



The Intergovernmental Cooperation Authority
for Harrisburg
922 N 3rd Street
Harrisburg, PA 17102

Annual Report
For Fiscal Year
2023-2024

December 30, 2024

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Summary

The Intergovernmental Cooperation Authority for Harrisburg (ICA) was created by an act of the General Assembly of the Commonwealth of Pennsylvania. The Authority's general purpose is to assist the City of Harrisburg in achieving financial stability:

The Intergovernmental Cooperation Authority for Harrisburg (“ICA”) is a public authority and instrumentality of the Commonwealth of Pennsylvania. The ICA was created for the general purpose of fostering the fiscal integrity of the City of Harrisburg, pursuant to the Intergovernmental Cooperation Authorities Act for Cities of the Third Class (Act of October 24, 2018, P.L. 751, No. 124).

The ICA Board, composed of members experienced in finance and management, advises the City of Harrisburg, the General Assembly, and the Governor concerning solutions to fiscal problems the City of Harrisburg may face.

The Board is composed of five appointed members who exercise the powers and duties of the ICA. The members are to be residents of the City and/or have their primary place of business or employment in the city. In addition, there are two ex officio, non-voting members of the board representing the City and the Secretary of the Budget. The ICA Board currently has one vacancy following the resignation at the end of 2023 of Mr. Ralph Vartan, appointee of the House Majority Leader. The Board has reached out to the appointing authority for a new designee. The governing board of the ICA retains an Authority Manager and an Independent General Counsel to assist it in its mission.

Timeline:

On August 26, 2013, the Harrisburg Strong Plan was filed with the Pennsylvania Department of Community and Economic Development. This strategic planning document, unlike the preliminary recovery plan that had been confirmed by the courts in March 2012, provided a comprehensive set of initiatives and funding to allow the City of Harrisburg to address the myriad of financial challenges that for many years plagued the City and impeded its growth.

In 2018, the City of Harrisburg requested additional taxing authority from the Commonwealth in order to address long-standing structural fiscal issues left over from the implementation of the Strong Plan. This negotiation resulted in the drafting of House Bill 2557, a proposal to temporarily permit additional taxing authority to the City, but also create an oversight board. The proposal received the support of the Pennsylvania Local Government Commission.

Governor Wolf signed Act 124 of 2018 on October 24, 2018, the Intergovernmental Cooperation Authorities Act for Cities of the Third Class. In addition to extending temporary additional taxing authority to the City of Harrisburg, the new law created the Intergovernmental Cooperation Authority (ICA) for Harrisburg.

The Intergovernmental Cooperation Authority Board met for their first meeting on February 26, 2019.

At the time of its formation, the Mayor of the City of Harrisburg was Eric R. Papenfuse.

In March 2019, the ICA Board appointed an Executive Director and an Independent General Counsel.

In April 2019, the ICA Board entered into a Memorandum of Understanding (MOU) with the Pennsylvania Department of Community and Economic Development to secure funding for the ICA.

In November 2019, the ICA Board and the Pennsylvania Department of Community and Economic Development entered into an Amendment to the MOU to extend funding through Fiscal Year 2022-2023.

On November 25, 2020, Gov. Tom Wolf signed the fiscal code bill that was approved by the state legislature. Under legislation included therein, Harrisburg was able to keep both its current earned income tax (EIT) and local services tax (LST) at rates higher than typically allowed for third-class cities in Pennsylvania. Harrisburg can retain a 2% EIT indefinitely; double the typical statewide rate of 1%. In addition, the city can retain an LST of \$156 a year (\$3 per week), triple the normal, statewide rate of \$52 a year (\$1 per week), for 10 years. The City then can assess double the statewide rate (\$2 per week) for another five years, through 2035. The legislation did not otherwise modify Act 124 of 2018.

Act 124 provides that the ICA and the City shall enter into an intergovernmental cooperation agreement. An agreement will formalize key terms of the working relationship between the ICA and the City. Once approved by the ICA Board, the Mayor, ratified by City Council, and authorized by Commonwealth Court, an agreement would allow the distressed status of the City under the Municipalities Financial Recovery Act (“Act 47”) to terminate.

In 2021, the Mayor, City Council, and the ICA Board reached a significant milestone with the cooperative approval of a final intergovernmental cooperation agreement. The parties lent their approval but the document was not executed, awaiting court resolution of the incinerator litigation still before Commonwealth Court.

In September 2021, Commonwealth Court removed certain parties to the incinerator litigation. In a 95-page opinion by Judge Michael H. Wojcik, the court removed Gov. Tom Wolf, the State of Pennsylvania, the Department of Community and Economic Development and the City of Harrisburg as plaintiffs in the suit. The Act 47 Coordinator, remains the only litigants in the lawsuit.

The ICA is anxious to see the approved agreement become official and for the City to exit Act 47 status. To that end, the ICA Board has pledged to cooperate with the Pennsylvania Department of Community and Economic Development Act 47 Coordinator, the City of Harrisburg Solicitor, and other stakeholders in preparation of the execution of the approved intermunicipal cooperation agreement and the change in the City’s status.

As a result, the approved intermunicipal cooperation agreement has never been executed, as to do so would result in the immediate exit of the City of Harrisburg from Act 47 status, and the unintended consequence of the end of the incinerator litigation. Therefore, the City remains in Act 47 status. A draft of the approved agreement is available on the ICA’s website as it existed when

approval was adopted by an act of City Council in 2021. The other result of this delay is the extension of the ICA and its mission.

In January 2022, Mayor Wanda R.D. Williams was sworn in as the new Mayor of the City of Harrisburg. With her came a series of changes in both personnel and policy for the City.

On August 1, 2023, the ICA entered into its sixth year of existence.

In April 2024, Chair Audry Carter stepped down as the chairperson of the ICA, and was replaced by Mr. Douglas Hill. Mr. Hill is only the third Chair in the existence of the ICA Board.

On August 1, 2024, the ICA entered into its seventh year of existence. The ICA remains in existence until “December 31 of the fourth full calendar year following the year in which an intergovernmental cooperation agreement is entered into” with the City. The agreement, which is to contain “terms and conditions as will enable the assisted city to eliminate and avoid deficits, maintain sound budgetary practices and avoid interruption of municipal services,” was approved by the parties, but as previously explained, they have not yet executed it. Therefore, the termination date for the ICA has likewise not yet been established.

The Intergovernmental Cooperation Authority (ICA) continues to fulfill its mission as detailed in Act 124 of 2018.

In June 2024, the ICA Board and the Pennsylvania Department of Community and Economic Development entered into an Amendment to the MOU to extend funding through Fiscal Year 2026-2027. As it is unclear when the role of the ICA will end, this agreement permits the ICA to continue to function as outlined in Act 124 of 2018.

Each year, this Annual Report, shall be submitted to Appropriation Committee leadership in the General Assembly, pursuant to the governing law.

As of today, the ICA and the ICA Board continue to function as advisors to the City of Harrisburg. Our goals remain the same, to fulfill the intent of the Harrisburg Strong Plan and the details of Act 124 of 2018.

Organization

Governance During Fiscal Year 2023-2024:

Audry K. Carter

Chairperson (August, 2023 to April, 2024)

Ms. Carter completed her role as Chairperson with the end of fiscal year 2023-2024. She continues on the Board of the ICA in the role of immediate past chairperson. Ms. Carter runs AQuire LLC, a consulting firm specializing in helping nonprofit organizations enhance their operations and maximize fundraising potential. She is a resident of the Italian Lake neighborhood in Harrisburg. Pennsylvania Governor Tom Wolf appointed her to the governing board of the ICA. As such, she is serving on behalf of Governor Josh Shapiro.

Douglas Hill

Chairperson (April, 2024 to Present)

In January 2024, Douglas Hill became the third Chairperson in the history of the Board of the ICA. Mr. Hill is the retired executive director of the County Commissioners Association of Pennsylvania (CCAP), a post he held for nearly 36 years, from 1984 to the end of 2019. Prior to that he was director of research and later chief lobbyist for the Pennsylvania State Association of Boroughs. Originally appointed by former Senator Joe Scarnati, who at the time was the President Pro Tempore of the Pennsylvania Senate, as such, he is now serving on behalf of Senator Kim L. Ward, who is currently President Pro Tempore.

H. Ralph Vartan

Vice-Chairperson (August, 2023 to December, 2023)

Mr. Vartan resigned from the ICA Board at the end of 2023 after completing a full term on the ICA Board. He has yet to be replaced.

Kathy Speaker MacNett

Secretary/Treasurer

Ms. MacNett is the former managing member of the Harrisburg law firm SkarlatosZonarichLLC. Following the merger of that firm with Mette, Evans & Woodside in late April 2024, Ms. MacNett became a shareholder with Mette. Ms. MacNett lives in the City of Harrisburg. Ms. MacNett was re-appointed by Representative Joanna McClinton in December 2022.

Elaine Barber

Authority Member

In February 2022, Ms. Elaine Barber, Staff Representative for the American Federation of State, County, and Municipal Employees (AFSCME) Council 13, was appointed to the ICA Board. She has been appointed to the governing board of the ICA by Senator Jay Costa, Democratic Leader of the Pennsylvania Senate.

Marita Kelley

Authority Member Ex-Officio, City of Harrisburg (August, 2023 to December, 2023)

Marita Kelley was the Director of Finance for the City of Harrisburg for 2022 and 2023. Ms. Kelley retired from the City of Harrisburg and left her service as Member Ex-Officio to the ICA Board.

Bryan McCutcheon

Authority Member Ex-Officio

Appointee of the City of Harrisburg (January 2024 to Present)

Bryan McCutcheon came to the City of Harrisburg in November 2012 with 26 years of accounting background, including various professional accounting and auditing work services for a professional CPA firm and related experience with governmental municipal type entities and nonprofit organizations. He graduated from the University of Pittsburgh at Johnstown in April 1986 with a Bachelor of Arts degree in business economics including a concentration in accounting related courses. His roles at the City include specific detailed accounting tasks for both revenue and expenditures of all City Funds and some assistance work with annual budget preparation.

Michael Wood

Authority Member Ex-Officio

Appointee of the Budget Secretary

Governor’s Budget Office

Commonwealth of Pennsylvania

In addition to his service to the Pennsylvania Office of the Budget, Mr. Wood is also the Director of the Bureau of Performance, Revenue, and Program Analysis.

Appointment of Executive Director and Independent Counsel:

Michael Cassidy, Esq., of the firm Johnson Duffie was appointed independent Counsel by the ICA Board on May, 2022 and continues in that role. Mr. Cassidy represents the third official to hold this position. He serves as an independent contractor and not an employee.

Mr. Cassidy is a seasoned attorney with broad experience helping large and small institutional entities navigate through complex legal challenges. He concentrates his practice in both the public and private sectors, having represented public school districts, municipalities, and municipal authorities as both solicitor and special counsel for over twenty years.

In March 2019, following a Request for Proposals, the ICA Board selected Jeffrey Stonehill of Chambersburg, Pennsylvania, as the first Executive Director and Authority Manager for the Intergovernmental Cooperation Authority (ICA) for Harrisburg. Mr. Stonehill represents the only official to hold this position. He serves as an independent contractor and not an employee.

Mr. Stonehill is currently the Borough Manager/Director of Utilities for the Borough of Chambersburg. As a result, the Chambersburg Town Council was required to adopt a resolution authorizing the lending of Mr. Stonehill’s services to the ICA.

In December 2022, the ICA Board renewed their contractual relationship with Mr. Stonehill.

Mr. Cassidy and Mr. Stonehill represent the only staff for the operation of the ICA.

Governance and Budget

By-Laws of the Authority:

The Authority formally adopted their by-laws on March 26, 2019, enclosed herein.

Adopted and Submitted Year Five Budget for the ICA:

A Year Two budget was adopted at the May 22, 2019 meeting. On May 29, 2019, the Year Two budget was submitted to the General Assembly.

A Year Three budget was adopted at the June 24, 2020 meeting. On June 29, 2020, the Year Three budget was submitted to the General Assembly.

A Year Four budget was adopted at the July 28, 2021 meeting. This budget is retroactive to July 1, 2021, and covers the fourth year of operations through June 30, 2022.

A Year Five budget was adopted at the July 20, 2022 meeting. This budget is retroactive to July 1, 2022, and covers the fifth year of operations through June 30, 2023.

A Year Six budget was adopted at the October 25, 2023 meeting. This budget is retroactive to July 1, 2023, and covers the sixth year of operations through June 30, 2024.

A Year Seven budget was adopted at the August 28, 2024 meeting. This budget is retroactive to July 1, 2024, and covers the seventh year of operations through June 30, 2025.

A copy of the current budget is included on the following page for your information.

Governor's Center for Local Government Services (GCLGS):

Since its inception, the ICA has enjoyed a cooperative relationship with the Pennsylvania Department of Community and Economic Development. The first liaison was Marita Kelley, who also served as the City of Harrisburg Act 47 Coordinator. Marita went on to retire from the Commonwealth and is now employed by the City of Harrisburg as Finance Director, a position which puts her as an ex-officio member of the ICA Board.

The current liaison to the ICA from the GCLGS is Madra Clay.

The ICA Board regularly submits narrative to the quarterly reports prepared by the GCLGS to the Court, as required by the Harrisburg Strong Plan.

2023-2024 Budget:

INTERGOVERNMENTAL COOPERATION AUTHORITY FOR
HARRISBURG
2023-2024 BUDGET - FISCAL YEAR FIVE
(Approved October 25, 2023)
(Effective July 1, 2023)

REVENUE

Appropriation by the General Assembly Act 124 of 2018	\$	100,000
Interest earnings Est.	\$	20
Program Revenue Est.	\$	5,000
TOTAL REVENUE	\$	105,020

EXPENSES

Authority Manager (Contract)	\$	54,600
Program Expenses (Details Below)	\$	5,000
Legal Services	\$	15,000
Insurance (Details Below):		
-General Liability Insurance	\$	6,500
-Governing Board Public Officials Insurance	\$	1,100
Legal Advertisement	\$	3,500
Memberships/Subscriptions	\$	2,000
Office Space Rental	\$	2,000
Audit Services (Contract)	\$	1,600
Information Technology Licensees	\$	3,000
Information Technology Equipment	\$	4,000
TOTAL EXPENSES	\$	98,300

SURPLUS/DEFICIT **\$ 6,720**

Fund Balance From Previous Year **\$ 101,218**

Reserve for Future Year Spending **\$ 107,938**

2024-2025 Budget:

INTERGOVERNMENTAL COOPERATION AUTHORITY FOR
HARRISBURG
2024-2025 BUDGET - FISCAL YEAR SIX
(Approved August 28, 2024)
(Effective July 1, 2024)

REVENUE

Appropriation by the General Assembly Act 124 of 2018	\$	100,000
Interest earnings Est.	\$	50
TOTAL REVENUE	\$	100,050

EXPENSES

Authority Manager (Contract)	\$	54,600
Legal Services	\$	15,000
Insurance (Details Below):		
-General Liability Insurance	\$	7,500
-Governing Board Public Officials Insurance	\$	2,000
Tax (1099) Processing	\$	160
Legal Advertisement	\$	3,500
Memberships/Subscriptions (PA Downtown Center)	\$	2,000
Office Space Rental	\$	2,000
Audit Services (Contract)	\$	1,700
Information Technology Licensees	\$	3,000
Information Technology Equipment	\$	<u>4,000</u>
TOTAL EXPENSES	\$	95,460

SURPLUS/DEFICIT **\$ 4,590**

Fund Balance From Previous Year **\$ 107,940**

Reserve for Future Year Spending **\$ 112,530**

Activities of the ICA Board

July 26, 2023

- The City of Harrisburg, through the Director of Finance, had presented the ICA Board a review of the status of receivables in the Neighborhood Services Fund, an ongoing concern of the ICA.
- The City of Harrisburg reviewed the plan for the renovation of the Broad Street Market following a devastating fire which left a significant portion of the historic structure unusable.
- There was a report describing the end of the grant awards from Impact Harrisburg, a non-profit, which was formed as a part of the Harrisburg Strong Plan, to deliver support to the community. The last program from Impact Harrisburg would be a joint effort with the Capital Region Economic Development Corporation (CREDC) to use the last funding for struggling small businesses.

August 9, 2023

- The ICA Board held a joint meeting with the Harrisburg Audit Committee where the 2021 City of Harrisburg Audit was discussed. The City continues to run late when it comes to producing audited financial records.

August 23, 2023

- The ICA Board heard a presentation from the City regarding the proposed uses of the remaining funding from the American Rescue Plan Act. The City has moved slower than anticipated with the programming of these funds.

September 27, 2023

- On August 31, 2023, the City submitted the 2024 Five-Year financial plan update to the ICA Board. It stated that it was the intention of the City to resubmit the plan document in order to address different economic factors that have since been revealed and the administration would like the opportunity to incorporate this information into the plan.
- The City of Harrisburg, through the Director of Finance, has asked for the ICA Board to delay its submission of its final 2024 Five-Year financial plan until October 12th. That request was approved.

October 25, 2023

- On October 12, 2023, the City resubmitted the 2024 Five-Year financial plan update to the ICA Board. It was noted that in the City Controller's review of the proposed plan, he believes the review projections are too optimistic. Together the ICA Board crafted a response to the City noting that observations and concerns regarding the proposed plan. There were five chunks to frame the board's reactions: reactions to the assumptions in the General Fund, reactions to the assumptions in the Neighborhood Services Fund, need for an economic development plan, establishment of a plan for exit from Act 47 status, and establishment of an Other Post-Employment Benefits (OPEB) Trust which is necessary for the exit from Act 47 status, and finally a discussion of other important items such as the Broad Street Market. The ICA Board approved a motion to permit this submission as amended to serve as the 2024 update to the Mayor's Five-Year Financial Plan.

Annual Report Fiscal Year 2023-2024

- The ICA Board approved the 2023-2024 operating budget for the ICA.

November 15, 2023

- The ICA Board accepted the resignation of H. Ralph Vartan as a member of the Board effective with the end of the year. Mr. Vartan had been appointed by Rep. Mike Turzai, Speaker of the House of Representatives, and a replacement would be sought.
- The ICA Board expressed ongoing concern about cash balances in the General Fund and the Neighborhood Services Fund as the 2024 City of Harrisburg Budget was being discussed.
- The ICA Board approved a financial review of all ICA activities by the firm Zelenkofske and Axelrod.

December 20, 2023

- The ICA Board reviewed the Mayor's Proposed 2024 Budget. On the previous evening, December 19, 2023, there was scheduled a vote of City Council. However, after a long meeting, with fourteen budget amendments proposed, no vote was taken. The City Council will reconvene on Thursday, January 21, to consider adoption of the 2024 budget.
- The ICA Board approved correspondence to be shared with the Mayor and Council in advance of the final vote for the budget.

January 24, 2024

- The ICA Board heard a detailed presentation from the Keystone Collections Group on Tax Collection involving the Personal Income Tax and the Local Services Tax on behalf of the City of Harrisburg.
- The ICA Board heard a presentation from Michael Hughes, Tax & Enforcement Administrator, from the City Bureau of Licensing, Taxation and Central Support, regarding the Mercantile Tax, Amusement Tax, the Parking Tax, and the Business Privilege Tax.

April 24, 2024

- The ICA Board heard a presentation on the status of the finances of the City of Harrisburg.
- The ICA Board heard a report on the ongoing status of financial activities by the City of Harrisburg including the following issues:
 - The City is working to catch up on the completion of the 2022 audit and moving towards working on the 2023 audit. Mr. McCutcheon gave an update on this situation.
 - The City is working on the Economic Development Plan.
 - The City and the American Rescue Plan Act funding.
 - City performance measures process beginning with mission statements and goals for 2025.
 - The payoff of the debt is applauded.
- Audry Carter noted that she was resigning as Chair of the ICA Board after serving in this capacity for years. She added that she would remain a member of the ICA Board and would like to nominate Mr. Douglas Hill to replace her in the position of Chair. Mr. Hill was elected the new Chair of the ICA Board effective with the next meeting.

The ICA's fiscal year ended on June 30, 2024.

Official Goals of the ICA Board

The Goals of the Board of the Intergovernmental Cooperation Authority for Harrisburg:

As adopted September 22, 2023

1. Work cooperatively with the Mayor and administration to identify key aspects of economic development (i.e., housing, employment, tourism, small businesses, etc.), which will be the focus of the plan, and further to work to establish benchmarks, goals, and an implementation strategy to succeed on achieving those goals.
2. Continue efforts to quantify and address the outstanding receivables in the Neighborhood Services Fund, address collections, using both the American Rescue Plan Act funding as well as legal action to recover money owed, and to work cooperatively with the Treasurer and others to develop alternative ways to invoice for trash collection.
3. Schedule meetings with the various appointing officials; update them on “Board Talking Points.” Those points workshopped by the Board can include the delay in the execution of the approved Intergovernmental Cooperation Agreement, the potential need to extend the term of the ICA, and the benefits that can be afforded to the COH (such as entry back into the debt marketplace) because of ongoing cooperation and the resulting success.
4. Work cooperatively with the Mayor and administration to identify alternatives and remove obstacles to the final execution of the approved Intergovernmental Cooperation Agreement, and manage the implementation of the agreement, the end of Act 47 status, and ongoing projects with the ICA.
5. Continue work with the COH Audit Committee and administration to eliminate all remaining “material weaknesses” identified by the City’s auditor, and further to attain an unqualified opinion on the Single Audit.
6. Continue to work with the Mayor and administration on both the development of American Rescue Plan Act funding proposals to the City Council, and further the development and implementation of programs and measurement of benefits from implementation.
7. Seek details on COH efforts to prepare for the potential of reentry into municipal credit marketplace, and to participate in proposals to establish new credit rating, and the selected uses of newly available debt.
8. Arrange presentation on the COH’s MUNIS Software system to gain a thorough understanding of the implementation of and the breadth of advantages for the City and the Finance Office, specifically.
9. Continue to work with COH staff to complete the proper implementation of the OPEB Trust Fund and to discuss ongoing OPEB liability funding goals.

Subject to revision by the Board of the Intergovernmental Cooperation Authority from time-to-time.

By-Laws of the Board of the Intergovernmental Cooperation Authority for Harrisburg

As adopted September 22, 2023

ARTICLE I

GENERAL POWERS: INTERPRETATION OF BYLAWS

1.01 General Powers. The general powers of the Intergovernmental Cooperation Authority for Harrisburg (the “Authority”) shall be as set forth in the Pennsylvania Intergovernmental Authority Act for Cities of the Third Class as set forth in House Bill No. 2557, Session of 2018.

1.02 Interpretation of Bylaws. All words, terms and provisions of these bylaws of the Authority (the “Bylaws”) shall be interpreted and defined by and in accordance with the Act, as amended from time-to-time hereafter. All references in these Bylaws to statutory provisions shall be deemed to incorporate amendments to such provisions and to corresponding provisions of any subsequent law.

ARTICLE II

OFFICES

2.01 Principal Office. The principal office of the Authority shall be located at such place as the governing board of the Authority (the “Board”) may designate. The Board may establish such other office or offices as may be necessary for the purpose of performing the Authority’s duties and functions.

2.02 Books and Records. Except as otherwise provided for by resolution or as the business of the Authority may require, the corporate seal and all books and records of the Authority shall be kept in the principal office designated in 2.01.

ARTICLE III

GOVERNING BODY

3.01 Membership. The powers of the Authority shall be exercised by the Board which shall be composed of five (5) appointed members, who shall not be elected public officials, and two (2) ex officio members. The members of the Board shall be as follows:

- (a) One member appointed by the Governor of the Commonwealth of Pennsylvania;
- (b) One member appointed by the President pro tempore of the Senate of the Commonwealth of Pennsylvania;
- (c) One member appointed by the Minority Leader of the Senate of the Commonwealth of Pennsylvania;
- (d) One member appointed by the Speaker of the House of Representatives of the Commonwealth of Pennsylvania;
- (e) One member appointed by the Minority Leader of the House of Representatives of the Commonwealth of Pennsylvania;
- (f) The Secretary of the Budget of the Commonwealth of Pennsylvania as an ex officio member; and
- (g) The Director of Finance of the City of Harrisburg as an ex officio member.

All members of the Board shall be residents of the Commonwealth of Pennsylvania and, except for the Secretary of the Budget, shall either be residents of Harrisburg or have their primary places of business or employment in Harrisburg.

3.02 Terms. The term of a Board member shall begin on the date of appointment for a period of five (5) years. A member's term shall be coterminous with that of the appointing authority.

3.03 Vacancies. A vacancy shall occur upon the death, resignation, disqualification, removal or expiration of the term of a member. Whenever such vacancy occurs on the Board, whether prior to or on the expiration date of a term, the appointing authority designated in Section 3.01 which originally appointed the Board member whose seat has become vacant is required, pursuant to Section 2 of the Act, to appoint a successor member within thirty (30) days of the occurrence of the vacancy. A member appointed to fill a vacancy occurring prior to the expiration of a term shall serve the unexpired term.

3.04 Removal. A member shall serve at the pleasure of his or her appointing authority.

3.05 Ex Officio Members. The ex officio members of the Board may not vote and shall not be counted for purposes of establishing a quorum. The ex officio members may designate in writing a representative of their respective offices to attend meetings of the Board on their behalf and such representatives shall retain such authority until the authority is expressly revoked by the appropriate ex officio member.

3.06 Majority. A majority of the Board shall constitute a quorum for the purposes of conducting the business of the Board and for all other purposes.

3.07 Compensation. The members of the Board shall serve without compensation or remuneration for their services but shall be entitled to reimbursement of all reasonable and necessary actual expenses.

3.08 Liability. The rights of creditors of the Authority shall be solely against the Authority and no member of the Board shall be liable personally on any obligations of the Authority. Any and all rights granted pursuant to this Section 3.08 shall be in addition to any rights granted to members of the Board pursuant to the sovereign immunity provisions of Section 9.01.

3.09 Committees. The Board shall establish such Committees as it deems necessary. No committee is authorized to take any official action on behalf of the Board or the Authority.

ARTICLE IV

MEETINGS

4.01 Place of Meeting. The Board may hold its publicly advertised meetings at the principal office of the Authority or at such other place as may be determined by the Board, provided that all meetings shall be held at a location accessible by the public.

4.02 Regular Meetings. The Board shall meet as frequently as it deems appropriate, but at least once during each quarter of the Authority's fiscal year.

4.03 Annual Meeting. The annual meeting of the Authority shall be the first regular meeting of each fiscal year of the Authority.

4.04 Special Meetings. Special meetings of the Board shall be held if a request for such a meeting is submitted to the Chairperson by at least two (2) members of the Board. Such a request shall state the general nature of the business to be transacted at such special meeting.

4.05 Notice of Meeting. At its first regular meeting of each fiscal year, the Board shall establish a schedule of its remaining regular meetings for the fiscal year. No further notice of such regularly scheduled meetings need be given to any member of the Board, except that any member not in attendance of the meeting at which the schedule was adopted shall be notified in writing or by email of such schedule at least three (3) days prior to the next regular meeting. Written or emailed notice of any special meeting shall be given to each member of the Board at least twenty-four (24) hours prior to the day named for the special meeting.

4.06 Participation in Meetings by Telephone. To the extent permitted by law, any member may participate in any meetings of the Board, may be counted for the purpose of determining a quorum thereof, and may exercise all rights and privileges to which he or she might be entitled were he or she personally in attendance (including the right to vote) by means of telephone or similar communication equipment by which all persons attending the meeting can hear each other.

4.07 Public Notice of Meeting. All meetings of the Board shall be open to the public. As soon as practical following the first regular meeting of each fiscal year, but in no event later than three (3) days prior to the next regularly scheduled meeting, the Secretary of the Board or designee shall give public notice, in the manner hereinafter provided, of the remaining regularly scheduled meetings of the Board for the fiscal year. The Secretary or designee shall also give public notice of each special meeting and rescheduled regular or special meeting at least twenty-four (24) hours prior to the time thereof, showing the date, time and place thereof. Public notice shall consist of the following: (a) publishing such notice in a newspaper of general circulation in the political subdivision where the meeting will be held, and (b) posting a copy of such notice prominently at the main municipal building and at the actual place of meeting (at the time of the meeting). The Secretary or designee shall provide a copy of all public notices to any newspaper, radio station and/or television station which may request the same. Nothing herein, however, shall prevent the Board from holding executive sessions to which the public is not admitted, but no official act shall be taken or official policy adopted at any such executive session, except as otherwise permitted by law.

4.08 Quorum. A majority of the Board shall constitute a quorum for the purpose of conducting business of the Board and for all other purposes. The ex officio members of the Board shall not be counted for purposes of establishing a quorum. All actions of the Board shall be taken by a majority of the Board.

4.09 Computing Time Periods. In computing the number of days during any period for purposes of these Bylaws, such period shall be computed so as to exclude the first and include the last day of such period. All days shall be counted including Saturday, Sunday, or any day made a legal holiday by the laws of the Commonwealth of Pennsylvania or of the United States (a "Holiday"); provided, however, that if the final day of any time period falls on a Saturday, Sunday or Holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or Holiday. In computing the number of days for the purpose of giving notice of any meeting, the date upon which the notice is given shall not be counted but the day set for the meeting shall be counted. Notice given twenty-four (24) hours before the time set for a meeting shall be deemed one day's notice.

ARTICLE V

OFFICERS

5.01 Officers. The Officers of the Authority shall be the Chairperson, the Vice Chairperson, the Secretary/Treasurer, and such other officers as the Board may determine. The members of the Board shall elect these Officers from among themselves. A majority of the Board shall appoint and

may remove the Executive Director. The Board may elect or appoint such other officers, assistant officers, agents, and employees as the needs of the Authority may require, who need not be members of the Board. A member of the Board may hold more than one office of the Board at any time.

5.02 Tenure of Office. Except for the Executive Director, all officers who are members of the Board shall be elected to a (2) year term and until their respective successor shall have been duly elected or until they have ceased to be members of the Board. Members may be re-elected to a subsequent two year term.

5.03 Chairperson. The Chairperson shall have a general management role over the affairs of the Authority, shall conduct all meetings of the Board, and shall, in general, perform all duties incident to the office of the Chairperson and such other duties as assigned by the Board.

5.04 Vice Chairperson. The Vice Chairperson shall have all powers and duties of the Chairperson in the absence of the Chairperson and shall perform such other duties as may be assigned by the Board. Should both the Chairperson and Vice Chairperson be absent from any meeting of the Board, the members present shall appoint a Chairperson pro tempore.

5.05 Secretary/Treasurer. The Secretary/Treasurer shall act as clerk of all meetings of the Board, shall record all the proceedings of such meetings in a book for that purpose, shall give such notice as may be required of all meetings, shall record all votes and have custody of all books and records including financial, provide for the custody of the funds of the Authority and shall perform all other duties incident to the office and such other duties as may be assigned by the Board.

5.06 Other Officers. In addition to the Chairperson and Vice Chairperson, the members shall elect other officers as they may determine.

5.07 Executive Director. The Executive Director, who shall be appointed by a majority of the Board, shall be the chief operating officer of the Authority and, subject to the supervision and control of the Board, shall have the general supervision and direction of the business affairs of the Authority. He or she may execute on behalf of the Authority contracts entered into in the ordinary course of business and any other duly authorized contracts, and shall have such other powers and perform such other duties as may be delegated to him or her by a majority of the Board.

5.08 Removal of Officers. Any officer of the Authority may be removed by a majority of the Board. If an officer who is a member of the Board loses his or her membership on the Board for any reason, such officer shall cease to hold his or her office; provided, however, that the Board shall not be precluded from reappointing such officer provided that the office held is not one for which membership on the Board is a prerequisite.

5.09 Vacancies. A vacancy in any office shall occur upon the death, resignation, disqualification, removal or expiration of the term of an officer. A majority of the Board shall have the power to fill any vacancies occurring for whatever reason in any office including the Executive Director. All vacancies shall be filled as soon as practicable.

ARTICLE VI

EMPLOYEES

6.01 Other Employees and Professional Services. The Board may employ such other agents, contractors, employees, technical experts, legal counsel and consultants as it may from time to time

determine, to serve at the will of the Board and for such compensation as the Board may direct and as approved by a majority of the Board.

ARTICLE VII

AUDITS, FISCAL YEAR, MONIES OF THE AUTHORITY

7.01 Audit. The Authority shall file an annual report with the Chairperson and Minority Chairperson of the Appropriation Committee of the Senate of the Commonwealth of Pennsylvania and the Chairperson and Minority Chairperson the Appropriations Committee of the House of Representatives of the Commonwealth of Pennsylvania, in which annual report shall make provisions for the accounting of revenue and expenses of the Authority. The Authority shall have its books, accounts, and all records audited annually in accordance with generally accepted accounting standards by an independent auditor who shall be a certified public accountant, and a copy of the audit report shall be attached to and made a part of the Authority's annual report. A concise financial statement shall be published annually in the *Pennsylvania Bulletin*. The Chairperson and Minority Chairperson of the Appropriation Committee of the Senate of the Commonwealth of Pennsylvania and the Chairperson and Minority Chairperson of the Appropriation Committee of the House of Representatives of the Commonwealth of Pennsylvania shall have the right to examine, from time to time and at any time, the books, accounts and records of the Authority.

7.02 Fiscal Year. The fiscal year of the Authority shall end on June 30 of each year.

7.03 Monies of the Authority. All monies from the Authority, from whatever source derived, shall be paid to the Secretary/Treasurer of the Authority. The Board shall invest the funds of the Authority in a manner consistent with sound business practice, subject to the restrictions contained in the Act and any other applicable statute or regulation.

ARTICLE VIII

CORPORATE SEAL

8.01 Corporate Seal. A seal with the words "Intergovernmental Cooperation Authority for Harrisburg, Pennsylvania Corporate Seal – 2019" upon it shall be the common and corporate seal of the Authority. Such seal may be used by causing it to be impressed upon, affixed to, or reproduced in fact similarly or otherwise to any documents or other writing.

ARTICLE IX

SOVEREIGN IMMUNITY: INDEMNIFICATION

9.01 Sovereign Immunity. The Authority and its members, officers, officials, contractors and employees shall enjoy sovereign and official immunity, as provided in 1 Pa. Cons. Stat. Ann. §2310 (relating to sovereign immunity reaffirmed; specific waiver), and shall remain immune from suit except as provided by and subject to the provisions of 42 Pa. Cons. Stat. Ann. §8501 (relating to definitions) through §8528 (relating to limitations on damages). Notwithstanding the provisions of 42 Pa. Cons. Stat. Ann. §8525, the Authority, through its legal counsel, shall defend actions brought against the Authority or its members, officers, officials, contractors and employees when acting within the scope of their official duties.

9.02 Indemnity. The Authority shall indemnify any member or officer of the Authority who was or is an "Authorized Representative" of the Authority (which shall mean, for purposes of this Article IX, a member or officer of the Authority, including the Executive Director, or such person

serving at the request of the Authority as a director, officer, partner, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise) and who was or is a “party” (which shall include for purposes of this Article IX the giving of testimony or similar involvement) or is threatened to be made a party to an “proceeding” (which shall mean for purposes of this Article IX any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the authority or otherwise) by reason of the fact that such person was or is an Authorized Representative of the Authority to the fullest extent permitted by Law, including without limitation indemnification against expenses (which shall include for purposes of this Article IX attorneys’ fees and disbursements), damages, punitive damages, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding, unless the act or failure to act giving rise to the claim is finally determined by a court to have constituted willful misconduct or recklessness. If an Authorized Representative is not entitled to indemnification in respect of a portion of any liabilities to which such person may be subject, the Authority shall nonetheless indemnify such person to the maximum extent permitted by law for the remaining portion of the liabilities.

9.03 Advancement of Expenses. The Authority shall pay the expenses (including attorneys’ fees and disbursements) actually and reasonably incurred in defending a proceeding on behalf of any person entitled to indemnification under Section 9.02 in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Authority as authorized in this Article IX. The financial ability of such Authorized Representative to make such repayment shall not be a prerequisite to the making of an advance.

9.04 Employee Benefit Plan. For purposes of this Article IX, the Authority shall be deemed to request a member or officer to serve as fiduciary with respect to an employee benefit plan where the performance by such person of duties to the Authority also imposes duties on, or otherwise involves services by, such person as a fiduciary with respect to the plan; excise taxes assessed on an Authorized Representative with respect to any transaction with an employee benefit plan shall be deemed “fines”; and action taken or omitted by such person with respect to an employee benefit plan in the performance of duties for a purpose reasonably believed to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of Authority.

9.05 Security for Indemnification Obligations. To further effect, satisfy, or secure the indemnification obligations provided herein or otherwise, the Authority may maintain insurances, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the Authority, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board shall deem appropriate.

9.06 Reliance Upon Provisions. Each person who shall act as an Authorized Representative of the Authority shall be deemed to be doing so in reliance upon the rights to indemnification provided in this Article IX.

9.07 Amendment or Repeal. All rights to indemnification under this Article IX shall be deemed a contract between the Authority and the person entitled to indemnification under this Article IX pursuant to which the Authority and each such person intend to be legally bound. Any repeal,

amendment or modification hereof shall be prospective only and shall not limit, but may expand, any rights of obligation in respect of any proceeding whether commenced prior to or after such change to the extent such proceedings pertain to actions or failures to act occurring prior to such change.

9.08 Scope of Article. The indemnification, as authorized by this Article IX, shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, agreement or otherwise, both as to action in any official capacity and as to action in any other capacity while holding such office. The indemnification and advancement of expense may be provided under any statute, agreement or otherwise, both as to action in an official capacity and as to action in any other capacity while holding office. The indemnification and advancement of expenses provided in, or granted pursuant to, this Article IX shall continue as to a person who has ceased to be a member or an officer in respect of proceedings pertaining to actions or failures to act occurring while such person was serving as a member or an officer, and shall inure to the benefit of such person's heirs, executors and administrators.

ARTICLE X

CONFLICTS OF INTEREST

10.01 Conflicts of Interest. All members, officers and employees of the Authority shall be subject to the provisions of the Act of October 4, 1978, P.L. 83, No. 170, referred to as the Public Official And Employee Ethics Law, 65 Pa. C.S. chapter 11 (relating to ethics and financial disclosure), and the Act of July 19, 1957, P.L. 1017, No. 451, known as the State Adverse Interest Act. For the purposes of application of such acts, employees of the Authority (including, but without limitation, the Executive Director) shall be regarded as public employees of the Commonwealth of Pennsylvania, and members and officers of the Authority shall be regarded as public officials of the Commonwealth of Pennsylvania, whether or not they receive compensation.

ARTICLE XI

WAIVER OF NOTICE

11.01 Waiver of Notice. Any notice required to be given under these Bylaws may be effectively waived by the person entitled to such notice by written waiver signed before or after the meeting to which such notice related or by attendance at such meeting otherwise than for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE XII

AMENDMENTS OF BYLAWS

12.01 Amendments. These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by a Majority of the Board, at any meeting after fifteen (15) days' prior written notice of such an intention has been provided by the Secretary to each member of the Board; provided further, that no amendment may be made in contravention of the Act or any other applicable statute or regulation.

Submission of the Authority's Annual Report on Harrisburg City Financial Activities

On April 30, 2024, the ICA submitted its Annual Report on Harrisburg City Financial Activities in FY2023. A copy of that report is available on the ICA website: www.hbgica.org

The following represents the observations of the ICA Board:

Several important initiatives were still in-progress, the work of the City remains unresolved, and the Authority was hopeful for swift action in their conclusion:

- At the time of the report, work on various previous fiscal year City audits remain incomplete and the City of Harrisburg remains behind schedule on audit filings.
- Creation of the City's Economic Development Plan, long a priority of the Authority, and vital to identifying ways to increase revenues to the City, is underway according to the Administration. However, despite the Authority's outreach offering financial assistance and collaborative energies, our efforts to include actionable items in such a plan has stalled.
- All of the City's American Rescue Plan funding has been allocated, but not yet spent. At the time of this report, the ICA Board remained concerned about the slow nature of this targeted Federal funding reaching its intended uses.
- The Mayor has committed to formulating Mission and Goals for the City this fiscal year followed by the development of performance measurement standards in FY26. The need for performance measurements has been a priority communicated by the Authority since our first report in 2019.

It was important to note, at the time of that report, that progress on signing the Agreement to get the City out of Act 47 continues remained stalled and thus prevents the City from gaining access to credit markets. The language is approved but execution is on hold pending resolution of continued incinerator litigation.

Since the publication of this report, the ICA Board continued to focus on the need for sound financial management, robust community and economic development, and operational excellence to allow the City of Harrisburg to thrive.

Summary of Observations Regarding the Oversight and Mission of the ICA Board

On December 19, 2024, the ICA submitted its annual correspondence on the City of Harrisburg proposed budget for FY2025. A copy of that budget is available on the ICA website: www.hbgica.org

The following represents the observations of the ICA Board:

The Authority received and reviewed the proposed 2025 budget and additional information provided by the City for conformance with the criteria set forth in Act 124. Additionally we have observed the City Council's budget hearings and workshops. Three broad observations follow:

- The proposed 2025 budget includes no substantial changes beyond those provided in the City's Five-Year Financial Plan, as approved by the Authority on September 9, 2024. Please note that pursuant to Act 124, after the budget is adopted, the City may submit the enacted budget to the Authority as a proposed revision to the Plan.
- The proposed 2025 budget includes the maintenance of a cash fund balance in the General Fund of approximately \$17 million, by the end of 2025. The City should remain vigilant that the cash balances in the General Fund remain sufficient to fund future obligations.
- Specific concerns impacting future revenue for the City, including diminishing real estate tax revenue from reassessment of properties, the continuing lack of revenue from the parking scheme implemented by the Strong Plan, and the precarious nature of the local economy in the City, are not sufficiently addressed in the proposed 2025 budget.

As we move forward into 2025 and in summary:

- The Authority remains alert to the City's maintenance of fund balance in both the General Fund and the Neighborhood Services fund. We acknowledge that the City supports and maintains a Fund Balance Policy and we urge the City to continue to take steps to maintain a structurally balanced budget across all funds, at all times.
- The Authority remains concerned about the collection rate for aged receivables in the Neighborhood Services fund. Achieving a rate of collection on current receivables above 95% as soon as possible and a commitment to review and adjust fees as necessary for sufficiency to meet expenses and avoid drawing from reserves is needed. Additionally, accounting for the revenue/expenditure figures individually for the partner municipality contracts is a welcome improvement; with the next steps including an ongoing analysis of the balance by contract in a way that assures rates for our neighboring communities are sufficient to fund those services in their entirety, both individually and collectively.
- The Authority encourages the Administration to prioritize the development of a comprehensive Economic Development Plan. Apart from its importance for the vitality and opportunity it affords the downtown and our neighborhoods, it is an integral tool for the City to build long-term economic growth in the face of future trends including concerns about the diminution of property tax revenue. It also informs the work now underway for updates to the zoning ordinance and potential updates to the comprehensive plan. We acknowledge a broad-based work group is being put together and hope its work is expedited

this year. Relatedly, we also note the one-year extension of the LERTA program, and the anticipated formation of a work group to further refine that redevelopment tool.

- As previously stated, the Authority is interested in the formal adoption of an OPEB Trust Fund. It is a required step for the City's planned exit from Act 47. We believe it important in its own right as well as necessary to satisfy the parallel requirements of Act 124 and the Strong Plan.
- Unfortunately, the City's proposed 2025 budget does not adequately demonstrate a commitment to performance metrics or statistical analysis, both of which we believe would benefit the City. While some departments and bureaus have made progress in this respect, and some have begun to exploit the management tools available through the Munis software conversion, we think this standard should be promoted and implemented more uniformly and more broadly.
- We applaud the efforts to develop a comprehensive Capital Improvements Plan for the City. It is long overdue and its breadth may indicate the challenges that the City faces in maintenance of infrastructure far in excess of available resources.

Finally, the ICA is following with interest the redevelopment of the Broad Street Market and the investments in the FNB Stadium project as both may generate a local burden on future budgets.

As a whole, the City's proposed 2025 budget meets the Authority's expectations for the proper financial management of the City of Harrisburg. We congratulate you and your Finance Department team on your efforts to build a foundation of stability for the City's financial future.

Submission of the Authority's Year Five Concise Financial Statement

The accounting firm Zeleofske and Axelrod has prepared the attached financial statement summarizing Year-Four financial activities for the Authority, **as attached**.

**INTERGOVERNMENTAL COOPERATION AUTHORITY
FOR HARRISBURG, PENNSYLVANIA**

FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2024

INTERGOVERNMENTAL COOPERATION AUTHORITY
FOR HARRISBURG, PENNSYLVANIA
FOR THE YEAR ENDED JUNE 30, 2024

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Zelenkofske Axelrod LLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Intergovernmental Cooperation Authority for Harrisburg, Pennsylvania
Harrisburg, Pennsylvania

Report on the Audit of the Financial Statement

Qualified Opinion on the Financial Statement

We have audited the accompanying Statement of Cash Receipts, Cash Disbursements, and Cash Balances (the "financial statement") of the Intergovernmental Cooperation Authority for Harrisburg, Pennsylvania (the "Authority"), as of and for the year ended June 30, 2024.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph on the Omission of the Notes to the Financial Statement, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Authority, as of June 30, 2024, and the respective changes in the cash balances for the year ended June 30, 2024 in accordance with the cash basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement 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 opinion.

Basis for Qualified Opinion on the Omission of the Notes to the Financial Statement

Management has not included notes to the financial statement. The Cash Basis of Accounting requires that notes to the financial statement be included. This departure does not impact the Statement of Cash Receipts, Cash Disbursements, and Cash Balances.

Emphasis of Matter - Basis of Accounting

The Authority's financial statement has been prepared on the cash basis of accounting. This basis recognizes receipts and disbursements when they result from cash transactions. The cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in the Basis of Accounting paragraph above; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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 statement.

In performing an audit in accordance with GAAS, 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 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 statement.
- 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.

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.

Zelenkofske Axelrod LLC

ZELENKOFOSKE AXELROD LLC

Harrisburg, Pennsylvania
November 1, 2024

INTERGOVERNMENTAL COOPERATION AUTHORITY FOR HARRISBURG, PENNSYLVANIA PAGE 3
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Cash Receipts:	
Intergovernmental	\$ 100,000
Interest Income	<u>32</u>
Total Cash Receipts	<u>100,032</u>
Cash Disbursements:	
Authority Manager Services	53,550
Legal Advertisement	1,495
Legal Services	4,567
Insurance	5,712
Audit	1,650
Office Equipment	1,376
Remote Office Location	1,140
Tax Preparation	38
Web Services	<u>999</u>
Total Cash Disbursements	<u>70,527</u>
Excess of Cash Receipts over Cash Disbursements	29,505
Cash - Beginning of Year	<u>134,908</u>
Cash - End of Year	<u><u>\$ 164,413</u></u>