



MEETING OF THE BOARD OF DIRECTORS
Knowledge Park; 5240 Knowledge Parkway; Erie, PA 16510
July 18, 2019

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES – June 2019
5. DIRECTOR’S COMMENTS
6. COMMENTS BY CHAIRMAN
7. PUBLIC COMMENT
8. PRESENTATION
 - a. MaherDuessel – Jeff Kent and Natalie Capone
Draft Audit 2018-19 FY
9. COMMITTEE REPORTS
 - a. Treasurer’s Report
 - b. Strategic Planning Committee
 - c. Update from County Council
 - d. Update from County Executive’s Office
10. REPORT OF THE EXECUTIVE DIRECTOR
11. SOLICITOR’S REPORT
12. OLD BUSINESS
13. NEW BUSINESS
 - a. Resolution Number 11, 2019 – Resolution to accept the 2018-19 audited financial statement.
14. ADJOURNMENT

Next Regularly Scheduled Board Meeting of ECGRA

Date: Thursday, August 15, 2019
Time: 8:30 a.m.
Location: Knowledge Park; 5240 Knowledge Parkway; Erie, PA 16510



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
June 20, 2019

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on June 20, 2019 in the Jordan Room; 5240 Knowledge Parkway; Erie, PA 16510. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Bagnoni (via zoom), Mr. Barney, Mr. Cleaver, Mr. DiPaolo, Mr. Paris, Mr. Peters and Mr. Sample. Mr. Wachter and Dr. Wood are also present.

APPROVAL OF THE AGENDA

Mr. Peters makes a motion to approve the agenda as presented. Mr. Sample seconds the motion. There is no discussion of the agenda. Motion carries 7-0.

APPROVAL OF MINUTES – May 2019

Mr. Peters makes a motion to approve the minutes as presented. Mr. Sample seconds the motion. There is no discussion of the minutes. Motion carries 7-0.

DIRECTOR'S COMMENTS

There are no comments at this time.

COMMENTS BY THE CHAIR

Mr. Paris has no comments at this time.

PUBLIC COMMENT

There is no public comment.

PRESENTATIONS

There are no presentations.

COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Barney: Good morning, everyone. Hopefully everyone has had the opportunity to look over the Treasurer's report. I will go through some highlights and try to make this as painless as possible. On the Profit & Loss statement for May 2019, you'll see we have our first quarter payment and it's indicated in year-to-date and they are the same. Then going down farther to Contracted Services at \$13,574.90; that's based on the audit payment, Ridge Policy Group, and legal expenses. Farther down under Other Income Expenses, you'll see the first payment with the municipalities was made. We made that payment right away as we always do when we received the first quarter payment.

Going down a little farther you'll see the Multi-Municipal Collaboration payment of \$100,000 to the Civic Leadership Academy. Mission Main Street, which is Union City, for \$75,000, and the Summer Jobs Program. It should be noted that that is the last payment of last year.

Turning over to the Balance Sheet – you'll see the Committed Funds that we can't touch, Restricted Funds that we can't touch for 12 months, and you've got the Unrestricted Funds which is the Erie Bank Savings. We've already pre-paid our insurance and you'll see that a little farther down. If at any time you have any questions, don't hesitate to stop me.

Statement of Cash Flow shows nothing out of the ordinary. Budget vs. Actual shows Professional Services, that's Parker Philips. The Books, Subscriptions & Dues is the Nonprofit Partnership membership, that's why it looks high because we updated that. Farther down under Meeting Expenses, that's the Strategic Planning meeting and the Anchor Building workshop and that's why that expense is what it is. Then in Outreach, that is for the new banner pull ups.

Mr. Peters: Can I just ask one question before we move off of that? The Accounting Fee, is that a timing thing because we're pretty early in the process?

Dr. Wood: That's the audit.

Mr. Barney: That's the audit, which I'm going to present to you to look over, formulate questions if you have any, and they will be present which I will tell you later on.

Dr. Wood: It is also the quarterly payment.

Mr. Peters: What we might want to do, because we just smoothed that line item rather than budgeting it knowing when the bigger hit happens it appears. It's only June and we're barely into our year yet and we're at 82% of our budget. My only suggestion is as we put together the budget for next year in the system, we balance it based on when we know we're going to have a bigger fee because of the audit. It's showing that we're \$9,500 year-to-date and our budget is \$11,500. I think we should just have a balancing of when those charges come in.

Dr. Wood: It's an up-front line item.

Mr. Sample: When we budgeted last year, then it was requested that we do the quarterly's.

Mr. Peters: I remember all that. The budget number is fine. I'm just saying that if we know that around our second quarter we are going to get hit with both a quarterly and an audit, then we should maybe budget a little heftier earlier in the year so that it doesn't look like we're trending so far out of whack. We know when the big months are going to come, right?

Dr. Wood: Yes.

Mr. Barney: Moving on to the Schedule of Grant Reserve, you see on the first page that we haven't done anything so there's nothing on that page. On the back page, you'll see the municipality settlements at \$93,000 with the breakdowns of who actually received what.

Mr. Peters: This is more of an operational question, but I assume that when we do the settlement payments, we're still sending that letter that says, "here's the law and here's what you're supposed to do with the money."?

Dr. Wood: We do. We've been sending the same letter for several years. They get it four times a year.

Mr. Barney: Then you also see the Leadership Academy payment and GECAC's final Summer Jobs payment. If you notice for the Summer Jobs, that is one entity that did not draw down all that was allocated to it. Does that stay there with them or does that come back to us?

Dr. Wood: It comes back to our general fund.

Mr. Barney: I just wanted everybody to be aware because there's \$2,358.68 they didn't utilize.

Dr. Wood: I guess I would just note that amount is for 2018. The 2019 drawdown hasn't begun yet.

Mr. Barney: Right. And the program has started; I ran into a few recipients of Jobs and the program is up and running. If you happen to run into anyone, ask them what they think and how it's going and get it first hand from the youth that we are providing this for.

Mr. Cleaver: Did they add additional employees this time? Didn't the number increase?

Mr. Sample: The last time Gary talked, I think they were going to try and max at 185. I know that in Corry we have people that have signed up and I want to talk to Gary about it but things seem to fall by the wayside and some of them didn't end up in it, so I think their number is going to be smaller.

Mr. Cleaver: Well, did they get called or was it an oversight?

Mr. Sample: I'm not sure. The one situation that we had and that Perry had to deal with very early on was and even before GECAC is they take these kids who are underprivileged or sub-poverty level and the first thing they told them was that they would have to go to Erie three days to do the training. Then Perry made some calls and Corry and Union City - it was orchestrated that they could go to Union City to do the training. But this year, I know that most of the work in Corry had been done by the school district in getting the kids lined up. I don't think there's a real concentrated effort. I know that that fell by the wayside with the transition

of employees. I know of three kids that just ended up going elsewhere. If they got other jobs and other employment, that's good because we're trying to get an exit interview with some of them and we just haven't been able to make contact.

Mr. Barney: The Check Detail report doesn't show anything out of the ordinary unless something jumps out at you that you would like to discuss. Then we have Perry's visa card with the charge for the Phone and IT and then we've got Tammi's with office supplies. There are a couple big charges on hers and those are annual charges for Phone and IT.

I did have one other issue when I was discussing things with Perry pertaining to a line item that sometimes gets overlooked because we don't do it every year and then when the year to do it comes up, we may be a little behind the gun, so he would like to discuss that a little bit further.

Dr. Wood: Thank you, Mr. Barney. We use Foundant Technology for our online grant making system; that's what all of the applicants are logging onto, creating profiles, and filling out grant applications and then they get aggregated and everybody from the Board gets a chance to review them on line. This software has been running in a two-year cycle, so we renew it every two years at a cost of \$9,800 for the two-year period. We did not budget this year for the payment, so it would be a \$4,900 payment to Foundant. There is a specific Grant Management Software line item that just didn't make it onto this budget; the staff forgot to put it on there because it's an every other year thing. We would like to ask you to approve the \$4,900 payment to Foundant so we can continue to use the software.

Mr. Cleaver: Who's the company?

Dr. Wood: The company is Foundant Technologies.

Mr. Cleaver: Local?

Dr. Wood: No, it's not local. There is actually no one local who can do this type of work.

Mr. Cleaver: You actually answered my next question.

Mr. Sample makes a motion to approve the payment to Foundant. Mr. Cleaver seconds the motion. There is no further discussion. Motion carries 7-0.

Mr. Barney: Thank you, Mr. Wood. I would like to say that the oversight won't occur because we're going to put that line item on the budget every year going forward. That concludes my report.

Mr. Peters makes a motion to accept the Treasurer's Report as presented. Mr. Sample seconds the motion. There is no further discussion. Motion carries 7-0.

Mr. Barney: There is one last thing I would like to say. I reviewed the audit and the individuals will be here next month to answer any questions that you make note of.

Mr. Paris: Thank you, Dale.

- b. Strategic Planning Committee: There was not a meeting of the Strategic Planning Committee so there is nothing to report.
- c. Update from County Council: Mr. Leone is not present so there is nothing to report.
- d. Update from County Executive's Office: Mr. Lee is not present so there is nothing to report.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: You'll see a report on SharePoint with the activities of Ridge Policy Group; you'll see some information in there on one of the key initiatives that we seeded a couple of years ago. The Innovation District is making tremendous progress as you'll see in some articles in there. The 2020 Census Program is moving forward; it hasn't quite launched yet, but you'll see some information about that. There was a Bridgeway Capital event that took place to celebrate local entrepreneurship and the programs that they're working with ECGRA on. There is also some recognition from the Erie Homes for Children and Adults concerning the Partners Enhanced program.

I'm going to keep it light because I think the majority of the discussion today is going to take place concerning the bylaws. We didn't have a Strategic Planning meeting but if anyone has any questions about ECGRA activities, I'll take them at this time.

SOLICITOR'S REPORT

Mr. Wachter: I had reported to you in the past that we were doing a Social Security compliance check and we have communication back from the Pennsylvania State Administrator for the Social Security and what they've identified is that we don't have what is known as a Section 218 Agreement on file with the Social Security Administration but ECGRA is not required to have that at this time.

If you remember why we did this, when the Social Security Act was originally put into place said that if you have access to a government style pension system, you're not going to get Social Security because Social Security is for everybody else. That of course went over as well as you thought it would have and then we get into this situation later in the 50's where they're having government entities enter into these what is known as Section 218 Agreements allowing government entities to opt into withholding Social Security in addition to having their government pension system.

When ECGRA was formed, we didn't have a Social Security approval because nobody has done anything with this since the 60's, nobody has looked at it and we hadn't even thought about it, so we did a compliance review. We've check and what the State Administrator has said is that ECGRA was formed after a certain cut-off date so you're not required to have an agreement and ECGRA doesn't have a government style pension system in place, so you're not required to opt into Social Security and you would automatically be enrolled into Social Security. You are compliant with how you are operating at this point. We have documentation that's in a file somewhere at the Authority and if not, I have copies of it.

OLD BUSINESS

- a. By Laws: Mr. Wachter: I believe that you have received written notice that the Authority is to consider adoption of bylaws today. I provided the full bylaws that were reviewed by the full

committee on May 1, 2019. There were no revisions or comments that have been provided to me since that point so, as part of the notice that went out . . .

Dr. Wood: Can I just comment that the staff worked with Tim to make sure that the discussion and the amendment of bylaws strictly followed the procedures in our current bylaws, so you have received in the mail this memo and two versions – a red-lined version and a proposed adopted version based on the red lines. You technically have both of them and you have hard copies in front of you for today's discussion purposes.

Mr. Wachter: We've been over these a few different times and I believe these bylaws to be compliant with not only the Home Rule Charter relative to the operation of the Gaming Authority but also with the Horse Racing Development Act and the Economic Development Financing Law. If there are any questions, I would be happy to answer them.

Mr. Cleaver: I'll just make one quick comment. I had one concern basically from experience, but you explained it to me. I was under the impression that County Council has the appointments of the Board and according to the bylaws, it says the County Executive then with the consent of County Council. I was not aware that was a fact. Again, you read the Home Rule Charter to me but that was the only question I had on how this was set up.

Mr. Wachter: Just so everybody's clear, the history and practice and tradition of appointments to Authorities from the County have been that each individual member of County Council appoints someone, so you have one member per district. The Home Rule Charter, under the Gaming Authority, specifically says that members are to be appointed pursuant to Article 3 Section whatever of the Home Rule Charter. If I go there, what that says is the County Executive shall appoint and remove members of the County Authorities but only with advice and consent of County Council. They have taken that language and turned it into the tradition of County Council saying to the County Executive – essentially what's occurring is, "Here, appoint my person." The County Executive has done that.

So, Mr. Cleaver, you are correct in that that is the practice as to how it has occurred but our language is reflecting the Home Rule Charter.

Mr. Cleaver: Ok. You had explained it to me, but I was just curious when I read that. No problem. How up to date is that Home Rule Charter that you have?

Mr. Wachter: It's only been amended once since 1978 and the amendment was to put in term limits for the County Executive and County Council. So, the language I have is up to date.

With that said, if there are no other comments or concerns, the bylaws are in front of you, they are under Old Business and I believe it is an action item, Mr. Paris.

Mr. Sample moves to adopt the new bylaws of the Erie County Gaming Revenue Authority. Mr. Barney seconds the motion. There is no further discussion. The motion to adopt the bylaws carries 7-0.

Mr. Wachter: The clean copy that you have there Mr. Wood, will need to be signed by the Secretary on the last page, indicating that it was approved. That will then become the official record of the bylaws for the permanent records of the Authority. Then if you could scan a copy of the signed and sealed copy so I can have a copy for my records as well.

NEW BUSINESS

- a. Grant Management Software – Dr. Wood: We did end up dealing with the grant management software under the Treasurer's Report.
- b. Draft Audit – Dr. Wood: I would just like to say with the Draft audit that it has been produced for the fourth quarter by Maher Duessel. It's been reviewed by the Solicitor for legal comments and that has been incorporated. The staff has reviewed it several times. This is your opportunity as a Board to review it now for the next thirty days and at the July Board meeting, the lead auditors from Maher Duessel will be here to answer any questions you may have. Please take some time and review it. If you want to send questions ahead of time for Maher Duessel to answer, that would be great. If not, we'll deal with them at the July Board meeting and seeing no major changes or revisions, we'll have it in resolution form to be passed at the July Board meeting. At that point in time, the audit is then memorialized for the year and is sent to County government for official records. Are there any questions about the audit?

Mr. Cleaver: Do you go to County Council to present this or is it just thrown in the mail and goes from there?

Dr. Wood: We put it in the mail to all seven members of County Council, as well as the County Executive's office, the County Controller, the County Clerk, and the Director of Finance.

Mr. Cleaver: Do you go to County Council with a report from ECGRA annually, semi-annually?

Dr. Wood: We do have a written Annual Report which was passed by the Board at the last meeting and that is also sent with the audit.

Mr. Cleaver: Do you go in person to present or ask and answer any questions that may come up?

Dr. Wood: No, I do not.

ADJOURNMENT

Mr. Cleaver moves to adjourn.



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Erie County Gaming Revenue Authority Year Ended March 31, 2019

Audit Presentation



Reports Issued

- Financial Statements
- Communication to Those Charged with Governance Letter



Communication to Those Charged with Governance

- Our Responsibility under GAAS
- Planned Scope and Timing of the Audit
- Significant Accounting Policies
- Sensitive Accounting Estimates
 - Allowance for Uncollectible Notes Receivable
- Significant Disclosures
 - Irrevocable Gifts to Erie Community Foundation
 - Notes Receivable



Communication to Those Charged with Governance

- Difficulties Encountered in Performing the Audit (None)
- Corrected and Uncorrected Misstatements (None)
- Disagreements with Management (None)
- Management Representations
- Management Consultations with Other Independent Accountants
- Issues Discussed Prior to Retention of Independent Auditors



Summary of Results

- Independent Auditor's Report on Financial Statements

Unmodified Opinion



Summary Financial Statements

Statement of Net Position (in 000s)	
	2019
Cash	\$ 9,765
Prepays	7
Notes Receivable, net	5,259
Total Assets	<u>\$ 15,031</u>
Net Position - Restricted	<u>\$ 15,031</u>



Summary Financial Statements

	2019
Statement of Revenues, Expenses, and Changes in Net Position (in 000s)	
Operating revenues:	
Gaming	\$ 4,450
Interest - notes receivable	68
Total operating revenue	4,518
Operating expenses:	
Grants awarded	6,131
Provision for uncollectible notes	550
Other	393
Total operating expenses	7,074
Nonoperating revenues - interest	103
Change in Net Position	\$ (2,453)



Contact Information

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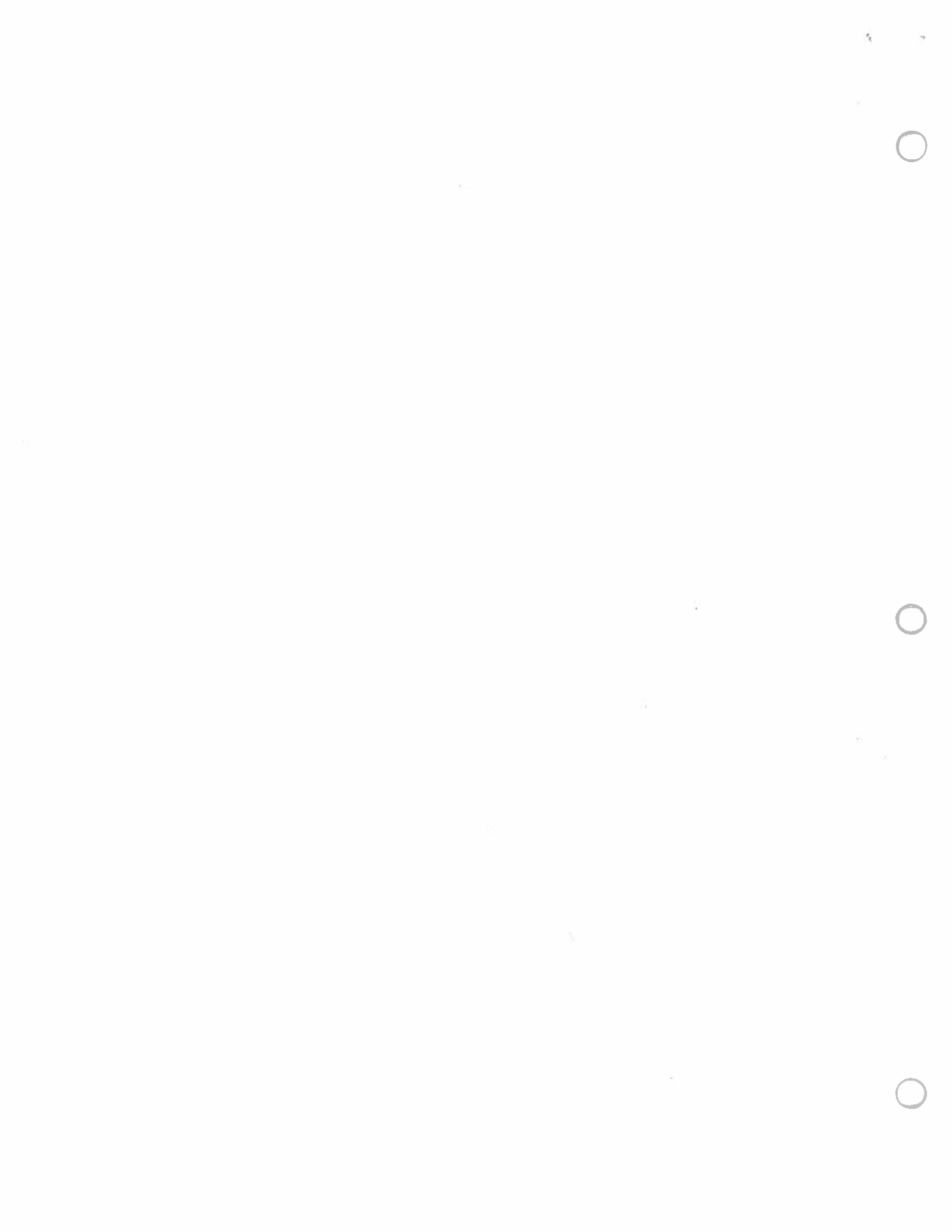
**Erie County Gaming Revenue Authority
Profit & Loss
June 2019**

	<u>June</u>	<u>YTD</u>	<u>Budget YTD</u>	<u>2019-20 Budget</u>
Ordinary Income/Expense				
Income				
44800 · Gaming Revenue		373,319.64		
46400 · Other Types of Income				
46410 · Interest Income - Savings	10,341.55	34,401.88		
46422 · Interest Income - BWC - Erie Grow	7,583.33	7,583.33		
46424 · Interest Income - Progress Fund		5,000.00		
46425 · Interest Income - EDF Restruct		3,250.00		
46426 · Int. Income - BWC - Inclusive	6,319.44	6,319.44		
46430 · Miscellaneous Revenue				
Total Income	<u>24,244.32</u>	<u>429,874.29</u>		
Expense				
62100 · Contracted Services	8,761.45	28,214.78	36,501.00	146,000.00
62800 · Facilities & Equipment	1,452.31	2,904.62	5,751.00	23,000.00
65000 · Office Administration	1,494.51	4,148.22	6,660.00	26,650.00
65100 · Other Types of Expenses	2,614.23	8,083.41	15,213.00	60,850.00
66000 · Payroll Expenses	14,872.87	54,385.48	56,812.50	227,250.00
Total Expense	<u>29,195.37</u>	<u>97,736.51</u>	<u>120,937.50</u>	<u>483,750.00</u>
Net Ordinary Income	(4,951.05)	332,137.78		
Other Income/Expense				
70000 · Grants / Settlements				
70030 · Community Assets		0.00		
70050 · Municipal Settlements		93,329.91		
70070 · Special Events		175,515.39		
70090 · Multi-Municipal Collaboration	(1,500.00)	98,500.00		
70100 · Mission Main Street	234,690.00	405,040.00		
70130 · Small Business Financing		0.00		
70140 · Pilot Projects	50,000.00	50,000.00		
70150 · Shaping Tomorrow		0.00		
70170 · Renaissance Block		20,000.00		
70180 · Anchor Building	31,670.00	31,670.00		
Total 70000 · Grants / Settlements	<u>314,860.00</u>	<u>874,055.30</u>		
Net Other Income	<u>(314,860.00)</u>	<u>(874,055.30)</u>		
Net Income	<u>(319,811.05)</u>	<u>(541,917.52)</u>		



Erie County Gaming Revenue Authority
Balance Sheet
As of June 30, 2019

	<u>June</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · ErieBank - Checking	23,371.04
10100 · ErieBank - Savings	
10101 · Committed Funds	3,936,886.68
10102 · Restricted Funds	3,336,088.19
10100 · ErieBank - Savings - Other	1,929,132.69
Total 10100 · ErieBank - Savings	<u>9,202,107.56</u>
Total Checking/Savings	9,225,478.60
Other Current Assets	
12000 · Notes Receivable	
12003 · Note Receivable - CIBA	18,846.25
12004 · Note Receivable - BWC - Erie Growth	1,000,000.00
12005 · Note Receivable - Progress	1,000,000.00
12010 · Note Receivable - 1855 Capital	500,000.00
12050 · Note Receivable - EDF Restruct	1,300,000.00
12060 · Notes Receivable - BWC - Inclu	2,500,000.00
12070 · Note Receivable - Blue Highway	250,000.00
12900 · Reserve for Uncollectable Notes	(1,310,000.00)
Total 12000 · Notes Receivable	<u>5,258,846.25</u>
14500 · Prepaid Insurance	4,770.09
Total Other Current Assets	<u>5,263,616.34</u>
Total Current Assets	<u>14,489,094.94</u>
TOTAL ASSETS	<u>14,489,094.94</u>
LIABILITIES & EQUITY	
Equity	
30000 · Opening Balance Equity	2,927,064.18
32000 · Unrestricted Net Assets	12,103,948.28
Net Income	(541,917.53)
Total Equity	<u>14,489,094.93</u>
TOTAL LIABILITIES & EQUITY	<u>14,489,094.93</u>



Erie County Gaming Revenue Authority
Statement of Cash Flows
June 2019

	<u>June</u>
OPERATING ACTIVITIES	
Net Income	-319,811.05
Adjustments to reconcile Net Income to net cash provided by operations:	
14500 · Prepaid Insurance	<u>797.92</u>
Net cash provided by Operating Activities	<u>-319,013.13</u>
Net cash increase for period	-319,013.13
Cash at beginning of period	<u>9,544,491.73</u>
Cash at end of period	<u><u>9,225,478.60</u></u>



Erie County Gaming Revenue Authority
Budget vs. Actual
June 2019

Expense	June	YTD	Budget	Over/(Under) Budget	% of Budget
62100 · Contracted Services					
62110 · Accounting Fees	0.00	9,500.00	11,500.00	(2,000.00)	82.61%
62120 · Government Relations Services	4,604.05	8,604.05	58,000.00	(49,395.95)	14.83%
62130 · Professional Services	2,940.00	5,550.00	36,000.00	(30,450.00)	15.42%
62140 · Legal Services	1,137.50	3,097.50	35,000.00	(31,902.50)	8.85%
62145 · Website Design	0.00	1,182.43	4,000.00	(2,817.57)	29.56%
62150 · Payroll Services	79.90	280.80	1,500.00	(1,219.20)	18.72%
Total 62100 · Contracted Services	8,761.45	28,214.78	146,000.00	(117,785.22)	19.33%
62800 · Facilities & Equipment					
62840 · Office Equipment	0.00	0.00	5,000.00	(5,000.00)	0.00%
62890 · Rent	1,452.31	2,904.62	18,000.00	(15,095.38)	16.14%
Total 62800 · Facilities & Equipment	1,452.31	2,904.62	23,000.00	(20,095.38)	12.63%
65000 · Office Administration					
65010 · Books, Subscriptions, Dues	438.67	1,584.67	3,500.00	(1,915.33)	45.28%
65020 · Postage	69.07	101.05	500.00	(398.95)	20.21%
65030 · Printing	0.00	0.00	1,000.00	(1,000.00)	0.00%
65040 · Office Supplies	222.13	434.80	2,800.00	(2,365.20)	15.53%
65050 · Cell Phone	142.91	142.91	2,200.00	(2,057.09)	6.50%
65060 · Copier Lease	345.95	1,037.85	4,200.00	(3,162.15)	24.71%
65070 · Copier Printing Costs	0.00	127.69	2,000.00	(1,872.31)	6.38%
65080 · Bank Fees	52.00	130.00	200.00	(70.00)	65.00%
65085 · Professional Development	0.00	0.00	5,000.00	(5,000.00)	0.00%
65090 · Meeting Expenses	223.78	589.25	5,000.00	(4,410.75)	11.79%
65095 · Miscellaneous Expense	0.00	0.00	250.00	(250.00)	0.00%
Total 65000 · Office Administration	1,494.51	4,148.22	26,650.00	(22,501.78)	15.57%
65100 · Other Types of Expenses					
65105 · Outreach	0.00	662.00	12,000.00	(11,338.00)	5.52%
65110 · Advertising	0.00	76.70	12,000.00	(11,923.30)	0.64%
65115 · Phone/IT/Fax	1,534.09	4,493.39	18,000.00	(13,506.61)	24.96%
65120 · Insurance	797.92	2,393.76	9,850.00	(7,456.24)	24.30%
65130 · Grant Management Software	0.00	0.00	49,000.00	(49,000.00)	0.00%
65150 · Travel	282.22	457.56	9,000.00	(8,542.44)	5.08%
Total 65100 · Other Types of Expenses	2,614.23	8,083.41	109,850.00	(101,766.59)	7.36%
66000 · Payroll Expenses					
66005 · Salaries & Wages	13,193.19	48,259.88	201,000.00	(152,740.12)	24.01%
66010 · FITW Tax	1,029.68	3,764.02	15,100.00	(11,335.98)	24.93%
66015 · FUTA Tax	0.00	0.00	150.00	(150.00)	0.00%
66020 · PASUI Tax	0.00	99.04	2,000.00	(1,900.96)	4.95%
66500 · Retirement	650.00	2,262.54	9,000.00	(6,737.46)	25.14%
Total 66000 · Payroll Expenses	14,872.87	54,385.48	227,250.00	(172,864.52)	23.93%
Total Expense	29,195.37	97,736.51	532,750.00	(435,013.49)	18.35%

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Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of June 30, 2019

	<u>June</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Uncommitted Funds	1,929,132.69		
Committed Funds	3,936,886.68		
2018 Restricted Funds:			3,337,925.59
2019 Restricted Funds: (75% - after settlement payments)			
First Quarter Gaming Revenue		279,989.73	
Second Quarter Gaming Revenue			
Third Quarter Gaming Revenue			
Fourth Quarter Gaming Revenue			279,989.73
Disbursements:			
First Quarter Disbursements	314,860.00	880,820.03	
Second Quarter Disbursements			
Third Quarter Disbursements			
Fourth Quarter Disbursements			880,820.03

Disbursements Detail

Grants/Settlements

	<u>June</u>	<u>YTD</u>	<u>Subtotal</u>
Community Assets			
Special Events			
Achievement Center		1,449.48	
Albion Area Fair, Inc.		10,351.80	
AmeriMasala		1,070.28	
Asbury Woods Partnership, Inc.		876.60	
Borough of North East		1,540.80	
Borough of Union City		454.10	
CAFE		12,085.20	
Corry Area Arts Council		277.20	
Crime Victim Center of Erie County, Inc.		2,000.02	
Downtown North East, Inc.		4,558.50	
Barber National Institute		9,626.09	
Edinboro Highland Games		2,124.00	
Edinboro University Foundation		7,668.00	
Erie Homes for Children and Adults, Inc		2,367.00	
Erie Asian Pacific American Association		684.00	
Erie Contemporary Ballet Theatre		5,847.55	
Erie Downtown Partnership		4,014.00	
Erie Regional Chamber & Growth Partner.		3,204.14	
French Creek Council, BSA		492.03	
Harborcreek Township		881.96	
Holy Trinity Roman Catholic Church		4,982.40	
Jefferson Educational Society of Erie		11,340.00	

Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of June 30, 2019

	<u>June</u>	<u>YTD</u>	<u>Subtotal</u>
Lake Erie Arboretum at Frontier		1,476.00	
Lake Erie Fanfare, Inc.		3,801.60	
Lake Erie Greek Cultural Society		5,076.00	
Mercy Center for Women		1,629.00	
Preservation Erie		448.20	
Presque Isle Partnership		3,500.82	
Roar on the Shore Inc.		17,421.75	
SafeNet		1,620.00	
Saint Joseph Church		3,600.00	
Saint Patrick Church		4,181.40	
ServErie		3,060.00	
SSJ Neighborhood Network		3,310.80	
Goode's Gardens & Homestead		810.00	
Iroquois School District Foundation		3,171.60	
The Nonprofit Partnership		3,510.00	
Tom Ridge Environmental Center Foundation		608.40	
Union City Pride		722.14	
Waterford Community Fair Association		6,118.67	
Wattsburg Agricultural Society		10,575.14	
WQLN Public Media		1,722.96	
YMCA of Greater Erie		8,535.42	
Young Artists Debut Orchestra		2,214.54	
Youth Leadership Institute of Erie		505.80	
		<u>175,515.39</u>	<u>175,515.39</u>
Municipalities			
Summit Township		41,998.46	
Greene Township		10,266.29	
McKean Township		10,266.29	
Millcreek Township		10,266.29	
Waterford Township		10,266.29	
Erie County		10,266.29	
		<u>93,329.91</u>	<u>93,329.91</u>
Multi-Municipal Collaboration			
Erie Area Council of Governments			
return of unspent funds - 2018 MMC	-30,000.00	-30,000.00	
Census 2020 Outreach - 1st payment	28,500.00	28,500.00	
JES - Civic Leadership Academy		100,000.00	
		<u>98,500.00</u>	<u>98,500.00</u>

Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of June 30, 2019

	<u>June</u>	<u>YTD</u>	<u>Subtotal</u>
Neighborhoods & Communities			
Renaissance Block			
Borough of Union City Round 1, Payment 2		20,000.00	
			<u>20,000.00</u>
Anchor Building			
Performing Artisits Collective Alliance 2018 - 2nd Payment	31,670.00	31,670.00	
			<u>31,670.00</u>
Mission Main Street - Round 2A			
Borough of Edinboro		95,350.00	
Borough of Union City		75,000.00	
			<u>170,350.00</u>
Mission Main Street - Round 2B			
Our West Bayfront - 1st Payment	116,190.00	116,190.00	
Preservation Erie - 1st Payment	28,000.00	28,000.00	
SSJ Neighborhood Network - 1st Payment	90,500.00	90,500.00	
			<u>234,690.00</u>
Small Business Financing			
Youth & Education			
Summer Jobs & More			
Greater Erie Community Action Committee		6,764.73	
			<u>6,764.73</u>
Pilot Programs			
Partnership for a Healthy Community - 1st Payment	50,000.00	50,000.00	
			<u>50,000.00</u>
Total Funds Disbursements	<u>314,860.00</u>	<u>880,820.03</u>	<u>880,820.03</u>

Erie County Gaming Revenue Authority
Schedule of Grant Reserve
As of June 30, 2019

Committed Funds:	<u>June</u>	<u>Amount Remaining</u>	<u>Original Commitment</u>
Renaissance Block			
1 Academy Neighborhood Association		11,250.00	22,500.00
Borough of North East		25,000.00	50,000.00
Borough of Union City		5,000.00	50,000.00
Our West Bayfront		50,000.00	100,000.00
Robbins Blass Neighborhood Watch		0.00	6,000.00
Sisters of Mercy		0.00	25,000.00
SSJ Neighborhood Network		35,000.00	70,000.00
2 Bayfront Eastside Taskforce		25,000.00	50,000.00
Preservation Erie		26,920.00	53,840.00
ServErie		29,000.00	58,000.00
Anchor Building			
City of Corry		20,900.00	26,125.00
Emmaus Ministries, Inc.		5,000.00	100,000.00
Grace Church		100,000.00	100,000.00
Our West Bayfront		80,000.00	100,000.00
Performing Artists Collective Alliance	31,670.00	42,831.50	93,126.50
Mission Main Street			
1 Borough of North East		110,000.00	250,000.00
Borough of Union City		0.00	10,000.00
City of Erie		225,000.00	250,000.00
Erie Downtown Partnership		180,000.00	250,000.00
2A Borough of Edinboro		154,650.00	250,000.00
Borough of Union City		125,000.00	200,000.00
2B Our West Bayfront	116,190.00	133,810.00	250,000.00
Preservation Erie	28,000.00	122,000.00	150,000.00
SSJ Neighborhood Network	90,500.00	159,500.00	250,000.00
Multi-Municipal Collaboration			
Erie Area Council of Governments	28,500.00	21,500.00	50,000.00
GECAC - Summer Jobs Program 2018		2,358.68	150,000.00
PennVenture Partners		1,000,000.00	1,000,000.00
Shaping Tomorrow			
Empower Erie - Community College		370,000.00	400,000.00
Erie's Public Schools - Tech After Hours		66,666.50	200,000.00
Beehive Network			
Edinboro University Foundation		143,000.00	200,000.00
Erie Regional Library Foundation		115,000.00	200,000.00
Gannon University		175,000.00	200,000.00
Mercyhurst University		102,500.00	200,000.00
Penn State University (Behrend)		100,000.00	200,000.00
Pilot Program			
Partnership for a Healthy Community	\$50,000.00	50,000.00	100,000.00
Total Committed Funds	344,860.00	3,761,886.68	5,664,591.50

Erie County Gaming Revenue Authority
Check Detail Report
June 2019

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
06/03/2019	EFT	VISA	2019 April Visa - Tammi	-668.65
06/03/2019	EFT	VISA	2019 April Visa - Perry	-356.86
06/04/2019		Bank Fee	Service Charge	-24.00
06/06/2019	2720	Parker Philips	April 20149 Strategic Communications	-2,490.00
06/06/2019	2721	Penn State University - Knowledge Park	2019 June Rent	-1,452.31
06/06/2019	2722	Performing Artists Collective Alliance	Anchor Building 2018 - Payment 2	-31,670.00
06/06/2019	2723	Velocity Network, Inc.	Phone/IT/Fax	-791.89
06/11/2019	2724	Our West Bayfront	2019 MMS - 2B - 1st Payment	-116,190.00
06/11/2019	2725	Partnership for a Healthy Community	2019 Blue Zone Pilot Project - 1st Payment	-50,000.00
06/11/2019	2726	Preservation Erie	2019 MMS - 2B - 1st Payment	-28,000.00
06/11/2019	2727	SSJ Neighborhood Network	2019 MMS - 2B - 1st Payment	-90,500.00
06/12/2019	EFT	ECCA, Inc.	05/25/19 to 06/07/19 Payroll	-6,659.20
06/12/2019	EFT	Fidelity Investments	05/25/19 to 06/07/19 Retirement	-518.52
06/12/2019	2728	Velocity Network, Inc.	TITAN Service Agreement	-93.98
06/14/2019	EFT	VISA	2019 June Visa - Perry	-291.36
06/14/2019	2729	Erie Regional Chamber & Growth Partner.	2019 Membership	-285.00
06/14/2019	2730	Knox McLaughlin Gomall & Sennett	2019 May Legal	-1,137.50
06/17/2019		Bank Fee	Service Charge	-28.00
06/19/2019	2732	Ridge Policy Group	2019 June Government Relations	-4,604.05
06/26/2019	EFT	ECCA, Inc.	06/08/19 to 06/21/19 Payroll	-7,260.18
06/26/2019	EFT	Fidelity Investments	06/08/19 to 06/21/19 Retirement	-514.87
06/27/2019	2733	Dave Sample	2019 Quarter 2 Travel	-93.09
06/27/2019	2734	David Bagnoni	2019 Quarter 2 Travel	-21.94
06/27/2019	2735	Mike Paris	2019 Quarter 2 Travel	-82.71
06/27/2019	2736	Tammi Michali	2019 Quarter 2 Travel/Expense	-227.39
06/27/2019	2737	Wells Fargo Financial Leasing	2019 July Copier Lease	-345.95
06/28/2019	2738	Erie Area Council of Governments	2019 MMC - 1st Payment	-28,500.00
06/28/2019	2739	Kate Nash	Annual Report work	-450.00



E·C·G·R·A
ERIE COUNTY GAMING REVENUE AUTHORITY

**EXECUTIVE
DIRECTOR'S
REPORT
FOR
JULY
2019**





Ridge Policy Group Activity

ECGRA June 15 – July 15 Report

Funding Received by Erie County

- City of Erie and Erie Innovation District will receive \$500,000 from ARC POWER pending their response to resolve several questions that ARC has about the application. This news is not yet officially public. Ridge Policy Group helped to socialize the ARC POWER application beginning last year, including by scheduling meetings in DC with ARC officials, the relevant authorizer of the awards, Karen Fabiano. We also helped Karl complete his feasibility documents through engagement with ARC and with the initial drafting of the grant application, including by finding the data to support that Erie is a coal impacted community, which is a requirement for the ARC POWER application.
- Erie Innovation District was approved for a \$2 million-dollar construction grant from EDA to build their Smart Tower and build up capacity. This news is also not yet officially public. RPG helped to socialize this grant with EDA by introducing EID to EDA's regional program director and garnering a better understanding of EDA funding priorities.

RPG Relevant Meetings and Calls

- Held meetings with appropriate state officials with and on behalf of Mercyhurst University and the Innovation District in support of their budget requests and RACP applications

RPG Relevant Activity

- Provided ARC County Economic Status Designations for Erie
- Helped socialize and support Edinboro's DCED Manufacturing Training to Career Grant
- Held conversations with Bridgeway Capital on SBA Makerspace Grant

Funding Opportunities Presented

Federal Opportunities:

ARC Grant

This week, the U.S. Department of Labor announced \$29 million is now available via the Workforce Opportunity for Rural Communities (WORC). initiative to implement innovative approaches to provide enhanced training and support activities to dislocated workers, new entrants in the workforce, incumbent workers, and individuals affected by substance use disorder returning to work. Successful awards, ranging from \$150,000 - \$2.5 million, will support workforce development activities that prepare eligible participants for good jobs in high-demand occupations aligned with a state, regional, or community economic development strategy. Communities across Appalachia, especially those underserved by other resources, are encouraged to apply.





FOR IMMEDIATE RELEASE
CONTACT: NICK SAMSEL 814.651.0704
JUNE 28, 2019

MEDIA ADVISORY
ERIE INNOVATION DISTRICT TO ANNOUNCE
2019 SECURE ERIE ACCELERATOR COHORT

WHAT: The Erie Innovation District will introduce the companies of the 2019 Secure Erie Accelerator cohort. This event will provide background on each of the companies, an outline of the programming and events during this 10-week initiative, and recognize our current business partners and sponsors, including Erie Insurance and Plastek Group.

WHEN: Tuesday, July 2nd beginning at 2 p.m. Light refreshments will be provided.

WHERE: VNET Headquarters - 121 West 10th St., Erie PA 16501

WHO: Interviews will be available before and after the event:

Karl Sanchack, President & CEO of Erie Innovation District
Rebecca Styn, VP of Ventures, Erie Innovation District
Jordan Fuller, SEA Program Manager, Erie Innovation District
2019 Secure Erie Accelerator Cohort
Other elected officials and business leaders

Launched in 2016, the Erie Innovation District is a non-profit organization created to reshape Erie and promote economic growth; integrate academia, industry and government, and attract startups and workforce candidates. Our vision is to create a place-based urban development initiative that transforms Erie into a safety and (cyber) security innovation hub that attracts new businesses, jobs, and venture investment. Find out more at: www.erieinnovationdistrict.com

###



Tammi Michali

From: Mark Peterson <kchamberlain@bridgewaycapital.org>
Sent: Wednesday, June 19, 2019 1:00 PM
To: Tammi Michali
Subject: Our Impact with People and Places in Erie

[View this email in your browser](#)



**BRIDGEWAY
CAPITAL**

Connect Opportunity with Capital



Kenya and Sean Johnson, Johnson Real Estate Properties



Erie Shared Impact

On May 15th Bridgeway celebrated the 7th anniversary of our Erie office. We brought together over 100 of Bridgeway's clients and partners to celebrate our shared impact. The event recognized the success of our clients and the significance of Bridgeway's growth in Erie.

Clients Making a Difference

Investing in Erie's people and places builds the path to community revitalization. Our clients build vibrant business corridors and advance equity through real estate development.



Bridgeway helped Kenya and Sean Johnson acquire real estate for their child care business, Learning Ladder. As the Johnson's real estate business grew so did our relationship. The Johnson's are building their business and a better community.



Ember + Forge is sparking community revitalization in downtown Erie. For Hannah, Ember + Forge is about more than coffee. The coffee shop is about rekindling Erie's commitment to community and supporting local entrepreneurship.



Investing in Impact

Since opening our Erie office in 2012, Bridgeway has invested over \$20.5 million in people and places in northwestern Pennsylvania. We generate high social impact while we maintain strong financial performance. This past year, we made \$2.2 million in loans and our loan loss rate was 0.6%.

Our clients' success inspired us to do more. In partnership with the Erie County Gaming Revenue Authority, we launched two new programs that invests in Erie's entrepreneurs; the Erie Inclusive Fund and Erie Minority-Owned Business Accelerator. The fund will invest \$5 million in loans in Erie County over the next three years; with a commitment to invest half in minority-owned businesses.

The Erie Inclusive Fund fuels inclusive economic growth, while the accelerator offers a support system to maximize the success of growing minority-owned businesses. Together, they create a strong ecosystem for minority entrepreneurship in Erie.

ERIE OFFICE

- ① \$ 20.5 MM since 2012
- ① \$ 2.2 MM in 2018
- ① \$ 5 MM over the next 3 years



2018 loss rate



Learn how the Erie Inclusive Fund can help

Get Started

Event Highlights

Over 100 of Bridgeway's clients and partners celebrated our shared impact at the Warner Theater in downtown Erie.









Our mailing address is:
Bridgeway Capital
707 Grant St Ste 1920
Pittsburgh, PA 15219-1945

[Add us to your address book](#)





Union City's downtown commercial district, looking south on Route 8, or South Main Street. (CHRISTOPHER MILLETTE FILE PHOTO/ERIE TIMES-NEWS)

Union City launches downtown preservation study

By Valerie Myers
valerie.myers@timesnews.com

UNION CITY — A team of historical and architectural consultants is taking a look at downtown Union City with an eye toward preserving and improving its Main Street commercial corridor.

They're also looking at ways to improve public spaces downtown. The consultants are expected to recommend a plan of action to Union City Borough officials by November.

The public is invited to learn more about the historic preservation planning project and share ideas to improve the downtown during a public meeting at the Union City American Legion post on June 27.

A draft historic preservation plan will be presented at a second

public meeting later this summer. The preservation study is funded by a \$25,000 grant from the Pennsylvania Historical and Museum Commission in 2018 and matching funds from Union City Borough, the Union City Community Foundation and the Erie County Gaming Revenue Authority.

The study will consider and propose specific improvements for 19 commercial buildings between High Street and Concord Street. Buildings to be considered have not been determined, Union City Borough Secretary Cindy Wells said.

"We're figuring, financially, that 19 is the number of buildings we can consider," Wells said. "The 19 buildings have not been selected yet." The historic preservation plan will also look at a streetscape project, and maybe a theme to unify the facade improvements.

"We already have lighting and benches. It might be something else to tie in all of the project," Wells said. The consulting team includes preservation specialists from Pittsburgh-based citySTUDIO, T&B Planning and Milton Ogot Architect. The firms were hired by the borough this spring.

The American Legion post is at 9225 Route 6. The June 27 public meeting will start at 6 p.m. RSVPs are requested by June 21 at 438-3331 or secretary@uborough.us.

Valerie Myers can be reached at 878-1013 or by email. Follow her on Twitter at [www.twitter.com/ETNmyers](https://twitter.com/ETNmyers).

Truck

(Continued from front pages)

It's in immaculate condition," Leofsky said. Leofsky did say there were a few minor things they found wrong with the truck, but per an agreement with Alico, the company is fixing those issues before the truck is shipped.

"It has to be certified to put a municipality worker in that truck and can't be just bought from anywhere," Leofsky said. "It has to be warranted and certified as a good piece of equipment, which is why we went with a company like Alico that specializes in bucket trucks."

Leofsky said they had found a truck previously but ended up not being able to purchase it when it failed a certification inspection.

"We didn't want to do that again," Leofsky said.

The remaining \$7,396.07 will pay for the title transfer, then any remaining funds would be split in half between the Tri-County COG and EOCRA.

The \$30,000 grant from EOCRA has already been received and the remaining \$30,000 match from Tri-County COG will be issued as a reimbursement to the city once the purchase is complete, Blondi said.

The Corry Journal, Wednesday, June 19, 2019

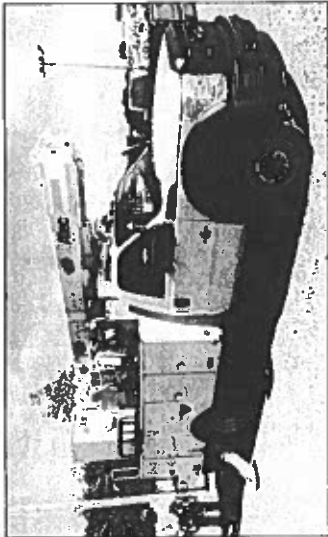
Multi-municipal grant enables Corry, Wayne Township to purchase truck

BY SARA JUKES
sara@thecorryjournal.com

A bucket truck was recently purchased with a multi-municipal grant from Corry and Wayne Township. The truck cost \$51,000, according to City Manager Jason Blondi.

In July 2018, a multi-municipal grant was attained through a collaboration between Corry and Wayne Township to purchase a bucket truck. Erie County Gaming Revenue Authority provided \$30,000 and the Tri-County Council of Governments provided the remaining \$21,000 in matching funds.

The bucket truck, which is a work truck with an attached aerial lift designed to lift people into the air to work, is to be shared by Corry and Wayne Township. It was found at Alico Industries in Birmingham.



Courtesy photo

A multi-municipal grant attained in summer 2018 for the city of Corry and Wayne Township to purchase a bucket truck has resumed in a recent purchase of a 2013 Ford F350. The truck was purchased for \$51,000 from Alico Industries in Birmingham, Alabama. See the Corry Journal's City Mechanic Clayton Repasky during an initial inspection of the vehicle in Birmingham.

4. See Truck, P2



Girard Borough receives grant for master plan

By Sandy Rhodes
Editor, FLAG area

Girard Borough is on its way to implement a master plan that will serve its downtown for years to come.

The borough was recently award a \$20,000 Keystone Historic Preservation Planning Grant.

"The economic vitality of Girard is dependent on a vibrant and well-maintained downtown. To that end, the borough applied for and was awarded \$20,000 to develop a downtown master plan for its central business district that integrates historic preservation principles and strategies throughout," said Melinda Meyer, president of Preservation Erie. "The plan will identify specific goals and objectives, and provide realistic implementation strategies

See Plan P.8

Plan

Continued from Page 1

that will achieve a very basic and fundamental vision for downtown Girard, rooted in the desire to attract people and investment."

The grant, which is from the Pennsylvania Historical and Museum Commission, requires a 1:1 cash match.

"Girard Borough Council has committed \$10,000 of the borough's funds to support this effort, and the Girard Downtown Committee is currently pursuing the remaining \$10,000 needed for the project," Meyer said.

The group is hopeful to develop the downtown master plan next year with the plan coming to fruition in January 2021.

Meyer said a downtown master plan is an important part of the group's plan to develop the downtown area.

"The downtown master plan will be important because it will be proactive and outline a cooperative process that can lead to successful implementation of many community needs and wishes," Meyer said. "This type of plan will also permit the opportunity for the community to take a comprehensive look at a variety of projects being planned by multiple stakeholders and help potential partnerships, investment opportunities, and coordinated implementation efforts to emerge."

In July 2018, Girard received \$21,000 from the Erie County Gaming Revenue Authority's Mission Main Street grand program that was, in turn, distributed to five property owners to make facade improvements.

Regarding this current grant, Girard's funds were part of the

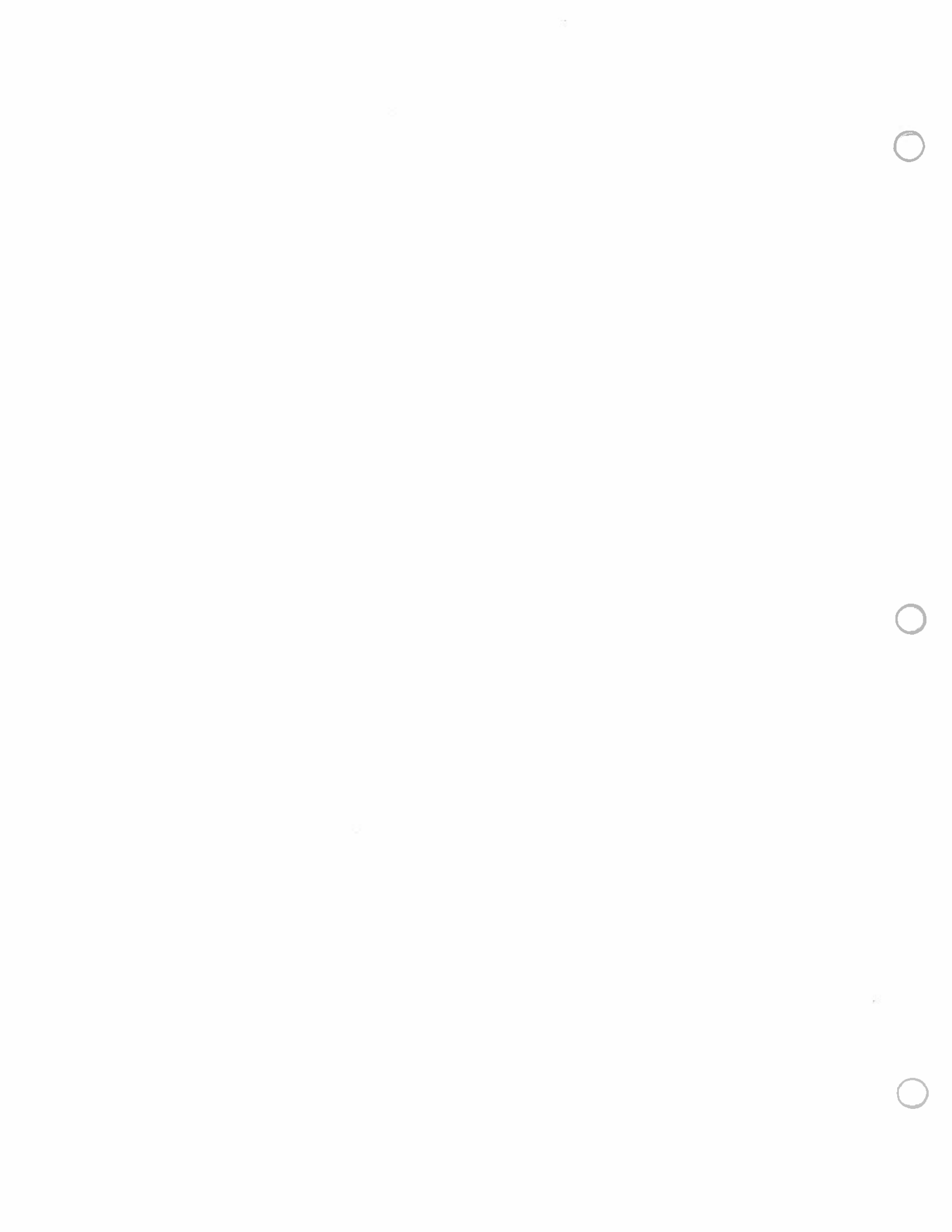
Commission's \$2.5 million grant given to historical and heritage organizations, museums and local governments.

The commission awarded 57 grants selected from 96 eligible applications. Grant amounts ranged from \$5,000 to \$25,000 for project grants and \$5,000 to \$100,000 for construction projects.

"These grants make an enormous difference to communities across Pennsylvania," said PHMC Executive Director Andrea Lowery. "They assist townships and municipalities in revitalization and development efforts, providing funding for vibrant use of historic buildings within their communities. We are thrilled to provide increased funding to more than \$2.5 million this year, supporting 57 projects, including several in distressed cities."

Keystone Historic Preservation Grants provide funding to support projects that identify, preserve, promote and protect historic and archaeological resources in Pennsylvania for both the benefit of the public and the revitalization of communities. Funding also supports municipal planning initiatives that focus on historic resources or may be used to meet building or community specific planning goals. The program also supports construction activities at resources listed in or eligible for listing in the National Register of Historic Places.

These grants receive funding from the Keystone Recreation, Park and Conservation Fund. This fund is supported annually from a portion of the state realty tax revenue.



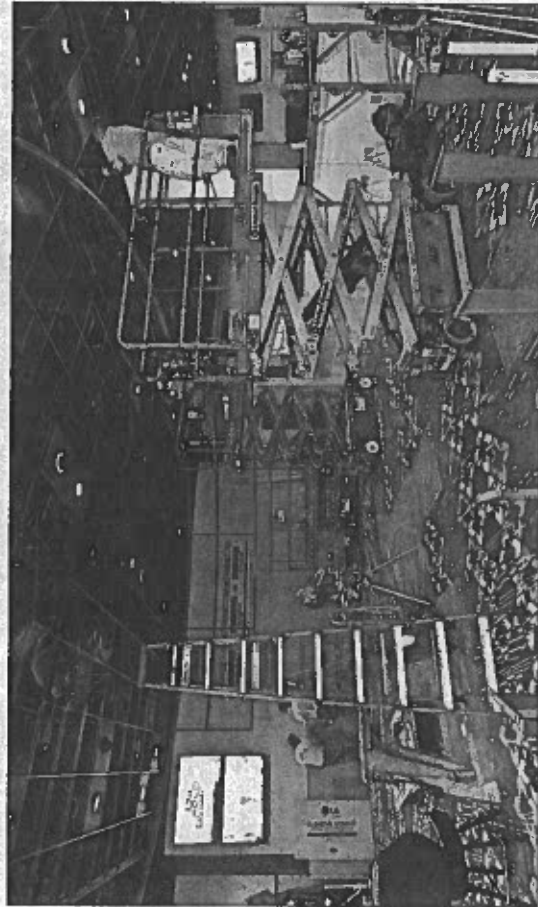
Saturday, June 15, 2019

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SPORTS BETTING

Coming soon



Workers are renovating a 1,275 square-foot area at Presque Isle Downs & Casino in Summit Township, shown here on June 13. The area, which once housed slot machines, will become the casino's new sportsbook betting area. The state gaming commission has licensed the casino for a sportsbook, but casino officials have not said when it will be operational. (CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)

Presque Isle Downs' sportsbook plans advance

By Matthew Rink
mattthew.rink@timesnews.com

In a non-smoking section on the floor of Presque Isle Downs & Casino, workers from Bauer Specialties

stood on a lift and assembled the circular metal frame that will soon form the new sportsbook at the Summit Township facility.

Slot machines that once occupied the 1,275-square-foot space are gone, some having been relocated to other areas of the casino and a few others lined one

after another just outside the soon-to-be counter-top bar.

Newly-installed wall wraps display the BetAmerica brand logo, tease that the sportsbook is "coming soon" and show a trio of football players in generic orange uniforms and helmets in the midst

of celebration. The words "Ready, Set, Bet." appear next to them.

Casino officials are mum on when exactly they'll start offering sports betting, noting that such decisions will come from parent owner Churchill

See BETTING, A5

BETTING

From Page A1

Downs. Though there remain several steps before the sportsbook can open, the state gaming commission's 12-month licensing period, set to begin in January, is expected to be completed by the Pennsylvania Gaming Control Board, all indications being "soon," as the signs inside the casino

signs, for example, show "The Harborside Township based construction company, must be licensed by the Gaming Control Board," and "KT Group Limited, the self-wagering blocks on there bet at Presque Isle Downs & Casino. These blocks are in boxes on the

Wednesday as they are good to go in Pennsylvania," says Richard McGarvey said. "Obviously, they're working. They're doing all the cab-

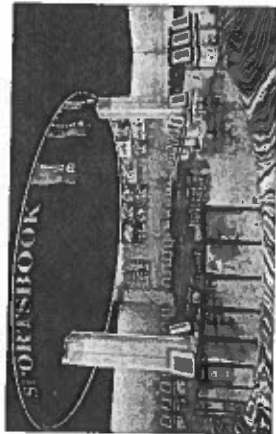
net boxes that people would be walking up and down their own. They were a very important component for what Presque Isle is going to do."

McGarvey said the state doesn't have any timeline of when Presque Isle will be opening, adding that "in the end, that's going to be up to them. They'll get up and down the stairs and make sure everything is working right."

It has taken an average of 18 months to launch sports betting from the state, however, says the Pennsylvania Gaming Control Board. Its sports wagering credit

opened its sportsbook after a transitional period, having changed ownership from the state to the casino. Churchil Downs at the start of the year. Casino officials revealed their plans to launch sports betting in February 2019, after the Gaming Control Board

The sportsbook is being



This is an artist's rendering of what the new sportsbook betting area will look like at Presque Isle Downs & Casino in Summit Township. The state gaming commission has licensed the casino for a sportsbook, but casino officials have not said when it will be operational. (CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)



John Kibicki, 46, at left, of MicroCreek Technology, and James Kibicki, 42, center, of Summit Township, sit at the control room of the new sportsbook area at Presque Isle Downs & Casino in Summit Township. The brothers sold the casino ownership and technology to MicroCreek Technology. (CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)

built adjacent to the poker room and simulcast area of the casino, but the control room will be located throughout the facility. It blocks will be each year the sportsbook and before the sportsbook can open.

Presque Isle Downs & Casino officials also call for sports betting on mobile apps and online in the future. Some state officials are also active sportsbooks themselves, with three

betting operations. The state's sportsbook, operated by the Pennsylvania Gaming Control Board, is expected to be launched in 2020. The state's sportsbook, operated by the Pennsylvania Gaming Control Board, is expected to be launched in 2020.

The sportsbook is being

included an amendment to legalize sports wagering for state machine licenses. It is expected that the state will be open to play bets on sporting events at a casino with a license to operate a sportsbook.

The state uses 10 percent of sports gaming revenue, which is passed down to local governments. From November through the end of April, more than \$10 million had been bet on sports betting, with a total of \$10.8 million in revenue for the casino and more than \$1 million in tax revenue.

Presque Isle Downs & Casino officials are also looking for ways to increase the sportsbook's revenue. They are considering options such as offering more betting options and increasing the number of betting locations.

Maybe by the time they start winning a few million dollars, they'll be able to pay for the sportsbook. The state gaming commission has licensed the casino for a sportsbook, but casino officials have not said when it will be operational.

Richard McGarvey said that the state gaming commission has licensed the casino for a sportsbook, but casino officials have not said when it will be operational.

The sportsbook is being



City's Historic Preservation Plan process

BY JORDAN SCHRECEMGOST
jordan@thecorjournal.com

UNION CITY — Members of the Union City community are invited to learn about the borough's Historic Preservation Plan as well as share their ideas and goals for UC's commercial historic district at a meeting next week.

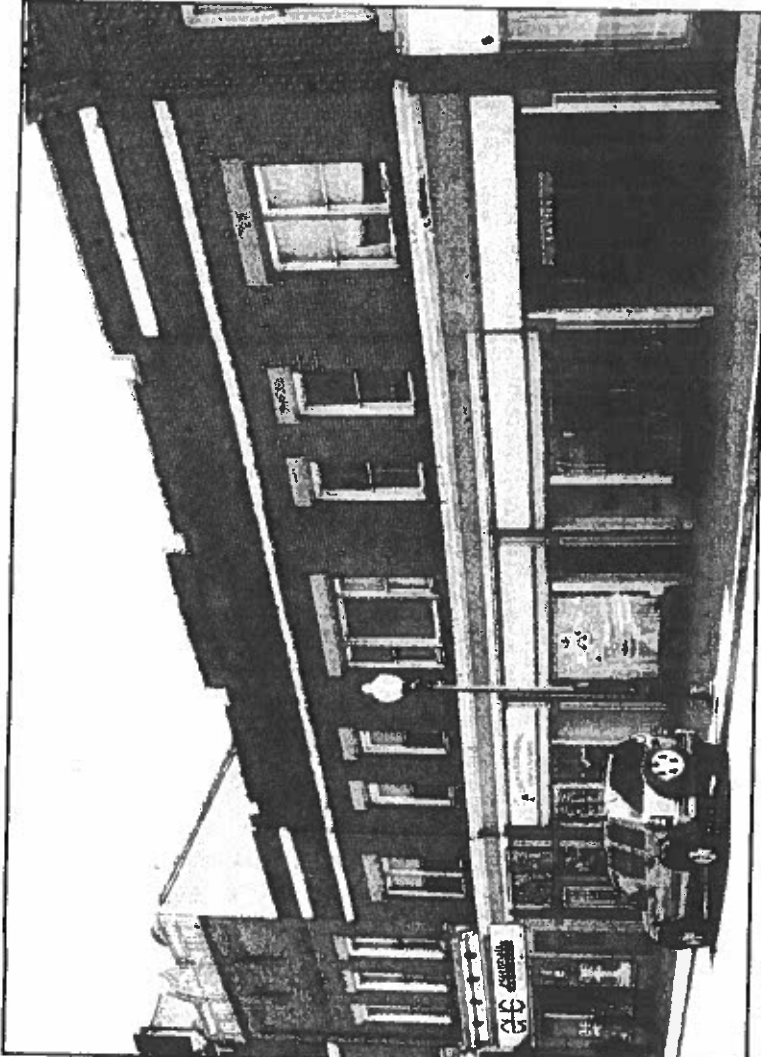
The borough of Union City is hosting its first public meeting to introduce and gather input for a Historic Preservation Plan being developed for the UC's commercial historic district.

The public meeting will take place at 6 p.m. on Thursday, June 27, at the American Legion LeBaron Post 237, 9225 Route 6, Union City. Everyone with interest in preserving and improving the commercial historic district is encouraged to attend.

Anyone planning to attend is asked to RSVP by emailing secretary@ucborough.us or calling the borough office at 814-438-2331 by Friday, June 21.

Union City Borough Secretary Cindy Wells said people can still attend the meeting even if they don't RSVP, but she added that they need to have an idea of how many people plan on coming.

The Historic Preservation Plan process will begin by studying the conditions of Union City's commercial historic district, which is a



Contributed photo

A public meeting regarding a Historic Preservation Plan for Union City has been scheduled for 6 p.m. on Thursday, June 27, at the American Legion LeBaron Post 237, 9225 Route 6, Union City. The plan aims to improve a portion of Main Street.

0.2-mile portion of Main Street between Concord and High streets. The planning process will also begin by gathering feedback from community members, elected officials and business and property owners.

"It's going to help improve the appearance of our downtown," Wells said of the plan. "It's also going to help draw in potential tourism and, at the same time, develop interest from other businesses." The study will examine facades of the majority of the

historic commercial buildings within the study area and the streetscape. The meeting invites the public at large to learn about the planning process and provide a consultant team with ideas regarding the historic main street.

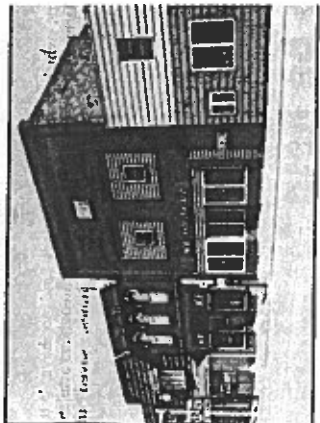
The borough has hired a consultant team from Pittsburgh — citySTUDIO, T&B Planning and Milton Ogot Architect. The team has combined experience in preservation planning, as well as historic building

preservation and rehabilitation. "They're all working on the same project as a team, all three companies," Wells said. "They're doing mini facade plans and a streetscape plan."

Partial funding for the Union City Historic Preservation Plan comes from a \$25,000 Keystone Historic Preservation Grant from the Pennsylvania Historical and Museum Commission.



Contributed photo
The plan focuses on improving UC's commercial historic district, a 0.2-mile portion of Main Street between Concord and High streets.



Plan

(Continued from front page)

Additional funding was available for the proper owners and business owners," Wells said.

The plan will outline how to preserve UC's historic district but it will be up to property and business owners to complete the projects using the plans. They will be some partial funding available through grants the borough has received to complete the plans that are being drafted.

"We've got ECCR money that's available for Mission Main Street, and they can use that grant money to accomplish part of these plans," Wells said.

Historic Preservation Plan aims to prevent the decline of the downtown corridor and transition the town from manufacturing community to a bedroom community according to Wells.

For more information about Union City's Historic Preservation Plan, call Wells at 814-438-2331 or email her at secretary@ucborough.us

Wells said this particular project is for Main Street but the borough is also working on improving it parts through a different grant.

"We're going to have the



Corry arts council fires up Fourth of July festivities

BY JORDAN SCHRENGOST
jordan@thecorryjournal.com

Corryites won't have to travel far to enjoy some good, old-fashioned entertainment this Fourth of July.

Corry Area Arts Council is organizing an Old Fashioned Fourth of July Festival featuring a full day of free live music in Corry City Park along with food trucks and other activities from noon to around 8 p.m. on Thursday, July 4. The celebration will conclude with a fireworks display at dusk near the American Legion Post 365, 1460 Sciota Road, Corry.

Since the arts council members already host a weekly Thursday in the Park concert series, they thought this was a perfect opportunity to do something extraordinary in

honor of Independence Day. "We realized Fourth of July this year happened to fall on a Thursday and we already do Thursday in the Park," said Garrett Culver, Corry Area Arts Council secretary. "A good number of people will probably have that day off from work so we decided to make it an all-day festival."

The live performances in city park gazebo will kick off at 1 p.m. with music from Bill Beggs and the Dixie Doodlers. Kokomo Time Band will take the stage at 3 p.m. followed by Happy Days at 6 p.m. Culver said Happy Days is a Thursday in the Park fan favorite and people are excited for the band to return to Corry.

◀ See Fourth, P.2

Corry sends 2020 Census match

BY SARA JUKES
sara@thecorryjournal.com

A \$1,000 match was approved by Corry City Council at a recent Council meeting to send to the Erie Area Council of Governments' 2020 Census Outreach Coordination Project.

Government officials take a residential count very seriously, since census data is used to determine what funding is needed for planning the future of communities.

The first census was taken starting on Aug. 2 1790. From that point, a census has been taken every ten years to count the number of people in each household. In 1840, an amendment added inquiries of "the pursuits, industry, education, and resources of the country," as well as school attendance, literacy and vocation, according to www.census.gov.

An accurate census count correlates to the number of representatives each community has in the government and can influence grant amounts received.

In an effort to achieve a more complete census count,

Erie County is forming a 2020 census steering committee called the Erie County Complete Count Committee.

To fund the 2020 Census related marketing and a contracted outreach coordinator, a \$100,000 grant is being sought from the Erie County Gaming Revenue Authority.

The grant requires \$50,000 in matching funds.

The city of Erie is being asked to provide \$10,000, Erie County is being asked to provide \$25,000 and the 37 municipalities in Erie County are being asked for contributions to complete the match.

The requested amount for each municipality is based on population size. With Corry falling between the 5,001 to 10,000 resident mark at about 6,000 residents, a \$1,000 match amount was requested.

"That's our contribution for the Census match, based on population," City Manager Jason Biondi. "I think that's a reasonable amount to contribute to it to try to make sure we get as accurate census information as we can."

The vote to approve sending the match was unanimous.

Fourth

(Continued from front page)

"We got a lot of positive feedback and it was by far the highest attended performance," he said.

Seating for the three concerts will follow the typical Thursday in the Park protocol.

"There should be several chairs and tables there to sit down and eat a meal at, but just like the usual concerts, we want people to bring chairs and blankets," Culver said.

Prior to the start of the music, kids are encouraged to come to the park at 11:30 a.m. with pre-decorated bicycles—the more patriotic the better. The children will then do a couple of laps around the park and the most patriotic contestant will be awarded a prize during the festival's opening ceremony at noon.

A kids craft corner will also take place before the music begins, from noon to 1 p.m. Children ages 7 and under will have guided instruction on how to make ribbon wands while kids ages 8 and up will be crafting painted cut-out musical instruments. A \$2 donation to the arts council is encouraged but not required.

Culver said children, or their parents, are asked to pre-register for the crafts so they know how many are coming in order to get enough supplies. Interested participants can register at www.corryareaartsCouncil.com.

In between the first two bands, there will be a hot dog eating contest sponsored by Fat Monn's Grub at about 2:45 p.m. with the winner taking home \$50. Only 10 contestants will be permitted and registration is still open for \$10 a person. Visit the "registration page" on the arts council's website to sign up using PayPal or message Corry Area Arts Council Inc. on Facebook to arrange a cash payment.

Just before Happy Days takes the stage, there will be a pie-eating contest sponsored by Perkins Family Restaurant at 5:45 p.m. with the winner receiving \$50. Once again, only 10 people can enter the contest and there's a registration fee of \$10.

There will also be a corn hole tournament sponsored by Corry Moose Lodge No. 98 starting at 1 p.m. Interested teams are encouraged to pre-register at the Moose Lodge, 332 E. Washington St., Corry, or Cobblestone Inn and Suites, 864 E. Columbus Ave., Corry. Teams can also register the day of the event at noon.

The entry fee per team is \$30 with a limit of 32 teams. If all 32 spots are filled, then first place will win \$200, second place will receive \$150, third place gets \$100 and fourth place \$50.

However, the prize money is based on how many teams sign up. If there aren't enough teams to hold a tournament, then corn hole boards and bags will be available to use throughout

the festival.

"In that event, we'll just have corn hole boards there people can play on but the tournament might get scrapped," Culver said.

The daylong event will culminate with fireworks at the Corry American Legion at sunset by Gibson Fireworks around 9:30 p.m. Culver said people can park at the soccer fields near the American Legion, the nearby industrial park or the Legion itself.

"It's a whole day of music and events," he said. "If you have to work on the fifth, then you don't have to leave town on the fourth."

There will be vendors and food trucks set up at city park during the day, including Krass's Kove, That Sausage Guy and Redneck Grill, among others. Interested vendors can still sign up by contacting Steve Nichols at Cobblestone Inn and Suites or emailing the arts council at corryareaartsCouncil@gmail.com.

Festival goers can also bring their own food to picnic in the park, Culver said.

"Come buy food or bring food, set up a picnic blanket and enjoy the live music and the atmosphere," he added. "We just want people to come down to the park and enjoy it."

The Old Fashioned Fourth of July Festival is a part of the arts council's regular Thursday in the Park concert series which is sponsored by Corry Community Foundation and Erie Arts and Culture.

"Corry Community Foundation stepped up big. They were by far our biggest donor in general to make Thursday in the Park possible and make this event in particular possible this year," Culver said.

Funding from Erie Arts and Culture has helped the arts council with Thursday in the Park and the upcoming festival, according to Culver. The arts council also received additional contributions sponsored by the Erie County Gaming Revenue Authority.

"ECGRA was able to provide us with the funding necessary to make sure we could cover registration fees, insurance for fireworks and things like that," Culver said.



WINDOW ON PROGRESS



Craftsmen fit a beveled, leaded glass window into a mahogany frame in a studio at the Performing Artists Collective Alliance building, 1505 State St., in Erie, on Thursday. From left are PACA executive director Mark Tanenbaum, 61, cabinet makers Bill Weston, 52, and Anthony Henry, 25. The craftsmen work for Schutte Woodworking of Erie. The restored window and its new frame weigh about 650 pounds and cost about \$10,000 to complete. (CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)

Historic window restoration latest twist in art center's growth

By Ron Leonard
ron.leonard@timesnews.com

Work is nearing completion on a \$10,000 restoration project of an original beveled, leaded glass window that graced the facade of an Erie building on State Street built in 1899.

Erie artist John Vahanian restored the half-moon-shaped window, and a crew

from Erie-based Schutte Woodworking built a new custom-made mahogany frame for it.

The window and frame, which weigh about 450 pounds, will be placed on the west facade of the Performing Artists Collective Alliance building, 1505 State St., in mid-July, PACA founder and Executive Director Mark Tanenbaum said.

PACA is a nonprofit theater and performing arts center that rents studio space to artists and other groups.

Tanenbaum, 61, an Erie native, said he wants the PACA building to look beautiful and offer the community "something unique that no one else does."

"We are looking at our position in the community and in the arts community, and we are here to serve," he said. "We want Erie to look nice, we want this redevelopment that's happening in our community and the rejuvenation of our community to be successful."

See WINDOW, A5

WINDOW

From Page A1

When Tanenbaum founded PACA in 2011, he unveiled an ambitious 10-year plan. His goals for the building's fourth floor include construction of an archery range, new studio and storage space, and additional rehearsal space.

Tanenbaum envisions building 14 condominiums on the fifth floor, each about 750 square feet, to be rented to artists already working in the building or to "anybody who wants to live downtown."

Some of the 31 tenants who lease space in the PACA building include First Amendment Tees, ClaySpace, Athletic Rehab and PACA theater.

"We want to be partners where you see other people working hard, fixing up their buildings and making changes downtown and adding new opportunities for so many people," Tanenbaum said.

"Whether it's in the technology field, the arts field, the business field, or entrepreneurship, everybody is working in the same direction. In my opinion, this is the first time in my lifetime that I'm seeing all of the cars in the water all pulling in the same direction. PACA wants to be a proud player."

Restoring the historic window is one of his latest projects.

The window consists of 13 panes, each divided with lead trim. It will be placed inside the



By mid-July, Mark Tanenbaum expects the restored beveled, leaded glass window will be placed in this blank white area in the west facade of the PACA building. (CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)

new mahogany frame, hoisted by a lift and installed above the main entrance of First Amendment Tees Co. Inc. at 1507-1509 State St., on the west facade of the five-story, 70,000-square-foot PACA building.

"PACA is dedicated to the community," Tanenbaum said. "We want to do our very best for everyone, whether it's the art we produce on our stage, or the music and art shows that we bring in to the community—the spaces we make available to other artists, the programming we produce, or the fact that we're saving a 110-year-old building and making our entrance to the downtown more attractive."

The window, called a sunburst design because it resembles a setting or rising sun, is 12 feet long and 26 inches at its crown. The window sat in a fourth-floor storage room for decades before Tanenbaum discovered it two years ago, shortly after the nonprofit bought the PACA building in late 2016 for about \$230,000.

"I believe they took it out in the 1940s, and it was just stored and forgotten," Tanenbaum said. "Two years ago, when we started doing the cleanup, we found it, and it was screwed to a board and sandwiched between these two boards because they wanted it protected. I saw the end sticking out and I said, 'What the hell is this?' I was

told it is the front window. When they took this window out originally, they saved it, thank God. They could have thrown away."

One broken pane of lead glass was replaced. Additional restoration work included replacing all of the lead framing and re-welding all of the metal strut supports, Tanenbaum said.

The original oak frame was rotted, necessitating construction of a new frame that measures about 13 feet by 3 feet.

Crews from Schutte Woodworking LLC built the Sapelle mahogany frame, which weighs about 100 pounds.

"The type of mahogany we used is very economical and it's naturally rot resistant," Schutte Woodworking owner Steve Rimpas said.

PACA officials initially thought about painting the frame white.

"I think it was a wise choice going to mahogany and the fact that we went with clear varnish instead of painting it white," Rimpas said. "Initially it was going to be white, but as the project kept going along, I sent Mark some test pictures of the frame and he thought the mahogany was gorgeous and he said, 'No way are we painting it white.'"

The next phase of work on the historic window involves setting it in the frame, sealing it, carrying it down four floors of stairs and installing it.

Crews from Penn Glass and Schutte Woodworking will affix the window on the PACA

building. In April, another project involving installation of 36 new double-pane, historically-accurate windows on the PACA building's west facade was completed as part of a \$17,000 facade improvement project. The project began in 2017.

"The design on them needed to be approved by the Pennsylvania Historic and Museum Commission, and they were," Tanenbaum said. "We are actively getting our building on the National Historic Register, and we should have that done within six months."

The project was funded by a \$45,000 grant from the Erie Redevelopment Authority, \$25,000 from the Erie Community Foundation and \$47,000 raised by PACA.

"You can tilt them, and you can wash them, and they're really easy to clean," Tanenbaum said. "When this building was built in 1899, they built all the windows on the building's premises. Every single one is slightly different, so it was hard to replace them, but our crews measured everything and just did an incredible job. Because these windows are 4 feet 6 inches (wide), nothing was standard, so everything cost more. Every window is within an inch or two of each other, but an inch or two makes them unique."

Ron Leonard can be reached at 870-7660 or by e-mail. Follow him on Twitter at [www.Twitter.com/ETNLLeonard](https://twitter.com/Twitter).



Countywide Summer JAM Program gives students work opportunities in Corry

BY SARA JUKES

sara@thecorryjournal.com

The city of Corry has four young people participating from an Erie Summer Jobs and More program that makes work experience possible for participants ages 16-21.

Summer JAM is a summer job program that aims to employ young Erie County residents who come from low- to middle-income families. JAM is administered by the Greater Erie Community Action Committee, and is a collaboration between Erie County government, the Erie County Gaming Revenue Authority and the Erie Community Foundation.

Working in Corry this year are four participants, two from the Union City Area School District and two from the Corry Area School District, City Manager Jason Biondi said.

The workers are paid through the program and no city money is spent on wages, Biondi said.

This year, the students will be given jobs at North Hills Municipal Golf Course, Corry Community Center and Corry Public Works Department, Biondi said.

"We're very thankful to have them; they've been an immense help," said Steve Bailey, director of golf at

North Hills Municipal Golf Course, who has been working with the four teens this week. "They're doing a good job for us."

They are given work such as mowing, weed eating, painting, cleaning equipment at the golf course. They also assist during the Summer Recreation Program for kids at the Corry Community Center, Biondi said.

Keri Fink, operation manager of the Corry Community Center and executive director of the Summer Recreation Program, has worked with two of the teens, giving them tasks such as cleaning.

"The program is positive for the community and gives the youth that participate experience with marketable skills," Fink said.

Each employer in the countywide program manages its own positions, but whatever position the youths are given, each one is limited to working up to 180 hours from June to August. All students are paid bi-weekly and earn \$7.25 an hour.

The program started with a weeklong orientation at Gannon University in Erie.

Students interested in participating or employers looking to hire may contact Ben Wilson at bwilson@gecac.org or 814-459-4581, ext 413.



RESOLUTION NUMBER 11, 2019

Resolution to accept the 2018-19 audited financial statements

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law and the Erie County Gaming Revenue Authority Bylaws, resolves to accept the 2018-19 audited financial statements into record as outlined in the attached Exhibit "A".

On the motion of _____, seconded by _____.

This resolution was passed on the 18th day of July 2019 by a vote of _____ - _____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman, Erie County Gaming Revenue Authority
July 18, 2019

ATTEST:

Secretary, ECGRA



**Erie County Gaming
Revenue Authority**

Financial Statements

**Year Ended March 31, 2019
with Independent Auditor's Report**

DRAFT 06/17/2019

ERIE COUNTY GAMING REVENUE AUTHORITY

YEAR ENDED MARCH 31, 2019

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DRAFT 06/17/2019

Independent Auditor's Report

**Board of Directors
Erie County Gaming
Revenue Authority
Erie, Pennsylvania**

We have audited the accompanying financial statements of the Erie County Gaming Revenue Authority (Authority) as of and for the year ended March 31, 2019, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 policies 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 basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of March 31, 2019, and the changes in its financial position, and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Pittsburgh, Pennsylvania
DATE, 2019

ERIE COUNTY GAMING REVENUE AUTHORITY

STATEMENT OF NET POSITION

MARCH 31, 2019

Assets	
<hr/>	
Current assets:	
Cash and cash equivalents	\$ 9,765,003
Prepaid expenses	7,164
Notes receivable, net	<u>5,258,846</u>
Total Assets	<u>\$ 15,031,013</u>
<hr/>	
Liabilities and Net Position	
<hr/>	
Liabilities	<u>\$ -</u>
<hr/>	
Net Position:	
Restricted - economic development	<u>15,031,013</u>
Total Liabilities and Net Position	<u>\$ 15,031,013</u>

See accompanying notes to financial statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED MARCH 31, 2019

Operating Revenues:

Gaming revenue	\$ 4,450,567
Interest income - note receivable	67,756
	<hr/>
Total operating revenues	4,518,323

Operating Expenses:

Economic Development:	
Grants awarded	6,130,627
Provision for uncollectible notes	550,000
Employee costs	206,811
Professional fees	113,601
Office space	17,393
Marketing and communications	13,867
Office expenses	9,718
Data processing	15,695
Insurance	3,572
General and meeting	12,517
	<hr/>
Total operating expenses	7,073,801

Operating Income (Loss) (2,555,478)

Nonoperating Revenues (Expenses):

Interest income	102,514
	<hr/>

Change in Net Position (2,452,964)

Net Position:

Beginning of year	17,483,977
	<hr/>
End of year	\$ 15,031,013

See accompanying notes to financial statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2019

Cash Flows From Operating Activities:	
Cash received from gaming revenue	\$ 4,450,567
Cash received from borrowers	67,756
Cash paid to borrowers as loan disbursements	(2,750,000)
Cash paid to employees and for employee benefits	(206,811)
Cash paid as grant awards	(6,130,627)
Cash paid for operating expenses	(192,366)
Net cash provided by (used in) operating activities	<u>(4,761,481)</u>
Cash Flows From Investing Activities:	
Interest income	<u>102,514</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,658,967)
Cash and Cash Equivalents:	
Beginning of year	<u>14,423,970</u>
End of year	<u>\$ 9,765,003</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows	
Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (2,555,478)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Provision for uncollectible notes	550,000
Change in operating assets and liabilities:	
Prepaid expenses	(6,003)
Notes receivable	(2,750,000)
Total adjustments	<u>(2,206,003)</u>
Net cash provided by (used in) operating activities	<u>\$ (4,761,481)</u>

See accompanying notes to financial statements.

ERIE COUNTY GAMING REVENUE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

1. General Information

The Erie County Gaming Revenue Authority (Authority) was established February 2008. The Authority was formed pursuant to the provisions of the Economic Development Financing Law, the Pennsylvania Race Horse Development and Gaming Act, and the Home Rule Charter of the County of Erie (County). The purpose of the Authority is to administer municipal grants and otherwise perform the functions of the County's Economic Development Authority.

The Authority's Board consists of nine Board members. Two of the members are ex-officio, non-voting members, namely, the Chairman of County Council or designee, and the County Executive or designee. The remaining members consist of one resident from each of the seven districts within the County who shall be appointed by the County Executive with the consent of County Council.

The Authority is dependent on gaming revenues generated from the Presque Isle Downs and Casino. These revenues are passed on to the Authority as restricted funds.

On October 26, 2017, the Pennsylvania Race Horse Development and Gaming Act was amended, changing, among other things, how gaming revenues were distributed to counties and entities like the Authority. One clause specifically effecting the Authority diverted \$1,000,000 of restricted gaming revenue each year for use by the Erie County Land Bank.

2. Summary of Significant Accounting Policies

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

ERIE COUNTY GAMING REVENUE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

The Authority is considered a special purpose government operating a single government program.

Net Position

The Authority only reports restricted net position which represents constraints placed on net position used through external restrictions, reduced by liabilities related to those assets. The Authority's net position is restricted for economic development grants and loans. Of the total restricted net position, \$5.3 million represents notes receivable (net) from various borrowers as described in Note 6, and \$3.1 million represents grant funding committed via award agreements but not yet spent.

The Authority's policy is to use funds in the order of the most restricted to the least restrictive.

Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, as well as demand deposits in checking and savings accounts at a local financial institution.

Notes Receivable

As described in Note 6, the Authority has issued various economic development related notes. Notes receivable are written off when they are determined to be uncollectible. It is the Authority's policy to provide for future losses on notes based on an evaluation of the current portfolio, current economic conditions, and such other factors which, in the Authority's judgement, may impact collectability for specific notes. The allowance for uncollectible notes totaled \$1,310,000 as of March 31, 2019 and the annual provision for uncollectible notes (bad debt expense) for the year ended March 31, 2019 was \$550,000. As of March 31, 2019, none of the notes receivable are in default.

From time to time, the Authority awards convertible loans to organizations ("Awardee") which are required to loan those funds to third parties ("Recipient"). If the Recipient defaults on the loans to the Awardee, the Authority's loan to the Awardee converts to a grant. If the Recipient pays the loan back to the Awardee, the Authority will continue to receive its payments from the Awardee. Based on the convertible nature of these provisions, the Authority recognizes these awards as grants, since the likelihood of receiving funds cannot be determined, nor can they be quantified, at the time the grants are awarded.

ERIE COUNTY GAMING REVENUE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

Risk Management

The Authority is exposed to various risks of loss related to torts (mitigated through the Pennsylvania Political Subdivision Tort Claims Act), theft of, damage to and destruction of assets; error and omission, and natural disasters for which the Authority carries commercial insurance. There have been no significant changes in insurance coverage since the prior year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. As of March 31, 2019, \$9,539,428 of the Authority's bank balance of \$9,789,428 was collateralized with securities held by the pledging financial institution and \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC). These deposits include amounts with a book balance as of March 31, 2019 of \$9,765,003, which are reported as cash and cash equivalents in the statement of net position.

4. Operating Leases

The Authority entered into an agreement with an Organization for rental of office space, which commenced in April 2015.

The Authority's base rent will be payable in equal monthly installments of \$1,452. This will be charged monthly. The total expenditures for the year ended March 31, 2019 were \$17,393.

ERIE COUNTY GAMING REVENUE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

Minimum future rentals to be paid as of March 31, 2019 are as follows:

2020	\$	17,428
2021		17,428
2022		<u>2,905</u>
	\$	<u><u>37,761</u></u>

5. Irrevocable Gifts to Erie Community Foundation

The Authority has entered into an irrevocable gift agreement with the Erie Community Foundation (ECF). This fund is under the control of the ECF and subject to their policies and, as such, is not recorded on the books of the Authority. The market value of this fund as reported by the ECF as of March 31, 2019 was \$13.5 million. A donor-designated fund, called the Lead Asset Endowment Fund was established to perpetually provide financial assistance to organizations designated by the settlement dated December 13, 2010 (Erie County Lead Regional Assets). During the fiscal year, \$454,833 in distributions from this fund were awarded directly to Erie County Lead Assets.

6. Notes Receivable

On September 13, 2012 and August 13, 2013, the Authority entered into loan agreements with the Enterprise Development Fund of Erie County, Inc. (Fund) for \$500,000 and \$800,000, respectively. The purpose of the loan was to provide loans to various entities in the County area to create and retain jobs. In March 2018, the loans were restructured and combined into one loan agreement. The loan agreement requires quarterly interest-only payments at a rate of 1% per annum, until March 31, 2028. The loan has an outstanding principal balance of \$1,300,000 as of March 31, 2019. The Authority was notified in 2016 that an entity related to the Fund, The Greater Erie Industrial Development Corporation (GEIDC), filed for Chapter 7 bankruptcy. The Authority has considered the uncertainty surrounding the ultimate collectability of the loans in its determination of the overall allowance for uncollectible notes. The Authority staff and Board will continue to monitor this dynamic situation to confirm ongoing viability of the Fund.

ERIE COUNTY GAMING REVENUE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

In September 2014, the Authority entered into a loan agreement with the Corry Industrial Benefit Association (CIBA) for \$50,000. The purpose of the loan was to provide loans to low-income individuals for energy efficient improvements for their homes. Payments are due to the Authority when CIBA has issued a loan to an individual and CIBA receives principal payments. The loan has an outstanding principal balance of \$18,846 as of March 31, 2019.

In January 2016, the Authority entered into a loan agreement with Bridgeway Capital for \$1,000,000. The purpose of the loan was to create the Erie Growth Fund. The loan requires interest-only quarterly payments at a rate of 3% per annum. The entire principal is due January 2026. The loan has an outstanding principal balance of \$1,000,000 as of March 31, 2019.

In April 2017, the Authority entered into a loan agreement with The Progress Fund for \$1,000,000. The purpose of the loan was to provide capital to rural businesses that create jobs and invest in Erie County. The loan requires interest-only quarterly payments at a rate of 2% per annum. The entire principal is due January 2026. The loan has an outstanding principal balance of \$1,000,000 as of March 31, 2019.

In December 2017, the Authority entered into a loan agreement with 1855 Capital Fund for \$500,000. The purpose of the loan was to provide capital to technology-based businesses that create jobs and invest in Erie County. Minimum Interest, as that term is defined in the loan agreement, is due to ECGRA semiannually. Outstanding Minimum Interest, Fixed Interest, Participating Interest, and Principal are due on the Maturity Date, as that term is defined in the loan agreement. The entire principal is due December 2027. The loan has an outstanding principal balance of \$500,000 as of March 31, 2019.

In September 2018, the Authority entered into a loan agreement with Bridgeway Capital for \$2,500,000. The purpose of the loan was to create the Erie Inclusive Fund. The loan requires interest-only quarterly payments at a rate of 1% per annum. The entire principal is due December 2028. The loan has an outstanding principal balance of \$2,500,000 as of March 31, 2019.

In January 2019, the Authority entered into a loan agreement with Blue Highway Capital for \$250,000. The purpose of the loan was to provide capital to rural businesses throughout Erie County. Minimum Interest, as that term is defined in the loan agreement, is due to ECGRA semiannually. Outstanding Minimum Interest, Fixed Interest, Participating Interest, and Principal are due on the Maturity Date, as that term is defined in the loan agreement.

ERIE COUNTY GAMING REVENUE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019

The entire principal is due in January of 2029, unless extensions are exercised. The loan has an outstanding principal balance of \$250,000 as of March 31, 2019.

7. Simple IRA

In September 2014, the Authority's SIMPLE IRA Plan (Plan) was established with Fidelity Advisors to provide retirement benefits to their employees. The provisions of the Plan were established by the Board of Directors who can also amend the Plan. Employees can contribute up to the IRS limits and the Authority will match up to 3% of the employee's wages. All contributions and earnings are vested immediately. Contributions made for the year ended March 31, 2019 by employees and the Authority were \$7,476 and \$4,583, respectively.

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