



County of Allegheny

Office of the Controller

**ENTERPRISE RENT-A-CAR COMPANY
OF PITTSBURGH
REPORT ON CONTRACT COMPLIANCE PROCEDURES
FOR THE PERIOD
MAY 1, 2012 THROUGH APRIL 30, 2015**

(Non-Audit Service)

February 25, 2016

**Chelsa Wagner
Controller**

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CHELSEA WAGNER
CONTROLLER

COUNTY OF ALLEGHENY

OFFICE OF THE CONTROLLER

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February 2, 2016

Ms. Christina A. Cassotis
Chief Executive Officer
Allegheny County Airport Authority
Landside Terminal, 4th Floor, Mezzanine
P.O. Box 12370
Pittsburgh, PA 15231-0370

Enterprise Rent-A-Car Company of Pittsburgh
Report on Contract Compliance Procedures
For the Period May 1, 2012 through April 30, 2015

Dear Ms. Cassotis:

We have performed certain procedures we considered necessary to assess Enterprise Rent-A-Car Company of Pittsburgh's (Enterprise) rent remittances made pursuant to Section 4.01 of its Pittsburgh International Airport On-Airport Rental Car Concession Agreement #0765, as amended by Agreement #0765-A, (Concession Agreement) with the Allegheny County Airport Authority (Airport Authority) for the period May 1, 2012 through April 30, 2015. We also performed procedures to assess Enterprise's compliance with its Service Facility Agreement #0800, as amended by Agreement #0800-A. These procedures were performed as a non-audit service. Therefore, this engagement is not covered by Generally Accepted Auditing Standards.

Under the terms of Section 4.01 of the Concession Agreement, Enterprise shall pay to the Airport Authority the greater of ten percent of gross revenue received from the operation of the rental car concession or the stipulated Minimum Annual Guarantee (MAG). The Concession agreement was effective from May 1, 2003 through April 30, 2008. In April 2008, the Airport Authority approved the five year option which commenced May 1, 2008 and continued until April 30, 2013. In 2012, the agreement was amended (#0765-A) to extend the option term until April 30, 2020. According to Section 2.02 of the Concession Agreement, the MAG for the first lease year of the option term is 80% of the amount of the rent due the Authority for the prior lease year. The MAG for subsequent years shall be 80% of the prior year's rent due, but in no case less than the prior year's MAG. The MAG for the first year of the option term, which ended April 30, 2009, was \$740,654. For the lease years ended April 30, 2013, 2014, and 2015 the MAG was \$998,670, \$1,006,329, and \$1,191,465 respectively.

Ms. Christina A. Cassotis
 February 2, 2016

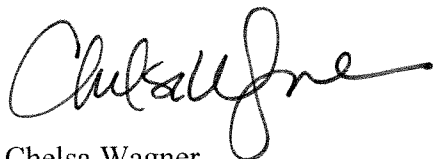
The following table summarizes gross revenue and rent paid for the lease years ended April 30, 2013, 2014, and 2015.

	For the Lease Year Ended		
	April 30, 2013	April 30, 2014	April 30, 2015
Original Gross Revenue	\$ 12,579,113	\$ 14,893,306	\$ 14,108,644
Concession percentage	10%	10%	10%
10% of Gross Revenue	\$ 1,257,911	\$ 1,489,331	\$ 1,410,864
Minimum Annual Guarantee (MAG)	\$ 998,670	\$ 1,006,329	\$ 1,191,465
Rent Due: Greater of 10% Gross Revenue or MAG	\$ 1,257,911	\$ 1,489,331	\$ 1,410,864
Less: Amount Paid by Enterprise	1,265,039	1,489,331	1,438,386
Amount Due: Airport Authority or (Enterprise)	(7,128)	(0)	(27,522)
Credit Used by Enterprise	7,128	0	27,522
Credit Remaining as of January 20,2016	\$ 0	\$ 0	\$ 0

Ms. Christina A. Cassotis
February 2, 2016

We would like to thank the staff of the Airport Authority and Enterprise for their courtesy and cooperation during our engagement.

Kind regards,



Chelsa Wagner
Controller



Lori A. Churilla
Assistant Deputy Controller, Auditing

cc: Honorable John DeFazio, President, County Council
Honorable Nicholas Futules, Vice-President, County Council
Honorable Rich Fitzgerald, County Executive, Allegheny County
Mr. William D. McKain, County Manager, Allegheny County
Ms. Jennifer M. Liptak, Chief of Staff, County Executive
Ms. Mary C. Soroka, Director, Budget and Finance
Mr. Joe Catanese, Director of Government Relations & Constituent Services, County Council
Mr. Walter Szymanski, Director of Budget and Administration, County Council
Mr. David Minnotte, Board Chairman, Airport Authority Board
Ms. Jan Rea, Audit Committee Chairman, Airport Authority
Mr. James R. Gill, Chief Operating Officer / Chief Financial Officer,
Allegheny County Airport Authority
Mr. Stephen W. Robinson, Senior Vice President, Finance, Allegheny County Airport Authority
Mr. David M. Litzau, Group Controller, Enterprise Rent-A-Car Company of Pittsburgh