2,524,217	2,524,217	
<b>Total Subsidy</b>	<b>\$23,254,890</b>	<b>\$25,005,960</b>	<b>\$ 1,751,070</b>	<b>\$100,194,962</b>	<b>\$102,512,078</b>	<b>\$ 2,317,116</b>	Total Subsidy is \$2.3 million ahead of last fiscal year due to CARES Funding and Preventive Maintenance funding.
<b>Surplus/Deficit</b>	<b>(\$2,393,839)</b>	<b>(\$5,707,636)</b>	<b>\$ (3,313,797)</b>	<b>\$3,972,762</b>	<b>(\$16,965,802)</b>	<b>(\$20,938,564)</b>	

**PORT AUTHORITY OF ALLEGHENY COUNTY**  
**FY 2021 PROJECTED OPERATING RESERVE**  
**(As of October 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	BUDGET
Begin Cash & Investments	<b>147,001</b>	<b>117,785</b>	<b>96,433</b>	<b>131,616</b>	<b>141,117</b>	<b>139,605</b>	<b>137,754</b>	<b>135,903</b>	<b>134,002</b>	<b>132,101</b>	<b>130,200</b>	<b>128,299</b>	<b>126,398</b>		
Oper Grants:															
. County/ Additional County Assistance	<i>0</i>	<i>0</i>	<i>9,456</i>	<i>2,534</i>	<i>0</i>	<i>2,811</i>	<i>2,811</i>	<i>2,811</i>	<i>2,811</i>	<i>2,811</i>	<i>2,811</i>	<i>2,811</i>	<i>2,811</i>	<i>34,478</i>	<b>33,728</b>
. Regional Asset District	<i>182</i>	<i>182</i>	<i>182</i>	<i>182</i>	<i>182</i>	<i>275</i>	<i>275</i>	<i>225</i>	<i>225</i>	<i>225</i>	<i>225</i>	<i>225</i>	<i>225</i>	<i>2,628</i>	<b>3,000</b>
. State	<i>1,705</i>	<i>16,672</i>	<i>27,120</i>	<i>20,141</i>	<i>17,309</i>	<i>22,259</i>	<i>22,259</i>	<i>22,259</i>	<i>22,259</i>	<i>22,259</i>	<i>22,259</i>	<i>22,259</i>	<i>22,260</i>	<i>259,315</i>	<b>244,850</b>
. Additional State Operating Assistance/Rebase														<i>0</i>	
. CARES/Deferred Oper Assist	<i>0</i>	<i>0</i>	<i>27,483</i>	<i>4,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>42,708</i>	<i>74,191</i>	<b>42,808</b>
Revenues:															
. ACM/Grants Management/T&L	<i>221</i>	<i>257</i>	<i>0</i>	<i>446</i>	<i>354</i>	<i>276</i>	<i>276</i>	<i>276</i>	<i>276</i>	<i>276</i>	<i>276</i>	<i>276</i>	<i>273</i>	<i>3,262</i>	<b>3,309</b>
. ACCESS/Shared Ride	<i>623</i>	<i>0</i>	<i>642</i>	<i>0</i>	<i>990</i>	<i>882</i>	<i>882</i>	<i>882</i>	<i>882</i>	<i>882</i>	<i>882</i>	<i>882</i>	<i>884</i>	<i>8,690</i>	<b>10,586</b>
. ACCESS/Capital Cost of Contracting	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,863</i>	<i>0</i>	<i>1,376</i>	<i>1,376</i>	<i>1,376</i>	<i>1,376</i>	<i>1,376</i>	<i>1,376</i>	<i>1,376</i>	<i>1,375</i>	<i>12,870</i>	<b>16,511</b>
. ACCESS/Connections and Works	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>36</i>	<i>281</i>	<b>421</b>
. Passenger Revenues	<i>2,003</i>	<i>1,953</i>	<i>2,379</i>	<i>3,000</i>	<i>2,817</i>	<i>7,388</i>	<i>7,388</i>	<i>7,388</i>	<i>7,388</i>	<i>7,388</i>	<i>7,388</i>	<i>7,388</i>	<i>7,388</i>	<i>69,253</i>	<b>88,651</b>
. VOH	<i>873</i>	<i>0</i>	<i>0</i>	<i>19</i>	<i>0</i>	<i>542</i>	<i>542</i>	<i>542</i>	<i>542</i>	<i>542</i>	<i>542</i>	<i>542</i>	<i>538</i>	<i>4,351</i>	<b>6,500</b>
. PREVENTIVE MAINTENANCE	<i>1,508</i>	<i>0</i>	<i>0</i>	<i>7,056</i>	<i>7,280</i>	<i>2,441</i>	<i>2,441</i>	<i>2,441</i>	<i>2,441</i>	<i>2,441</i>	<i>2,441</i>	<i>2,441</i>	<i>2,448</i>	<i>33,871</i>	<b>29,299</b>
. Investment Income	<i>63</i>	<i>44</i>	<i>28</i>	<i>18</i>	<i>20</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>130</i>	<i>133</i>	<i>1,153</i>	<b>1,563</b>
. Advertising Income	<i>0</i>	<i>352</i>	<i>116</i>	<i>132</i>	<i>129</i>	<i>229</i>	<i>229</i>	<i>229</i>	<i>229</i>	<i>229</i>	<i>229</i>	<i>229</i>	<i>231</i>	<i>2,563</i>	<b>2,750</b>
. OTHER	<i>691</i>	<i>290</i>	<i>3,126</i>	<i>2,907</i>	<i>456</i>	<i>69</i>	<i>69</i>	<i>69</i>	<i>69</i>	<i>69</i>	<i>69</i>	<i>69</i>	<i>66</i>	<i>7,328</i>	<b>825</b>
Cash Available	<b>154,870</b>	<b>137,535</b>	<b>166,965</b>	<b>173,914</b>	<b>170,654</b>	<b>178,318</b>	<b>176,467</b>	<b>174,566</b>	<b>172,665</b>	<b>170,764</b>	<b>168,863</b>	<b>166,962</b>	<b>207,774</b>	<b>514,234</b>	<b>484,801</b>
Payments:															
. Pay/Withold/Fringe	<i>13,741</i>	<i>20,610</i>	<i>14,082</i>	<i>13,326</i>	<i>10,366</i>	<i>16,433</i>	<i>16,433</i>	<i>16,433</i>	<i>16,433</i>	<i>16,433</i>	<i>16,433</i>	<i>16,433</i>	<i>16,437</i>	<i>189,852</i>	<b>197,200</b>
. Healthcare	<i>11,925</i>	<i>6,580</i>	<i>6,562</i>	<i>4,057</i>	<i>2,481</i>	<i>7,414</i>	<i>7,414</i>	<i>7,414</i>	<i>7,414</i>	<i>7,414</i>	<i>7,414</i>	<i>7,414</i>	<i>7,416</i>	<i>78,994</i>	<b>88,970</b>
. Pension Payment	<i>5,038</i>	<i>5,050</i>	<i>5,603</i>	<i>5,047</i>	<i>5,069</i>	<i>3,831</i>	<i>3,831</i>	<i>3,831</i>	<i>3,831</i>	<i>3,831</i>	<i>3,831</i>	<i>3,831</i>	<i>3,828</i>	<i>51,414</i>	<b>45,969</b>
. All Other	<i>6,371</i>	<i>8,832</i>	<i>9,082</i>	<i>10,307</i>	<i>13,113</i>	<i>12,794</i>	<i>12,794</i>	<i>12,794</i>	<i>12,794</i>	<i>12,794</i>	<i>12,794</i>	<i>12,794</i>	<i>12,790</i>	<i>143,682</i>	<b>153,524</b>
. Treasury Service Expense	<i>10</i>	<i>30</i>	<i>20</i>	<i>60</i>	<i>20</i>	<i>92</i>	<i>92</i>	<i>92</i>	<i>92</i>	<i>92</i>	<i>92</i>	<i>92</i>	<i>98</i>	<i>872</i>	<b>1,110</b>
Total Payments	<b>37,085</b>	<b>41,102</b>	<b>35,349</b>	<b>32,797</b>	<b>31,049</b>	<b>40,564</b>	<b>40,564</b>	<b>40,564</b>	<b>40,564</b>	<b>40,564</b>	<b>40,564</b>	<b>40,564</b>	<b>40,569</b>	<b>464,814</b>	<b>486,773</b>
Ending Cash & Investments	<b>117,785</b>	<b>96,433</b>	<b>131,616</b>	<b>141,117</b>	<b>139,605</b>	<b>137,754</b>	<b>135,903</b>	<b>134,002</b>	<b>132,101</b>	<b>130,200</b>	<b>128,299</b>	<b>126,398</b>	<b>167,205</b>		

At the end of October, the Authority ended the month with \$139.6 million in Operating Reserves.