

QUAKER VALLEY COUNCIL OF GOVERNMENTS

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019

QUAKER VALLEY COUNCIL OF GOVERNMENTS

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April 16, 2021

The Executive Board  
Quaker Valley Council of Governments  
Pittsburgh, Pennsylvania

### INDEPENDENT AUDITOR'S REPORT

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Quaker Valley Council of Governments, (the "Council"), as of and for the year then ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

The Council's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

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 Council as of December 31, 2019, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Other Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a required 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquires, 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 evidence sufficient to express an opinion or provide any assurance.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 16, 2021, on our consideration of the Council'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 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 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 Quaker Valley Council of Governments' internal control over financial reporting and compliance.

  
Certified Public Accountants  
Pittsburgh, PA

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# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

As management of the Quaker Valley Council of Governments (the "Council"), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended December 31, 2019.

### Financial Highlights

- The Council continues to administer federal funding for development projects within its member's communities. Expenditures for these projects during 2019 were \$695,629 funded by federal Community Development Block Grants<sup>1</sup> and local matching contributions.
- The Council's unrestricted net position as of December 31, 2019 was \$133,369

<sup>1</sup> The majority of federally funded projects were contracted through Allegheny County DCED.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council'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.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private-sector business.

The *statement of net position* provides information showing how the Council's assets have changed during the current year. It reports the availability of assets for future use and is an important management tool in financial planning. The statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of government.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as accrued payroll and intergovernmental receivables.

Both of the government-wide financial statements distinguish functions of the Council that are principally supported by membership dues and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Council include general government, public works, recycling, and the annual dinner.

The government-wide financial statements can be found on pages 10-11 of this report.

## QUAKER VALLEY COUNCIL OF GOVERNMENTS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

DECEMBER 31, 2019

**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 Council, like other state and local governmental units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** This fund grouping is used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Immediately after both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances, a statement provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Council maintains two individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balance for the General Fund and the Community Development Block Grant Fund (CDBG) are considered to be major funds.

The basic governmental funds financial statements can be found on pages 12-15 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-27 of this report.

### Government-wide Financial Analysis

#### Analysis of Net Position

Net position is a useful indicator of a government's financial position. For the Council, total assets exceeded liabilities by \$137,496 at December 31, 2019 and \$118,014 at December 31, 2018.

**QUAKER VALLEY COUNCIL OF GOVERNMENTS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Continued)  
**DECEMBER 31, 2019**

**Quaker Valley Council of Governments'**  
**Statement of Net Position**

The following is a summary of the Council's Statement of Net Position as of December 31, 2019 and 2018:

	Governmental Activities	
	2019	2018
<i>Assets:</i>		
Current and Other Assets	\$ 228,170	\$ 332,109
Capital Assets	579	1,096
	<u>228,749</u>	<u>333,205</u>
<i>Liabilities:</i>		
Current Liabilities	<u>91,253</u>	<u>215,193</u>
	91,253	215,193
<i>Net Position:</i>		
Invested in Capital Assets, Net of related debt	579	1,096
Restricted - Recycling	3,548	-
Unrestricted	<u>133,369</u>	<u>116,918</u>
	<u>\$ 137,496</u>	<u>\$ 118,014</u>

The Council continues to maintain significant balances of net position. Unrestricted net position in the governmental activities represent assets available to fund general activities of the Council. The Council is well positioned to fulfill its mission without incurring significant liabilities.

**Changes in Net Position**

The Council's net position increased by \$19,482 for the year ended December 31, 2019 and increased by \$3,857 for the year ended December 31, 2018. The Council expends community development block grant funds on behalf of member governments. The Council is subcontracted by the grantee, the Allegheny County Department of Economic Development, to administer the programs. HUD is the grantor for all CDBG funds.

The Council's revenues are derived of 86% from grants, 4% from membership dues, 2% from the RAD Tax contributions and 8% from charges for services.

# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

DECEMBER 31, 2019

### Quaker Valley Council of Governments' Statement of Activities

The following summarizes the Council's Statement of Activities for the years ended December 31, 2019 and 2018.

	Governmental Activities	
	2019	2018
<i>Program Revenues:</i>		
Charges for Services	\$ 71,470	\$ 48,094
Operating Grants and Contributions	113,592	93,375
Capital Grants and Contributions	695,629	615,956
<i>General Revenues:</i>		
Membership Dues	40,700	44,000
RAD Tax	14,827	6,860
Investment Income	12	12
Miscellaneous Income	147	509
Total Revenues	936,377	808,806
<i>Program Expenses:</i>		
General Government	192,049	175,330
Public Safety	15,251	-
Public Works	695,629	615,956
Recycling	9,470	9,383
Annual Dinner	4,496	4,280
Total Expenses	916,895	804,949
Change in Net Position	19,482	3,857
Net Position - Beginning	118,014	114,157
Net Position - Ending	<u>\$ 137,496</u>	<u>\$ 118,014</u>

The Council's expenses cover a range of services, the largest being development projects within its members' jurisdictions.



# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

DECEMBER 31, 2019

### Analysis of Changes in Net Position

The Council's net position increased by \$19,482 for the year ended December 31, 2019 and increased by \$3,857 for the year ended December 31, 2018. This increase is explained in the governmental discussion below.

### Governmental Activities

Governmental Activities increased the Council's net position by \$19,482 for the year ended December 31, 2019. The following chart shows the extent to which each function of the Council is self-financing. The Council also raises general revenues in the form of membership dues which help to cover the difference between the revenues and expenses disclosed below.

	Balance at January 1, 2019	Additions	Disposals	Balance at December 31, 2019
Machinery and Equipment	\$ 6,133	\$ -	\$ -	\$ 6,133
	6,133	-	-	6,133
Accumulated Depreciation: Machinery and Equipment	(5,037)	(517)	-	(5,554)
	(5,037)	(517)	-	(5,554)
Net Capital Assets	\$ 1,096	\$ (517)	\$ -	\$ 579

The Council maintains a substantial fund balance in the Savings account. Transfers from the savings account to the Checking account are made each year to compensate for the shortfall in revenues received by the Council and to balance the budget. The main sources of revenue for the Council are CDBG and Allegheny County General Funds for administration and dues and RAD monies collected from member municipalities. The membership dues that municipalities pay to the Council have not been increased in over twenty two years. Council members will have to take a serious look at a dues increase in the future, especially if less funds for administration are received from CDBG and Allegheny County.

# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

DECEMBER 31, 2019

### Financial Analysis of the Council's Individual Funds

#### *Governmental Funds*

The focus of the Council's Governmental Funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2019, the Council's Governmental Funds reported a combined ending fund balance of \$136,917, an increase of \$19,999 in comparison to the previous year.

The General Fund reported an ending fund balance of \$136,917, an increase of \$19,999 from the previous year. This increase was explained in the discussion above for governmental activities.

The CDBG Fund reported an ending fund balance of \$0, an increase of \$0 from the previous year.

#### **Quaker Valley Council of Governments' Capital Assets** (net of depreciation)

What follows is a summary of the Council's capital assets as of December 31, 2019 and 2018.

	Governmental Activities	
	2019	2018
Machinery and equipment	\$ 579	\$ 1,096
Total	\$ 579	\$ 1,096

Additional information on the Council's capital assets can be found in Note E on page 26 of this report.

#### **Economic Factors**

The Council has a mixture of affluent municipalities that have no trouble collecting an adequate level of revenues that are sufficient to offset expenditures and other members that struggle to collect the necessary revenues to offset expenditures. CDBG funds are allocated to municipalities with no requirement of a local match if possible, especially for those with revenue problems.

**QUAKER VALLEY COUNCIL OF GOVERNMENTS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**  
**DECEMBER 31, 2019**

**Requests for Information**

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the government's finances. Additional information about the Council can be obtained on its website, [www.qvcog.net](http://www.qvcog.net). Questions concerning any of the information provided in this report or requests for additional financial information can be sent to the Council via its website or should be addressed to:

Quaker Valley Council of Governments  
8306 Ohio River Boulevard  
Pittsburgh, PA 15202

**QUAKER VALLEY COUNCIL OF GOVERNMENTS**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2019**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 120,264
Due from other governments	107,346
Security Deposits	560
Capital assets, net of depreciation	
Machinery and equipment	<u>579</u>
Total Assets	<u><u>\$ 228,749</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 91,253</u>
Total Liabilities	<u><u>\$ 91,253</u></u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	\$ 579
Restricted - Recycling	3,548
Unrestricted	<u>133,369</u>
Total Net Position	<u><u>\$ 137,496</u></u>

The accompanying notes are an integral part of this financial statement.



# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDING DECEMBER 31, 2019

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental Activities:					
General Government	\$ 192,049	\$ 40,371	\$ 109,057	\$ -	\$ (42,621)
Public Safety	15,251	13,233	-	-	(2,018)
Public Works	695,629	-	-	695,629	-
Recycling	9,470	13,418	-	-	3,948
Annual Dinner	4,496	4,448	4,535	-	4,487
Total governmental activities	\$ 916,895	\$ 71,470	\$ 113,592	\$ 695,629	\$ (36,204)
<b>General revenues:</b>					
Membership Dues					40,700
RAD Tax					14,827
Investment income					12
Miscellaneous income					147
Total general revenues					55,686
Change in net position					19,482
Net position - beginning					118,014
Net position - ending					\$ 137,496

The accompanying notes are an integral part of this financial statement.

**QUAKER VALLEY COUNCIL OF GOVERNMENTS**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**DECEMBER 31, 2019**

	<u>General Fund</u>	<u>CDBG Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 120,264	\$ -	\$ 120,264
Due from other funds	22,150	-	22,150
Due from other governments	12,428	94,918	107,346
Security Deposit	560	-	560
	<hr/>	<hr/>	<hr/>
Total assets	\$ 155,402	\$ 94,918	\$ 250,320
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 18,485	\$ 72,768	\$ 91,253
Due to other funds	-	22,150	22,150
Accrued wages	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	18,485	94,918	113,403
	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources:			
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances:			
Restricted - Recycling	3,548	-	3,548
Committed - Capital Expenditures	9,827	-	9,827
Unassigned	123,542	-	123,542
	<hr/>	<hr/>	<hr/>
Total fund balances	136,917	-	136,917
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 155,402	\$ 94,918	\$ 250,320
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this financial statement.

QUAKER VALLEY COUNCIL OF GOVERNMENTS  
RECONCILIATION OF GOVERNMENTAL FUND BALANCES  
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2019

Total Fund Balance, Governmental Funds	\$ 136,917
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	<u>579</u>
Net Position of Governmental Activities	<u>\$ 137,496</u>

The accompanying notes are an integral part of this financial statement.

**QUAKER VALLEY COUNCIL OF GOVERNMENTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	General Fund	CDBG Fund	Total Governmental Funds
<b>REVENUES</b>			
CDBG Revenue			
Federal	\$ 71,963	\$ 620,912	\$ 692,875
Local	7,500	74,717	82,217
Membership dues, municipal members	40,700	-	40,700
RAD Tax	14,827	-	14,827
Other Grant Revenue	29,594	-	29,594
Charges for Services	41,829	-	41,829
Sales	10,400	-	10,400
Annual dinner	8,983	-	8,983
Sales of Spec Books	1,375	-	1,375
Recycling	13,418	-	13,418
Interest income	12	-	12
Miscellaneous	147	-	147
Total revenues	240,748	695,629	936,377
<b>EXPENDITURES</b>			
CDBG project expense	-	695,629	695,629
Wages	101,819	-	101,819
Payroll taxes	5,634	-	5,634
Employee benefits	91	-	91
Rent	7,260	-	7,260
Grant Expenditures	34,134	-	34,134
Code and Zoning Enforcement	15,251	-	15,251
Quickbooks	6,653	-	6,653
Insurance	2,125	-	2,125
Professional services	1,851	-	1,851
Annual Dinner	4,496	-	4,496
Travel	75	-	75
Advertising	58	-	58
Office Expense	12,391	-	12,391
Telephone	2,959	-	2,959
Recycling	9,470	-	9,470
Miscellaneous	16,482	-	16,482
Total expenditures	220,749	695,629	916,378
Net change in fund balances	19,999	-	19,999
Fund balances - beginning	116,918	-	116,918
Fund balances - ending	\$ 136,917	\$ -	\$ 136,917

The accompanying notes are an integral part of this financial statement.



QUAKER VALLEY COUNCIL OF GOVERNMENTS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - total governmental funds:	\$	19,999
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Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays -0- exceeded depreciation \$517 in the current period.

(517)

Change in net position of governmental activities

\$ 19,482

The accompanying notes are an integral part of this financial statement.

# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Quaker Valley Council of Governments, Pennsylvania (the "Council"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The significant accounting policies are described below.

#### 1. Organization and Reporting Entity

The organization of the Council and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The Council was incorporated in 1981 under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania. The Council is a voluntary organization of local governments formed to foster a cooperative effort to study and resolve problems, determine policies, and formulate plans that are common and regional in nature. The Council is defined as an "intergovernmental cooperative" in the Intergovernmental Cooperative Act contained in Title LIII of the Pennsylvania Consolidated Statutes and it may perform certain municipal functions which are described in the Act. As such, the Council is classified as a special purpose government engaged in both governmental and business-type activities under GAAP and prepares the same financial statements as general purpose governments.

The Council operates under a Board of Directors. The Board appoints an Executive Director to manage its operations in the following areas: general government, public works, recycling, annual dinner, and other areas as approved by the Board.

As of December 31, 2019, the Council consists of the following fourteen municipal members:

Township of Aleppo  
Township of Kilbuck  
Township of Leet  
Borough of Avalon  
Borough of Bell Acres  
Borough of Bellevue  
Borough of Ben Avon  
Borough of Edgeworth  
Borough of Emsworth  
Borough of Glen Osborne  
Borough of Glenfield  
Borough of Haysville  
Borough of Leetsdale  
Borough of Sewickley Heights

# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS (Continued) DECEMBER 31, 2019

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 1. Organization and Reporting Entity – (Continued)

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", as amended, the Council has evaluated all related entities (authorities, commissions, tax exempt organizations and affiliates) for the possible inclusion in the financial reporting entity.

In evaluating how to define the Council, for financial reporting purposes, all potential component units were considered. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only criterion for including a potential component unit within the reporting entity, is the Council's ability to exercise oversight responsibility. The most significant part of this ability is financial interdependency. Other parts of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion is the scope of public service. Application of this criterion involves considering whether the activity benefits the Council and/or its members, or whether the activity is conducted within the authority of the Council and is generally available to its members. A third criterion is the existence of special financing relationships, regardless of the Council's ability to exercise oversight responsibility. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the Council's reporting entity.

There were no potential component units for consideration of inclusion within the reporting unit. Included within the reporting entity are: General Fund (mainly reported under the General Government function on the Statement of Activities) and Community Development Block Grant (CDBG) (reported as Public Works). All of the funds listed meet the above criteria and comprise the Council's reporting entity.

#### 2. Government-Wide Financial Statements and Fund Financial Statements

*Government-wide Statements:* The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by non-exchange and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are also excluded from the governmental-wide financial statements.



# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 2. Government-Wide Financial Statements and Fund Financial Statements – (Continued)

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the Council and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Council.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their net position use.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the Council's funds. Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The Council reports the following major governmental funds:

*General Fund.* This is the Council's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*CDBG.* This fund accounts for the various projects subject to the compliance requirements of the United States Housing and Urban Development program "Community Development Block Grants". In all contracts, Allegheny County is referred to as the grantor and the Council is referred to as the grantee. These funds are passed through the Allegheny County Department of Economic Development. As such, the County has certain compliance responsibilities for these grants.



# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 3. Fund Types

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the Council are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by its assets, liabilities, fund equity, revenues, and expenditures or expenses. A description of the purpose and function of each type presented in the accompanying financial statements follows.

#### GOVERNMENTAL FUND TYPES

The General Fund is used to account for all financial transactions not accounted for in the fund types listed below.

Special Revenue Funds are used to account for the proceeds from specific revenue sources or to finance special activities in accordance with statutory or administrative requirements. This includes designated revenues not included within other fund categories. The CDBG Fund is reported as a special revenue fund.

#### 4. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This method is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Available means expected to be collected within the following year for grant revenue and sixty days of year-end for all other revenues. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred.

QUAKER VALLEY COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

5. Revenues

- a. Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the Council is entitled to the grants. However, these grants are subject to compliance audit and adjustment by grantor agencies. Grant revenues received for expenses, which are disallowed, are repayable to the grantor.
- b. The receivable balances presented in the accompanying combined balance sheet are recorded at net realizable value.

6. Expenditures

Capital asset purchases are included in current year expenditures in governmental funds and are capitalized in the government-wide statement of net assets.

7. Cash, Cash Equivalents, Restricted Cash, and Investments

The Council maintains several checking accounts for depositing receipts and disbursing expenditures for all governmental fund types.

8. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide statement of net assets. All capital assets are recorded at cost, if known, or estimated historical cost. Donated capital assets are recorded at their fair market value on the date of donation. The Council does not maintain a specific capitalization dollar threshold. Routine repair and maintenance costs that do not add to the value of an asset or extend its useful life are charged as an expense in the government-wide statement of activities. Depreciation on capital assets recorded in the government-wide statement of net assets is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives for the Council's classes of reported capital assets are as follows:

Machinery and Equipment	10 years
-------------------------	----------

Public domain (infrastructure) general capital assets (e.g. roads, bridges, sidewalks and other assets that are immovable and of value only to the government) that were placed in service prior to 2004 are not required to be capitalized by governments that are the size of the Council. The Council has no such assets.

QUAKER VALLEY COUNCIL OF GOVERNMENTS

NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Capital Assets – (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized in the government-wide statement of net assets or the proprietary funds. Major renewals or betterments are capitalized as additions.

9. Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the activity/fund in which future benefits will be derived.

10. Budgets

The Council is not required to prepare an annual budget under the State Intergovernmental Cooperative Act. As such, a budgetary comparison schedule is not presented as required supplemental information. For internal purposes, the Council does adopt a budget for all funds.

11. Net Position

Net position in the government-wide financial statements is disclosed in one of the three following components:

*Invested in Capital Assets, Net of Related Debt* – consists of capital assets net of accumulated depreciation reduced by the outstanding balance of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, or contributors, or (2) law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – consists of all other net position that does not meet the two definitions above.

12. Fund Balance

Fund balance in the governmental fund are disclosed in one of the five following components:

*Nonspendable* – consists of amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact. The Council did not report any nonspendable balance as of December 31, 2019.



# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 12. Fund Balance – (Continued)

*Restricted* – consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, or contributors, or (2) law through constitutional provisions or enabling legislation. The Council reported restricted fund balance for recycling as of December 31, 2019.

*Committed* – consists of amounts that can only be used for specific purposes pursuant to constraints imposed by a resolution enacted by the Council's governing board. Once committed, a resolution by the Board is required to lift the commitment. The Council reported committed fund balance for capital expenditures as of December 31, 2019.

*Assigned* – consists of amounts that are constrained by the Council's intent to be used for specific purposes. The Council and Executive Director have authorization to assign fund balance. The Council did not report assigned fund balance as of December 31, 2019.

*Unassigned* – represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Other governmental funds report unassigned fund balance when they have a deficit fund balance.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, and then unrestricted resources as they are needed.

When committed, assigned, and unassigned resources are available for use, it is the Council's policy to use committed resources first, assigned resources second, and then unassigned resources as they are needed.

#### 13. Pending Governmental Accounting Standards Board Pronouncements

In January 2017, the Governmental Accounting Standards Board adopted Statement No. 84, *Fiduciary Activities*. This statement improves the guidance regarding the identification, accounting, and financial reporting of fiduciary activities. Generally, the criteria for identifying fiduciary activities focuses on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. This statement is required for financial statements beginning after December 15, 2019. The Council has not determined the impact, if any, that GASB 84 will have on the financial statements.



# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 13. Pending Governmental Accounting Standards Board Pronouncements – (Continued)

In June 2017, the Governmental Accounting Standards Board adopted Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement is required for financial statements beginning after June 15, 2021. The Council has not determined the impact, if any, that GASB 87 will have on the financial statements.

In June 2018, the Governmental Accounting Standards Board adopted Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement is required for financial statements beginning after December 15, 2020. The Council has not determined the impact, if any, that GASB 89 will have on the financial statements.

In August 2018, the Governmental Accounting Standards Board adopted Statement 90, *Majority Equity Interest – an amendment of GASB Statements No. 14 and 61*. This statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. In addition, this statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. This statement is required for financial statements beginning after December 15, 2019. The Council has not determined the impact, if any, that GASB 90 will have on the financial statements.

In May 2019, the Governmental Accounting Standards Board adopted Statement 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers, thereby eliminating diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This statement is required for financial statements beginning after December 15, 2021. The Council has not determined the impact, if any, that GASB 91 will have on the financial statements.

In January 2020, the Governmental Accounting Standards Board adopted Statement 92, *Omnibus 2020*. This statement amends numerous GASB standards, such as Statements 73 and 74 concerning pensions and post-employment benefit plans other than pension, along with some GASB statements not yet effective, such as GASB 84. Generally, the provisions of this statement were effective upon issuance for currently implemented standards and concurrently with the effective dates of GASB statement not yet effective. The Council has not determined the impact, if any, that GASB 92 will have on the financial statements.

# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### 13. Pending Governmental Accounting Standards Board Pronouncements – (Continued)

In March 2020, the Governmental Accounting Standards Board adopted Statement 93, *Replacement of Interbank Offered Rates*. This statement addresses issues arising from the revisions to the London Interbank Offered Rate (LIBOR) and more generally the accounting and financial reporting implications that result from the replacement of any interbank offered rate (IBOR). This statement is required for financial statements beginning after June 15, 2021, with the provisions related to the removal of LIBOR being effective for reporting periods ending after December 31, 2021. The Council has not determined the impact, if any, that GASB 93 will have on the financial statements.

In March 2020, the Governmental Accounting Standards Board adopted Statement 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*. This statement addresses various issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement is required for fiscal years beginning after June 15, 2022. The Council has not determined the impact, if any that GASB 94 will have on the financial statements.

In May 2020, the Governmental Accounting Standards Board adopted Statement 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The statement is required for fiscal years beginning after June 15, 2022. The Council has not determined the impact, if any, that GASB 96 will have on the financial statements.

In June 2020, the Governmental Accounting Standards Board adopted Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement generally requires that in the absence of governing board for a potential component unit, if the primary government performs the duties that a governing board typically would perform, this situation is treated the same as when the primary government appoints the potential component unit's board. In addition, this statement clarifies the reporting of IRS Section 457 plans such as applying the standards of GASB 84 to



## QUAKER VALLEY COUNCIL OF GOVERNMENTS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

DECEMBER 31, 2019

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

13. Pending Governmental Accounting Standards Board Pronouncements – (Continued)

determine whether those arrangements should be reported as fiduciary activities. This statement was generally effective upon issuance except for the accounting and financial reporting of IRS Section 457 and some requirements for determining component unit status which are effective for fiscal years beginning June 15, 2021. The Council has not determined the impact, if any, that GASB 97 will have on the financial statements.

14. Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Adoption of Accounting Standard

During the current year, the Council adopted Governmental Accounting Standards Board Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement provided temporary relief to governments in light of the COVID-19 pandemic by postponing the effective dates of certain pronouncements by one year to 18 months. The discussion of pending Governmental Accounting Standards Board Pronouncements above was revised to reflect the guidance of this standard.

#### NOTE B – CASH DEPOSITS AND INVESTMENTS

Statutes allow the Council to invest in United States Treasury bills, short-term obligations of the United States Government or the Commonwealth of Pennsylvania, deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72, and certificates of deposit limited to twenty per centum of capital and surplus if purchased from a commercial bank and limited to twenty per centum of assets minus liabilities if purchased from a savings and loan association, or other investments, collateralized by the aforementioned federal government securities.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Council does not have a deposit policy for custodial credit risk. As of December 31, 2019, the Council did not have deposits exposed to this risk.

**QUAKER VALLEY COUNCIL OF GOVERNMENTS**

**NOTES TO FINANCIAL STATEMENTS**

*(Continued)*

**DECEMBER 31, 2019**

**NOTE C – RECEIVABLES AND PAYABLES**

Receivables at December 31, 2019 were as follows:

	<u>Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Total Receivables</u>
Governmental activities			
General	\$ -	\$ 12,428	\$ 12,428
Public Works	-	94,918	94,918
Total Governmental Activities	<u>\$ -</u>	<u>\$ 107,346</u>	<u>\$ 107,346</u>

The amounts due from other governments for public works in governmental activities consist of \$94,918 due from the Allegheny County Department of Economic Development.

The Council considers all outstanding accounts to be collectible.

Payables at December 31, 2019, consisted primarily of amounts due to contractors for work performed on the various projects funded with CDBG money and amounts due to other governments for funding of projects that will ultimately be reimbursed by the Allegheny County Department of Economic Development.

**NOTE D – LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT**

The following is a summary of changes in capital assets for governmental activities during 2019:

	<u>Balance at January 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at December 31, 2019</u>
Machinery and Equipment	\$ 6,133	\$ -	\$ -	\$ 6,133
	6,133	-	-	6,133
Accumulated Depreciation:				
Machinery and Equipment	<u>(5,037)</u>	<u>(517)</u>	<u>-</u>	<u>(5,554)</u>
	<u>(5,037)</u>	<u>(517)</u>	<u>-</u>	<u>(5,554)</u>
Net Capital Assets	<u>\$ 1,096</u>	<u>\$ (517)</u>	<u>\$ -</u>	<u>\$ 579</u>



# QUAKER VALLEY COUNCIL OF GOVERNMENTS

## NOTES TO FINANCIAL STATEMENTS (Continued) DECEMBER 31, 2019

### NOTE D – LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Depreciation and amortization was charged to functions as follows:

Governmental activities:	
General Government	\$ 517
Total	\$ 517

### NOTE E – EMPLOYEE RETIREMENT PLANS

The Council contributes to a simplified employee pension plan for its eligible employees. Employees working on a full-time basis are eligible for the participation in the plan. The employee may also choose to contribute to the plan. The employer contribution for the year was \$6,051.

### NOTE F – OPERATING LEASES

The Council leases office space. The lease runs through April 30, 2021. During the current year, the total rent expense was \$7,260. Per the Lease agreement the rent is \$605 per month, including utilities.

### NOTE G – CONTINGENCIES

The Council participates in federal and state assisted grant programs. These grants are generally subject to program compliance audits by the grantors. Such audits could result in expenditures being disallowed and funds being due back to the grantor agencies. The amount of expenditures that may be disallowed in the future, if any, cannot be determined at this time.

### NOTE H – RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, as well as from workers' compensation and health care programs. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant changes in coverage in the past three years; and settled claims have not exceeded coverage in those years.

### NOTE I – CONCENTRATION

The Council is heavily dependent upon Community Development Block Grant (CDBG) administrative funding passed through the Allegheny County Department of Economic Development for the purpose of administering the CDBG projects.

**OTHER REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**



CASE | SABATINI

PROFESSIONAL ACCOUNTING,  
CONSULTING & BUSINESS  
ADVISORY SERVICES

April 16, 2021

The Executive Board  
Quaker Valley Council of Governments  
Pittsburgh, Pennsylvania

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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*Independent Auditor's Report*

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the governmental activities and each major fund of Quaker Valley Council of Governments as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Quaker Valley Council of Governments basic financial statements, and have issued our report thereon dated April 16, 2021.

**Internal Control Over Financial Reporting**

Management of the Council is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Quaker Valley Council of Governments' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Quaker Valley Council of Governments' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Quaker Valley Council of Governments' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

### **The Council's Response to Findings and Questioned Costs**

The Council's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Restricted Use**

This report is intended solely for the information and use of management, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Certified Public Accountants  
Pittsburgh, PA



QUAKER VALLEY COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2019

None.