

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY

(A Component Unit of Delaware County)

MEDIA, PENNSYLVANIA

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2023

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)
MEDIA, PENNSYLVANIA

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INDEPENDENT AUDITOR'S REPORT

June 18, 2024

To the Board of Directors
Delaware County Interactive Gaming Revenue Authority
Media, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Delaware County Interactive Gaming Revenue Authority ("the Authority"), a component unit of Delaware County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Authority as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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To the Board of Directors
Delaware County Interactive Gaming Revenue Authority

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
Delaware County Interactive Gaming Revenue Authority

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

Report on Summarized Comparative Information

We have previously audited the Delaware County Interactive Gaming Revenue Authority's 2022 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and the major fund in our report dated June 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information 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 opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 201,844	$ 99,009
Local Share receivable	257,791	110,054
TOTAL ASSETS	$ 459,635	$ 209,063
LIABILITIES AND NET POSITION		
LIABILITIES	$ -	$ -
NET POSITION		
Unrestricted	459,635	209,063
Total Net Position	459,635	209,063
TOTAL LIABILITIES AND NET POSITION	$ 459,635	$ 209,063

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

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Comparative Data for the Year Ended December 31, 2022)

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expenses) and Changes in Net Position: 2023	Net Revenue (Expenses) and Changes in Net Position: 2022
Grants to other organizations	$ 449,053	$ -	$ 740,665	$ -	$ 291,612	$ 15,637
Administrative	41,130	-	-	-	(41,130)	(17,435)
TOTAL	490,183	-	740,665	-	250,482	(1,798)
GENERAL REVENUES						
Interest income					90	35
TOTAL GENERAL REVENUES					90	35
CHANGE IN NET POSITION					250,572	(1,763)
NET POSITION, BEGINNING OF YEAR					209,063	210,826
NET POSITION, END OF YEAR					$ 459,635	$ 209,063

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

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)
BALANCE SHEETS − GOVERNMENTAL FUND
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 201,844	$ 99,009
Local Share receivable	257,791	110,054
TOTAL ASSETS	$ 459,635	$ 209,063
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ -	$ -
FUND BALANCE		
Unassigned	459,635	209,063
Total Fund Balance	459,635	209,063
TOTAL LIABILITIES AND FUND BALANCE	$ 459,635	$ 209,063

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

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)
RECONCILIATION OF BALANCE SHEET − GOVERNMENTAL FUND
TO STATEMENT OF NET POSITION
DECEMBER 31, 2023

TOTAL GOVERNMENTAL FUND BALANCE	$	459,635
Reconciling items		-
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	459,635

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

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE − GOVERNMENTAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUES		
Local Share revenues	$ 740,665	$ 382,662
Interest income	90	35
TOTAL REVENUES	740,755	382,697
EXPENDITURES		
Grants to other organizations	449,053	367,025
Administrative	41,130	17,435
TOTAL EXPENDITURES	490,183	384,460
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	250,572	(1,763)
FUND BALANCE, BEGINNING OF YEAR	209,063	210,826
FUND BALANCE, END OF YEAR	$ 459,635	$ 209,063

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

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE − GOVERNMENTAL FUND TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	$	250,572
Reconciling items		-
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	250,572

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Delaware County Interactive Gaming Revenue Authority ("the Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America ("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 significant accounting principles and policies utilized by the Authority are described below.

Reporting Entity

The Authority was incorporated by Delaware County, Pennsylvania for the purpose of receiving Local Share funds pursuant to 4 Pa C.S.A. Section 13B53 and utilizing the funds to provide grants to be used for economic development, municipal police and emergency services, and other purposes in the public interest. The Authority was established in September 2020 and began operations effective January 1, 2021. Members of the Authority Board of Directors ("the Board") are appointed by Delaware County Council. The Authority is a component unit of the reporting entity for Delaware County, Pennsylvania.

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The term "measurement focus" is used to denote what is being measured and reported in the Authority's operating statement. The Authority's entity-wide financial statements are accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether the Authority is better or worse off economically as a result of events and transactions of the period. The governmental fund utilizes the current financial resources measurement focus.

The term "basis of accounting" is used to determine when a transaction or event is recognized on the Authority's operating statement. The entity-wide financial statements of the Authority are prepared on the accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends. The governmental fund financial statements are presented on the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available.

The Authority adheres to the provisions of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* ("the Codification"). The Codification established standards for external financial reporting for all state and local governmental entities. The accounting policies of the Authority conform to GAAP applicable to governmental units.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. All cash deposits and highly liquid investments with an original maturity of three months or less when acquired are considered to be cash equivalents.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Other revenues are recorded as revenue when received in cash because they generally are not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. The Authority's expenditures are measurable and are recorded when the related fund liability is incurred.

Fund Equity

In the fund financial statements, the governmental fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources as they are needed.

Fund balances of the governmental fund are classified, if applicable, as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by formal action of the Board. The Board is the highest level of decision-making authority within the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

Grants Receivable

The Authority believes all grants receivable to be fully collectible and therefore has not recorded an allowance for uncollectible receivables.

Use of Estimates in the Preparation of Financial Statements

Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS

The Authority's deposits are held in a bank account which is covered by federal depository insurance up to $250,000. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Authority does not have a policy for custodial credit risk on deposits. At December 31, 2023, the carrying amounts of the Authority's deposits were equal to the bank balance and was fully covered by federal depository insurance.

NOTE 3 SUBSEQUENT EVENTS

The Authority has evaluated all subsequent events through June 18, 2024, the date the financial statements were available to be issued.

DELAWARE COUNTY INTERACTIVE GAMING REVENUE AUTHORITY
(A Component Unit of Delaware County, Pennsylvania)

OTHER REPORT

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

June 18, 2024

To the Board of Directors
Delaware County Interactive Gaming Revenue Authority
Media, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Delaware County Interactive Gaming Revenue Authority ("the Authority"), Media, Pennsylvania, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated June 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") to as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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To the Board of Directors
Delaware County Interactive Gaming Revenue Authority

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP