

CITY OF YORK GENERAL AUTHORITY  
AGENDA

June 14, 2024 at 9:30 a.m.

The City of York General Authority supports the City of York's mission through the financing of projects that enhance the economic health of the City of York and the quality of life of its citizens.

- I. Reorganization (Action)
  - a. Chair
  - b. Vice Chair
  - c. Treasurer/Secretary
  - d. Assistant Treasurer/Secretary
  - e. Solicitor
  - f. RTK Officer
- II. Minutes – July 31, 2023 (Action)
- III. Public Comment
- IV. Finances
  - a. Invoice Memorandum (Action)
  - b. Account balance – May 31, 2024 (\$141,587.94)
  - c. 2019 audit (Action)
- V. Old Business
  - a. Conduit Financing Applications
  - b. Conduit Financing Post Issuance Compliance
  - c. Website
  - d. Coordination with RDA
- VI. New Business
  - a. Bylaws Amendment (Action)
- VII. Next Meeting Date

**City of York General Authority Meeting Minutes**

**July 31, 2023 9:00 a.m. – 10:00 a.m.**

**Meeting Minutes**

**Members in Attendance**

Kimberly J. Lentz, Chair  
Eric Kirkland, Vice Chair, via telephone  
Philip Briddell,  
Tyler Chronister  
Jamiel Alexander – absent  
Philip Given – absent

**Staff in Attendance**

Stacey MacNeal, Solicitor

Kimberly Lentz called the meeting to order as Chair.

I. **Approval of Minutes** –

A. **May 2, 2023** – The minutes for the regular meeting of May 2, 2023 were presented to the Authority.

Upon motion duly made (Kirkland), seconded (Chronister), and unanimously approved, the Authority passed the following resolution:

**RESOLVED**, that the minutes of the Authority for the regular meeting of May 2, 2023 are hereby adopted.

II. **Public Comment** – None.

III. **Finances** –

a. **Invoices Memorandum** – The Invoice Memorandum was presented for review.

Upon motion duly made (Briddell), seconded (Kirkland), and unanimously approved, the Authority passed the following resolution:

**RESOLVED**, that the Invoice Memorandum is approved as attached as **Exhibit “A”**. Such officers are authorized to make, execute, and deliver such documents, instruments, or writings as may be necessary or desirable to implement this Resolution.

c. **2019, 2020, 2021, and 2022 Audits** – No update.

IV. Old Business

- a. Conduit Financing Applications – Discussion only.
- b. Conduit Financing Post Issuance Compliance – New City staff needs to be appointed for assistance to the General Authority.
- c. Website – Nona Watson can update.
- d. Coordination with RDA – Tabled.
- e. Vacancies/Reduction in size of Board – The matter is to be considered by City Council on August 15, 2023.

V. New Business –

Motion to amend the agenda duly made (Briddell), seconded (Kirkland), and unanimously approved.

**RESOLVED**, that the agenda has been amended to add  
“Removal of Philip Given as a member of the Authority.”

- a. Removal of Philip Given as a member of the Authority – Mr. Given has only attended one or two Authority meetings and has not been in attendance for over a year. Mr. Given had previously indicated that he did not think he had time to continue to be on the Authority but has not responded to repeated requests to provide a written resignation. He can be removed by the Authority Board in accordance with the Municipal Authorities Act and the Authority’s Bylaws.

Upon motion duly made (Briddell), seconded (Kirkland), and unanimously approved, the Authority passed the following resolution:

**RESOLVED**, to remove Philip Given as a member of the Authority Board. Such officers are authorized to make, execute, and deliver such documents, instruments, or writings as may be necessary or desirable to implement this Resolution.

VI. Next Meeting Date – To be determined.

The meeting adjourned at 9:50 a.m.

CITY OF YORK GENERAL AUTHORITY  
INVOICE MEMORANDUM

TO: KIMBERLY J. LENTZ, CHAIR  
ERIC KIRKLAND, VICE CHAIR  
PHILIP W. BRIDDELL, BOARD MEMBER  
JAMIEL L. ALEXANDER, BOARD MEMBER  
TYLER CHRONISTER, BOARD MEMBER

FROM: STACEY R. MACNEAL, ESQ.

DATE: June 14, 2024

RE: INVOICES

The following invoices have been reviewed, are in order, and payment is recommended at the upcoming meeting.

ADMINISTRATIVE EXPENSE FUND

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Barley Snyder	Legal Services – April 2024	\$ 1,613.50
Gannett Legals	Meeting Advertisement	\$ 154.04
	TOTAL	\$ 1,767.54

BYLAWS  
OF  
CITY OF YORK GENERAL AUTHORITY

BE IT RESOLVED BY THE CITY OF YORK GENERAL AUTHORITY that the following Bylaws are hereby adopted and approved as Bylaws of the Authority; all other Bylaws or acts of the Authority inconsistent herewith are specifically repealed.

ARTICLE I - THE AUTHORITY

SECTION 1. Name of the Authority - The name of the Authority shall be **City of York General Authority** with offices at One Marketway West, Third Floor, York, Pennsylvania. The Board of the Authority may, by proper resolution, designate any other place as the office of the Authority.

SECTION 2. Seal of the Authority - The seal of the Authority shall contain the name of the Authority and the year of its incorporation and shall be in the form of the seal impressed in the margin hereof opposite this section.

(SEAL)

ARTICLE II - THE BOARD

SECTION 1. Number and Term of Office - The Board of the Authority shall be composed of five (5) members who shall be appointed for such terms as provided by law and as may be set forth in the Articles of Incorporation of the Authority as amended from time to time.

SECTION 2. Resignations and Vacancies - In the event that a resignation is submitted, such resignation shall be made in writing and shall take effect at the time specified therein. If no time is specified, the resignation shall take effect from the time of its acceptance by the Board. The Board's secretary shall accept the resignation and note thereon the date, hour and minute of its reception. The secretary shall promptly notify the remaining members of the Board of the resignation of any member of the Board.

In the event of vacancy created by resignation or death, such vacancy shall be filled by the appointment process provided by law and the Articles of Incorporation of the Authority.

SECTION 3. Compensation/Reimbursement - No compensation shall be paid to any member of the Board for services rendered on behalf of the Authority as either a Board member or

an officer, however, Board Members shall be reimbursed for the costs and expenses incurred by them from time to time in fulfillment of their obligations as Board members or officers.

SECTION 4. Quorum - A majority of the members of the Board shall constitute a quorum of the Board for the purpose of organizing and conducting business of the Authority and for all other purposes. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum shall be present, and further provided in lieu of such adjournment, any member not physically present may both participate in such meeting and establish a quorum thereby by the use of a speakerphone, following identification of such speakerphone participants satisfactory to all other Board members participating in such meeting. At any such meeting, no action shall be taken nor any motion passed or resolution adopted except upon the affirmative vote of a majority of the members present (including through the speakerphone protocols set forth in this Section II).

### ARTICLE III - OFFICERS

SECTION 1. Officers - The officers of the Authority shall be a Chairman, Vice-Chairman, Secretary, Vice Secretary, Treasurer and a Vice Treasurer to be elected from the members of the Board. The same individual may hold more than one office.

SECTION 2. Chairman - The Chairman shall preside at all meetings of the Board of the Authority and shall sign all contracts, deeds and other instruments made by the Authority unless otherwise authorized and directed by Resolution of the Board. At each meeting the Chairman shall submit recommendations and information as may be considered proper concerning the affairs and policies of the Authority.

SECTION 3. Vice-Chairman - The Vice-Chairman shall perform the duties of the Chairman in the absence, incapacity, resignation or death of the Chairman. The Vice-Chairman shall perform the duties of the Chairman caused by the temporary absence of the Chairman.

SECTION 4. Secretary - The Secretary or such person designated by him for such purpose shall keep the minutes of the Authority, shall act as Secretary of the meetings of the Board, record all votes, and keep a record of the proceedings of the Board in a journal of proceedings required to be kept for such purposes and shall perform all duties incident to the office of Secretary. The Secretary shall keep in safe custody the seal of the Authority and have the power to affix the seal to all proceedings and resolutions of the Board and to all contracts and instruments authorized to be executed by the Board. The Secretary shall attest to the signature of the Chairman on all contracts, deeds and other instruments signed by the Chairman.

SECTION 5. Treasurer - The Treasurer shall have responsibility for the care and custody of the funds of the Authority, and shall insure the deposit of the same in the name of the Authority in such institutions as the Board may select. Subject to the exception for disbursement of funds and execution of checks by one officer as set forth below, the Treasurer shall sign all orders, checks for payment of monies and shall disburse such monies under the direction of the Board. All orders and checks over \$2,000.00 shall be countersigned by the Chairman or Vice-Chairman and the Treasurer

or Vice Treasurer. The signature of one of such officers shall be sufficient to make, execute and deliver checks upon the Authority's Administrative Expense Account (or any substituted or similar account in existence from time to time) for amounts up to \$2,000.00. The Treasurer shall have responsibility for the keeping of regular books of account showing receipts and expenditures and shall provide the Board at each regular meeting (or more frequently as may be requested) with an account of transactions and the financial condition of the Authority. The Treasurer shall post such bond for faithful performance of duties as the Board may determine advisable and necessary.

SECTION 6. Vice Secretary - The Vice Secretary shall perform all duties delegated to the Secretary in the absence or incapacity of the Secretary. In case of resignation or death of the Secretary, the Vice Secretary shall perform such duties as are imposed upon the deceased or resigning Secretary until such time as the Board shall elect a new Secretary.

SECTION 7. Vice Treasurer - The Vice Treasurer shall perform all duties of those delegated to the Treasurer in the absence or incapacity of the Treasurer. In case of resignation or death of the Treasurer, the Vice Treasurer shall perform such duties as are imposed upon the deceased or resigning Treasurer until such time as the Board shall elect a new Treasurer.

SECTION 8. Additional Duties - The Officers of the Authority shall perform such other duties and functions as may from time to time be required by the Board or by the Bylaws or by the Rules and Regulations of the Authority as presently constituted or as may hereafter be adopted.

SECTION 9. Election of Officers - The Authority will meet at least one time per year, during which meeting the Authority shall elect a Chairman, Vice-Chairman, Secretary, Treasurer, Vice Secretary, and Vice Treasurer. At any organizational meeting, the Authority shall first select a temporary Chairman to serve as Chairman for the purpose of receiving nominations for the office of Chairman of the Authority for the coming year. Thereafter, once the Chairman has been selected, the Chairman shall preside at the meeting for the purpose of the election of other officers.

SECTION 10. Vacancies - Officers - Should the position of any office become vacant, the Board shall elect a successor from its membership at its next meeting for the unexpired term of such office.

SECTION 11. Additional Personnel - The Authority from time to time may employ such personnel as deemed necessary to exercise its powers, duties and functions as prescribed by law. The selection and compensation of such personnel shall be determined by the Board subject to the laws of the Commonwealth of Pennsylvania.

## ARTICLE IV – MEETINGS

SECTION 1. Annual Organization Meeting - The Authority shall hold a minimum of one regular meeting per year at the regular meeting place of the Board. This regular meeting shall serve as the annual organizational meeting of the Authority.

SECTION 2. Regular Meetings - Regular meetings will be held at such time and place as is designated by the Board with such notice given to the public as to the meetings of the Board in accordance with the Pennsylvania Open Meetings Law.

SECTION 3. Special Meetings - The Board shall have the power to hold special meetings in accordance with the provisions of the Pennsylvania Open Meetings Law.

SECTION 4. Emergency Meetings - In accordance with the provisions of the Pennsylvania Open Meetings Law, the Board may hold such emergency meetings as may be required in order to conduct the business of the Board.

SECTION 5. Order of Business - At the regular meeting of the Board, the following shall be the general order of business unless otherwise determined by the Board of any meeting for any reasonable cause:

1. Call to order and roll call.
2. Reading and approval of minutes of previous meetings.
3. Report of the Treasurer or Financial Report.
4. Opening of bids (if applicable).
5. Public hearing if scheduled.
6. Public Comment.
7. Old business.
8. New business.
9. Reports.
10. Adjournment.

SECTION 6. Manner of Voting - The voting on all questions coming before the Board shall be by voice vote by ayes, nays or abstentions and the Chair shall rule on whether the motion or other matters before the Board has been passed or defeated. Prior to any ruling by the Chair, any member may request a roll call vote and such request shall be honored. The result of the roll call vote as recorded by the Secretary shall be controlling.

SECTION 7. Procedure for Conducting Meetings - All regular, special and emergency meetings of the Authority shall be conducted in accordance with “Robert’s Rules of Order” unless the procedure required therein is clearly in conflict with these Bylaws or with provisions of Pennsylvania law.



## ARTICLE V - POWERS AND DUTIES OF THE BOARD

SECTION 1. General Description - The members of the Board shall have the general management and control of the business and affairs of the Authority and shall exercise all powers that may be exercised or performed by the Authority under the existing laws, the Articles of Incorporation and the By-laws. Without prejudice to the general powers conferred by or duties imposed by these By-laws, the Board shall have the following powers and duties namely:

- (a) Appointment of Agents - To appoint and in its discretion remove or retain such officers, agents or employees, not otherwise elected or appointed, permanently or temporarily, as it shall deem fit and proper; to prescribe their duties and to determine their compensation; to require security in such instances and in such amounts as it shall deem fit; and to confer, by resolution, upon any appointed officer of the Authority the power to choose, remove or suspend any officers, agents or employees so appointed who may be under his or her supervision.
- (b) Execution of Instruments - To determine by resolution, except as otherwise provided by statute or these By-laws, who shall be authorized on behalf of the Authority to sign bonds, bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and other documents.
- (c) Delegation of Powers - To delegate any of the powers of the Board in the conduct of the current business of the Authority to any officer or agent, or to appoint any person or persons to be the agent or agents of the Authority, with such powers (including the power to sub-delegate) and upon such terms as the Board shall see fit.
- (d) Committees - To form, appoint members to and delegate from time to time to suitable committees any duties that are required to be executed during the intervals between the meetings of the Board, and such committees shall report to the Board when and as required.
- (e) Election of Officers - To elect a Chairman, Vice Chairman, Secretary, Treasurer, Vice Secretary and a Vice Treasurer; to define their duties and limit the authority of all officers and agents of this Authority in any way they deem advisable, not contrary to the laws of the Commonwealth of Pennsylvania or the express provisions of the Articles of Incorporation or these By-laws.

SECTION 2. Designation of Depositories - The Board may and shall designate the trust company, trust companies, bank, banks or other acceptable financial institutions as may be permitted by law in which shall be deposited the money or securities of the Authority.

SECTION 3. Reports - The Board shall annually, before its annual regular meeting, prepare in writing a report of the business activities and fiscal affairs of the Authority for the calendar year immediately preceding such meeting and shall submit copies of such report to the Mayor and the Council of the City of York.

SECTION 4. Rules and Regulations - The Board from time to time by resolution may adopt such rules and regulations for the use of the facilities of the Authority as the Board may deem proper.

SECTION 5. Audits - The accounts of the Authority shall be audited annually by a certified public accountant selected by the Board. A copy of the audit shall be filed with the Mayor and the Council of the City of York, and the Pennsylvania Department of Community Affairs (or such successor Commonwealth agency or department authorized or entitled to receive such report).

#### ARTICLE VI - AMENDMENTS

SECTION 1. Adoption - These By-laws are adopted pursuant to the provisions of the Municipality Authorities Act of 1945, P.L. 382, 53 P.S. §301 et seq. as amended (53 P.S. §306(B)(f)).

SECTION 2. Amendments - The By-laws of the Authority may be amended by approval of three (3) members of the Board at a regular or special meeting. A thirty (30) day notice of intent to amend the By-laws shall be required and the matter intended to be amended shall be placed in writing before the Board at a regular meeting.

#### ARTICLE VII – INDEMNIFICATION

SECTION 1. To the full extent permitted by the laws of the Commonwealth of Pennsylvania, as they exist on the date hereof or as they may hereafter be amended, the Authority shall indemnify any person (an “Indemnitee”) who was or is involved in any manner (including, without limitation, as a party or witness) in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative, arbitative, legislative or investigative (including, without limitation, any action, suit or proceeding by or in the right of the Authority to procure a judgment in its favor) (a “Proceeding”), or who is threatened with being so involved, by reason of the fact that he or she is or was an officer or member of the Authority or, while serving as a officer or member of the Authority, is or was at the request of the Authority also serving as a officer, member, employee or agent of another authority, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan), against all expenses (including attorney’s fees), judgments, fines, penalties, excise taxes and amounts paid in settlement, actually and reasonably incurred by the Indemnitee in connection with such Proceeding, provided that, there shall be no indemnification hereunder with respect to any settlement or other non-adjudicated disposition of any threatened or pending Proceeding unless the Authority has given its prior consent to such settlement or disposition.

SECTION 2. The right of indemnification created by this Article shall be a contract right enforceable by an Indemnitee against the Authority, and it shall not be exclusive of any other rights to which an Indemnitee may otherwise be entitled.

SECTION 3. The provisions of this Article shall inure to the benefit of the heirs and legal representatives of an Indemnitee and shall be applicable to Proceedings commenced or continuing

after the adoption of this Article, whether arising from acts or omissions occurring before or after such adoption.

SECTION 4. No amendment, alteration, change, addition or repeal of or to these By-Laws shall deprive any Indemnitee of any rights under this Article with respect to any act or omission of such Indemnitee occurring prior to such amendment, alteration, change addition or repeal.

SECTION 5. A Member of this Authority will not be personally liable for monetary damages as a result of any action taken or failure to take any action unless such action or inaction constitutes both:

- (a) a breach of or failure to perform his duties in compliance with the standards of fiduciary care and justifiable reliance prescribed for Directors and Officers in the Business Corporation Law of 1988; and
- (b) self dealing, willful misconduct or recklessness. However, the aforementioned limitation of liability will not apply to:
  - (i) the responsibility or liability of a member pursuant to any criminal statute; or
  - (ii) the liability of a member for the payment of taxes pursuant to local, State or Federal law.

ADOPTED \_\_\_\_\_

February 26, 2024

Hamilton & Musser, P.C.  
Certified Public Accountants  
176 Cumberland Parkway  
Mechanicsburg, PA 17055

This representation letter is provided in connection with your audit of the financial statements of the City of York General Authority, which comprise the respective financial position of business-type activities as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in 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. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 26, 2024, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 18, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Members of the Authority Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of the Authority's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have a process to track the status of audit findings and recommendations.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
22. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
25. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
27. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
28. The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
30. The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
31. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

33. Investments are properly valued.
34. Provisions for uncollectible receivables have been properly identified and recorded.
35. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
36. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
37. Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
39. We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
41. In regard to the preparation of financial statements and disclosures services performed by you, we have:
  - a. Assumed all management responsibilities.
  - b. Designated an individual (within senior management) who has suitable skill, knowledge, or experience to oversee the services.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.
  - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

  
City of York General Authority

General Authority of the City of York  
 Uncorrected Misstatements  
 December 31, 2019

<u>AJE #</u>	<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
1		Accrued Interest		109,523.00
		Interest Expense	109,523.00	
		[To record CY Accrued Interest]		
		Interest Expense		118,788.00
		Net Position	118,788.00	
		[To record PY Accrued Interest]		
		Net Position		14,047.00
		Miscellaneous Expense	14,047.00	
		[To record PPA for expense in prior year]		
			<u>242,358.00</u>	<u>242,358.00</u>



**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**  
**AND**  
**INDEPENDENT AUDITOR'S REPORT**

**HAMILTON & MUSSER, P.C.**  
*Certified Public Accountants*

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
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For the Year Ended December 31, 2019

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# HAMILTON & MUSSER, PC

*Certified Public Accountants • Consultants to Management*

DAVID A. HAMILTON, CPA • BARRY E. MUSSER, CPA, CFP® (1959 - 2020)  
JAMES A. KRIMMEL, MBA, CPA, CFE, CFF • ROBERT D. MAST, CPA • WILLIAM P. ASHMAN, CPA  
NICHOLAS L. SHEARER, CPA, CGFM, CFE • LISA M. STATLER, CPA • MATTHEW A. WITMER, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Authority Board  
City of York General Authority  
York, Pennsylvania

### Opinion

We have audited the accompanying financial statements of the City of York General Authority (the Authority), a component unit of the City of York, York County, Pennsylvania, as of and for the year ended December 31, 2019, and the related notes to the financial statements, as listed in the table of contents.

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

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of a Matter

#### *Substantial Doubt about the Authority's Ability to Continue as a Going Concern*

The accompanying financial statements have been prepared assuming that the Authority will continue as a going concern. As discussed in Note 9 to the financial statements, the Authority has entered into an agreement to transfer all assets of the Parking System to the City of York. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

#### *Component Unit*

As discussed in Note 1, the financial statements present only the City of York General Authority and do not purport to, and do not present fairly the financial position of the City of York, York County, Pennsylvania as of December 31, 2019, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with 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

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

*Members of the American and Pennsylvania Institutes of CPAs*

## **Responsibilities of Management for the Financial Statements (Continued)**

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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.

February 26, 2024

Mechanicsburg, Pennsylvania



*Certified Public Accountants*

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
**Statement of Net Position**  
**December 31, 2019**

<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents (Note 2)	\$ 955,612
Cash and Cash Equivalents – Restricted (Note 2)	1,295,746
Accounts Receivable	<u>413,911</u>
<b>Total Current Assets</b>	<u><b>2,665,269</b></u>
<b>Non-Current Assets</b>	
Capital Assets, Being Depreciated, Net (Note 3)	<u>4,016,827</u>
<b>Total Non-Current Assets</b>	<u><b>4,016,827</b></u>
<b>Total Assets</b>	<u><b>6,682,096</b></u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	975,185
Arbitrage Rebate Liability (Note 7)	18,937
Accrued Interest Payable	12,445
Unearned Revenue	235,500
Notes Payable – Current Portion (Note 4)	<u>380,000</u>
<b>Total Current Liabilities</b>	<u><b>1,622,067</b></u>
<b>Non-Current Liabilities</b>	
Non-Current Portion of Long-Term Debt (Note 4)	<u>2,670,263</u>
<b>Total Non-Current Liabilities</b>	<u><b>2,670,263</b></u>
<b>Total Liabilities</b>	<u><b>4,292,330</b></u>
<b>Net Position</b>	
Net Investment in Capital Assets	966,564
Unrestricted	<u>1,423,202</u>
<b>Total Net Position</b>	<u><b>\$ 2,389,766</b></u>

The Accompanying Notes are an Integral Part of the Financial Statements

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
**Statement of Revenue, Expenses and Changes in Net Position**  
**For the Year Ended December 31, 2019**

Operating Revenue		
Charges for Services		<u>\$ 1,815,958</u>
Total Operating Revenue		<u>1,815,958</u>
Operating Expenses		
System Expenses	1,119,982	
Contractual Services	79,850	
Administrative and General	212,340	
Depreciation (Note 3)	<u>519,702</u>	
Total Operating Expenses		<u>1,931,874</u>
Operating Loss		<u>(115,916)</u>
Non-Operating Revenue (Expense)		
Interest Revenue	3,198	
Debt Issuance Costs	(54,263)	
Interest Expense	<u>(99,566)</u>	
Total Non-Operating Revenue (Expense)		<u>(150,631)</u>
Change in Net Position		(266,547)
Net Position, January 1		<u>2,656,313</u>
Net Position, December 31		<u>\$ 2,389,766</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2019**

<b>Cash Flows from Operating Activities:</b>	
Cash Receipts from Customers	\$ 1,365,047
Cash Payments to Supplier and City of York	<u>(1,971,392)</u>
Net Cash and Cash Equivalents Used by Operating Activities	<u>(606,345)</u>
<b>Cash Flows from Investing Activities:</b>	
Investment Income	<u>8,974</u>
Net Cash and Cash Equivalents Provided by Investing Activities	<u>8,974</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Principal Paid on Notes Payable	(3,584,000)
Issuance of Bond Payable	3,344,263
Interest Paid on Long-Term Debt	(101,066)
Debt Issuance Costs	(54,263)
Acquisition of Capital Assets	<u>(20,591)</u>
Net Cash and Cash Equivalents Used by Capital and Related Financing Activities	<u>(415,657)</u>
Net Decrease in Cash and Cash Equivalents	(1,013,028)
Cash and Cash Equivalents, January 1	<u>3,264,386</u>
Cash and Cash Equivalents, December 31	<u>\$ 2,251,358</u>
<b>Reconciliation of Operating Loss to Net Cash and Cash Equivalents Used by Operating Activities</b>	
Operating Loss	\$ (115,916)
Adjustments to Reconcile Operating Loss to Net Cash and Cash Equivalents Used by Operating Activities:	
Depreciation	519,702
(Increase) Decrease in:	
Accounts Receivable	(413,231)
Increase (Decrease) in:	
Accounts Payable	(559,220)
Unearned Revenue	<u>(37,680)</u>
Net Cash and Cash Equivalents Used by Operating Activities	<u>\$ (606,345)</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

The City of York General Authority (Authority) was incorporated on January 1, 1995, under the provisions of the Municipality Authorities Act of 1945, as amended (Act), for all the purposes authorized by the Act and shall have and exercise all powers granted to such authorities under the Act. Through December 31, 2019, its operations have been primarily to operate and maintain a municipal parking system and issue conduit debt.

**Reporting Entity:**

Consistent with the guidance contained in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*, an amendment to GASB 14 and GASB 38, the criteria used by the Authority to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Authority reviews the applicability of the following criteria.

The Authority is financially accountable for:

1. Organizations that make up its legal entity.
2. Legally separate organizations if the Authority members appoint a voting majority of the organization's governing body and the Authority is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on the Authority, as defined below.
  - a. Impose its Will – If the Authority can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
  - b. Financial Benefit or Burden – Exists if the Authority (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the Authority. Fiscal dependency is established if the organization is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without the approval of the Authority.

There are no component units that meet all of the above criteria for inclusion in this reporting entity.

**Basic Financial Statements:**

Basic financial statements are presented at the fund financial level as business-type. The statements consist of the Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position, and the Statement of Cash Flows. Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Authority reports a proprietary type fund.

**Basis of Accounting:**

The Authority presents its financial statements using the accrual basis of accounting to account for operations that are financed and operated in a manner similar to private business enterprises. These enterprises are characterized by the intent that the costs of providing services to the general public on a continuing basis be financed or recovered substantially through user charges. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.



**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Classification of Revenues and Expenses:**

The Authority considers operating revenues and expenses in the Statement of Revenue, Expenses, and Changes in Net Position to be those revenues and expenses that result from exchange transactions or other activities that are connected directly to the Authority's primary financing functions. Certain other transactions are reported as non-operating revenues and expenses which include interest income on cash and cash equivalent balances and interest expense.

**Cash Equivalents:**

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments with a maturity of three months or less from the date of acquisition, including restricted assets, to be cash equivalents.

**Restricted Assets**

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable trust indentures or other agreements.

**Accounts Receivable**

Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operating revenue when that determination is made. Accounts receivable consists mainly of amounts owed from the City of York from the parking fee collection account.

**Capital Assets:**

Capital assets are stated at cost and are defined by the Authority policy as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Donated capital assets are recorded at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the asset's estimated useful life. Estimated useful lives, in years, are as follows:

Building	25 Years
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**Nonrecourse Debt Issues:**

The Authority participates in several bond issues for which it has no liability. Acting solely in an agent capacity, the Authority serves as a tax-exempt financing conduit, bringing the ultimate borrower and the ultimate lender together to do business. Although the Authority is a party to the trust indentures with the trustees, the agreements are structured such that there is no recourse against the Authority in the case of default. As such, the corresponding debt is not reported in the Authority's Statements of Net Position, but is disclosed in Note 5.

**Unearned Revenue**

Funds collected in advance represent funds collected for future period parking fees. Revenue is earned in the period in which services are provided.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Authority adopted Statement No. 95 for its December 15, 2019 financial statements.

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of Governmental Accounting Standards Board (GASB) Pronouncements (Continued):**

In January 2017, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The Statement establishes the term annual comprehensive financial report and its acronym ACFR. The Authority adopted Statement No. 98 for its December 15, 2019 financial statements.

**Pending Governmental Accounting Standards Board (GASB) Pronouncements:**

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. As a result, the Authority will be required to adopt Statement No. 83 for 2020.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 is effective for periods beginning after December 15, 2020.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Statement No. 87 is effective for periods beginning after December 15, 2022.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. As a result, the Authority will be required to adopt Statement No. 83 for 2020.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Statement No. 89 is effective for periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 is effective for periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 is effective for periods beginning after December 15, 2022.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The Statement's objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Authority will be required to adopt Statement No. 92 for its 2022 financial statements.

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pending Governmental Accounting Standards Board (GASB) Pronouncements (Continued):**  
In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The Statement's objective is to address those and other accounting and financial reporting implications that result from the replacement of a LIBOR. The Authority will be required to adopt Statement No. 93 for its 2021 financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The Statement's objective is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The Authority will be required to adopt Statement No. 94 for its fiscal year 2023 financial statements.

In March 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Authority will be required to adopt Statement No. 96 for its fiscal year 2023 financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of the statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Authority will be required to adopt Statement No. 96 for its fiscal year 2020 financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The Statement's objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Authority will be required to adopt Statement No. 99 for its fiscal year 2023 and 2024 financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The Statement's objective is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Authority will be required to adopt Statement No. 100 for its fiscal year 2024 financial statements.

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pending Governmental Accounting Standards Board (GASB) Pronouncements (Continued):**  
In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The Statement's objective is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority will be required to adopt Statement No. 101 for its fiscal year 2024 financial statements.

**Fund Balance Classifications:**

A description of the fund balance classifications used by the Authority for its Government wide and General Fund follows:

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Authority, which is not restricted for any project or other purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Authority's policy is to spend resources in the following order:

1. Restricted
2. Unrestricted

**Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Risk Management:**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage in fiscal year 2019. Settlement amounts have not exceeded insurance coverage for the current and prior two years.

**Stewardship, Compliance, and Accountability:**

The Authority had no material violations of finance-related legal and contractual obligations.

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 2 DEPOSITS AND INVESTMENTS**

**Deposits:**

All Authority deposits are either insured or collateralized. All deposits that exceed the Federal depository insurance coverage level are collateralized under the Pooling Method but not under the Authority's name.

Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities maintained in conformity with Act 72 of 1971. Act 72 of 1971 is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis; and authorizing the appointment of custodians to act as pledgers of the assets.

Bank balances with financial institutions totaled \$2,402,226, at December 31, 2019. Of the Authority's bank balances, \$2,152,226 was exposed to custodial credit risk, but was collateralized by the pledging bank's trust department as permitted by Act 72 for the years ended December 31, 2019.

Cash and cash equivalents exposed to credit risk were as follows at December 31, 2019:

Collateral held by the pledging bank under Act 72 but not in the Authority's name	\$ 2,152,226
Insured by Federal Deposit Insurance Corporation	<u>250,000</u>
	2,402,226
Less: Outstanding Checks	(150,868)
Plus: Deposits in Transit	<u>-</u>
Total Deposits	<u>\$ 2,251,358</u>
Reconciliation to the Financial Statements:	
Cash and Cash Equivalents	\$ 955,612
Cash and Cash Equivalents – Restricted	<u>1,295,746</u>
Total	<u>\$ 2,251,358</u>

**Custodial Credit Risk:**

Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the government will not recover the value of the investment or collateral securities that are in possession of an outside party. The Authority does not have a formal investment policy for custodial credit risk. The Authority's investments cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form.

**Interest Rate Credit Risk:**

As a means of managing its exposure to fair value losses arising from increasing interest rates, the Authority's investment policy restricts the duration of short-term fixed income securities to a maximum of three years.

**Concentration of Credit Risk:**

The Authority places a limit on the amount the Authority may invest in any one company's stock at 3% of the total non-fiduciary portfolio, and no more than 20% of the total non-fiduciary portfolio shall be invested in any one industry sector. At year-end there were no investments in any one issuer greater than 3% and no more than 20% of the total non-fiduciary portfolio invested in any one industry sector.

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 3 CAPITAL ASSETS**

A summary of capital asset activity follows for the year ended December 31, 2019:

	Balance January 1, 2019	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance December 31, 2019
Capital Assets Being Depreciated					
Buildings and Improvements	\$ 15,309,731	\$ 20,591	\$ -	\$ -	\$ 15,330,322
Total Capital Assets Being Depreciated	<u>15,309,731</u>	<u>20,591</u>	<u>-</u>	<u>-</u>	<u>15,330,322</u>
Less: Accumulated Depreciation	<u>(10,793,793)</u>	<u>(519,702)</u>	<u>-</u>	<u>-</u>	<u>(11,313,495)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 4,515,938</u>	<u>\$ (499,111)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,016,827</u>

Depreciation expense totaled \$519,702 for the year ended December 31, 2019.

**NOTE 4 NOTES PAYABLE**

**Series of 2013 Revenue Note:**

In 2013, the Authority issued the Series of 2013 Revenue Note, in the amount of \$4,510,000, for the current refunding of the Series of 2008 Promissory Note, which was originally issued to finance the renovation of the Market Street Garage, and to pay costs of issuance. Interest is payable semi-annually at an initial rate of 2.71% per annum until November 15, 2018. Thereafter, the rate changes to 60% of the bank's prime rate or a fixed rate for a period of time mutually agreed upon by the bank and the Authority, but in no event less than 2.20% or above 6.00% per annum. This note was currently refunded during the year ended December 31, 2019.

**Series of 2019 Revenue Note:**

In June 2019, the Authority issued the Series of 2019 Revenue Note, in the amount of \$4,850,000, for the purpose of providing funds for (1) the current refunding of the Series of 2013 Revenue Note, (2) a capital project of the Authority; and (3) the costs of issuing such note. The capital project amount of \$1,505,737 was not drawn down during the year ended December 31, 2019, but is available for drawdown. Interest is payable semi-annually at an initial rate of 3.25% per annum for a period of seven years. Thereafter, the rate changes to 80% of 30-day London Inter-Bank Offered Rate (LIBOR) to float plus 150 basis points, with an interest cap at 7.00% per annum.

Subsequent to year-end, \$32,987 was drawn down on the 2019 Note.

Note payable activity for the year ended December 31, 2019 was as follows:

	Balance December 31, 2018	<u>Additions</u>	<u>Reductions</u>	Balance December 31, 2019	Amount Due Within One Year
2013 Note Payable	\$ 3,290,000	\$ -	\$ (3,290,000)	\$ -	\$ -
2019 Note Payable	<u>-</u>	<u>3,344,263</u>	<u>(294,000)</u>	<u>3,050,263</u>	<u>380,000</u>
Total	<u>\$ 3,290,000</u>	<u>\$ 3,344,263</u>	<u>\$ (3,584,000)</u>	<u>\$ 3,050,263</u>	<u>\$ 380,000</u>

**CITY OF YORK GENERAL AUTHORITY**  
**(A Component Unit of the City of York, Pennsylvania)**  
Notes to Financial Statements  
For the Year Ended December 31, 2019

**NOTE 4 NOTES PAYABLE (CONTINUED)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 380,000	\$ 99,134	\$ 479,134
2021	394,000	86,784	480,784
2022	407,000	73,979	480,979
2023	419,000	60,751	479,751
2024	433,000	47,134	480,134
2025-2027	<u>1,017,263</u>	<u>56,316</u>	<u>1,073,579</u>
Total	<u>\$ 3,050,263</u>	<u>\$ 424,098</u>	<u>\$ 3,474,361</u>

**NOTE 5 NONRECOURSE DEBT ISSUED**

As discussed in Note 1, several nonrecourse debt issues were outstanding at December 31, 2019, as follows:

During 2014, the Authority issued Revenue Note, Series 2014, in the amount of \$10,000,000 on a draw down basis. Concurrently, the Authority entered into a loan agreement whereby the Authority lent the proceeds of the sale of the Note to Lutheran Social Services of South Central Pennsylvania for the purpose of acquisition, construction, furnishing and equipping alterations, renovation additions, and improvements to the residential living facilities known as "The Village at Sprenkle Drive." As of December 31, 2019, the total amount outstanding on this Note was \$60,786.

During 2016, the Authority issued Revenue Bonds, Series 2016 in the amount of \$7,000,000 and entered into a loan agreement whereby the Authority will loan the proceeds to Crispus Attucks for the purpose of refinancing Crispus Attucks' Revenue Bonds, Series of 2011A and 2011B. As of December 31, 2019, the total amount outstanding on these Bonds was \$5,964,955.

During 2017, the Authority issued a bank qualified tax-exempt debt issue in the amount of \$10,000,000, and entered into a loan agreement whereby the Authority will loan the proceeds to York County Agricultural Society for the purpose of refinancing existing debt. As of December 31, 2019, the total amount outstanding on the bank qualified tax-exempt debt issue was \$9,316,600.

**NOTE 6 MANAGEMENT AGREEMENT WITH THE CITY OF YORK**

On January 1, 1996, the Authority entered into a Parking Facilities Management Agreement with the City to operate the Authority's parking system. The Agreement had a two-year term, which expired December 31, 1997. On January 1, 1996, the Authority entered into an Administrative Management Services Agreement with the City to provide for administrative services for the Authority. The term of this Agreement was for one year, which then renewed automatically for additional one-year periods until terminated upon 60 days prior written notice.

The Agreements required that the City prepare an Operating and Administrative Expenses Budget for adoption by the Authority and City Council. During 2019, the Authority incurred a total of \$1,260,018, in expenses due to the City under these Agreements. Of this amount, \$141,000, for the year ending December 31, 2019 were administrative fees to the City, and the remaining \$1,119,018, were to pay other expenses of the Authority.

As of December 31, 2019, the Authority recorded a due to the City of \$959,912 for the remainder of expenses due under the Agreements.

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**NOTE 6                   MANAGEMENT AGREEMENT WITH THE CITY OF YORK (CONTINUED)**

Under the Agreements between the Authority and the City, the Authority is entitled to receive an adjustment to the fees billed from the City if actual expenses were less than budgeted expenses. As of December 31, 2019, accounts payable the Authority included amounts owed to the City of \$959,912. The amounts owed for 2017 through 2019 were approved and authorized for payment by the Authority in the fiscal year they were invoiced but the funds have not been transferred by the City. The remaining portion of the liability is composed of parking tax due and other amounts due, net of credits for overpayments from prior years.

The Authority anticipates paying the liability due to the City and will continue to work on repayment to the City for the amounts due. The Authority paid the amounts relating to 2014 in the amount of \$318,651 in 2020.

The Authority entered into a new Parking Facilities Management Agreement with the City on January 1, 2020. Under this agreement, the Authority shall pay the City 1/12<sup>th</sup> of the annual operating budget each month. The agreement stipulates that there shall be a reconciliation prepared to compare actual and budgeted expenditures to determine if there is a credit or additional expenditures owed. The agreement also includes an annual management fee for 2020 in an annual amount of \$141,000 to be paid in equal monthly installments. This management fee is then reduced to \$8,333 per month from January 2021 to March 2021. The Parking Facilities Management Agreement runs through March 2021.

In April 2021, the City passed a resolution effective July 1, 2021 that the parking system and all related obligations and liabilities will be conveyed from the Authority to the City.

**NOTE 7                   ARBITRAGE REBATE LIABILITY**

In connection with the Authority's 1996 Series Pool Bonds, there is a potential arbitrage rebate liability of an uncertain and unknown amount. Should this liability be asserted in the future, the minimum amount of this liability will likely be \$18,937. It is uncertain whether any additional liability will be imposed at such a time.

**NOTE 8                   CONTINGENCIES AND COMMITMENTS**

The Authority has been operating in an environment that has been economically impacted by the COVID-19 pandemic. The future impact of the pandemic on the Authority is not known as of the release of these financial statements. However, management is monitoring the current conditions and their potential impact.

**NOTE 9                   SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 26, 2024, which is the date the financial statements were available to be issued.

In April 2021, The Authority entered into an agreement with the City of York, PA to convey the Parking System to the City effective July 1, 2021.



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**NOTE 9                   SUBSEQUENT EVENTS (CONTINUED)**

In April 2021, the Authority issued Guaranteed Revenue Note, Series 2021 in the amount of \$3,000,000. The Authorities Guaranteed Revenue Note is loaned to a third party to undertake a project involving 1) the refinancing of existing indebtedness of the LLC with respect to an elementary school building owned by the LLC and 2) the funding of a debt service reserve fund for the Authority note and 3) the payment of the costs of issuing the Authority Note. The corresponding loan to the LLC is secured by the pledged revenue and any right to receive such pledged revenue. The Guaranteed Revenue Note stated that any financial obligation of the Authority shall not be a general obligation of the Authority nor a debt or pledge of the faith and credit of the Commonwealth of Pennsylvania or any political subdivision thereof, but shall be payable solely from the funds and revenues pledged under this Agreement.

The Authority has entered into a professional contract to determine the capital repairs to be completed on a variety of the Authority's garages and one lot. The outstanding commitment under this contract at December 31, 2019, was approximately \$66,000.

Subsequent to December 31, 2019, the Authority entered into contracts for capital improvements approximating \$932,000.

Subsequent to December 31, 2019, the Authority drew down \$32,987 on the 2019 Note Payable.