



The Intergovernmental Cooperation Authority
for Harrisburg
922 N. Third Street
Harrisburg, PA 17102

**The Intergovernmental Cooperation Authority
For Harrisburg
Annual Report
For Fiscal Year
2020-2021**

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 Authority 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 that exercises the powers and duties of the ICA. All five members are 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 governing board of the ICA retains an Authority Manager and Independent General Counsel to assist it in its mission.

Since September 2019, the Chair has been Audry Carter. H. Ralph Vartan serves as the Vice-Chair. Kathy Speaker MacNett serves as the Secretary-Treasurer.

Douglas Hill serves as a member as does Karla Hodge who was appointed by Senate Minority Leader Jay Costa in May 2021. She replaced original Board Member, Tina Nixon who resigned in May 2021.

In April 2020, Bruce Weber, ex-officio representative of the City of Harrisburg, resigned his position with the City, as Director of Finance, and was replaced by Neil Grover as the City representative to the ICA on an interim basis. In February 2021, the City representative was temporarily transferred to Dan Connelly, Senior Advisor, Marathon Capital Strategies. Mr. Connelly is not an employee of the City of Harrisburg, but served as the interim ex-officio representative of the City as Mr. Weber had not been replaced before the end of the Eric Papenfuse administration in December 2021.

From April 2020 through December 2021, the City of Harrisburg did not have a Director of Finance, which is the designee ex-officio pursuant to Act 124 of 2018. The City of Harrisburg Business Administrator, Marc Woolley, assisted Mr. Connelly with administration reports until his resignation from the City in November 2021.

On November 2, 2021, Eric Papenfuse failed to be re-elected as Mayor of the City of Harrisburg. Wanda Williams, President of City Council, was successfully elected to succeed Mr. Papenfuse. The Hon. Wanda Williams is scheduled to be sworn in as the Mayor of the City of Harrisburg on January 3, 2022.

The ICA Board looks forward to a new representative ex-officio to be appointed by incoming Mayor Williams as the Director of Finance. Pursuant to Act 124 of 2018, the Director of Finance, or their designee, shall be the representative from the City of Harrisburg on the ICA Board.

Finally, Mark Ryan, Special Assistant to the Secretary of the Budget, serves as the ex-officio representative of the Secretary of the Budget.

Other than the City representative, the ICA Board is at full strength pursuant to State Law.

In December 2020, Jeff Engle, attorney, Shaffer & Engle Law Offices, resigned as General Counsel for personal professional reasons. In January 2021, Anna Marie Sossong, attorney, Johnson Duffie, was approved as the new General Counsel for the ICA.

Jeffrey Stonehill of Chambersburg, Pennsylvania, continues to serve as Authority Manager.

Summary of activities:

The third year of the operation was defined by the Authority's successful efforts to ratify an intergovernmental agreement with the City. One complicating factor was the continued struggles caused by the COVID-19 pandemic. Furthermore, a significant lack of cooperation and participation by Mayor Papenfuse resulted in much less collaboration than the Board intended.

The achievements can be summarized as:

- Successful completion of the 2020 Mayor's Five-Year Fiscal Plan, delayed by the COVID-19 pandemic to early in the year 2021; including, the highlight of a number of deficiencies in the financial management of the City that still need to be addressed.
- Successful completion of a 2021 revision to the Mayor's Five-Year Fiscal Plan, that featured a number of issues that still require attention by the City of Harrisburg.
- Successfully reached an agreement on an Intergovernmental Cooperation Agreement, the framework for the relationship between the Board and the City of Harrisburg.
- Successfully dispatched the litigation of February 2019 regarding open meetings and the role of the City of Harrisburg in executive sessions of the Board.
- Collaboration by the City of Harrisburg and the Board on a mutually agreeable settlement between the City and Ambac Financial Group to move the City forward on refinancing their existing debt.
- Finally, the Board has communicated with the incoming administration and other stakeholders, such as the Pennsylvania Department of Community and Economic Development, the Treasurer of the City of Harrisburg, and the Controller of the City of Harrisburg, to encourage dialogue and cooperation at addressing the core mission of the ICA, the intent of the General Assembly to:
 - (i) Provide cities of the third class with the legal tools with which they can perform essential municipal services; and
 - (ii) Foster sound financial planning and budgetary practices for cities of the third class, which cities will be charged with the responsibility to exercise efficient and accountable fiscal practices.

On February 26, 2020, Mayor Papenfuse requested a delay in order to, from that point forward, submit the annual draft of the update of the Mayor's Five-Year Financial Plan to the ICA Board for its review at the end of April on an annual basis. The ICA Board agreed that this submission deadline seemed more reasonable as opposed to the 100 days prior to the beginning of the assisted city's fiscal year as called for in the Act.

However, on April 21, 2020, Mayor Papenfuse requested by email, “Given the economic uncertainty of the current pandemic, we won’t be able to make decent financial projections until the end of the third quarter at the earliest, so the City hereby requests an extension on the 5-year plan submission until October 31, 2020.”

The ICA discussed a request for a one-time extension of the 2020 revision of the Five-Year Financial Plan originally agreed-upon as April 30, 2020, to be the submission deadline. It is the responsibility of the ICA “To assist the assisted city in avoiding defaults, eliminating and financing deficits and debts, maintaining sound budgetary practices and avoiding the interruption of municipal services.” (Section 203(b)(2)) of Act 124 of 2018).

The Board of the ICA had accepted the 2019 Mayor’s Five-Year Financial Plan, the first such plan as required by Act 124, on May 28, 2019. Pursuant to the Act, “During each subsequent fiscal year, the chief fiscal officer of the assisted city shall, at least 100 days prior to the beginning of the assisted city’s fiscal year or on another date as the ICA may approve upon the request of the assisted city, prepare and submit its proposed five-year plan.” (Section 209(e)(2) of Act 124 of 2018). It had been agreed that the report would be updated by April 30, 2020.

Despite misgivings, the ICA Board approved the extension to October 31, 2020. Subsequently, an additional extension for the final 2020 update was set to December 14, 2020. This deadline marked a period of over 18 months since the original Five-Year Plan was approved by the ICA Board on May 28, 2019.

On July 1, 2020, the 2020-2021 fiscal year for the ICA began.

In the intervening time, the ICA Board extended to the Mayor an opportunity to meet and discuss the relationship between the ICA and the City in the form of the Intergovernmental Cooperation Agreement, as well as, addressing ongoing issues of concern which remained from the 2019 Plan.

On December 14, 2020, Mayor Papenfuse delivered a proposed Five-Year Financial Plan for review by the ICA Board. On December 16, 2020, the ICA Board disapproved the first attempt at an update to the 2019 Plan despite being months later than originally intended.

Meanwhile, in November 2020, the General Assembly extended the temporary extraordinary taxing authority granted to the City. The extension eliminated the impending deadline of the end of the additional revenues so necessary to the City’s financial recovery. It sets a course for fiscal stability and exit from Act 47, distressed community status, but does not end the role that the ICA plays in the review of the City’s fiscal affairs.

Speaking on behalf of the ICA, Chair Audry Carter commented: “The ICA thanks the General Assembly for its extraordinary support of the City of Harrisburg’s fiscal recovery. In fulfillment of our mandate, we look forward to continuing to work with all stakeholders on initiatives to strengthen the City’s finances, pursue operational excellence, and promote economic development.”

The proposed Plan submitted in December 2020 did demonstrate a stable fiscal position, with a solid General Fund balance and relatively resilient revenues in spite of the global pandemic and economic crisis. However, Authority Members were concerned that while the December draft of the Plan acknowledged the effects of COVID-19 on the current fiscal year, it unreasonably pushed off any consideration of recovery for affected funds and services until the 2022 fiscal year, no examination was offered of what actions would be warranted should a worst-case scenario occur.

On December 21, 2020, the ICA provided Mayor Papenfuse with a notice of disapproval of the City of Harrisburg's proposed Five-Year Financial Plan dated December 14, 2020. In correspondence, Audry Carter noted that "The City's plan must project balanced budgets 'based upon prudent, reasonable and appropriate assumptions as described in this section [209]". The Authority has found the Plan to be deficient and has stated in detail the reasons for disapproval."

On February 19, 2021, Mayor Papenfuse submitted a revised draft Five-Year Financial Plan to cover the fiscal year 2020. On Friday, March 5, 2021, the ICA Board approved a final revision of the 2020 City of Harrisburg Five Year Financial Plan, pursuant to Act 124 of 2018, Section 209 *Financial Plan of an Assisted City*.

On March 10, 2021, Mayor Papenfuse submitted a revised and restated Fiscal Plan for review by the ICA Board to complete the 2020 fiscal year submission. It contained some corrections as pointed out at the March 5 meeting, and represented the 2020 submission in total, despite carrying a submission and approval date in 2021. Finally, on March 5, 2021, the Board provided the City with a comprehensive list of recommendations and questions to attempt to guide the next submission of a 2021 update.

While approved in March 2021, this submission represented the plan update originally due in April 2020. Furthermore, the March 5 comprehensive list outlines many of the issues and concerns that caused the delay in approval of a plan from December 2020 to March 2021.

Subsequently, a follow-up revision was due to be submitted to the ICA Board by April 30, 2021 for the 2021 fiscal year. Despite this being a short period of time following the final approval of the 2020 submission on March 5, 2021, it was hoped that keeping to the originally agreed-upon deadline of "April 30th" each year would afford the administration the opportunity to address the issues of concern that remained from the 2020 submission approved on March 5, 2021.

On April 30, 2021, Mayor Papenfuse delivered a proposed Five-Year Financial Plan for review by the ICA Board along with a detailed summary of issues by the Business Administrator, Marc Woolley.

On May 7, 2021, the Mayor, City Council, and the ICA Board successfully concluded a multiyear negotiation of an Intergovernmental Cooperation Agreement. This agreement, contemplated and required by Act 124 of 2018, was originally intended on establishing a beginning point for cooperation and collaboration between the City and the ICA Board. While negotiations dragged on for several years, a successful compromise was eventually reached by the parties. That being said, the agreement has still not been executed. As of December 2021, the parties are still awaiting further approval by President Judge Emerita Bonnie Brigance Leadbetter, of the Commonwealth Court. The court has requested time to ensure a smooth termination of the pending Act 47 distressed status and its impact on outstanding litigation remaining from the Harrisburg Strong Plan.

On May 20, 2021, the ICA Board returned the proposed plan to Mayor Papenfuse with a detailed commentary. The summary memo stated, "The ICA Board gave approval to the 2020 Plan on March 5, 2021, with the Authority and the City understanding that there were a number of issues and recommendations with that Plan that would be addressed in the 2021 submittal. The City commentary in the Marc Woolley letter that accompanies the 2021 proposed Plan responds point-by-point to each of the issues the Authority raised in that earlier transmittal, and as such is well organized and well presented for the purpose, showing evidence of City commitment to engage fully in the review. Further, it provides a helpful summary and explanation of updates and changes made

in the 2021 Plan that represent issues and initiatives other than those raised in the earlier ICA commentary. Finally, while many elements of this Plan describe transactional and administrative changes, we note there are plan elements that are dependent on statistical analysis to both set and measure benchmarks and goals, a practice that greatly aids both the City and the Authority in gauging progress and adjusting to circumstantial changes.”

On June 11, 2021, Mayor Papenfuse delivered a revised and restated Five-Year Financial Plan to complete the annual review by the ICA Board along with a detailed response to the May 20, 2021, questions posed by the ICA Board.

In the intervening time period, Mayor Papenfuse had lost his bid to be nominated for an additional term as Mayor. He was contemplating whether to mount a write-in campaign despite not having received his party’s nomination or to accept the results of the primary election. Similarly, he was considering that this Five-Year Plan submittal as well as the detailed financial plans it outlined were in flux now that he recognized his run as mayor might end at the end of 2021.

On June 30, 2021, the 2020-2021 fiscal year for the ICA came to a close.

On Thursday, July 8, 2021, the ICA Board approved the final revision of the 2021 City of Harrisburg Five-Year Financial Plan, pursuant to Act 124 of 2018, Section 209 Financial Plan of the Assisted City. This submission was dated, June 11, 2021, as it contained some corrections pointed out at the May 26, 2021 ICA Board meeting, and represented a satisfactory 2021 submission for the City of Harrisburg.

From correspondence on July 12, 2021, Chair Audry Carter noted, “While there was much discussion on the refinancing and defeasing strategy laid out in the Five-Year Financial Plan, your administration requested that the Plan remain as presented. As events unfold that course may or may not change, so please keep us informed.”

Much focus was therefore targeted on a mutually agreeable settlement between the City and the Ambac Financial Group to move the City forward on a refinancing and defeasing strategy for the existing debt held by the City. This issue occupied much of the time of the ICA Board through the balance of the City’s 2021 fiscal year.

Other outstanding issues of concern detailed by the ICA Board included in their review:

- Emphasis on transition to incoming administration
- Concern remains with the stability of the Neighborhood Services Fund
- Absence of Economic Development Strategic Plan
- Other Post-Employment Benefits Trust Fund
- Upgrade of the City of Harrisburg Financial Management System

The fiscal year for the Intergovernmental Cooperation Authority for Harrisburg ended on June 30, 2021.

This report represents a summary of the year 2020-2021 and while activities of the ICA Board have continued through December 2021, activities following the July 12 correspondence will be detailed in subsequent annual reports.

In conclusion, given the election of a new mayor and the City’s impending exit from Act 47 status, the ICA Board will focus its energies on securing an ongoing collaborative relationship with Mayor Williams and finalizing the transition out of Act 47.

ICA Board Chair Audry Carter, and the other appointed members of the board, are available to meet with and brief the General Assembly on strategies that the Commonwealth can adopt, to encourage and facilitate a more collaborative relationship between the City and the Authority. Finally, the Authority Manager, Jeffrey Stonehill, remains an available resource to all the parties to encourage the adoption of best management practices for City operations.

By-Laws of the Authority:

The Authority formally adopted their by-laws on March 26, 2019 as attached.

Governance 2020-2021:

Audry K. Carter

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. She was appointed to the governing board of the Authority by Pennsylvania Governor Tom Wolf.

H. Ralph Vartan

Vice-Chairperson

Mr. Vartan is Chief Executive Officer of Vartan Group, Inc., a multi-disciplinary real estate investment company. Mr. Vartan resides in midtown Harrisburg. He was appointed to the governing board of the Authority by Former Representative Mike Turzai, who at the time was the Speaker of the Pennsylvania House of Representatives.

Kathy Speaker MacNett

Authority Secretary/Treasurer

Ms. MacNett is an Attorney and Managing Partner at the law firm Skarlatos & Zonarich with offices in Harrisburg. Ms. MacNett lives in the City of Harrisburg. She was appointed by Representative Frank Dermody, Minority Leader of the Pennsylvania House of Representatives.

Douglas Hill

Authority Member

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. He was appointed to the governing board of the Authority by Former Senator Joe Scarnati, who at the time was the President Pro Tempore of the Pennsylvania Senate.

Karla Hodge

Authority Member

Ms. Hodge works for the American Federation of State, County, and Municipal Employees (AFSCME) Council 13 where she serves as Assistant Executive Director. Previously, Ms. Hodge worked at Local 1224, PHEAA, for 13 years. She was a full-time union president there, before becoming staff representative at District Council 90 in 2002. She was appointed to the governing board of the Authority by Senator Jay Costa, Democratic Leader of the Pennsylvania Senate.

Vacant

Authority Member Ex-Officio, City of Harrisburg

Awaiting appointment of a new Director of Finance appointee, currently vacant.

Mark Raymond

Authority Member Ex-Officio, Secretary of the Budget

Special Advisor to the Secretary of the Budget

Commonwealth of Pennsylvania

Appointment of Executive Director and Independent Counsel:

On May 12, 2019, the Authority appointed Jeffrey Engle, Esq., as its independent Counsel and Jeffrey M. Stonehill, as its Executive Director.

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 Authority. Mr. Stonehill serves as an independent contractor to the ICA Board.

On November 19, 2020, Jeff Engle resigned as independent Counsel. He stated his departure was for personal professional reasons.

On December 14, 2020, the ICA Board released a Request for Qualifications to search for a replacement independent Counsel. Advertisements appeared online as well in the Harrisburg Patriot News.

There were responses from seven attorneys and/or law firms. A subcommittee of the ICA Board interviewed three professionals and a recommendation was delivered to the full Board for consideration in January 2021.

Anna Marie Sossong, Esq., of the firm Johnson Duffie was appointed independent Counsel by the ICA Board on January 21, 2021.

Adopted and Submitted Year Four Budget:

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 copy is included on the following page for your information..

The current Memorandum of Understanding (MOU) between the ICA and the Governor's Center for Local Government Services (GCLGS) covers funding for the ICA through the 2022-2023 fiscal year.

The ICA Board requested and the Pennsylvania Department of Community and Economic Developed remitted the agreed-upon funding of \$100,000 for the fiscal year 2021-2022 on August 12, 2021.

This amounts to the revenue necessary for the ICA to continue operations for the balance of the fiscal year.

The liaisons to the ICA from the GCLGS are Kim Bracey and Beverly Hutzel.

Year Four Budget as Adopted:

INTERGOVERNMENTAL COOPERATION AUTHORITY FOR
HARRISBURG
2021-2022 BUDGET REQUEST FISCAL YEAR FOUR
(To Be Approved July 28, 2021)
(Effective July 1, 2021)

REVENUE

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

EXPENSES

Authority Manager (Contract)	\$	54,600
Program Expenses (Details Below):		
Economic Development Symposium	\$	5,000
Listening Session Events	\$	5,000
Legal Services	\$	15,000
Contract Services	\$	8,220
Insurance (Details Below):		
General Liability Insurance	\$	5,550
Governing Board Public Officials Insurance	\$	1,000
Legal Advertisement	\$	3,000
Memberships/Subscriptions	\$	2,000
Office Space Rental	\$	2,000
Audit Services (Contract)	\$	1,500
Information Technology Licensees	\$	1,150
Information Technology Assistance	\$	1,000
TOTAL EXPENSES	\$	105,020
SURPLUS/DEFICIT	\$	-

The adopted budget is balanced.

Submission of the Authority's Year Three Financial Statement:

The accounting firm Zeleofske and Axelrod has prepared the attached financial statement summarizing Year Two financial activities for the Authority. See Attachment 2.



Zelenkofske Axelrod LLC

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December 15, 2021

Board of Directors
Intergovernmental Cooperation Authority for Harrisburg
Harrisburg, Pennsylvania

We have audited the Statement of Cash Receipts, Cash Disbursements, and Cash Balances of the Intergovernmental Cooperation Authority for Harrisburg (the "Authority") as of and for the year ended June 30, 2021, and have issued our report thereon dated December 15, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 22, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statement that has been prepared by management with your oversight is presented fairly, in all material respects, in accordance with the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatements. An audit of the financial statement includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.



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Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There are no significant accounting estimates impacting the financial statement of the Authority.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statement taken as a whole or applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.



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Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors, and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

**INTERGOVERNMENTAL COOPERATION AUTHORITY
FOR HARRISBURG, PENNSYLVANIA**

FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2021

INTERGOVERNMENTAL COOPERATION AUTHORITY
FOR HARRISBURG, PENNSYLVANIA
FOR THE YEAR ENDED JUNE 30, 2021

CONTENTS

	<u>Page</u>
Independent Auditor's Report on the Financial Statement	1 – 2
Statement of Cash Receipts, Cash Disbursements, and Cash Balances	3



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INDEPENDENT AUDITOR'S REPORT

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

Report 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, 2021.

Management's Responsibility for the Financial Statement

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 below; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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.



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Qualified Opinion on the Financial Statement

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph on the Notes to the Financial Statement, the financial statement referred to above presents fairly, in all material respects, the respective cash balance of the Authority, as of June 30, 2021, and the respective changes in the cash balances for the year ended June 30, 2021 in accordance with the cash basis of accounting.

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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
December 15, 2021

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, 2021

Cash Receipts:

Intergovernmental	\$ 100,000
Interest Income	<u>20</u>
Total Cash Receipts	<u>100,020</u>

Cash Disbursements:

Authority Manager Services	49,350
Legal Advertisement	2,543
Legal Services	23,589
Insurance	6,230
Audit	1,500
Web Services	<u>1,421</u>
Total Cash Disbursements	<u>84,633</u>

Excess of Cash Receipts over Cash Disbursements 15,387

Cash - Beginning of Year 82,855

Cash - End of Year \$ 98,242

INTERGOVERNMENTAL COOPERATION AUTHORITY FOR HARRISBURG, PENNSYLVANIA
CONCISE STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Total Cash Receipts	\$ 100,020
Total Cash Disbursements	<u>(84,633)</u>
Excess of Cash Receipts over Cash Disbursements	15,387
Cash - Beginning of Year	<u>82,855</u>
Cash - End of Year	<u><u>\$ 98,242</u></u>

RICHARD W. STEWART
JOHN A. STATLER
MARK C. DUFFIE
MICHAEL J. CASSIDY
WALTER D. MANLEY
W. DARREN POWELL
ANTHONY J. LEUDET
HANNAH HERMAN SNYDER
WAYNE M. PECHT

JEFF R. DUFFIE
(1967-2021)

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DUFFIE**
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ANNA MARIE SOSSONG
ADAM C. ZEL
AMY L. OWEN
ROBERT J. SCHWEIGER
JASON A. STATLER
ROSEMARIE GAVIN CASNER
SHAUNA BOSCAJCY
OF COUNSEL
EDMUND G. MYERS
MELISSA P. GREEVEY
JEFFREY B. RUTIG
MARVIN BISHOP

WRITER'S EXT. NO. 136
asossong@johnsonduffie.com

November 18, 2021

Zelenkofske Axelrod LLC
Attn: Aireo Payne
830 Sir Thomas Court, Suite 100
Harrisburg, PA 17109

SEND VIA EMAIL: apayne@zallc.org

Re: 2021 Audit Letter
The Intergovernmental Cooperation Authority for Harrisburg
Our File No. 020671

Dear Ms. Payne:

Jeffrey Stonehill, Authority Manager for the Intergovernmental Cooperation Authority for Harrisburg ("ICA"), requested that we provide certain information to you with regard to the ICA, and matters involving our legal representation of the ICA as of June 30, 2021.

To the best of our knowledge, there is no pending or threatened litigation, asserted claim, or assessment which require disclosure.

Also, so far as we are aware, there are no unasserted claims and assessments likely to be asserted, and that, if asserted, would have a reasonable possibility of an unfavorable outcome.

This response is limited by, and in accordance with, the ABA Statement of Policy Regarding Lawyers' Responses to Auditors' Requests for Information (December 1975); without limiting the generality of the foregoing, the limitations set forth in such Statement on the scope and use of this response (Paragraphs 2 and 7) are specifically incorporated herein by reference, and any description herein of any "loss contingencies" is qualified in its entirety by Paragraph 5 of the Statement and the accompanying Commentary (which is an integral part of the Statement). Consistent with the last sentence of Paragraph 6 of the ABA Statement of Policy and pursuant to

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JOHNSON, DUFFIE, STEWART & WEIDNER, P.C.

the ICA's request, this will confirm as correct the ICA's understanding as set forth in its audit inquiry letter to us that whenever, in the course of performing legal services for the ICA with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, we have formed a professional conclusion that the ICA must disclose or consider disclosure concerning such possible claim or assessment, we, as a matter of professional responsibility to the ICA, will so advise the ICA and will consult with the ICA concerning the question of such disclosure and the applicable requirements of FASB Accounting Standards Codification 450, Contingencies.

To the best of our knowledge, in accordance with applicable requirements of accounting principles generally accepted, there are no matters which call for disclosure. Please note that we have not engaged in extensive inquiry of management of these entities, however.

As of June 30, 2021, we were owed \$0. The current outstanding invoice as of November 2, 2021, is \$1,322.70.

Very truly yours,

JOHNSON, DUFFIE, STEWART & WEIDNER



Anna Marie Sossong, Esq.

cc: Jeffrey Stonehill (jstonehill19@gmail.com)



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

December 15, 2021

Zelenkofske Axelrod LLC
830 Sir Thomas Court
Harrisburg, PA 17109

This representation letter is provided in connection with your audit of the Statement of Cash Receipts, Cash Disbursements, and Cash Balances of the Intergovernmental Cooperation Authority for Harrisburg (the “Authority”), as of and for the year ended June 30, 2021, for the purpose of expressing an opinion on whether the Statement of Cash Receipts, Cash Disbursements, and Cash Balances presents fairly, in all material respects, the cash receipts, cash disbursements, and cash balances of the Authority in accordance with the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 15, 2021:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 22, 2021, for the preparation and fair presentation of the financial statement of the Authority referred to above in accordance with the cash basis of accounting.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

2021 Audit Representation Letter for Fiscal Year 2020-2021

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statement.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statement and for which the cash basis of accounting requires adjustment or disclosure have been adjusted or disclosed to the auditors.
- All adjustments have been agreed to by management and have been posted to the statement.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statement, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- All receipts have been included.
- All disbursements have been included.
- With respect to nonattest services, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed: and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement of the Authority referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2021 Audit Representation Letter for Fiscal Year 2020-2021

- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees/Consultants who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments who effects should be considered when preparing the financial statement.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Authority has no plans or intentions that may materially affect the carrying value of the cash.
- We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statement or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62

2021 Audit Representation Letter for Fiscal Year 2020-2021

- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey Stonehill".

Jeffrey M. Stonehill, Authority Manager

cc: Authority Members

Intergovernmental Cooperation Authority
For Harrisburg
By-Laws
(As Adopted on March 26, 2019)

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 pertains 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.