

**THE ALLEGHENY REGIONAL  
ASSET DISTRICT**

FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011

THE ALLEGHENY REGIONAL ASSET DISTRICT  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011

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# Zelenkofske Axelrod LLC

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Allegheny Regional Asset District  
Pittsburgh, Pennsylvania

We have audited the accompanying financial statements of the governmental activities and each major fund of the Allegheny Regional Asset District (District) as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Allegheny Regional Asset District's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Allegheny Regional Asset District, as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 26 through 27 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.

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# Zelenkofske Axelrod LLC

Board of Directors  
The Allegheny Regional Asset District

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with Section 3119-B of Act 1993-77 dated December 22, 1993, insofar as it relates to the District's documentation of employment practices and actions taken by the Board of Directors of the District to develop and expand minority and women's business enterprises. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

*Zelenkofske Axelrod LLC*

Zelenkofske Axelrod, LLC

Pittsburgh, Pennsylvania  
February 15, 2012

## Management's Discussion and Analysis December 31, 2011

As management of the Allegheny Regional Asset District, hereafter referred to as the "DISTRICT", we offer readers of the DISTRICT's financial statements the narrative and overview of the financial activities of the DISTRICT for the fiscal year ended December 31, 2011.

### Fund Financial Statements

Since the activities of the DISTRICT are limited to making grants to eligible regional assets, the funds of the DISTRICT are all governmental in nature. There are no proprietary or fiduciary funds at this time. The governmental funds include a General Fund for paying the business operations of the DISTRICT and a Sales Tax Revenue Fund for receiving the proceeds of the sales tax and making allocations to assets.

The financial statements are presented in compliance with rules of the Governmental Accounting Standards Board (GASB). As a result, the District is not able to balance its long term debt with future revenues despite the fact that payment of the debt is entirely contingent on receipt of those revenues. Therefore, the statement of net assets shows an unrestricted deficit.

GASB also requires the presentation of statements by activity category. However, the DISTRICT has only one activity area, making grants to regional assets.

### Overview of the Financial Statements

The DISTRICT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### Government-Wide Financial Statements

These statements are designed to provide the reader with an overview of the entire DISTRICT operation.

The *statement of net assets* presents information on all of the DISTRICT's assets and liabilities with difference reported as net assets. The DISTRICT's restricted net assets represents reserve for funding future grants. The unrestricted net assets are a combination of a long term debt offset by the general fund balance. As noted above, the GASB now prohibits offsetting long term debt with future revenue.

The *statement of activities* presents information showing how the government's net assets changed during the last year. The DISTRICT does not charge for its services so there is no program revenue to record.

### Governmental Funds

The governmental funds deal with the current receipts and expenditures and are useful in evaluating performance during a fiscal period. The statements include a *balance sheet* for the two funds, showing the overall financial position at the end of the fiscal year, and a *statement of revenues, expenditures, and changes in fund balance* for both funds. Finally, because the District adopts a budget for both funds, there are statements comparing budget and actual for both funds.

### Notes to the Financial Statements

The notes are designed to assist the reader in understanding the legal structure and purpose of the DISTRICT as well as its organization, basis of accounting, financial procedures and commitments.

**Management's Discussion and Analysis**  
**December 31, 2011**

**Government-Wide Financial Analysis**

The DISTRICT does not conduct business related activities so all of the net assets and liabilities are shown under the governmental activities.

As illustrated in the following table current assets represent cash and investments along with taxes receivable. The long term liabilities represent the principal amount of a 2010 refunding bond issue that supported grants to the Sports and Exhibition Authority for the construction of new stadiums and convention center facilities. The DISTRICT pledged future grants of \$13,400,000 a year toward the debt contingent on the receipt of sufficient revenues. The obligation goes through the 2031 budget year. Other liabilities are miscellaneous grants payable to a number of regional assets.

Restricted net assets are funds that are available for future grant making while the unrestricted net assets represent the long term debt offset by general fund revenue not pledged toward future grant making. As previously stated, the negative net assets result from the accounting rules which do not permit booking future sales tax receipts to offset the long term debt. The DISTRICT does not own any other bookable assets which would offset the obligation.

**Governmental Activities 2011/2010**

	<u>2011</u>	<u>2010</u>
Current and other assets	<u>\$45,386,947</u>	<u>\$42,381,712</u>
Total Assets	<u>45,386,947</u>	<u>42,381,712</u>
Long Term Liabilities	174,229,750	183,594,169
Other Liabilities	<u>9,631,210</u>	<u>4,371,409</u>
Total Liabilities	<u>183,860,960</u>	<u>187,965,578</u>
Net Assets:		
Restricted	37,919,200	34,373,575
Unrestricted	<u>(178,398,214)</u>	<u>(179,957,441)</u>
Total Net Assets	<u>\$(138,474,014)</u>	<u>\$(145,583,866)</u>

As shown in the table on the next page, net assets improved slightly as a result of the reduction in the principal of the long term debt. This chart is stated on an accrual basis consistent with the audited financial statements.

**Management's Discussion and Analysis  
December 31, 2011**

**Change in Net Assets Governmental Activities 2011/2010**

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
<b>General Revenues</b>		
Sales Tax	\$ 84,556,477	\$ 81,311,301
Investment Income	<u>19,786</u>	<u>46,175</u>
<b>Total General Revenues</b>	<u>84,576,263</u>	<u>81,357,476</u>
<b>Expenses</b>		
General Government	643,785	631,908
Culture and Recreation	73,960,024	79,076,824
Interest on Long Term Debt	<u>2,863,219</u>	<u>9,384,519</u>
<b>Total Expense</b>	<u>77,467,028</u>	<u>89,093,251</u>
<b>Change in Net Assets</b>	7,109,235	(7,735,775)
<b>Net Assets January 1</b>	(145,583,866)	(137,849,725)
<b>Prior Period Adjustments - Lapses returned to fund</b>	<u>617</u>	<u>1,634</u>
<b>Net Assets December 31</b>	<u>\$ (138,474,014)</u>	<u>\$ (145,583,866)</u>

**Governmental Funds**

The following chart provides an overview of the balance sheets of the two governmental funds.

**Balance Sheet Governmental Funds 2011/2010**

	<u>General Fund</u>		<u>Sales Tax Revenue Fund</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 182,155	\$ 186,111	\$ 27,113,256	\$ 24,831,583
Sales tax revenue receivable	<u>-</u>	<u>-</u>	<u>14,800,000</u>	<u>13,900,000</u>
<b>Total Assets</b>	<u>182,155</u>	<u>186,111</u>	<u>41,913,256</u>	<u>38,731,583</u>
<b>Liabilities</b>				
Accounts Payable	<u>9,241</u>	<u>13,401</u>	<u>4,166,969</u>	<u>4,358,008</u>
<b>Total Liabilities</b>	<u>9,241</u>	<u>13,401</u>	<u>4,166,969</u>	<u>4,358,008</u>
<b>Fund Balance</b>				
Restricted for Administration	172,914	172,710	-	-
Restricted for Culture and Recreation	<u>-</u>	<u>-</u>	<u>37,746,287</u>	<u>34,373,575</u>
<b>Total Fund Balance</b>	<u>172,914</u>	<u>172,710</u>	<u>37,746,287</u>	<u>34,373,575</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 182,155</u>	<u>\$ 186,111</u>	<u>\$ 41,913,256</u>	<u>\$ 38,731,583</u>

**Management's Discussion and Analysis  
December 31, 2011**

**Statement of Revenues, Expenditures, and Changes in Fund Balance,  
Governmental Funds 2011/2010**

	General Fund		Sales Tax Revenue Fund	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues				
Taxes	\$ -	\$ -	\$ 84,556,478	\$ 81,311,301
Interest Income	<u>205</u>	<u>358</u>	<u>19,581</u>	<u>45,817</u>
Total Revenues	<u>205</u>	<u>358</u>	<u>84,576,059</u>	<u>81,357,118</u>
Expenditures				
Administration	643,785	631,908	-	3,521,512
Culture and Recreation	<u>-</u>	<u>-</u>	<u>80,560,180</u>	<u>90,786,989</u>
Total Expenditures	<u>643,785</u>	<u>631,908</u>	<u>80,560,180</u>	<u>94,308,501</u>
Other Financing Sources and Uses				
Proceeds from long term debt	-	-	-	173,765,000
Premium on issuance of bonds	-	-	-	9,992,309
Payment to escrow agent	-	-	-	(168,355,000)
Transfers in	643,167	627,500	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(643,167)</u>	<u>(627,500)</u>
Total other financing sources and uses	<u>643,167</u>	<u>627,500</u>	<u>(643,167)</u>	<u>14,774,809</u>
Net change in fund balance	(413)	(4,050)	3,372,712	1,823,426
Fund balance - beginning	<u>172,710</u>	<u>175,895</u>	<u>34,373,575</u>	<u>32,549,380</u>
Prior period adjustments	<u>617</u>	<u>865</u>	<u>-</u>	<u>769</u>
Fund balance - ending	<u>\$ 172,914</u>	<u>\$ 172,710</u>	<u>\$ 37,746,287</u>	<u>\$ 34,373,575</u>

**Comparative Analysis**

Current Revenue (taxes plus interest earnings) to the Sales Tax Revenue Fund increased by 3.3% over the previous year.

The table shown on the next page details the current revenue history on a cash basis.



**Management's Discussion and Analysis  
December 31, 2011**

**Sales Tax Revenue Fund Current Revenue History (Cash Basis)**

	Tax (a)	Interest (b)	Total Current Revenue (a+b)	% change prev. year
1995	\$ 52,770,292	\$ 886,277	\$ 53,656,569	
1996	\$ 59,826,998	\$ 1,030,649	\$ 60,857,647	13.42%
1997	\$ 62,844,529	\$ 1,224,352	\$ 64,068,881	5.28%
1998	\$ 65,949,865	\$ 1,243,500	\$ 67,193,365	4.88%
1999	\$ 68,358,116	\$ 1,381,486	\$ 69,739,602	3.79%
2000	\$ 73,546,980	\$ 1,975,485	\$ 75,522,465	8.29%
2001	\$ 71,895,902	\$ 1,270,408	\$ 73,166,310	-3.12%
2002	\$ 72,557,965	\$ 548,017	\$ 73,105,982	-0.08%
2003	\$ 71,765,711	\$ 303,005	\$ 72,068,716	-1.42%
2004	\$ 72,543,230	\$ 298,079	\$ 72,841,309	1.07%
2005	\$ 75,270,261	\$ 631,928	\$ 75,902,189	4.20%
2006	\$ 77,534,427	\$ 1,119,046	\$ 78,653,473	3.62%
2007	\$ 79,893,644	\$ 1,333,508	\$ 81,227,152	3.27%
2008	\$ 80,893,240	\$ 729,679	\$ 81,622,919	0.49%
2009	\$ 78,767,147	\$ 174,944	\$ 78,942,091	-3.28%
2010	\$ 81,011,301	\$ 45,817	\$ 81,057,118	2.68%
2011	\$ 83,656,478	\$ 19,581	\$ 83,676,059	3.23%

**Sales Tax Revenue Fund Monthly Cash Revenue History (Cash Basis)**

	2009	Cumulative 2009	2010	Cumulative 2010	2011	Cumulative 2011
January	\$ 6,635,170	\$ 6,635,170	\$ 6,196,804	\$ 6,196,804	\$ 6,667,420	\$ 6,667,420
February	\$ 7,786,043	\$ 14,421,213	\$ 7,803,012	\$ 13,999,816	\$ 8,129,712	\$ 14,797,132
March	\$ 5,760,901	\$ 20,182,114	\$ 5,663,534	\$ 19,663,350	\$ 5,950,725	\$ 20,747,857
April	\$ 5,924,963	\$ 26,107,077	\$ 5,812,939	\$ 25,476,289	\$ 6,096,434	\$ 26,844,291
May	\$ 6,773,005	\$ 32,880,082	\$ 7,023,608	\$ 32,499,897	\$ 7,174,192	\$ 34,018,483
June	\$ 6,236,172	\$ 39,116,254	\$ 6,539,445	\$ 39,039,342	\$ 6,637,538	\$ 40,656,021
July	\$ 6,350,554	\$ 45,466,808	\$ 7,198,904	\$ 46,238,246	\$ 6,977,058	\$ 47,633,079
August	\$ 7,429,129	\$ 52,895,937	\$ 7,808,881	\$ 54,047,127	\$ 7,478,992	\$ 55,112,071
September	\$ 6,728,187	\$ 59,624,124	\$ 8,030,858	\$ 62,077,985	\$ 7,261,566	\$ 62,373,637
October	\$ 6,297,716	\$ 65,921,840	\$ 6,690,249	\$ 68,768,234	\$ 6,879,206	\$ 69,252,843
November	\$ 6,801,354	\$ 72,723,194	\$ 6,878,424	\$ 75,646,658	\$ 7,447,354	\$ 76,700,197
December	\$ 6,043,953	\$ 78,767,147	\$ 6,354,644	\$ 82,011,302	\$ 6,956,280	\$ 83,656,477

The DISTRICT Board adopted a Sales Tax Revenue Fund fund balance (grant stabilization reserve) target to equal 15% of the current revenue which, based on 2011 revenue would be \$12.5 million, net of receivables. The DISTRICT's intention is to reduce the reserve until the 15% level is reached, now projected for 2016. The DISTRICT budgeted \$2.1 million of the reserve for use in 2012 and has committed another \$840,000 in reserve capital grants in 2013. Between 2013 and 2016, the DISTRICT would use \$7 million in additional funds from the grant stabilization reserve to sustain the grant program and/or issue capital grants.

## Management's Discussion and Analysis December 31, 2011

### Budget Variances

In the Sales Tax Revenue Fund, the DISTRICT initially anticipated \$78.25 million in new taxes for the year. The actual cash receipts tax revenue was \$83.6 million. Interest earnings were anticipated at \$50,000, and came in at \$19,785 due to the historic low level of interest rates. The fund budget was originally set at \$81.1 million. It was amended during the year to add \$54,015 each to the capital grants for the City of Pittsburgh Regional Parks and Allegheny Parks in order to meet the statutory requirement to allocate at least 1% of current revenue to the capital requirements of that system. The budget was also amended to provide for a special audit of the Allegheny County Library Association in the amount of \$29,000.

Although the DISTRICT anticipated the use of \$2.8 million of grant stabilization reserve revenue to meet its obligations during the year, the unexpected increase in tax collections offset this need. The Board reopened the capital grant program as a result of the increase in revenue and increased the 2012 budget by 3.4%.

The General Fund expenditures were below final budget in total although certain line items were minimally exceeded, offset with lower expenditures in other areas.

### Other Significant Matters

Other than furniture and equipment, the DISTRICT does not own property and is not responsible for infrastructure. The DISTRICT does not own, and therefore, does not record items in excess of \$5,000 in value.

To Management's knowledge there are no outstanding legal matters to which the DISTRICT is party. Legal counsel can provide a separate letter on these matters.

### Requests for Information

Questions on this report or requests for additional information should be addressed to the Executive Director, Allegheny Regional Asset District, 425 Sixth Avenue, Suite 1610, Pittsburgh, PA 15219, 412-227-1900 or [info@radworkshere.org](mailto:info@radworkshere.org)

ALLEGHENY REGIONAL ASSET DISTRICT  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2011

Assets	Governmental Activities
Cash and Cash Equivalents	\$ 27,295,411
Sales tax revenue receivable	14,800,000
Bond issuance costs	<u>3,291,536</u>
 Total Assets	 <u>\$ 45,386,947</u>
<hr/>	
Liabilities	
Current Liabilities:	
Accounts Payable	\$ 9,241
Allocations Payable 2007	67,694
Allocations Payable 2008	96,098
Allocations Payable 2009	975,342
Allocations Payable 2010	1,092,223
Allocations Payable 2011	1,935,612
Current portion of long-term debt	<u>5,455,000</u>
 Total Current Liabilities	 <u>9,631,210</u>
 Long-term debt	 <u>174,229,750</u>
 Total Liabilities	 <u>183,860,960</u>
<hr/>	
Net Assets	
Restricted Net Assets	37,919,201
Unrestricted	<u>(176,393,214)</u>
 Total Net Deficit	 <u>\$ (138,474,013)</u>

The accompanying notes are an integral part of the financial statements.

ALLEGHENY REGIONAL ASSET DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges</u> <u>for Services</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:			
General Government - Administrative	\$ 643,785	\$ -	\$ (643,785)
Culture and Recreation	73,960,024	-	(73,960,024)
Interest on Long-Term Debt	2,863,219	-	(2,863,219)
 Total Governmental Activities	 <u>77,467,028</u>	 <u>-</u>	 <u>(77,467,028)</u>
General Revenues:			
Sales tax			84,556,478
Unrestricted investment earnings			19,786
Total General Revenues			<u>84,576,264</u>
 Change in Net Assets			 7,109,236
Net Assets - Beginning As Restated (Note 9)			<u>(145,583,249)</u>
Net Assets - Ending			<u>\$ (138,474,013)</u>

The accompanying notes are an integral part of the financial statements.

ALLEGHENY REGIONAL ASSET DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2011

<u>Assets</u>	<u>General Fund</u>	<u>Sales Tax Revenue Fund</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 182,155	\$ 27,113,256	\$ 27,295,411
Sales tax revenue receivable	-	14,800,000	14,800,000
 Total assets	 <u>\$ 182,155</u>	 <u>\$ 41,913,256</u>	 <u>\$ 42,095,411</u>
 <u>Liabilities</u>			
Allocations payable 2007	\$ -	\$ 67,694	\$ 67,694
Allocations payable 2008	-	96,098	96,098
Allocations payable 2009	-	975,342	975,342
Allocations payable 2010	-	1,092,223	1,092,223
Allocations payable 2011	9,241	1,935,612	1,944,853
 Total liabilities	 <u>9,241</u>	 <u>4,166,969</u>	 <u>4,176,210</u>
 <u>Fund Balances</u>			
Restricted for Regional Assets	-	37,746,287	37,746,287
Restricted for Administration	172,914	-	172,914
 Total fund balances	 <u>172,914</u>	 <u>37,746,287</u>	 <u>37,919,201</u>
 Total liabilities and fund balances	 <u>\$ 182,155</u>	 <u>\$ 41,913,256</u>	 <u>\$ 42,095,411</u>

The accompanying notes are an integral part of the financial statements.

ALLEGHENY REGIONAL ASSET DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Sales Tax Revenue Fund	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ -	\$ 84,556,478	\$ 84,556,478
Interest income	205	19,581	19,786
<b>Total Revenues</b>	<u>205</u>	<u>84,576,059</u>	<u>84,576,264</u>
<b>Expenditures</b>			
Current operating:			
Administration	643,785	-	643,785
Culture and recreation	-	80,560,180	80,560,180
<b>Total Expenditures</b>	<u>643,785</u>	<u>80,560,180</u>	<u>81,203,965</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(643,580)</u>	<u>4,015,879</u>	<u>3,372,299</u>
<b>Other financing sources (uses)</b>			
Transfers in	643,167	-	643,167
Transfers out	-	(643,167)	(643,167)
<b>Total other financing sources (uses)</b>	<u>643,167</u>	<u>(643,167)</u>	<u>-</u>
<b>Net change in fund balance</b>	(413)	3,372,712	3,372,299
<b>Fund balance, beginning of year as restated (Note 9)</b>	<u>173,327</u>	<u>34,373,575</u>	<u>34,546,902</u>
<b>Fund balance, end of year</b>	<u>\$ 172,914</u>	<u>\$ 37,746,287</u>	<u>\$ 37,919,201</u>

The accompanying notes are an integral part of the financial statements.

ALLEGHENY REGIONAL ASSET DISTRICT  
 RECONCILIATION OF THE GOVERNMENT-WIDE STATEMENTS TO THE  
 GOVERNMENTAL FUND STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2011

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balances of governmental funds	\$	37,919,201
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Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of:

Long-term debt		(170,345,000)
Unamortized premium on debt		(9,339,750)
Unamortized debt issuance costs		<u>3,291,536</u>

Total net assets of governmental activities	\$	<u>(138,474,013)</u>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in fund balances - total governmental funds	\$	3,372,299
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.

Principal repayments		3,420,000
Amortization of bond issuance costs		(172,482)
Amortization of bond premium		<u>489,419</u>

Changes in net assets of governmental activities	\$	<u>7,109,236</u>
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THE ALLEGHENY REGIONAL ASSET DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The Allegheny Regional Asset District (the "District") was created by the Commonwealth of Pennsylvania (Commonwealth) Act 77 of 1993 (Act) for the purpose of supporting and financing regional assets, engaging in the oversight and coordination of regional assets, and assuring the efficient and effective operation and development of regional assets. Regional assets are defined in the Act as "a civic, recreational, library, sports, or cultural facility or project designated as such by the District."

The District is governed by a seven member Board of Directors (Board). The Board is appointed in the following manner: four members of the Board are appointed by the Allegheny County (County) Chief Executive with confirmation by County Council, two members are appointed by the Mayor of the City of Pittsburgh, and one member is elected by the six appointed Board members. The term of the Board members is concurrent with the term of the officials who appointed them into office. The elected Board member serves a two-year term. In addition, the Governor of the Commonwealth may appoint a non-voting member to the Board of the District.

Effective July 1, 1994, the Act allowed for a one percent tax to be levied upon each retail sale of tangible personal property or services, as more fully defined in the Tax Reform Code of 1971, and on the rent of hotel rooms within the County. The act allows for the County to levy the tax and the Pennsylvania Department of Revenue (Department) to collect the tax. The District receives one-half of the tax revenue collected by the Department, net of administrative fee charged by the Commonwealth (\$1,012,047 for 2011) which is not reflected on the financial statements of the District. There is at least a two-month long lag between most actual sales and receipt by the District.

In fulfilling its purpose, the District supports regional assets identified as contractual assets and non-contractual assets. Contractual assets were defined in 1995 as regional assets who entered into ten-year cooperation and support agreements with the District. During 2011, there were nine contractual assets covering the years of 2010 through 2015. The nine contractual assets are: Carnegie Library of Pittsburgh, Allegheny Regional Park System, Allegheny County Library Association, Regional Park System of the City of Pittsburgh, Pittsburgh Zoo, Carnegie Institute, Phipps Conservatory, National Aviary in Pittsburgh, and Renziehausen Park.

During 1999, the District entered into a multi-year agreement with the Sports and Exhibition Authority (the Authority) to offset the costs of the City of Pittsburgh and the County for refunding the Mellon Arena bond issue. The term of this agreement is from 2000 to 2018 and requires an allocation of \$1,600,000 through 2006 and then at varying lower amounts through 2018. This grant is subject to the availability of funds.



THE ALLEGHENY REGIONAL ASSET DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Organization and Purpose (Continued)

Also during 1999, the District entered into a second multi-year agreement with the Authority and the Pittsburgh Stadium Authority providing for termination of the contractual asset status for Three Rivers Stadium and for annual debt service payments toward construction of two new stadiums and expansion of the Convention Center known as the Regional Destination Financing Plan. The agreement provides for the District to make payments of \$13,400,000 per year beginning in 2000 and continuing through 2030. Unlike the other multi-year agreement with the Authority, this commitment is considered debt for the District (Note 8). During 2010 the District refunded with 1999 bond issue with Series 2010 bonds. The agreement with the Authority remains unchanged.

On November 29, 2004 the Board authorized amendments to the agreements covering the Mellon Arena debt service payments. Under the amendments, the amount and disbursement date of District grants remain unchanged. However, the grants were placed on a parity status with contractual assets and the Regional Destination Financing Plan (RDFFP) grants.

During 2002, the District extended the contractual asset status of Carnegie Library to 2028 for \$1,000,000 of the funding.

The 1995 funding level of the contractual assets serves at the floor funding level for subsequent years. Though the District has created these multi-year agreements with the contractual assets, there is a provision in the agreement that if the District does not receive sufficient revenue to cover the level of funding provided for in the agreements, lesser amounts may be funded. Rather, the District will provide funding to contractual assets and the RDFFP contract based on total revenue received on a pro rata basis. The total annual commitment for the contractual assets is \$38,425,000. In addition, the District is required by the Act to allocate at least 1% of its annual tax revenue to the County and 1% to the City of Pittsburgh for capital purchases in the various parks.

Non-contractual assets are regional assets that are funded on an annual basis, if sufficient funds are available. Each year, the District reviews applications received from organizations within the District. The applications are presented to the Board of the District, who makes the final determinations as to which organizations will be designated to receive funding.

B. Reporting Entity

The District is not considered to be part of the financial reporting entity of any other governmental entity, under the criteria established in Governmental Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units." All decisions regarding personnel matters, contracts, budgets, and actions on agreements with regional assets requires an affirmative vote of at least six members of the District's Board. As a result, no one governmental entity has control of the voting majority of the Board.

These financial statements do not include revenues generated under the Act, which are remitted directly to the County or municipalities within the County.

THE ALLEGHENY REGIONAL ASSET DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net assets, and the statement of activities) report information on all the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a given function, or segment, are affected 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

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.

THE ALLEGHENY REGIONAL ASSET DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 365 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Grants and interest associated with the current fiscal period are 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 only when the cash is received by the District.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major funds:

- The General Fund is the operating fund of the District. The General Fund accounts for administrative expenditures in carrying out the programs of the District supported by the transfer of tax revenues from the Sales Tax Revenue Fund.
- The Sales Tax Revenue Fund is used to account for the proceeds of the tax revenues generated under the Act as well as allocations to various regional assets. These allocations are made on a monthly, quarterly and annual basis. Up to one percent of the tax revenues collected are transferred to the General Fund for administrative costs.

THE ALLEGHENY REGIONAL ASSET DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets or Fund Balance1. Cash and Cash Equivalents

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments are stated at fair value.

3. Capital Assets

The District's policy is to capitalize all assets over \$5,000 for financial statement purposes. As of December 31, 2011, the District has no assets that meet this threshold.

4. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities statement of net assets.

5. Bond Issue Costs and Premiums

Bond issue costs and premiums are amortized on a straight-line basis over the term of the outstanding bonds.

6. Budgetary Procedures

Annual budgets for the General Fund and Sales Tax Revenue Fund were adopted using the modified accrual basis of accounting. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

At least ninety days prior to year end, a proposed budget is submitted to the District's Board for the succeeding year. The budget includes proposed expenditures for contractual and non-contractual regional assets, as previously defined, and the revenues anticipated to finance them. Public hearings are conducted to obtain comments on the proposed budget. At least thirty days prior to year end, the budget is legally adopted through the passage of a resolution by the District's Board. The adoption of the budget and the adoption of the budget amendments require and affirmative vote from six members of the Board.

In accordance with Act 77 the District must allocate 1% of its tax revenues to the City of Pittsburgh and the County for capital projects in the regional parks. The original adopted budget included these allocations based on estimated tax revenues with the understanding that adjustments may be necessary based on actual tax revenues. The final budget includes an adjustment of increased allocations of \$54,065 for both the City of Pittsburgh and the County.

THE ALLEGHENY REGIONAL ASSET DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets or Fund Balance (Continued)7. Risk

The District is exposed to various risks of loss related to torts, theft of, or damage to, and destruction of assets; errors and omissions; and injuries to employees. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There was no significant change in insurance coverage for the year.

8. Net Assets/Fund Balances

*Fund Balance Classification:* The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable:* This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

- *Restricted:* This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. This classification includes all balances in the General and Sales Tax Revenue Fund.

- *Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2011.

- *Assigned:* This classification includes amounts that are constrained by the Authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the District's management. The District did not have any assigned resources as of December 31, 2011.

- *Unassigned:* This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The District did not have any unassigned resources as of December 31, 2011.

THE ALLEGHENY REGIONAL ASSET DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Net Assets/Fund Balances (Continued)

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

9. Adoption of Governmental Accounting Standards Board Statements

The District adopted the provisions of GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." The adoption of this statement resulted in different classifications of fund balance for the District.

The District adopted the provisions of GASB Statement No. 59, "*Financial Instruments Omnibus*". The adoption of this statement had no effect on the financial reporting information of the District.

10. Pending Changes in Accounting Principles

In December 2009 the GASB issued Statement No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employers Plans*." The District is required to adopt Statement No. 57 for its calendar year 2012 financial statements.

In December 2010, the GASB issued Statement No. 60, "*Accounting and Financial Reporting for Service Concession Arrangements*". The District is required to adopt Statement No. 60 for its calendar year 2012 financial statements.

In December 2010 the GASB issued Statement No. 61, "*The Financial Reporting Entity: Omnibus*". The District is required to adopt Statement No. 61 for its calendar year 2013 financial statements.

In December 2010 the GASB issued Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*." The District is required to adopt Statement No. 62 for its calendar year 2012 financial statements.

In June 2011, the GASB issued Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*". The District is required to adopt Statement No. 63 for its calendar year 2012 financial statements.

In June 2011, the GASB issued Statement No. 64, "*Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*". The District is required to adopt Statement No. 64 for its calendar year 2012 financial statements.

The District has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

THE ALLEGHENY REGIONAL ASSET DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2011

## NOTE 2: DEPOSITS AND INVESTMENTS

*Interest Rate Risk* – The District does not have a formal investment policy for the District's operating funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, the District follows the guidelines set forth in Act 77 the outlines types of investments the District can invest in.

*Credit Risk* – The District has no formal investment policy for its operating funds that addresses credit risk, the District follows the guidelines set forth in Act 77 the outlines types of investments the District can invest in. As of December 31, 2011, the District's operating investments were all maintained in Money Markets and are stated at market value.

*Custodial Credit Risk* – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2011, the District's cash balances for its governmental activities were \$27,295,411 and its bank balances were \$27,295,459. Of these bank balances, \$27,110,890 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the District's name.

## NOTE 3: LEASE AGREEMENTS

The District is party to certain lease agreements for office space and equipment which extend through the year 2016. The rental expense in 2011 under these agreements was \$45,795. The future minimum payments are as follows:

2012	\$	38,525
2013		38,476
2014		38,071
2015		38,071
2016		<u>7,884</u>
	\$	<u>161,027</u>

## NOTE 4: INTERFUND TRANSFERS

Interfund transfers as of December 31, 2011 consisted of:

	Transfers In	Transfers Out
Major Funds:		
General Fund	\$ 643,167	\$ -
Sales Tax Revenue Fund	<u>-</u>	<u>643,167</u>
	<u>\$ 643,167</u>	<u>\$ 643,167</u>

THE ALLEGHENY REGIONAL ASSET DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2011

## NOTE 5: SALES TAX REVENUE FUND BALANCE

Following is a summary of the composition of the Sales Tax Revenue Fund balance at December 31, 2011:

Balance at December 31, 2010	\$ 20,473,575
Tax receipts	83,656,478
Investment income	19,581
Expenditures	(80,560,180)
Transfer to General Fund	<u>(643,167)</u>
Cash Balance, net of payables at December 31, 2011	22,946,287
Sales tax revenue receivable	<u>14,800,000</u>
Balance at December 31, 2011	<u>\$ 37,746,287</u>

## NOTE 6: PENSION

The District has adopted a defined contribution pension plan for its employees. The plan is a money purchase plan whereby plan assets are not trusteeed; rather, they are invested in an annuity contract. Under the plan, the District makes an annual contribution equal to seven percent of each employee's gross earnings.

Employees vest as follows: 20% after two years, 40% after three years, 60% after four years, 80% after five years, and 100% after six years. Employees are eligible for retirement benefits upon reaching age 55. Total payroll and covered payroll for 2011 was \$329,787. Total 2011 contributions to the plan by the District were \$23,085.

The balance as of December 31, 2011 is \$404,170, and is 100% vested by employees.

## NOTE 7: CONTINGENCIES

The District is dependent upon the State to collect and forward sales taxes. Future collections may be subject to adjustments from prior periods.



THE ALLEGHENY REGIONAL ASSET DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2011

## NOTE 8: LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended December 31, 2011:

	Amounts Payable as of <u>January 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Amounts Payable as of <u>December 31, 2011</u>	<u>Due Within One Year</u>
Governmental Activities					
G.O. Bonds	\$ 173,765,000	\$ -	\$ (3,420,000)	\$ 170,345,000	\$ 5,455,000
Governmental activities					
long-term liabilities	\$ 173,765,000	\$ -	\$ (3,420,000)	\$ 170,345,000	\$ 5,455,000
			Unamortized original issuance premium	9,339,750	
			Due within one year	<u>(5,455,000)</u>	
			Long term debt at year end	<u>\$ 174,229,750</u>	

On May 1, 1999, the Sports and Exhibition Authority of Pittsburgh and Allegheny County (the Authority) issued \$176,625,000 of Regional Asset District Sales Tax Revenue Bonds, Series of 1999 ("the Bonds") with interest rates ranging from 4.35% to 5.25%. The District has entered into an agreement with the Authority whereby the District will make monthly payments for repayment of the bonds. Annual payments will be approximately \$13,400,000 through 2031. Through 2010, a portion of the \$13,400,000 will be used for debt service still outstanding on Three Rivers Stadium. After that time, the entire payment will be applied to debt service on the bonds.

On September 8, 2010, the Authority issued \$173,765,000 of Regional Asset District Sales Tax Revenue Bonds, Refunding Series of 2010, with interest rates ranging from 2% to 5%. The new bonds were used to refund all of the 1999 series bonds. The refunding resulted in a difference between the cash flow required to service the old debt and that required to service the new debt of \$54,163. The refunding also resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$11,051,183. The District will make annual payments to the Authority in the amount of \$13,400,000 through 2031 to make the debt service payments on the bonds. The refunding bonds were issued with an original premium of \$9,053,978, which will be deferred and amortized over the life of the bonds using the straight-line method. In conjunction with the issuance of the bonds, the District incurred issuance costs of \$3,521,512, which will be amortized over the life of the bonds using the straight-line method.

In the event that the District does not have funding to cover the obligation and funding of its contractual assets, funding will be reduced pro rata. To cover such a contingency, the Authority has purchased an insurance policy that would provide repayment of principal and interest on the bonds.

The Commonwealth of Pennsylvania considers this to be lease rental debt of the District.

THE ALLEGHENY REGIONAL ASSET DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2011

## NOTE 8: LONG-TERM DEBT (CONTINUED)

An analysis of debt service requirements to maturity for the governmental fund on these obligations follows:

	Principal	Interest	Total
2012	\$ 5,455,000	\$ 7,937,588	\$ 13,392,588
2013	5,675,000	7,719,388	13,394,388
2014	5,900,000	7,492,388	13,392,388
2015	6,140,000	7,256,388	13,396,388
2016	6,385,000	7,010,788	13,395,788
2017-2021	36,735,000	30,276,790	67,011,790
2022-2026	46,055,000	20,912,164	66,967,164
2027-2031	<u>58,000,000</u>	<u>8,983,000</u>	<u>66,983,000</u>
	<u>\$ 170,345,000</u>	<u>\$ 97,588,494</u>	<u>\$ 267,933,494</u>

## NOTE 9: PRIOR PERIOD ADJUSTMENT

Undisbursed 2010 accounts payable were lapsed into fund balance in accordance with District Policy. As result opening fund balance was restated as follows:

	Governmental Activities	General Fund
Fund Balance January 1, 2011, as previously stated	\$ (145,583,866)	\$ 172,710
Lapse of funds	<u>617</u>	<u>617</u>
Fund Balance, January 1, 2011, restated	<u>\$ (145,583,249)</u>	<u>\$ 173,327</u>

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

ALLEGHENY REGIONAL ASSET DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment income	\$ 500	\$ 500	\$ 205	\$ (295)
Total Revenues	<u>500</u>	<u>500</u>	<u>205</u>	<u>(295)</u>
<b>Expenditures</b>				
Administration:				
Salaries	330,200	330,200	329,787	413
Benefits and taxes	152,710	157,010	146,341	10,669
Professional services	30,600	30,600	30,581	19
Rent	47,000	47,000	45,743	1,257
Contractual services	27,120	27,120	21,341	5,779
Office supplies, printing	18,000	18,000	14,596	3,404
Travel and mileage	4,000	4,000	2,369	1,631
Memberships	500	500	519	(19)
Insurance	11,200	11,200	10,421	779
Postage	5,000	5,000	4,544	456
Advertising	2,000	2,000	728	1,272
Audit services	17,500	17,500	16,825	675
Payroll and bank charges	1,800	1,800	1,822	(22)
Telecommunications	4,000	4,000	4,357	(357)
Equipment	5,000	5,000	3,561	1,439
Special Project - IT upgrade	10,250	10,250	10,250	-
Total Expenditures	<u>666,880</u>	<u>671,180</u>	<u>643,785</u>	<u>27,395</u>
Excess (deficiency) of revenues over expenditures	<u>(666,380)</u>	<u>(670,680)</u>	<u>(643,580)</u>	<u>27,100</u>
<b>Other financing sources (uses)</b>				
Transfers in	<u>651,130</u>	<u>651,130</u>	<u>643,167</u>	<u>(7,963)</u>
Total other financing sources (uses)	<u>651,130</u>	<u>651,130</u>	<u>643,167</u>	<u>(7,963)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (15,250)</u>	<u>\$ (19,550)</u>	<u>\$ (413)</u>	<u>\$ 19,137</u>

ALLEGHENY REGIONAL ASSET DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SALES TAX REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 78,250,000	\$ 78,250,000	\$ 84,556,478	\$ 6,306,478
Interest Income	50,000	50,000	19,581	(30,419)
<b>Total Revenues</b>	<u>78,300,000</u>	<u>78,300,000</u>	<u>84,576,059</u>	<u>6,276,059</u>
<b>Expenditures</b>				
<b>Culture and Recreation</b>				
Carnegie Library of Pittsburgh	20,629,040	20,629,040	20,629,040	-
Allegheny County Region Parks	18,292,500	18,346,565	18,346,565	-
<b>Sports and Exhibition</b>				
Authority (Debt Service) RDFP	13,400,000	13,400,000	13,400,000	-
<b>Sports and Exhibition</b>				
Authority (Debt Service) Arena	925,000	925,000	925,000	-
Allegheny County Library Association	5,768,000	5,768,000	5,768,000	-
City of Pittsburgh Regional Park System	5,625,500	5,679,565	5,679,565	-
Pittsburgh Zoo	3,287,300	3,287,300	3,287,300	-
Carnegie Institute	2,771,700	2,771,700	2,771,700	-
Phipps Conservatory	2,088,400	2,088,400	2,088,400	-
National Aviary in Pittsburgh	1,063,000	1,063,000	1,063,000	-
City of McKeesport Regional Park	668,130	668,130	668,130	-
Connection Grants	250,000	250,000	250,000	-
Access and opportunity	10,000	10,000	9,650	350
Other	5,644,830	5,644,830	5,644,830	-
Other ACLA Special Audit	-	29,000	29,000	-
<b>Total Expenditures</b>	<u>80,423,400</u>	<u>80,560,530</u>	<u>80,560,180</u>	<u>350</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,123,400)</u>	<u>\$ (2,260,530)</u>	<u>\$ 4,015,879</u>	<u>\$ 6,276,409</u>
<b>Other financing sources (uses)</b>				
Transfers out	(651,130)	(651,130)	(643,167)	7,963
<b>Total other financing     sources (uses)</b>	<u>(651,130)</u>	<u>(651,130)</u>	<u>(643,167)</u>	<u>7,963</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,774,530)</u>	<u>\$ (2,911,660)</u>	<u>\$ 3,372,712</u>	<u>\$ 6,284,372</u>