

FINANCE COMMITTEE

Erie County Council

View More At:

[www.eriecountypa.gov](http://www.eriecountypa.gov)

The public is invited to attend.



Ellen Schauerman, Chairwoman  
Jim Winarski, Vice Chairman  
Charlie Bayle  
André R. Horton  
Mary Rennie  
Terry M. Scutella  
Brian Shank

Erie County Courthouse  
140 West 6<sup>th</sup> Street Erie, PA 16501  
Room 114A

4:00 PM

February 16, 2023

Join Via Zoom:

<https://us02web.zoom.us/j/87517721130?pwd=azFoTVJ4Z0xyYWxva0tCOFdqWjdXQT09>

Meeting ID: 875 1772 1130

Passcode: 021623

Or Call In: +1 929 205 6099

**FINANCE AGENDA**

1. Ordinance Number 9, 2023, "Second 2023 ARPA Fund Budget Supplemental Appropriation of \$1,500,000 and Creation of New Line Item for Project Neptune" (First Read 2/7/23)  
**The funds will be expended by the Erie County General Authority and would allow for renovation of an existing facility that would be dedicated to the study and remediation of contaminants affecting Lake Erie and its drinking water. The overall focus of the program is to assist in conservation and remediation approaches to help ensure a safe water resource for the region. This project works in tandem with project RESOLVE, a regional strategy working to address plastic and waste pollution that affects the health of freshwater supplies such as Lake Erie. The cost of the project is \$3,000,000, and would receive \$1,500,000 in private funding in addition to this investment. Page 4**
2. Ordinance Number 10, 2023, "2023 ARPA Fund Budget Revised Revenue and Expenditures of \$5,000,000 for Municipal GAP Funding" (First Read 2/7/23)  
**To support, empower, and advance Erie County municipalities, the County is providing CSLFRF/ARPA funds to create a Municipal Infrastructure Grant Program. Funds may be used to invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet. These funds would be administered by the Erie County Department of Planning and Community Development. Page 26**
3. Ordinance Number 11, 2023, "Amendment to 2023 Gaming Fund Budget" (First Read 2/7/23)  
**As a follow up to the discussion at the January 19th 2023 Finance meeting, this is intended to document the results of the action taken by the County Executive's line item veto on December 15th, 2022. Page 29**

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4. Ordinance Number 12, 2023, "Amendment to 2023 ARPA Fund Budget" (First Read 2/7/23)  
**As a follow up to the discussion at the January 19th 2023 Finance meeting, this is intended to document the results of the action taken by the County Executive's line item veto on December 15th, 2022. Page 31**
5. Ordinance Number 13, 2023, "Amending Ordinance Number 165, 2022 '2023 General Fund Budget' to Reflect Changes of Vetoed Items" (First Read 2/7/23)  
**This ordinance was created by the Davis Administration in response to the December 15, 2022 Special Meeting. Page 34**
6. Ordinance Number \_\_, 2023 "\_\_\_ 2023 General Fund Budget Supplemental Appropriation of \$126,500 for Ballot Sorter Purchase in the Conduct of Elections"  
**This is a follow up to Ordinance 192 of 2022 to allocate the \$126,500 from the General fund. Page 35**
7. Ordinance Number \_\_, 2023 " An Ordinance of the County of Erie, Pennsylvania Authorizing and Directing the Execution and Delivery of a Guaranty Agreement for the Benefit of Pleasant Ridge Manor and Compliance with the Provisions Thereof and Incurring Nonelectoral Debt Thereby; Approving a \$700,000 Letter of Credit Agreement from Pleasant Ridge to First National Bank of Pennsylvania; Directing the Proper Officers of the County to Take Necessary Actions; and Repealing All Inconsistent Ordinances"  
**This letter of Credit is a very inexpensive financial backstop for the Pleasant Ridge Manor Workers Compensation program. It has been done for many years. If the instrument is unused, it is paid back immediately. Page 48**
8. Resolution Number \_\_, 2023 "Approval of the Redevelopment Assistance Capital Grant Application and the Cooperation Agreement among the Erie County General Authority, Saint Vincent Health Center, Allegheny Health Network, and the County of Erie for the Saint Vincent Hospital Expansion Project"  
**This is a \$2,000,000 grant that was awarded from the Office of the Budget of the Commonwealth of Pennsylvania in which the Erie County General Authority is working with Saint Vincent Health Center and Allegheny Health Network for the Saint Vincent Hospital Expansion Project. Page 74**



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9. Resolution Number \_\_, 2023 "Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of Pleasant Ridge Manor and Preparation of Form 990 for Calendar Year Ending December 31, 2022"  
**Zelenkofske Axelrod LLC will audit the financial statements of Pleasant Ridge Manor and prepare form 990 for the calendar year of 2022. Page 78**
10. Resolution Number \_\_, 2023 "Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of Pleasant Ridge Manor Pension Plan for Calendar Year Ending December 31, 2022"  
**Zelenkofske Axelrod LLC will audit the financial statements of Pleasant Ridge Manor Pension Plan for the calendar year of 2022. Page 88**
11. Resolution Number \_\_, 2023 "Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of Erie County Care Management and Preparation of Form 990 for Calendar Year Ending December 31, 2022"  
**Zelenkofske Axelrod LLC will audit the financial statements for the calendar year of 2022 for Erie County Care Management and prepare form 990. Page 96**
12. Resolution Number \_\_, 2023" Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of the County of Erie for Calendar Year Ending December 31, 2022"  
**Zelenkofske Axelrod LLC will conduct a single audit of the entire County as a whole for calendar year of 2022. Page 110**

**ORDINANCE NUMBER 9, 2023**

**Second 2023 ARPA Fund Budget Supplemental Appropriation of \$1,500,000  
and Creation of New Line Item for Project Neptune**

**BE IT ENACTED** by the County Council of the County of Erie pursuant to Article II, Section 3B1, 3C1 and Article VIII and Section 8 of the Erie County Home Rule Charter, and certified by the County Executive that this 2023 American Rescue Plan Act Fund Budget supplemental appropriation of \$1,500,000 and creation of new line item for Project Neptune, are hereby approved as outlined on the attached Exhibit A.

**BE IT FURTHER ENACTED** that, as outlined in Ordinance Number 65, 2021, the Administration shall provide Council with quarterly reports on ARPA expenditures, starting with the quarter ending March 31, 2022 and continuing thereafter until December 31, 2026. The final audit and distribution of funds by the Administration, including funds returned by third-party recipients, shall be submitted to and approved by County Council.

This Ordinance shall be effective immediately upon adoption.

I, Julie Slomski, hereby certify that on the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this ordinance was ENACTED AND ORDAINED this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

Attest:

\_\_\_\_\_  
Julie Slomski  
County Clerk

\_\_\_\_\_  
Brian Shank, Chairman

Date: \_\_\_\_\_

\_\_\_\_\_  
Mary Rennie, Vice Chairwoman

\_\_\_\_\_  
Charlie Bayle

Approved by:

\_\_\_\_\_  
André Horton

\_\_\_\_\_  
Brenton Davis,  
County Executive

\_\_\_\_\_  
Ellen Schauerma

Date: \_\_\_\_\_

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Jim Winarski

<p><b>Exhibit A</b></p> <p><b>2023 American Rescue Plan Fund Budget</b></p> <p><b>Supplemental Appropriation of \$1,500,000 and</b></p> <p><b>Creation of New Line Item for Project Neptune</b></p>
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<u>Account Title</u>	<u>Account Number</u>	<u>Amount</u>
<u>Revenue</u>		
Fund Balance	068-025111-099500	(1,500,000)
Total Revenue		<u><u>(1,500,000)</u></u>
<u>Expenditures</u>		
Project Neptune	068-025119-006831*	1,500,000.00
Total Expenditures		<u><u>1,500,000</u></u>

\*Denotes a Creation of New Line Item

**Erie County Coronavirus Local Fiscal Recovery Fund  
American Rescue Plan  
Eligibility Review Memo**

**Memo ID or Program Name:** ERIE-ARPA-002

**Date:** 9/27/2022

**Compliance and Reporting**

**Expenditure Category:** 2: Negative Economic Impacts

**Expenditure Sub-Category:** 2.20: Social Determinants of Health: Lead Remediation

**Primarily Disadvantaged or QCT (Yes/No):** No

**Prepared for:**

Douglas R. Smith  
Director of Administration  
Erie County

**From:**

Matthew Hanson  
Associate Managing Director  
Community Recovery  
COVID-19 / ARPA Team

**RE:** American Rescue Plan Act funding totaling \$1,500,000

Erie County General Authority for Gannon University Great Lakes Testing and Remediation Laboratory

**Purpose**

This memo documents the eligibility of the American Rescue Plan Act (ARPA) of 2021 funds for the Gannon University Great Lakes Testing and Remediation Laboratory. The funds will be expended by the Erie County General Authority in response to COVID-19 and would allow for renovation of an existing facility that would be dedicated to the study and remediation of contaminants affecting Lake Erie and its drinking water. The overall focus of the program is to assist in conservation and remediation approaches to help ensure a safe water resource for the region. This project works in tandem with project RESOLVE, a regional strategy working to address plastic and waste pollution that affects the health of freshwater supplies such as Lake Erie.

On March 11, 2021, ARPA was signed into law by the President. Section 9901 of ARPA amended Title VI of the Social Security Act (the Act) to add section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (CLFR). Erie County, Pennsylvania was provided a CLFRF distribution directly by the U.S. Treasury and is empowered to utilize this funding for costs associated with responding to the COVID-19 public health emergency and its negative economic impacts.

Lake Erie is the most biologically diverse and productive of the Great Lakes. As the shallowest, it warms rapidly making it vulnerable to pollution and climate change. A major factor impacting water quality and ecological health is the presence of microplastics in waterways. Studies are finding microscopic plastic fibers in drinking water and fish. In addition to microplastics, the stress from urbanization, industrialization, agriculture runoff, introduction of invasive species, and effluent from sewage treatment threatens the drinking water of nearly 12 million people. Measuring and removing these pollutants, along with developing new solutions to prevent the pollutants from ever entering the water must be a priority for the region.

The laboratory is a vital component of Gannon's water sustainability initiative, project NePTWNE, an inclusive and holistic approach to addressing water quality, climate change, economic development, and quality of life. Gannon University is committed to its long history of aquatic research, education and outreach and the Gannon University Great Lakes Testing and Remediation Laboratory leverages the Gannon University Environmental Science and Engineering Department's work in the areas of plastics research, safe drinking water and urban stormwater management. The laboratory's port location allows for easy access for data collection.

As more pressure is placed on safe drinking water, access to bodies of clean water and fresh foods (including fish) it is imperative that as a region we are informed, engaged and positioned to respond to threats and opportunities to maintain quality drinking water and ensure the public and economic health of the community.

### **Expense Types and Descriptions**

The cost estimate for this project is based on the size and condition of the facility. The building, located at 26 West Front Street, Erie PA is an under-utilized commercial fishing warehouse that was built in 1946. Gannon University will renovate 1,820 square feet of the building to create the Great Lakes Testing and Remediation Laboratory. All funds, both RACP and match, will be used for demolition and renovations to bring the building up to code and create the laboratory. Match will be provided by Gannon University. By creating a public-private mix of funding this laboratory will serve as a model for creating a community asset that supports economic development through a Blue Economy.

Half of the project budget will be funded by CSLFRF, and half will be funded by private investments.

### **Use of CLFRF Funds**

The use of this funding for the study and preservation of drinking water in Lake Erie to support population growth is not supported by the U.S. Treasury's Final Rule.

The U.S. Treasury has provided guidance regarding the agency's interpretation of the American Rescue Plan Act.

*In recognition of the long-standing disparities in health and economic outcomes in underserved communities that have amplified and exacerbated the impacts of the pandemic, the final rule identifies certain populations as "disproportionately impacted" by the pandemic and enumerates a broad range of services and programs to address health disparities, to build stronger communities through investments in neighborhoods, to address educational disparities, to provide rental assistance vouchers or assistance relocating to areas of greater economic opportunity, and other eligible uses to respond to negative economic impacts in disproportionately impacted communities.*

*Specifically, Treasury will presume that certain populations were disproportionately impacted by the pandemic and therefore automatically eligible to receive responsive services. See page 19 of the Overview of the Final Rule for a full list of the 9 populations presumed disproportionately impacted by the pandemic. Recipients may also provide*

*responsive services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served. Treasury has provided a non-exhaustive list of eligible responses to serve disproportionately impacted communities on page 20 of the Overview of the Final Rule. Note that these are an enhanced set of responses available in addition to responses available to respond to impacts of the pandemic on households and communities (including those listed on page 18 of the Overview).*

While the final rule specifically identifies lead as a contaminant it does not preclude the pursuance of the removal of other comparable types of contaminants such as microplastics. The residents most at risk of this type of contamination due to aging infrastructure and/or the inability to afford other types of secondary filters such as household reverse osmosis filters are residents of the local Qualified Census Tract<sup>1</sup>

### **Cost Reasonableness Analysis**

This project will use \$1,500,000 of CSLFRF and \$1,500,000 of private funding. Gordian, a construction website that analyses construction cost data, estimates that a similar project, starting with building construction, would cost over \$8 million.<sup>2</sup> Because the building is already standing, and the private investment offsets 50% of the project costs, this appears to be a reasonable expenditure.

### **Eligibility Considerations**

The U.S. Department of the Treasury's ("Treasury") [Final Rule](#) (the "Rule") which became effective April 1, 2022, identifies many ways in which the ARP's Coronavirus State and Local Fiscal Recovery Funds ("CSLFRF") can support communities working to reduce and respond to the adverse health and economic impacts resulting from the COVID-19 pandemic. Additionally, the final rule incorporates changes in earlier guidance which are also reflected in this document.

The official U.S. Treasury-issued final rule outline which sums the guidance utilized for preparation of this analysis can be accessed [here](#).

### **Conclusion**

While Treasury expanded the scope of what is an eligible water and sewer infrastructure project to include additional uses, the uses are all related to infrastructure that provide provision of essential services. Further, the Gannon University Great Lakes Testing and Remediation Laboratory project is not in alignment with the CWSRF and DWSFR lists of eligible projects. However, the Gannon University Great Lakes Testing and Remediation Laboratory is a valuable project that seeks to study and make recommendations on water quality improvements, that would result in the removal of contaminants from the local drinking water supply, support climate resiliency but ultimately address the disparate impact on certain populations and geographic

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<sup>1</sup> U.S. Department of Treasury's Final Rule Frequently Asked Questions at 40, available at: [SLFRF-Final-Rule-FAQ.pdf \(treasury.gov\)](#)

<sup>2</sup> [College Laboratory - Commercial Construction Costs Per Square Foot \(rsmeans.com\)](#)



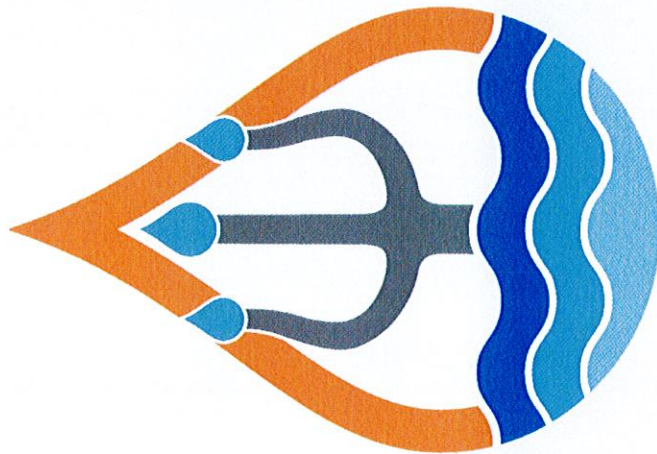
locations. As such, the County can pursue this project with a high degree of confidence of allowability.



## PROJECT NePTWNE

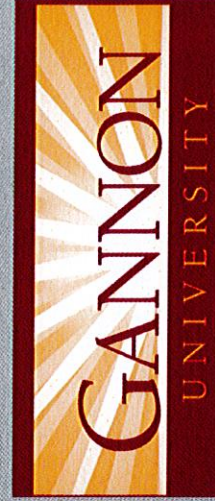
NePTWNE Action	Developmental Initiative	Broader Community Application	Budget
MITIGATE / MANUFACTURE	I-HACK Additive Manufacturing and Neural Network	Artificial intelligence and business analysis activities. IHACK 6 <sup>th</sup> Floor	\$5 million
MEASURE / MITIGATE	Great Lakes Research & Education Center	Nearshore monitoring; education center for citizen learning	\$3 million
MITIGATE	Greenhouse	Plant to Plant, Food desert concerns, Presque restoration, and recycling technologies.	\$2 million
MEASURE / MITIGATE	Medium Sized Research Vessel	Offshore sample collection & monitoring of freshwater pollutants.	\$3 million
MITIGATE	Public Health and Policy Program Development.	Public health reporting, advising, education & community outreach. Academic Programming and curriculum.	\$1 million
MEASURE	EPA Lake Health Monitoring Facilities & Nanoparticle/Polymer Science Lab	Analytical testing services to measure water quality, pollutants & ecological concerns for the community. Lab renovation and equipment acquisition.	\$10 million
			\$24 million



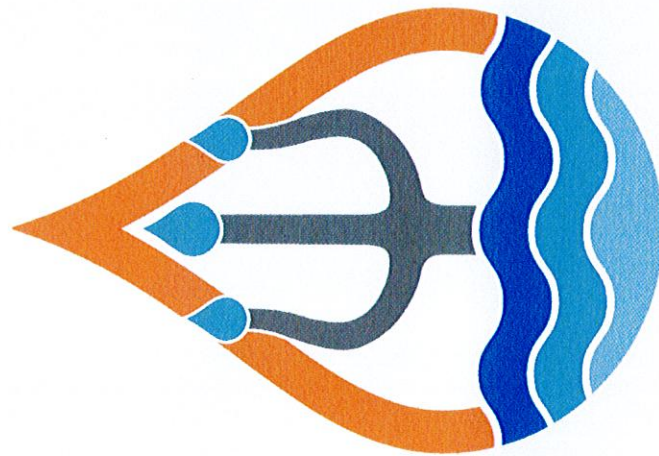


PROJECT  
**NePTVNE**  
at GANNON UNIVERSITY

**THANK YOU.**

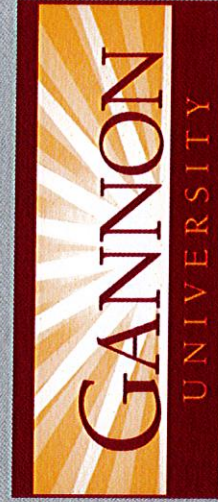






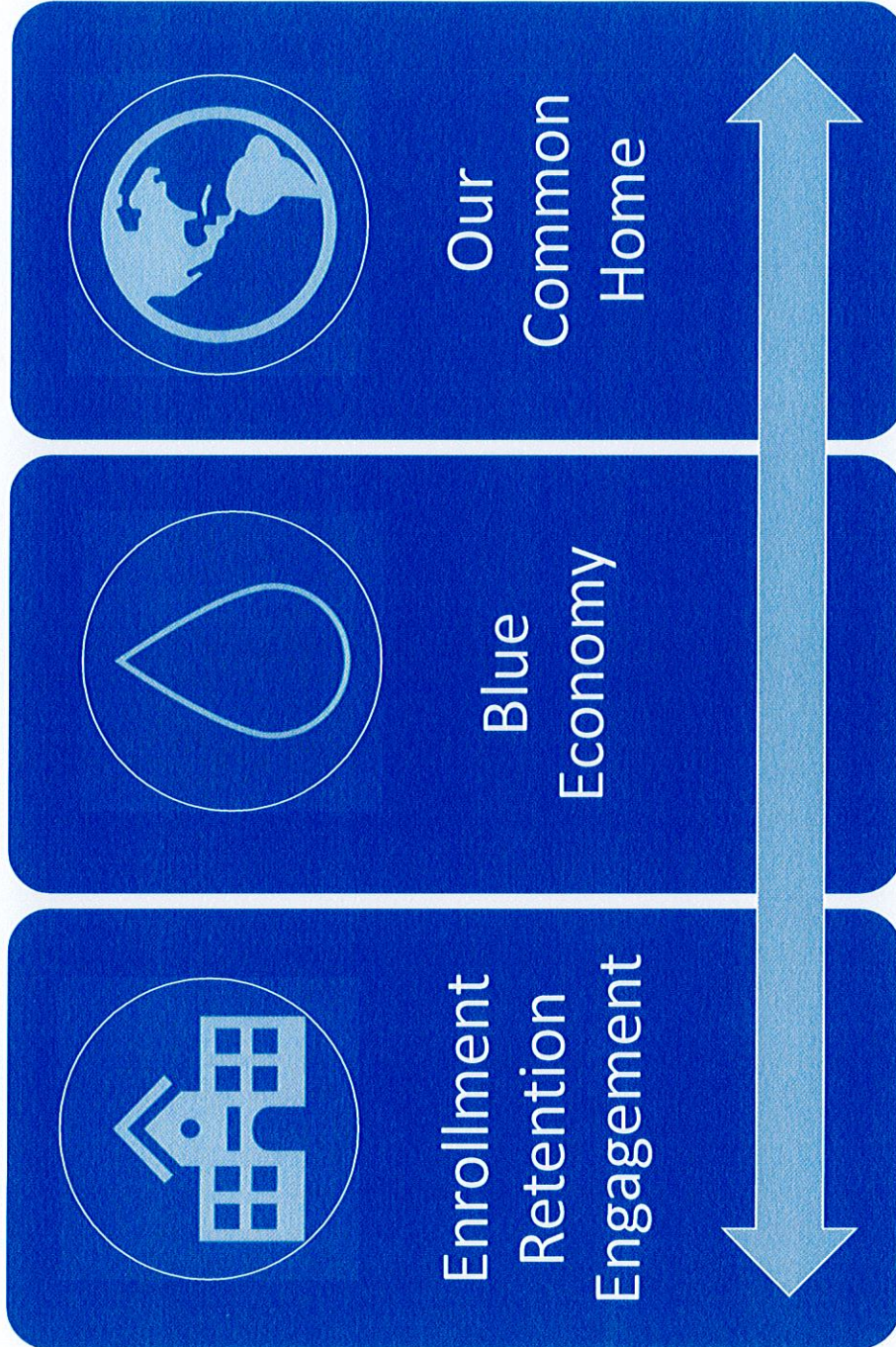
PROJECT  
**NePTWNE**  
at GANNON UNIVERSITY

# A Roadmap For Sustainability





## WHY WATER?





# THE GREAT LAKES AT-A-GLANCE

A look at some of the issues that impact the lakes bordering Michigan

## GREAT LAKES PROFILE

Total surface area of the Great Lakes

**86,910 SQUARE MILES**

Surface area of Great Lakes, Great Lakes bays and Lake St. Clair under Michigan jurisdiction

**42,167 SQUARE MILES**

Miles of Great Lakes shorelines

**3,288**

Source: NOAA

## 2019 WATER LEVEL RECORDS

Which months saw record highs?

Lake Superior: **May-September**

Lakes Michigan-Huron: **None**

Lake Erie: **May-September**

## 2020 WATER LEVEL RECORDS

Lake Superior: **January, February**

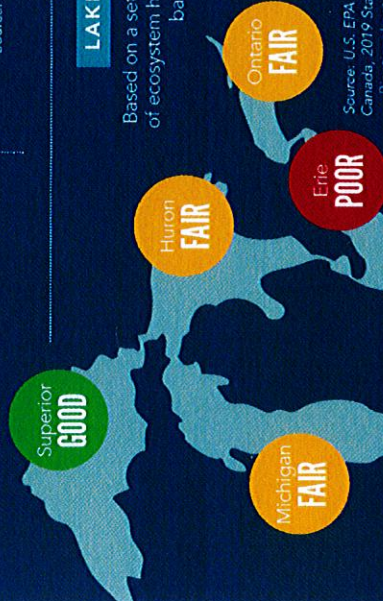
Lakes Michigan-Huron: **January-August**

Lake Erie: **February-May**

Source: U.S. Army Corps of Engineers

## LAKE ASSESSMENTS

Based on a set of nine overarching indicators of ecosystem health supported by 45 science-based sub-indicators.



Source: U.S. EPA and Environment and Climate Change Canada, 2019 State of the Great Lakes Highlights report  
<https://www.epa.gov/great-lakes/state-of-the-great-lakes-2019-highlights-report>  
<https://www.ec.gc.ca/great-lakes/great-lakes-eng>

## TOP CONTAMINANTS

What has been found in the water column and fish tissue?

1. **PCBs**

2. **Chlordane**

3. **Dioxins**

4. **Mercury**

Source: EGLE

## FISH EAT ADVISORIES

**258**

"Do Not Eat" or "limited" consumption warnings for all water bodies across Michigan as of May 2019.

Source: Department of Health and Human Services

## AREAS OF CONCERN

Fourteen areas of legacy contamination were identified across Michigan in 1987.

**3 DELISTED**

Lower Menominee River 2020, White Lake 2014, Deer Lake 2014

**11 ACTIVE**

Clinton River, Detroit River, Kalamazoo River, Manistique River, Muskegon Lake, River Raisin, Rouge River, Saginaw River/Bay, St. Clair River, St. Marys River, Torch Lake (U.P.)

Source: EGLE

## BEACHES AND E. COLI

Number of monitored Great Lakes beaches where action was taken to protect public health.

Year	Monitored	Action
2019	198	41
2018	210	60
2017	185	43
2016	209	43
2015	203	65
2014	160	50
10 year avg.	215	59

Source: EGLE

## DRINKING WATER SOURCES

**5.39 MILLION**

Michiganders get their drinking water from the Great Lakes or connecting waterways.

**289**

Number of community water suppliers that draw from the Great Lakes or connecting waterways.

**2.58 MILLION**

Number of residents who use wells

Source: EGLE



## Threat of Plastic Pollution in Lake Erie



- 12<sup>th</sup> largest freshwater lake in the world
- Smallest, shallowest, warmest of Great Lakes
- Shortest water retention time of Great Lakes (2.6 y)



### Past State

“dead lake”—eutrophication  
algal blooms, fish kills

1960s

Source: <https://eoimages.gsfc.nasa.gov/images/imagerecords/68000/68562/GreatLakes.A2003260.1830.500m.jpg>  
Source: Plastic-Free Great Lakes, Alliance for the Great Lakes (accessed May 2022).  
Source: Eriksen, M., et al. *Marine Pollution Bulletin* 2013, 77, p. 177-182.

### Current State

up to ~1 million particles/km<sup>2</sup>  
plastic accounts for 85% of litter

2020s

### Future State

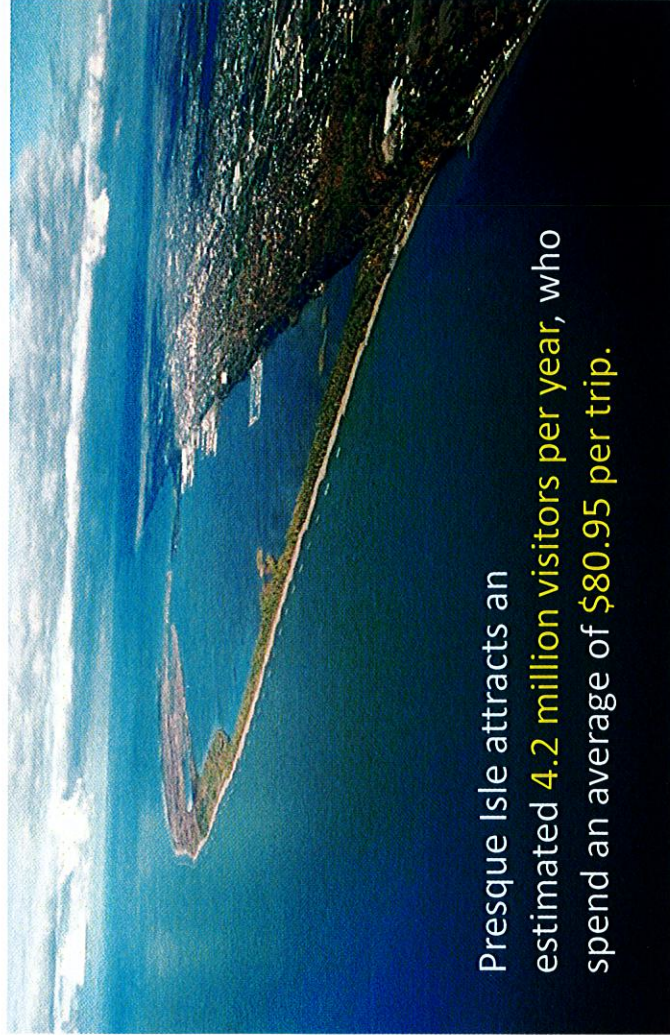
continuous lake health monitoring  
R&D to examine effects of changing  
industry practices and mitigation  
Erie as a symbol of ecological care

2030s



## HEALTH AND THE ECONOMY

### What does lake health mean to our economy?



#### Lake Erie Economy Pollution Threat

▼ **\$4B**

Value for tourism, industry, fishing, and water supply

▼ **\$700M**

Homes along lakeshore

▲ **\$300M**

Cleanup in 2015 of past pollution

▲ **\$39B**

Lost health and well-being 2015

Water Canada June 2, 2017  
<https://www.watercanada.net/pollution-of-lake-erie-causes-4b-in-economic-damage/>

# A FRAMEWORK FOR ACTION



## Gannon: NePTWNE

Nano & Polymer Technology for Water and Neural-Networks in Erie

## GANNON PROPOSED INITIATIVES



EPA Lake Health Monitoring Facilities  
and Nanoparticle/Polymer Science Lab



Great Lakes Research  
& Education Center



I-HACK Additive Manufacturing  
and Neural Network



Public Health and Policy  
Program Development



Medium-Sized Research Vessel



Greenhouses





# PROJECT NePTWNE

## Measure & Monitor

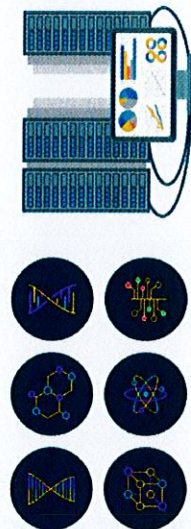


### Lake Health Monitoring

Monitoring pollution, invasive species, nutrient levels and impact of microplastics, chemicals and microbes of concern

Lake Health Education and Outreach  
**NanoMaterials**

## Mitigate

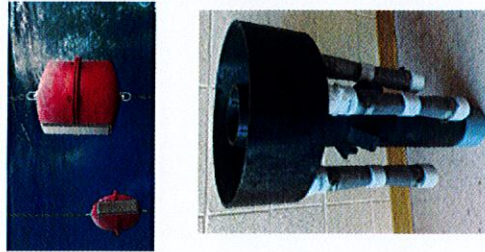


Water security and control of microplastics and pollutants

### Artificial Intelligence (AI)



## Manufacture



Production of water filtration devices and systems for removal of microplastics

Technology integration

**Additive Manufacturing (AM)**



# CENTER FOR MANUFACTURING AND TECHNOLOGY (CMT)



## Renderings – Opening August 2023

Collaborative Work Zone



Lobby Outside Additive Manufacturing



Wood Shop



Machine Shop Room



Additive Manufacturing



# GREAT LAKES RESEARCH & EDUCATION CENTER



## HISTORIC UNION FISH COMPANY BUILDING, KOLBE FAMILY

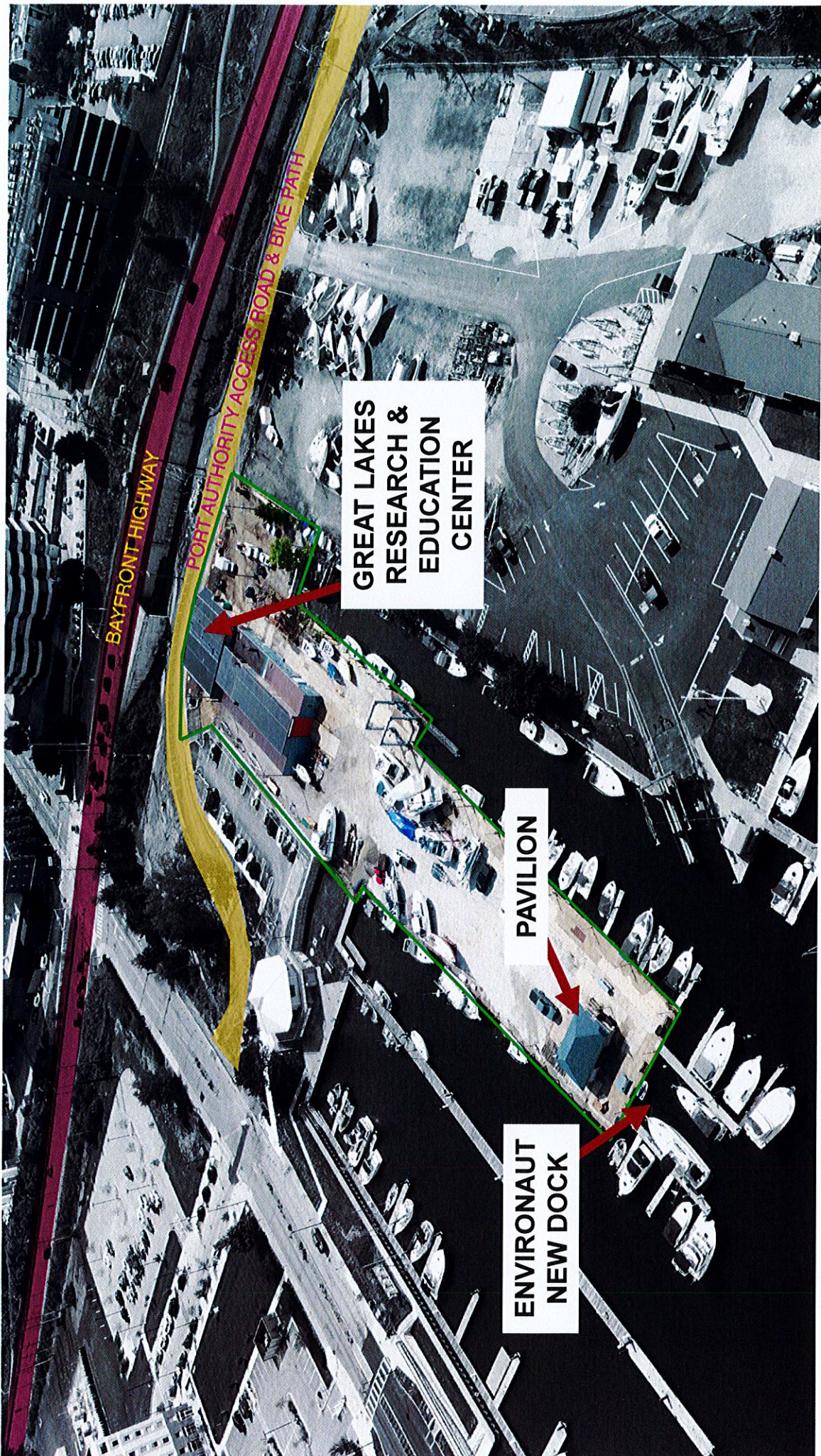
### SPACE

- 1,800 sq. ft. interior space
- New Location for Environaut
- Pavilion adjacent to dock

### VISION FOR CENTER

- Aquatics Research Lab
- NOAA Science on a Sphere Classroom
- Air & Water Quality Lab
- Reception, Offices, Storage



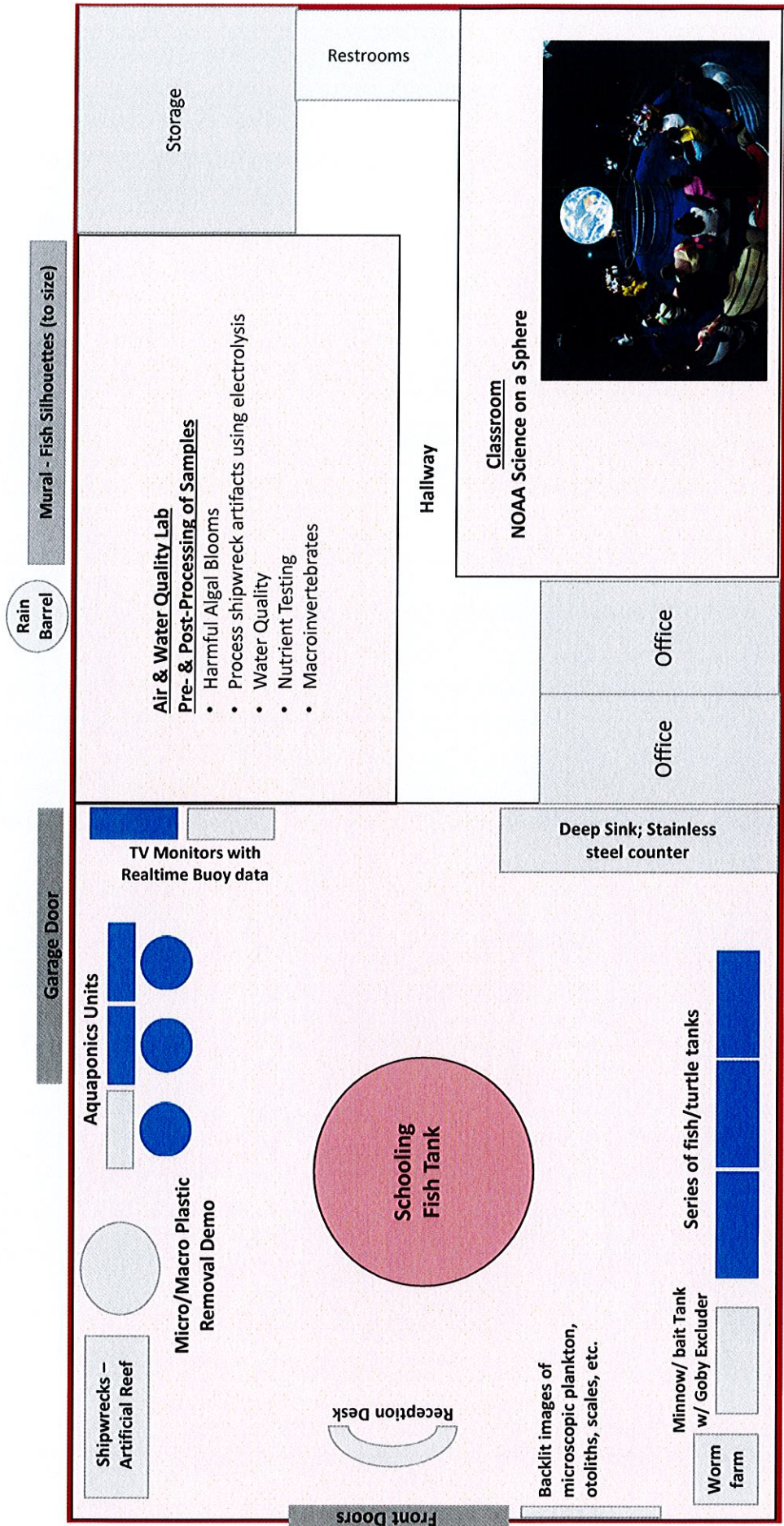




To Pavilion & Enironaut  
↑

Rain Garden  
Pollinator Garden

Parking Lot





# REGIONAL SCIENCE CONSORTIUM

## MISSION:

To promote and enhance our knowledge and understanding of the Lake Erie and Ohio River Basin ecosystems through research and education.

## LOCATION:

Research Wing of the Tom Ridge Environmental Center

## LABORATORIES:

Chemistry, Cell Culture, Instrumentation, Microscopy, Plant (w/ greenhouse), Aquatics, Biological Prep

## MEMBERSHIP:

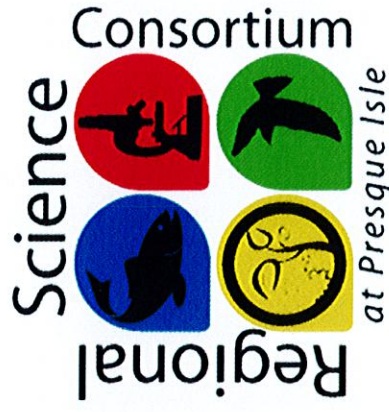
Universities, state and federal agencies, school districts, non-profit organizations throughout PA, NY, OH, SC, and continuing to expand

## CURRENT GRANTS:

Research - >\$1.4MIL

Education - \$125K

Pending Applications - >\$2.8MIL

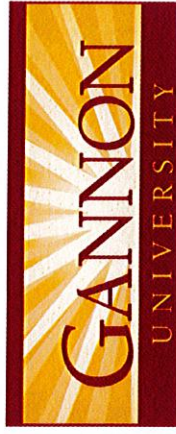


501(c)3

Est. 2004

# GANNON UNIVERSITY AND RSC COLLABORATION

- To provide an anchor institution for the RSC to promote growth, development, and expansion of the RSC to the next level and provide a continuity of operations and future sustainability
- Leverage synergy in support of initiatives through the RSC, Gannon University, or collaborative efforts between the two entities



## Regional Science Consortium, Executive Board

- Jeanette Schnars, Executive Director
- Sean Rafferty, President (PA Sea Grant)
- Ryan Bookhamer, Vice President (Fairview School District)
- Tracy Pitcher, Secretary (The Bay Point Island Foundation)
- Katie Farnsworth, Treasurer (Indiana University of PA)
- Holly Best, PA DCNR (Member at Large)
- Tammy Zimmerman, U.S. Geological Survey (Member at Large)

## Gannon University

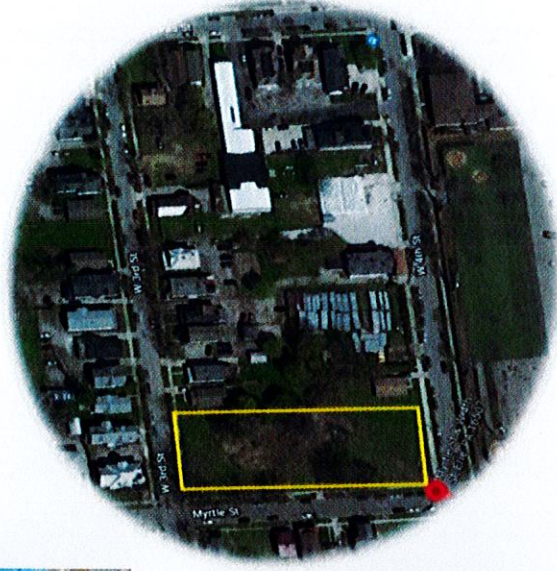
- Walter Iwanenko, Provost and Vice President for Student Experience
- Jennifer Lundy, Vice President for Finance & Campus Operations
- Sarah Ewing, Dean, Morosky College of Health Professions and Sciences



# GREENHOUSES

## BENEFITS

- Capable of generating 3,000-15,000 plants
  - Propagation of native plants for restoration of nationally recognized Priority Wetlands and dune systems at Presque Isle State Park
  - Propagation for pollinator gardens; support of pollinators
  - Provide seeds for the Seed Bank Project at RSC
  - Educate and research for recycled plastics utilization.
  - Job Creation
  - Food Source for the Community



- Single Greenhouse: 32' W x 175' L x 12' H
- Environmental controls

**ORDINANCE NUMBER 10, 2023**

**2023 ARPA Fund Budget Revised Revenue and Expenditures of \$5,000,000 for  
Municipal GAP Funding**

**BE IT ENACTED** by the County Council of the County of Erie pursuant to Article II, Section 3B1 and Article VIII, Section 8 of the Home Rule Charter and certified by the County Executive that 2023 American Rescue Plan Fund Budget revised revenue and expenditures of \$5,000,000 for Municipal GAP Funding, are hereby approved as outlined in Exhibit A.

**BE IT FURTHER ENACTED** that, as outlined in Ordinance Number 65, 2021, the Administration shall provide Council with quarterly reports on ARPA expenditures, starting with the quarter ending March 31, 2022 and continuing thereafter until December 31, 2026. The final audit and distribution of funds by the Administration, including funds returned by third-party recipients, shall be submitted to and approved by County Council.

This ordinance shall be effective immediately upon adoption.

I, Julie Slomski, hereby certify that on the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this ordinance was ENACTED AND ORDAINED this \_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

Attest:

\_\_\_\_\_  
Julie Slomski  
County Clerk

\_\_\_\_\_  
Brian Shank, Chairman

Date: \_\_\_\_\_

\_\_\_\_\_  
Mary Rennie, Vice Chairwoman

\_\_\_\_\_  
Charlie Bayle

Approved by:

\_\_\_\_\_  
André Horton

\_\_\_\_\_  
Brenton Davis,  
County Executive

\_\_\_\_\_  
Ellen Schauerman

Date: \_\_\_\_\_

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Jim Winarski



<b>Exhibit A</b> <b>2023 American Rescue Plan Act Fund Budget</b> <b>Revised Revenue and Expenditures</b> <b>of \$5,000,000 for Municipal GAP Funding</b>
--

<u>Account Title</u>	<u>Account Number</u>	<u>Amount</u>
<u>Revenue</u>		
Fund Balance	068-025111-099500	(5,000,000)
Total Revenue		<u>(5,000,000)</u>
<u>Expenditures</u>		
Muni GAP Funding	068-025120-006816	5,000,000
Total Expenditures		<u>5,000,000</u>

## ERIE COUNTY MUNICIPAL INFRASTRUCTURE GRANT PROGRAM

### Overview

To support, empower, and advance Erie County municipalities, the County is providing CSLFRF/ARPA funds to create a Municipal Infrastructure Grant Program. Funds may be used to invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet. (Broadband projects must be identified as priority projects in a current feasibility study, assessment report, or deployment plan to be eligible for funding.)

### Program Details and Requirements

- Erie County is allocating \$5 million for the Municipal Infrastructure Grant Program. These funds are being administered by the Erie County Department of Planning and Community Development, whose responsibilities include, but are not limited to, developing program guidelines, application and review processes, all necessary contracts and reporting forms, and a communication strategy to promote the grant program.
- The Municipal Infrastructure Grant Program must be implemented in compliance with the ARPA Coronavirus State and Local Fiscal Recovery Funds guidance published by the US Department of the Treasury, which is found at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>. Funds must be allocated by December 31, 2024 and spent by December 31, 2026.
- The Department of Planning and Community Development is eligible to receive administrative support from the grant program allocation. Per the US Treasury's FAQs for the Coronavirus State and Local Fiscal Recovery Funds (last updated June 24, 2021), ARPA funds may be used to cover the portion of payroll and benefits for new or existing employees related to managing new grant programs established with Fiscal Recovery Funds.
- While the Department of Planning and Community Development may create additional criteria for the Municipal Infrastructure Grant Program, Erie County requires municipal applicants to: 1) Have applied for and received their ARPA Coronavirus State and Local Fiscal Recovery Funds allocation, 2) Provide at a minimum 30% in matching funding, and 3) Align proposed projects and programs with priorities and recommendations identified in relevant existing community plans. The City of Erie is ineligible to apply for Municipal Infrastructure Grant funding, and ineligible uses of these funds include, but are not limited to, the payment of debt service or the purchasing of vehicles.

**NOTE:** The \$1.7T omnibus spending bill passed Dec. 23, 2022 includes an amendment that will enable recipients of aid from the American Rescue Plan Act's State and Local Fiscal Recovery Fund to use up to \$10 million, or 30% of their allotments, on a wide variety of transportation projects, covering roads and transit, and on the types of spending allowed under the Community Development Block Grant program, and disaster response. One limitation written into the amendment says ARPA dollars put toward these newly eligible uses should only supplement other sources of funding and not be swapped in to replace them. The bill itself states that Treasury has 60 days from the date of passage to issue updated guidance to CSLFRF grantees. Eligible uses of Erie County's Municipal Infrastructure Grant Program funding may be expanded based on the updated guidance expected from Treasury regarding the State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act.

**ORDINANCE NUMBER 11, 2023**

Amendment to 2023 Gaming Fund Budget

**BE IT ENACTED**, by the County Council of the County of Erie, pursuant to Article II, Section 3B(2) and Article VIII, Sections 3 through 6 of the Home Rule Charter for the County of Erie, and Resolution No. 50, 1982 outlining uniform budget and reporting standards for the County of Erie, that the Gaming Fund Budget for calendar year January 1 through December 31, 2023, be and hereby is adopted in the total amount of \$13,870,158.00.

This Ordinance shall be effective immediately upon adoption.

I, Julie Slomski, hereby certify that on the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this ordinance was ENACTED AND ORDAINED this \_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

Attest:

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

\_\_\_\_\_  
Julie Slomski  
County Clerk

\_\_\_\_\_  
Brian Shank, Chairman

Date: \_\_\_\_\_

\_\_\_\_\_  
Mary Rennie, Vice Chairwoman

\_\_\_\_\_  
Charlie Bayle

Approved by:

\_\_\_\_\_  
André Horton

\_\_\_\_\_  
Brenton Davis,  
County Executive

\_\_\_\_\_  
Ellen Schauerman

Date: \_\_\_\_\_

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Jim Winarski

**ORDINANCE NUMBER 159, 2022**

\*AS AMENDED

**2023 Gaming Fund Budget**

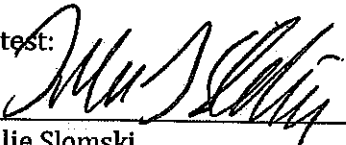
**BE IT ENACTED** by the County Council of the County of Erie pursuant to, Article II, Sections 1C(1), 3B(2)(g), 3C(1), Article VIII Sections 3 through 6, of the Home Rule Charter for the County of Erie, and Resolution Number 50, 1982, outlining uniform budget and reporting standards for the County of Erie; that the Gaming Fund Budget for calendar year January 1 through December 31, 2023, is hereby adopted in the total amount of ~~\$12,717,847~~

This Ordinance shall be effective immediately upon adoption.

~~\$13,900,158~~ 13,870,158

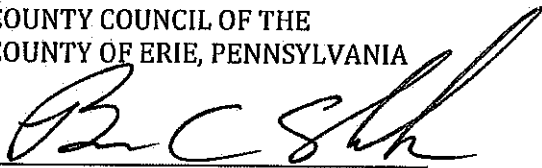
I, Julie Slomski, hereby certify that on the motion of Rennie, seconded by Schauerman, this ordinance was ENACTED AND ORDAINED this 23rd day of November, 2022 by a vote of 7 to 0.

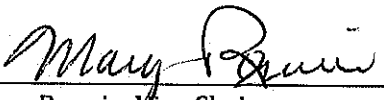
Attest:

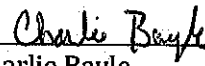
  
Julie Slomski  
County Clerk


Date: 11/23/22

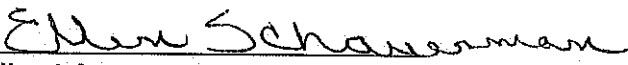
COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

  
Brian Shank, Chairman


  
Mary Rennie, Vice Chairwoman

  
Charlie Bayle

  
André Horton

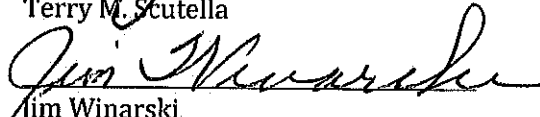
  
Ellen Schauerman

Approved by:

  
Brenton Davis,  
County Executive

Date: 12/5/22

  
Terry M. Scutella

  
Jim Winarski

**ORDINANCE NUMBER 12, 2023**

**Amendment to 2023 ARPA Fund Budget**

**BE IT ENACTED**, by the County Council of the County of Erie, pursuant to Article II, Section 3B(2) and Article VIII, Sections 3 through 6 of the Home Rule Charter for the County of Erie, and Resolution No. 50, 1982 outlining uniform budget and reporting standards for the County of Erie, that the American Rescue Plan Fund Budget for calendar year January 1 through December 31, 2023, be and hereby is adopted in the total amount of \$12,955,975.00.

This Ordinance shall be effective immediately upon adoption.

I, Julie Slomski, hereby certify that on the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this ordinance was ENACTED AND ORDAINED this \_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

Attest:

\_\_\_\_\_  
Julie Slomski  
County Clerk

Date: \_\_\_\_\_

Approved by:

\_\_\_\_\_  
Brenton Davis,  
County Executive

Date: \_\_\_\_\_

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

\_\_\_\_\_  
Brian Shank, Chairman

\_\_\_\_\_  
Mary Rennie, Vice Chairwoman

\_\_\_\_\_  
Charlie Bayle

\_\_\_\_\_  
André Horton

\_\_\_\_\_  
Ellen Schauerman

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Jim Winarski

**ORDINANCE NUMBER 164. 2022**

\*AS AMENDED

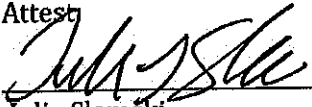
**2023 American Rescue Plan Fund Budget**

**BE IT ENACTED** by the County Council of the County of Erie pursuant to, Article II, Sections 1C(1), 3B(2)(g), 3C(1), Article VIII Sections 3 through 6, of the Home Rule Charter for the County of Erie, and Resolution Number 50, 1982, outlining uniform budget and reporting standards for the County of Erie; that the American Rescue Plan (ARPA) Fund Budget for calendar year January 1 through December 31, 2023, is hereby adopted in the total amount of \$26,240,751.-- ~~\$16,705,975~~ **12,955,975**

This Ordinance shall be effective immediately upon adoption.

I, Julie Slomski, hereby certify that on the motion of Rennie, seconded by Schauerman, this ordinance was ENACTED AND ORDAINED this 23rd day of November, 2022 by a vote of 6 to 1.

Attest

  
Julie Slomski

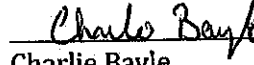
County Clerk

Date: 11/23/22

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA


  
Brian Shank, Chairman

  
Mary Rennie, Vice Chairwoman

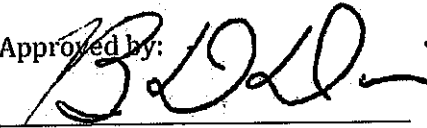
  
Charlie Bayle

VOTED NO

André Horton

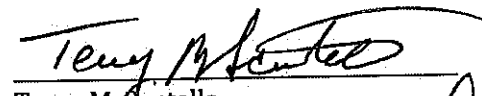
  
Ellen Schauerman

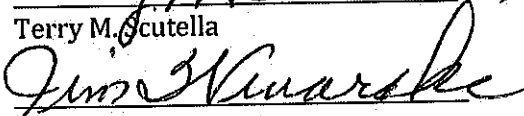
Approved by:



Brenton Davis,  
County Executive

Date: 12/7/22

  
Terry M. Scutella

  
Jim Winarski

**ORDINANCE NUMBER 165, 2022**

\*AS AMENDED

**2023 General Fund Budget**

**BE IT ENACTED** by the County Council of the County of Erie pursuant to Article II, Sections 1C(1), 3B(2)(g), 3C(1), Article VIII Sections 3 through 6, of the Home Rule Charter for the County of Erie, and Resolution Number 50, 1982, outlining uniform budget and reporting standards for the County of Erie; that the General Fund Budget for calendar year January 1 through December 31, 2023, is hereby adopted in the total amount of ~~\$123,798,092.~~

~~\$123,850,362~~

This Ordinance shall be effective immediately upon adoption.

124,287,487

I, Julie Slomski, hereby certify that on the motion of Rennie, seconded by Schauerman, this ordinance was ENACTED AND ORDAINED this 23rd day of November, 2022 by a vote of 4 to 3.

Attest

Julie Slomski  
Julie Slomski  
County Clerk

Date: 11/23/22

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

Brian Shank  
Brian Shank, Chairman

VOTED NO  
Mary Rennie, Vice Chairwoman

Charlie Bayle  
Charlie Bayle

VOTED NO  
André Horton

Ellen Schauerman  
Ellen Schauerman

Approved by:

Brenton Davis  
Brenton Davis,  
County Executive

Date: 12/7/22

VOTED NO  
Terry M. Scutella

Jim Winarski  
Jim Winarski

**ORDINANCE NUMBER 13, 2023**

Amending Ordinance Number 165, 2022, "2023 General Fund Budget"  
To Reflect Changes of Vetoed Items

**BE IT ENACTED**, by the County Council of the County of Erie, pursuant to Article II, Section 3B(2) and Article VIII Section 6 of the Home Rule Charter of Erie County , and certified by the County Executive, as an amendment to Ordinance Number 165, 2022, "2023 General Fund Budget" in the amount of \$124,287,487 to reflect changes of vetoed items.

This Ordinance shall be effective immediately upon adoption.

I, Julie Slomski, hereby certify that on the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this ordinance was ENACTED AND ORDAINED this \_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

Attest:

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

\_\_\_\_\_  
Julie Slomski  
County Clerk

\_\_\_\_\_  
Brian Shank, Chairman

Date: \_\_\_\_\_

\_\_\_\_\_  
Mary Rennie, Vice Chairwoman

\_\_\_\_\_  
Charlie Bayle

Approved by:

\_\_\_\_\_  
André Horton

\_\_\_\_\_  
Brenton Davis,  
County Executive

\_\_\_\_\_  
Ellen Schauerman

Date: \_\_\_\_\_

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Jim Winarski



**ORDINANCE NUMBER, 2023**

\_\_\_2023 General Fund Budget Supplemental Appropriation of \$126,500 for  
Ballot Sorter purchase in the Conduct of Elections

**BE IT ENACTED** by the County Council of the County of Erie pursuant to Article II, Section 3B1, 3B2 (f) and Article VIII, Section 8 of the Home Rule Charter, and certified by the County Executive, that this 2023 General Fund Budget supplemental appropriation of \$126,500 for the ballot sorter in the Conduct of Elections is hereby approved as outlined on the attached Exhibit A.

This Ordinance shall be effective immediately upon adoption.

I, Julie Slomski, hereby certify that on the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this ordinance was ENACTED AND ORDAINED this \_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

Attest:

\_\_\_\_\_  
Julie Slomski  
County Clerk

\_\_\_\_\_  
Brian Shank, Chair

Date: \_\_\_\_\_

\_\_\_\_\_  
Mary Rennie, Vice-Chair

\_\_\_\_\_  
Charlie Bayle

Approved by:

\_\_\_\_\_  
André Horton

\_\_\_\_\_  
Brenton Davis,  
County Executive

\_\_\_\_\_  
Ellen Schauerman

Date: \_\_\_\_\_

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Jim Winarski

<b>Exhibit A</b> <b>2023 General Fund Budget</b> <b>Supplemental Appropriation of \$126,500</b> <b>For Ballot Sorter purchase in the Conduct of Elections.</b>
---

<u>Account Title</u>	<u>Account Number</u>	<u>Amount</u>
<u>Revenue</u>		
Appropriation From Fund Balance	001-000990-099500	(126,500)
Total Revenue		<u>(126,500)</u>
<u>Expenditures</u>		
	001-001030-003120	126,500
Total Expenditures		<u>126,500</u>



**ORDINANCE NUMBER 192, 2022**

**Approving the Sales Proposal for Services to be Rendered by Runbeck**

**WHEREAS**, Governor Tom Wolf signed into law ACT 2022-88 on July 11<sup>th</sup> 2022. The Pennsylvania Department of State then provided guidance to Counties on August 5<sup>th</sup> 2022.

**WHEREAS**, The Erie County Board of Elections authorized and directed the purchase of a ballot sorter as Resolution 18 of 2022 on December 15<sup>th</sup> 2022, with delivery prior to the Primary Election Day in 2023 with a cost of \$205,000. \$78,500 in ACT 88 funds will be used in addition to the \$126,500 in the restricted line.

**WHEREAS**, The purchasing requirements of Article III, Section 1D of the Administrative Code are hereby waived for the sales proposal submitted by Runbeck.

**BE IT ENACTED** by the County Council of the County of Erie pursuant to Article II, Sections 3B (1), 3B(2) (f) and Article VIII, Section 8 of the Erie County Home Rule Charter, that Resolution 18 of 2022 of the Erie County Board of Elections is hereby approved and there bidding requirements are hereby waived as outlined on the attached Exhibit A.

This Ordinance shall be effective immediately.

I, Julie Slomski, hereby certify that on the motion of Horton, seconded by Schauerman, this ordinance was ENACTED AND ORDAINED this 20<sup>th</sup> day of December, 2022 by a vote of 7 to 0.

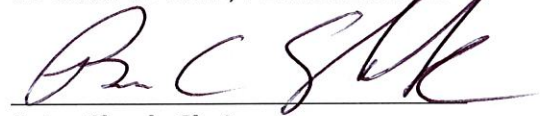
Attest:



Julie Slomski  
County Clerk

Date: 12/20/22

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA



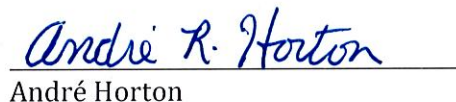
Brian Shank, Chairman



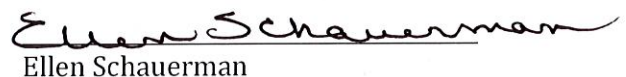
Mary Renne, Vice Chairwoman



Charlie Bayle



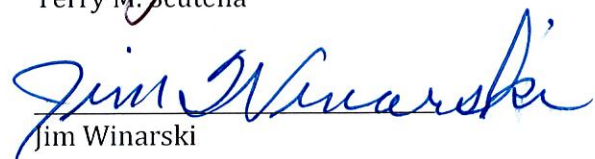
André Horton



Ellen Schauerman



Terry M. Scutella



Jim Winarski

Approved by:



Brenton Davis,  
County Executive

Date: 12-22-2022

**ERIE COUNTY BOARD OF ELECTIONS RESOLUTION NUMBER 18, 2022**

**Authorizing the Purchase of a Ballot Sorter from Runbeck  
using 2022 Budgeted funds and ACT 2022-88 funds**

**WHEREAS,** The 2022 Budget included a restricted line for \$126,500 for a ballot sorter.

**WHEREAS,** ACT 2022-88 provides an Election Integrity Grant Program for Counties to utilize for eligible expenses.

**WHEREAS,** Transparency costs for centralized pre-canvassing and canvassing would include a ballot sorter.

**WHEREAS,** The County Procurement department has been involved in this process, working with the County Clerk.

**WHEREAS,** Runbeck has the capability to provide a ballot sorter prior to the 2023 Primary Election for a cost of \$205,000. \$78,500 in ACT 88 Funds will be utilized in addition to the \$126,500 in the restricted line.

**THEREFORE, BE IT RESOLVED,** The Erie County Board of Elections hereby authorizes the County Clerk to enter an agreement with RUNBECK, as outlined on the attached Exhibit A.

On the motion of Horton, seconded by Shank, this resolution was  
passed on this 15th day of December, 2022 by a vote of 7 to 0.

APPROVED BY:

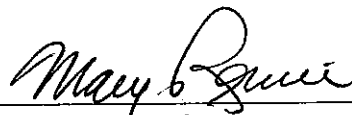
Attest:



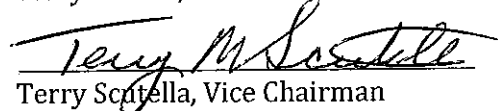
Julie Slomski  
County Clerk

Date: 12/15/22

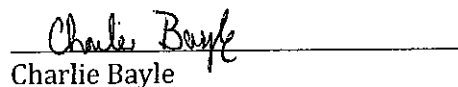
ERIE COUNTY BOARD OF ELECTIONS



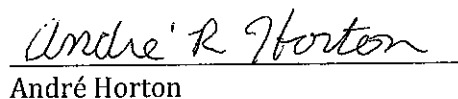
Mary Rennie, Chairwoman



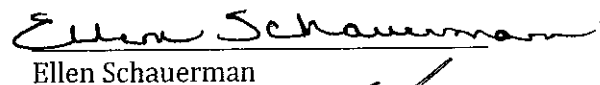
Terry Scutella, Vice Chairman



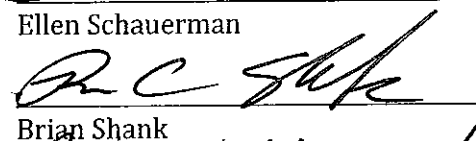
Charlie Bayle



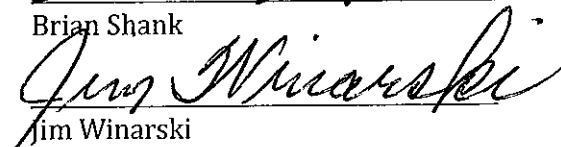
André Horton



Ellen Schauer

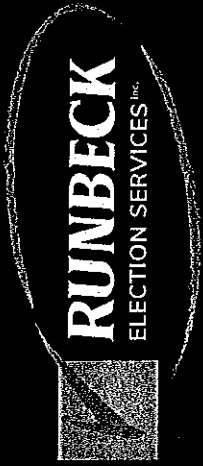


Brian Shank

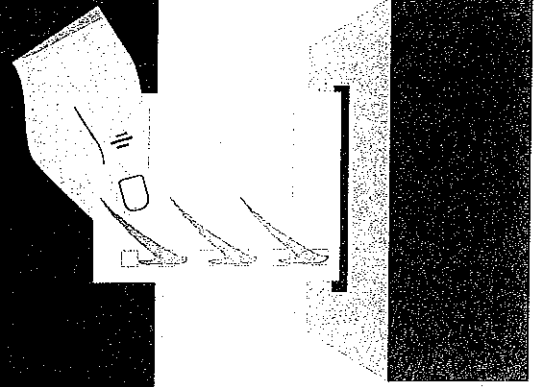


Jim Winarski

**EXHIBIT A**



# Defending Democracy, With Election Experts You Can Depend On



**ERIE COUNTY, PENNSYLVANIA**  
**AGILISFALCON™ QUOTE**

12/06/2022

**EXHIBIT A**



Dear Ms. Fernandez,

Headquartered in Phoenix, Arizona, Runbeck Election Services, Inc. is a full-service, election print, mail, and technology solutions company. Since our establishment in 1972, we have devoted ourselves to the success of our customers. Now, 50 years later, we are trusted by jurisdictions across the nation to deliver customized election products and services, reaching 70 million+ registered voters each cycle.

As Vote-By-Mail (VBM) increases in the United States, the process of manually sorting, duplicating, and reviewing mail packets can prove to not only be tedious, but also can take an overwhelming amount of time. As America's Election Partner®, Runbeck is poised to help in this transition with the implementation of our revolutionary hardware solutions. Our innovative equipment is designed purely with election management in mind, and will streamline ballot sorting, ballot duplication, scanning, signature extraction, and more. Our machines work seamlessly within industry standards all while being secure, portable, and configurable.

Runbeck's elections-focused team understands processes, procedures, laws, products, and equipment—inside-and-out—and is completely dedicated to helping our nation succeed every step of the way. Along with our products, our partners will have the added benefit of working with our Field Service Team. This group of subject matter experts will assist our partners with hardware installation, background knowledge and of course, training on how to use all of our offered products. We are committed to giving our partners an unbeatable level of service and support to expertly plan and execute your election process.

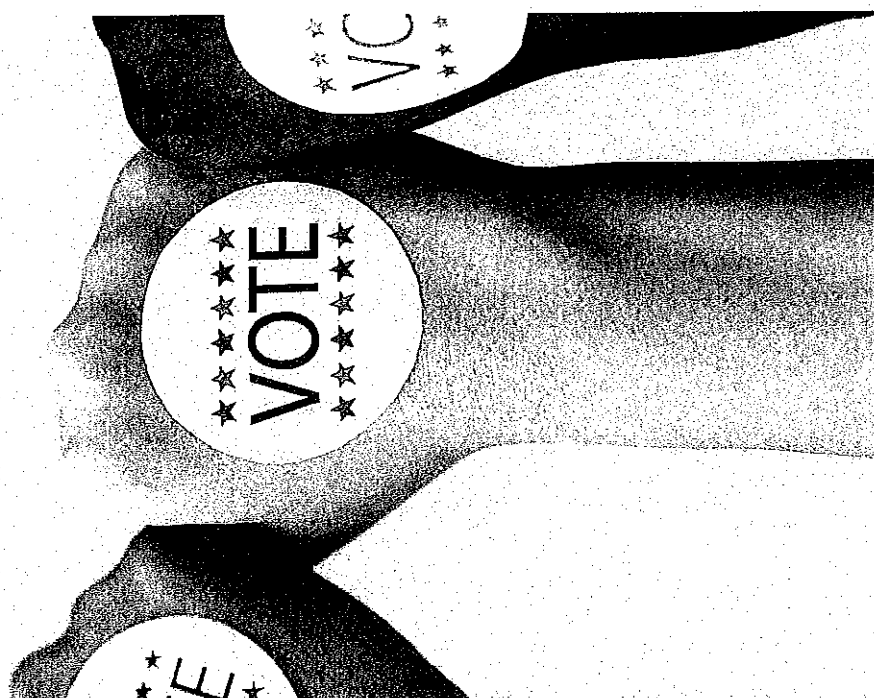
We understand it takes extreme focus, unlike any other industry, to be perfect. The election industry demands it. It is our hope that our elections focus is reinforced and clearly reflected in every facet of our company and makes it clear that we take pride in Defending Democracy®.

Sincerely,



**Rizwan Fidai**  
Vice President of Sales  
Runbeck Election Services, Inc.

# Overview





# Your Investment

Election planning begins well in advance of your election to ensure accurate and timely results. Runbeck's Field Service Team work with customers to support their hardware needs each election regardless of size, schedule, or complexity. Our Field Service Team, CSMs, PrePress, and direct Sales Contact are all trained to understand your county's election regulations resulting in seamless election management from start to finish.

IN A 2020 SURVEY WITH  
RUNBECK'S ELECTION PARTNERS,  
**97% OF CUSTOMERS WERE  
EITHER SATISFIED OR VERY  
SATISFIED WITH THEIR OVERALL  
EXPERIENCE WITH OUR TEAM**



# AGILISFALCON™

## MID-MARKET BALLOT PACKET SORTING SYSTEM

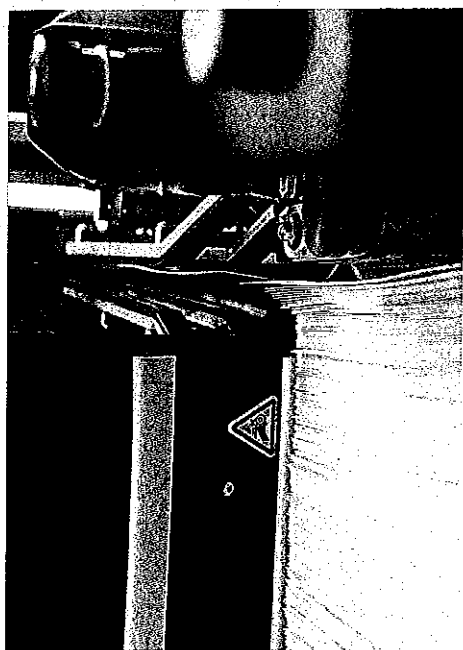
The Falcon is an innovative mail ballot sorting solution that makes inbound ballot processing quick, easy, and affordable. It has the capability to process upwards of 4,500 mail ballots per hour and is highly configurable with full reporting and audit capabilities. Managing a mail election can be daunting and stressful. The AgilisFalcon relieves that stress by automating several ballot packet processes, at a price you can afford.

The AgilisFalcon scans ballot envelopes, capturing the voter's signature. Then, the image is presented to the user on-screen for signature comparison against the signature from the voter registration database. Challenged ballots such as envelopes with no signature, are identified and separated for manual review.

Runbeck understands the significance of installing a ballot packet managing system for counties conducting their elections by mail. Runbeck's expert Field Team is always available to answer any concerns derived from implementing and streamlining previous and new processes.

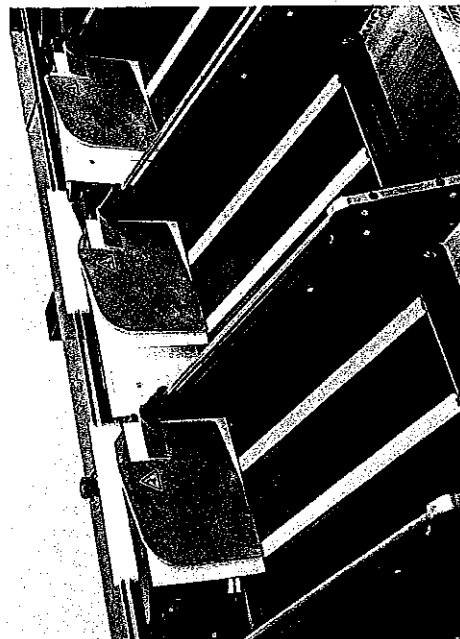


# Key Features



- Automatically prints time and date on envelope.
- Scans captures image of the envelope including voter barcode and signature.
- Shows ballot as received in the Voter Registration Database (VRDB) and records voter credit for voting in that election.
- Extracts voter signature from the envelope to compare side-by-side with signature on file from VRDB.
- Sorts envelopes by exceptions, such as missing signatures, ballots from other elections, from another jurisdiction, etc.

- Generates reports at the group level to identify ballots that were out-stacked with exceptions.
- Identifies ballot return method at the beginning of group (mail, drop box, etc.) and shares that information to the VRDB.
- Automated signature recognition completed (optional). Envelopes not passed will be presorted for manual review.
- Generate tray tags at the end of a group. User configurable information applied when the pocket is closed.
- Opener for envelopes after they are processed through sorter (Optional).



# AGILISFALCON™

## MID-MARKET BALLOT PACKET SORTING SYSTEM

License Fees, Maintenance, and Support Type of Service	Year 1 (2022-2023)	Year 2 (2023-2024)	Year 3 (2024-2025)	Year 4 (2025-2026)	Year 5 (2026-2027)
New AgilisFalcon Base Model	\$145,000				
In-line Envelope Opener	\$25,000				
Additional Stacker	\$30,000				
Training/Install	\$5,000				
Set up and Integration	Included				
Shipping	TBD				
License and Support Fee**	Included	\$20,000	\$20,600	\$21,218	\$21,855
<b>Total</b>	<b>\$205,000</b>	<b>\$20,000</b>	<b>\$20,600</b>	<b>\$21,218</b>	<b>\$21,855</b>

### NOTES

\*Quote is valid for 30 days from 12/06/2022

Any applicable taxes are the sole responsibility of the Client

\*\*Fees paid on an annual basis will have a 3% increase

each year after the initial payment in Year 2.

\*\*\* The (5) year term of the Software License and the Equipment Maintenance and Support Services provisions shall commence on the date of delivery of the Equipment to the Client.



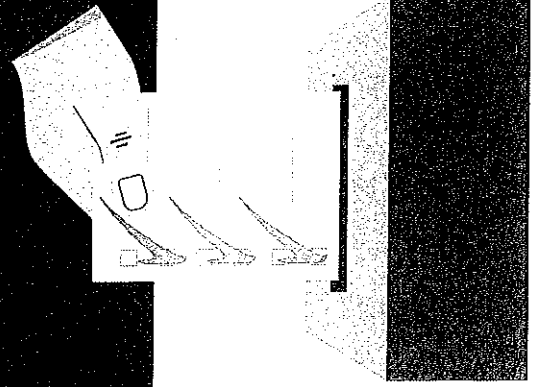
# Testimonial

The Agilis was vital for us to maintain and keep up with high return of vote by mail ballots for this historic election. Not only were we able to more efficiently sort and prepare our ballots for counting, but our signature verification process was completed in minutes vs hours.

-Shasta County, CA



# Erie County, Thank You For Your Consideration



**RUNBECK ELECTION SERVICES**  
**AGILISFALCON™ QUOTE**

12/06/2022

**ORDINANCE NUMBER     , 2023**

An Ordinance of the County of Erie, Pennsylvania Authorizing and Directing the Execution and Delivery of a Guaranty Agreement for the Benefit of Pleasant Ridge Manor and Compliance with the Provisions thereof and Incurring Nonelectoral Debt thereby, Approving a \$700,000 Letter of Credit Agreement from Pleasant Ridge Manor to First National Bank of Pennsylvania, Directing the Proper Officers of the County to Take Necessary Actions; and Repealing all Inconsistent Ordinances.

**WHEREAS**, effective as of May 17, 1976, the County of Erie ("County") duly provided for the incorporation of the Erie County Geriatric Center, now known as Pleasant Ridge Manor ("Pleasant Ridge"), as a Pennsylvania nonprofit corporation, empowered to provide on behalf of the County on a public, nonsectarian, charitable basis, health and hospital care to indigent persons within the County who require such care because of physical infirmity, the assets of which entity, upon its dissolution, shall be paid and distributed to the County; and

**WHEREAS**, Pleasant Ridge desires to obtain a letter of credit in the principal amount of \$700,000 from First National Bank of Pennsylvania (the "Bank") in favor of the Commonwealth of Pennsylvania Department of Labor and Industry in order to support Pleasant Ridge's self-insured workers compensation program (the "Project"); and

**WHEREAS**, Pleasant Ridge's obligation to reimburse the Bank for drafts on the Letter of Credit will be memorialized through the execution and delivery of a reimbursement agreement and/or loan agreement (the "Agreement") in favor of the Bank; and

**WHEREAS**, to achieve lower insurance costs and considerable savings thereby to Pleasant Ridge and to the citizens of the County, the County Council has determined to enact this Ordinance and to thereby approve the guaranty of the Agreement as a general obligation of the County for which the County pledges its full faith, credit and general taxing power; and

**WHEREAS**, this Ordinance is enacted in accordance with the provisions of the Act of December 19, 1996, No. 177, the Local Government Unit Debt Act (the "Act"); and

**WHEREAS**, there has been presented to this meeting a form of the Guaranty Agreement (the "Guaranty Agreement") whereby the County will guarantee payment of the amounts due under the Agreement as a general obligation of the County for which the County pledges its full faith, credit and general taxing power.

NOW, THEREFORE, the County Council of the County of Erie, Pennsylvania hereby ordains that:

1. The Project is hereby approved.
2. The aggregate principal amount of indebtedness to be incurred by Pleasant Ridge and guaranteed by the County pursuant to the provisions of the Guaranty Agreement is \$700,000. The terms of the Agreement, including the amount, interest rate, maturity dates, and provisions for payment, are hereby approved. The schedule of maximum lease rental payments attached hereto as Exhibit A is hereby approved.
3. The debt to be incurred hereby is nonelectoral debt. The source of any payment under the Guaranty Agreement will be the general revenues of the County.
4. The County Clerk is hereby authorized and directed to certify and file with



the Department of Community and Economic Development a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder. The County Executive, Chairman or Vice Chairman of County Council and County Clerk are authorized and directed to execute and deliver the Guaranty Agreement and to take other necessary action for the purposes set forth herein.

5. The County Executive and County Clerk are hereby authorized and directed to prepare, verify, execute and file the Debt Statement required by the Act and to take all necessary action to comply with the provisions of the Act, including specifically the authority to prepare and file, as it shall become necessary or required, both originally and annually thereafter, such statements under the Act as are necessary to qualify all or any portion of the authorized to be incurred as excluded from any debt limit, either as self-liquidating debt or as subsidized debt or both.

6. The County does hereby guarantee payment of the amounts due under the Agreement, which obligation hereby created is a general obligation of the County and the County hereby authorizes the incurrence of nonelectoral debt thereby. The County covenants with the registered owners of the Agreement that the County shall include the amount of the debt service as set forth in the attached schedule and the amounts payable in respect of its guaranty for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid from general revenues the principal of the Agreement and the interest thereon at the dates and places and in the manner stated in the Agreement, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

7. The existing net nonelectoral debt of the County as determined under the provisions of the Act, including the debt to be incurred hereby, does not in the aggregate exceed the limitations of the Constitution or of the Act.

8. The proper officers of the County are hereby authorized and directed to execute any and all papers and to do and cause to be done any and all acts and things necessary and proper for the purpose of carrying out the provisions of this Ordinance and the covenants of the County as contained in the Guaranty Agreement.

9. There is hereby directed to be established a Sinking Fund with First National Bank of Pennsylvania, for the deposit of the amounts necessary to be paid by the County pursuant to the Guaranty Agreement.

10. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

11. This Ordinance shall become valid and effective as provided in the Act.

I, Julie Slomski, hereby certify that on the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this ordinance was ENACTED AND ORDAINED this \_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

COUNTY COUNCIL OF THE  
COUNTY OF ERIE, PENNSYLVANIA

Attest:

\_\_\_\_\_  
Julie Slomski  
County Clerk

Date: \_\_\_\_\_

\_\_\_\_\_  
Brian Shank, Chair

\_\_\_\_\_  
Mary Rennie, Vice-Chair

\_\_\_\_\_  
Charlie Bayle

Approved by:

\_\_\_\_\_  
André Horton

\_\_\_\_\_  
Brenton Davis,  
County Executive

Date: \_\_\_\_\_

\_\_\_\_\_  
Ellen Schauerman

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Jim Winarski

## EXHIBIT A



Erie | North East | Pittsburgh | Jamestown, NY

Knox McLaughlin Gornall & Sennett, P.C.  
120 West Tenth Street | Erie, PA 16501-1461  
814-459-2800 | [www.kmgslaw.com](http://www.kmgslaw.com)

Timothy S. Wachter  
[twachter@kmgslaw.com](mailto:twachter@kmgslaw.com)

February 6, 2023

*Via Email*

Julie Slomski  
County Clerk  
Erie County Courthouse  
140 West Sixth Street  
Erie, PA 16501

RE: Pleasant Ridge \$700,000 Letter of Credit (2023)

Dear Ms. Slomski:

Enclosed please find draft copies of the Ordinance and Guaranty Agreement in connection with the above transaction. I understand that this has been placed on the Finance Committee agenda for February 16, 2023 and, if advanced, on Council's agendas for February 21, 2023 and, if a second reading is necessary, March 2, 2023. I will plan to participate in the Finance Committee meeting.

Assuming passage of the Ordinance, I will also need (in addition to one original signed copy of the Ordinance and one original copy of the Guaranty signed on behalf of the County) one signed original of each of the following enclosed documents:

1. the Certificate of Passage of the Ordinance, to be signed by Ms. Slomski;
2. the Application, to be signed by Ms. Slomski;
3. the Affidavit to accompany the Debt Statement and Borrowing Base Certificate which I have obtained from Ericka Knight, to be signed by Ms. Slomski and Mr. Davis;
4. an Incumbency Certificate, to be signed by Mr. Davis, Mr. Shank and Ms. Slomski; and
5. a No Litigation Certificate, to be signed by Ms. Slomski;




Julie Slomski  
February 6, 2023  
Page 2

If you will let us know when all of these are available following passage of the Ordinance, we will arrange to have them picked up.

Please do not hesitate to call if you need anything else at this time or if I can be of further assistance. Thank you.

Very truly yours,

KNOX McLAUGHLIN GORNALL &  
SENNETT, P.C.

By:   
Timothy S. Wachter

TSW/smt  
Enclosures  
# 2401500.v1

## EXHIBIT A

Principal: \$700,000.00, or such lesser amount as may be due to the Bank as reimbursement for amounts drafted under Letter of Credit, payable on demand.

Interest: Prime Rate as published from time to time in *The Wall Street Journal*, or any successor publication plus one percent (1%), at maximum rate not to exceed eighteen percent (18%) per annum, if reimbursement is not made on demand.

### GUARANTY (LEASE RENTAL) AMORTIZATION SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Interest<sup>3</sup></u>	<u>Total</u>
April 30, 2023 <sup>1</sup>	\$700,000.00	0	\$700,000.00
April 30, 2024 <sup>2</sup>	\$700,000.00	127,750.00	\$827,750.00

*NOTE: As this relates to a standby letter of credit facility, there is no set amortization. This schedule illustrates the range of exposure in the event of an immediate drawdown with immediate repayment, or no repayment until stated maturity (expiration) date.*

- <sup>1</sup> If Letter of Credit is drafted in full on earliest possible date (April 30, 2023) and payment under Guaranty is made immediately.
- <sup>2</sup> If Letter of Credit is drafted in full on earliest possible date (April 30, 2023) and interest accrues until maturity (expiration) date, April 30, 2024 (maximum amount due).
- <sup>3</sup> At eighteen percent (18%) per annum; interest will accrue at the Prime Rate as published from time to time in *The Wall Street Journal*, or any successor publication, plus one percent (1%), not to exceed eighteen percent (18%) per annum.

# 2401483.v1

**GUARANTY AGREEMENT**  
(**\$700,000 Letter of Credit**)

Dated as of April 30, 2023  
By, Between and Among

**PLEASANT RIDGE MANOR,**

**COUNTY OF ERIE,**

**AND**

**FIRST NATIONAL BANK OF PENNSYLVANIA, as Lender**



THIS GUARANTY AGREEMENT dated as of April 30, 2023, by, between and among **PLEASANT RIDGE MANOR** (the "Borrower"), **COUNTY OF ERIE**, a county of the third class organized pursuant to the provision of the Act of August 9, 1955, P.L. 323 §101, as amended (the "Guarantor"), and **FIRST NATIONAL BANK OF PENNSYLVANIA**, a national banking association (the "Lender").

WHEREAS, the Borrower is a non-profit corporation organized under and pursuant to the laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Guarantor is authorized by law to guarantee the payment of obligations of the Borrower and other municipal corporations when appropriate and in the best interest of serving the health, safety and welfare of its citizens; and

WHEREAS, the Borrower deems it necessary to obtain a letter of credit in the principal amount of \$700,000.00 in support of its self-insured workers compensation program (the "Letter of Credit") and to that end has entered into a reimbursement and a loan or letter agreement with the Lender (collectively, the "Agreement"); and

WHEREAS, as a condition precedent to the issuance of the Letter of Credit, the Lender has required a guaranty by the Guarantor of the payment of amounts due under the Agreement; and

WHEREAS, the Guarantor desires to guarantee the Borrower's reimbursement and other obligations under the Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the foregoing and intending to be legally bound, do hereby covenant and agree as follows:

1. Certain Definitions. Unless the context clearly indicates otherwise, the following terms, for all purposes of this Guaranty, have the meanings hereby ascribed to them. Moreover, such terms shall be read and understood in a manner consistent with the provisions of the Debt Act as generally interpreted by courts maintaining competent jurisdiction. Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word "person", in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

"Debt Act" shall mean the Local Government Unit Debt Act, codified by the Act of December 19, 1996, P.L. 1158, No. 177.

"Debt Ordinance" shall mean the formal action taken by the Guarantor according to the requirements of the Debt Act in order to authorize and incur the indebtedness represented by the Guaranty, in respect of the Agreement.

"Guaranty" shall mean this Guaranty Agreement dated as of April 30, 2023, by, between and among the Borrower, the Guarantor and the Lender.

2. Representations and Warranties.

A. The Borrower represents and warrants that:

(i) The Borrower is a non-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania;

(ii) The Borrower is authorized by law to execute, deliver and perform its duties under this Guaranty and to apply for the issuance of a letter of credit upon the terms and conditions provided in the Resolution; and the execution and delivery of the Agreement, the Resolution and this Guaranty have each been duly authorized by all necessary action on the part of the Borrower;

(iii) There are no actions, suits or proceedings pending, or, to the best of the Borrower, threatened against or affecting the Borrower before any court or any governmental department or agency which may adversely affect the Borrower or its ability to make or carry out the provisions of this Guaranty, the Resolution, or its ability to repay the amounts due under the Agreement issued thereunder; there are not, to the knowledge of the Borrower, any claims involving the Borrower except immaterial claims arising in the ordinary course of its operations; the Borrower is not a party to any contract or agreement or subject to any charter or other restriction of any kind which adversely affects its present or prospective operations, properties or assets or its ability to repay the amounts due under the Agreement; and neither the execution and delivery of the Guaranty, the Resolution, the consummation of the transactions contemplated herein or therein, nor compliance with the terms and conditions hereof or thereof or of the Agreement will conflict with or result in a breach of the terms, conditions or provisions of the Articles of Incorporation or Bylaws of the Borrower or of any indenture, agreement or other instrument to which the Borrower is a party or by which it is bound; and

B. The Guarantor represents and warrants that:

(i) The Guarantor is a third class county of the Commonwealth of Pennsylvania, organized under and existing pursuant to the provisions of the Act of August 9, 1995, P.L. 323 §101, as amended;

(ii) The Guarantor is authorized by law, including the Debt Act, to execute, deliver and perform its duties under this Guaranty has been duly authorized by all necessary corporate action on the part of the Guarantor;

(iii) The Guarantor will enact and will keep in force an Ordinance which authorizes execution of this Guaranty;

(iv) There are no actions, suits or proceedings pending or, to the knowledge of the Guarantor, threatened, before any court or any governmental department or agency which may adversely affect the Guarantor or its ability to make or carry out the provisions of this Guaranty; there are not, to the knowledge of the Guarantor, any claims involving the Guarantor except immaterial claims arising in the ordinary course of its operations; the Guarantor is not a party to any contract or agreement or subject to any charter or other corporate restriction of any kind which adversely affects its present or prospective operations,



properties or assets or its ability to satisfy its obligations hereunder; and neither the execution and delivery of this Guaranty, the consummation of the transactions contemplated herein, nor compliance with the terms and conditions hereof will conflict with or result in a breach of the terms, conditions or provisions of any contract, agreement or other instrument to which the Guarantor is a party or by which it is bound.

3. Guaranty. The Guarantor hereby unconditionally guarantees, as a primary obligor, and becomes surety for, the full and prompt payment of all amounts due or that become due under the Agreement, whether principal or interest or otherwise (the "Obligations"), as and when due and payable, as and to the extent that such amounts are not paid as and when due and payable by the Borrower. If the Borrower defaults under the Obligations, the Guarantor will pay the amount due to the Lender.

In furtherance thereof, the Guarantor covenants and agrees with the Lender that if the Borrower fails to pay the principal of or interest on or any other amount due in respect of the Agreement as and when due and payable, the Guarantor shall duly and punctually advance the moneys required, on the dates and at the places and in the manner stated in the Agreement according to the true intent and meaning thereof. The Guarantor further represents and covenants to the Lender that it will promptly pay or cause to be paid \$700,000.00 plus accrued interest and all costs and expenses of Lender incurred in connection with the negotiation, enforcement or collection of amounts due under the Agreement, payable in respect of this Guaranty, for the fiscal year in which such amount shall be payable, in its budget for that year, (a) appropriate such amount from its general revenues; and (b) promptly pay or cause to be paid \$700,000.00 plus accrued interest, as and when due and payable, at the times and places, under the conditions and in the manner prescribed in the Agreement according to the true intent and meaning thereof. For such budgeting, appropriation and full and prompt payment of said amounts, the Guarantor hereby pledges its full faith, credit and taxing power, including unlimited ad valorem taxes to be levied upon all property of the Guarantor taxable for municipal purposes, and other general revenues of the Guarantor available for such purposes. The Guarantor agrees that this covenant is specifically enforceable and intends that it be unlimited as to rate and amount. All payments by the Guarantor will be paid in lawful money of the United States of America.

This is a guaranty of payment and not of collection and the Lender shall not be required, as a condition of the Guarantor's liability, to make any demand upon or pursue any of its rights against the Borrower, or to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the amounts due under the Agreement.

This is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until the Agreement has been indefeasibly paid in full, and the Lender has terminated this Guaranty. This Guaranty will remain in full force and effect even if there is no principal balance outstanding at a particular time or from time to time and no draw has been made under the Letter of Credit. This Guaranty will not be affected by any surrender, exchanges, acceptance, compromise or release by the Lender of any other party, or any other guaranty or any security held by it under the Agreement, by any failure of the Lender to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for the Agreement, or any guaranty, or by any irregularity, unenforceability or



invalidity of the Agreement or any part thereof or any security or other guaranty thereof. The Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, setoff, deduction or defense based upon any claim the Guarantor may have against the Borrower or the Lender except payment or performance of amounts due under the Agreement.

Notice of acceptance of this Guaranty, notice of advances under the Letter of Credit from time to time, notice of default, diligence, presentment, notice of dishonor, protest, demand for payment, and any defense based upon the Lender's failure to comply with the notice requirements under Sections 9-611 and 9-612 of Uniform Commercial Code as in effect from time to time are hereby waived.

The Lender shall exercise reasonable care and diligence in monitoring the affairs of the Borrower and the performance of its obligations under the Agreement in order to advise the Guarantor, when possible, of any pending default by the Borrower; provided, however, that no such action of the Lender shall be a precondition to performance by the Guarantor of its duties hereunder and each and every notice and demand for payment by the Lender hereunder shall have immediate effect, with no period of notice or anticipation.

The Lender at any time and from time to time, without notice to or the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may (a) change the manner, place, time or terms of payment or performance of or interest rates on, extend the expiration date, or other terms relating to the Letter of Credit or the Obligations; (b) renew, substitute, modify, amend or alter, extend the expiration date, or grant consents or waivers relating to the Letter of Credit or the Obligations, any other guaranties, or any security for the Obligations or guaranties; (c) apply any and all payments by whomever paid or however realized including any proceeds of any collateral, to any obligations of the Borrower in such order, manner and amount as the Lender may determine in its sole discretion; (d) settle, compromise or deal with any other person, including the Borrower, the Guarantor or the beneficiary of the Letter of Credit, with respect to the Letter of Credit or the Obligations in such manner as the Lender deems appropriate in its sole discretion; (e) substitute, exchange or release any security or guaranty; or (f) take such actions and exercise such remedies hereunder as provided herein.

4. Reimbursement. The Borrower covenants and agrees with the Guarantor (and these covenants are specifically enforceable or in lieu thereof may be administered by the Guarantor) that it will not, without the prior written consent of the Guarantor, which consent shall not be unreasonably withheld, (i) make or consent to any alteration including, without limitation, any extension of the time of payment of principal of, or interest under the Agreement; or (ii) fail, neglect or refuse to adjust its rates, or other charges in a manner satisfactory to the interest of its successors or assigns.

In the event that the Guarantor shall make any payments under this Guaranty, the Borrower covenants to repay to the Guarantor on demand from its receipts and revenues, all moneys paid or advanced by the Guarantor pursuant to this Guaranty.



5. Repayments or Recovery from the Lender. If any demand is made at any time upon the Lender for the repayment or recovery of any amount received by it in payment or on account of the Obligations and if the Lender repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Lender. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Lender's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

6. Enforceability of Obligations. No modification, limitation or discharge of the Obligations arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of the Borrower that may result from any such proceeding.

7. Events of Default. The occurrence of any of the following shall be an **"Event of Default"**: (i) any Event of Default (as defined in the Obligations); (ii) any default under the Obligations that does not have a defined set of "Events of Default" and the lapse of any notice or cure period provided in such Obligations with respect to such default; (iii) the Guarantor's failure to perform any of its obligations hereunder; (iv) the falsity, inaccuracy or material breach by the Guarantor of any written warranty, representation or statement made or furnished to the Lender by or on behalf of the Guarantor; or (v) the termination or attempted termination of this Guaranty. Upon the occurrence of any Event of Default, (a) the Guarantor shall pay to the Lender the amount of the Obligations; or (b) on demand of the Lender, the Guarantor shall immediately deposit with the Lender, in U.S. dollars, all amounts due or to become due under the Obligations, and the Lender may at any time use such funds to repay the Obligations; or (c) the Lender in its discretion may exercise with respect to any collateral any one or more of the rights and remedies provided a secured party under the applicable version of the Uniform Commercial Code; or (d) the Lender in its discretion may exercise from time to time any other rights and remedies available to it at law, in equity or otherwise.

8. Costs. To the extent that the Lender incurs any costs or expenses in protecting or enforcing its rights under the Obligations or this Guaranty, including reasonable attorneys' fees and the costs and expenses of litigation, such costs and expenses will be due on demand, will be included in the Obligations and will bear interest from the incurring or payment thereof at the Default Rate (as defined in any of the Obligations).

9. Postponement of Subrogation. Until the Obligations are indefeasibly paid in full, expire, are terminated and are not subject to any right of revocation or rescission, the Guarantor postpones and subordinates in favor of the Lender or its designee (and any assignee or potential



assignee) any and all rights which the Guarantor may have to (a) assert any claim whatsoever against the Borrower based on subrogation, exoneration, reimbursement, or indemnity or any right of recourse to security for the Obligations with respect to payments made hereunder; and (b) any realization on any property of the Borrower, including participation in any marshalling of the Borrower's assets.

10. Preservation of Rights. No delay or omission on the Lender's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Lender's action or inaction impair any such right or power. The Lender's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Lender may have under other agreements, at law or in equity. The Lender may proceed in any order against the Borrower, the Guarantor or any other obligor of, or collateral securing, the Obligations.

11. Changes in Writing. No modification, amendment or waiver of, or consent to any departure by the Borrower or the Guarantor from, any provision of this Guaranty will be effective unless made in a writing signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower or the Guarantor will entitle the Borrower or the Guarantor to any other or further notice or demand in the same, similar or other circumstance.

12. Entire Agreement. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Lender with respect to the subject matter hereof; provided, however, that this Guaranty is in addition to, and not in substitution for, any other guarantees from the Guarantor to the Lender.

13. Remedies Cumulative; No Waiver. No delay or failure of the Lender in exercising any right, power or privilege hereunder or under the Agreement shall affect such right, power or privilege; nor shall any single or partial exercise thereof or any abandonment or discontinuance of the enforcement of such a right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies of the Lender hereunder and under the Agreement are cumulative and not exclusive of any right or remedies which would otherwise have either under this Guaranty, the Agreement or any provision of law. Any waiver, permit, consent or approval of any kind or character on the part of the Lender of any breach or default under this Guaranty or any such waiver of any provision or condition of this Guaranty must be in writing and shall be effective only to the extent specified. In the event of any action at law or suit in equity in relation to this Guaranty, or the Agreement, the Guarantor, in addition to all other sums which the Guarantor may be required to pay, will pay a reasonable sum for attorney's fees incurred by the Lender in connection with such action or suit.

All representations, warranties, covenants and agreements of the Borrower and the Guarantor contained herein or made in writing in connection herewith shall survive the execution and delivery of this Guaranty and the issuance of the Agreement except as herein otherwise expressly provided.



14. Notices. All notices, statements, requests and demands given to or made upon any party hereto shall be deemed to have been given or made when deposited with the United State Postal Service, first class mail, postage prepaid, addressed as follows:

IF TO THE BORROWER:	Pleasant Ridge Manor 8300 West Ridge Road Girard, PA 16417
IF TO THE GUARANTOR:	County of Erie 140 West Sixth Street Erie, PA 16501
IF TO THE LENDER:	First National Bank of Pennsylvania Northwest Commercial – Erie 711 State Street Erie, PA 16501

15. Counterparts. This Guaranty may be executed in as many counterparts as may be deemed necessary and convenient, each of which shall be regarded for all purposes as an original, but such counterparts shall constitute but one and the same instrument.

16. Binding Effect. This Guaranty shall be binding upon and inure to the benefit of the Lender, the Borrower, the Guarantor and their respective successors and assigns, except that neither the Borrower nor the Guarantor may voluntarily transfer or assign its rights hereunder.

17. Pennsylvania Law. The Guaranty is executed and delivered by the parties hereto with the intention that the laws of the Commonwealth of Pennsylvania shall govern its interpretation, application and enforcement.

IN WITNESS WHEREOF, the parties hereto, by their officer thereunto duly authorized, have executed this Guaranty Agreement as of this 30<sup>th</sup> day of April, 2023.

PLEASANT RIDGE MANOR

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

COUNTY OF ERIE

By: \_\_\_\_\_  
Print Name: Julie Slomski  
Title: County Clerk

By: \_\_\_\_\_  
Print Name: Brenton Davis  
Title: County Executive

By: \_\_\_\_\_  
Print Name: Brian Shank  
Title: Chairman, County Council

FIRST NATIONAL BANK OF  
PENNSYLVANIA

By: \_\_\_\_\_  
Print Name: Colleen Shaffer  
Title: Vice President

# 2401473.v1

## CERTIFICATE

I, Julie Slomski, County Clerk of the County of Erie, Pennsylvania, do hereby certify the foregoing to be a true and correct copy of a certain Ordinance duly adopted by the County Council of the County of Erie, Pennsylvania at a regular meeting thereof duly held on the 21st day of February, 2023.

Witness my hand and the seal of the County of Erie, Pennsylvania, hereto affixed this 21st day of February, 2023.

---

Julie Slomski

# 2401461.v1



**APPLICATION FOR APPROVAL**  
**ERIE COUNTY, PENNSYLVANIA**  
**NONELECTORAL DEBT**  
**\$700,000 PLEASANT RIDGE MANOR**  
**LETTER OF CREDIT AGREEMENT**

In accordance with the provisions of the Local Government Unit Debt Act, the Act of December 19, 1996, No. 177, Erie County, Pennsylvania hereby submits the following Application for the approval of borrowing procedures pursuant to the Act:

1. Erie County is a county of the Commonwealth of Pennsylvania.
2. As duly authorized by Ordinance enacted by the County Council of the County of Erie on February 21, 2023, a certified copy of the same being attached hereto, said Ordinance having been adopted in accordance with the provisions of the aforesaid Act, Erie County will incur nonelectoral debt through a Guaranty Agreement with respect to \$700,000 principal amount Letter of Credit Agreement from Pleasant Ridge Manor to First National Bank of Pennsylvania. The Guaranty Agreement is to be dated on or about April 30, 2023.
3. A duly certified copy of the borrowing base and Debt Statement as prepared and verified by officers of the County, indicating that the aggregate principal amount of the Note is not in excess of any statutory or constitutional limitation.
4. Attached hereto is the filing fee in the amount of \$71.88.

Respectfully submitted,

ERIE COUNTY

[SEAL]

By: \_\_\_\_\_  
Julie Slomski, County Clerk

# 2401463.v1

DEBT STATEMENT PURSUANT TO SECTION 8110  
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit: \_\_\_\_\_ County of Erie

Erie County Statement as of February 1, 2023

I. GROSS INCURRED DEBT (Section 8002)

			<u>Electoral</u>		<u>Nonelectoral</u>		<u>Lease Rental</u>
1.	GOB, Series of 2005; GOB-16084	\$		\$	1,970,000	\$	
2.	GOB, Series of 2012; GOB-18191	\$		\$	515,000	\$	
3.	Erie County Convention Center, Series of 2014; LRA-14030601	\$		\$		\$	30,282,000
4.	Erie County Convention Center, Series of 2014; LRA-14121001	\$		\$		\$	29,155,000
5.	GOB, Series of 2015; GOB-15090102	\$		\$	10,770,000	\$	
6.	GOB, Series of 2017; GOB-17081501	\$		\$	12,060,000	\$	
7.	GON, Series of 2022; GON-22033002	\$		\$	700,000	\$	
<b>Total Gross Incurred Debt</b>		<b>\$</b>		<b>\$</b>	<b>26,015,000</b>	<b>\$</b>	<b>59,437,000</b>

II. CREDITS AND EXCLUSIONS (Section 8028(b))

Less:  
(where applicable)

1.	Sinking funds, reserve accounts, bond proceeds	\$		\$	2,450,992	\$	28
2.	Current appropriations	\$		\$		\$	
3.	Uncollected special assessments	\$		\$		\$	
4.	Delinquent taxes and liens	\$		\$	6,449,813	\$	
5.	Surplus Cash	\$		\$		\$	
6.	Solvent debts due	\$		\$		\$	
7.	Indemnifying insurance	\$		\$		\$	

8. Self-liquidating and self-sustaining debt (Excluded under Sections 8024, 8025, 8026)	\$		\$		\$	<u>30,560,000</u>
TOTAL NET INDEBTEDNESS	\$		\$	<u>17,114,195</u>	\$	<u>28,876,972</u>
III. The aggregate principal amount of bonds or notes being issued or evidencing lease rental debt					\$	<u>700,000</u>
IV. The principal amount of bonds or notes which will no longer be deemed to be outstanding pursuant to Section 8250 after settlement of the issue.					\$	<u></u>
The borrowing base as shown by appended borrowing base certificate.					\$	<u>413,649,138</u>
Applicable debt limitations						
(a) Nonelectoral (250% of the borrowing base; 300% for counties)					\$	<u>1,240,947,414</u>
(a)(1) Nonelectoral plus lease rental limit for school district borrowings (225% of the borrowing base)					\$	<u></u>
(b) Nonelectoral plus lease rental (350% of the borrowing base; 400% for counties)					\$	<u>1,654,596,552</u>

# 2411318.v1



## BORROWING BASE CERTIFICATE - SECTION 8002

The borrowing base is the arithmetic average of total revenues for the three preceding fiscal years as set forth in a certificate stating the total revenues for each year and stating the average. The certificate may be executed by any authorized official of the local government unit or an independent accountant. The computation of the borrowing base must be done in accordance with the definition of revenues in Section 8002. The following method may be used:

### Borrowing Base Certificate

Prepared as of February 1, 2023

	<u>2020</u>	<u>Fiscal Year</u> <u>2021</u>	<u>2022 (unaudited)</u>
Total Revenues Received (money from <u>all</u> sources)	\$ 401,958,531	\$ 399,868,487	\$ 439,155,504
Less:			
(1) State and Federal subsidies and reimbursements related to a particular project financed by debt	\$ ( )	\$ ( )	\$ ( )
(2) Revenues, receipts, assessments, etc., pledged for self-liquidating debt	\$	\$	\$
(3) Interest on moneys in sinking funds pledged for debt	\$ 14,211	\$ 8,035	\$ 12,862
(4) Grants and gifts-in-aid measured by construction or acquisitions of specific projects	\$	\$	\$
(5) Nonrecurring receipts	\$	\$	\$
 SUBTOTAL	 \$ 401,944,320	 \$ 399,860,452	 \$ 439,142,642
 TOTAL REVENUES			 \$ 1,240,947,414
BORROWING BASE (Total Net Revenues divided by 3)			\$ 413,649,138

# 2411318.v1

# AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA )  
 ) S.S.  
COUNTY OF ERIE )

BEFORE ME, the undersigned notary public, personally appeared Brenton Davis and Julie Slomski, who being duly sworn according to law deposes and states that they are the County Executive and County Clerk of the County of Erie and as such does further certify that the facts set forth in the foregoing Debt Statement and Borrowing Base Certificate are true and correct to the best of their knowledge, information and belief.

### Brenton Davis, County Executive

**Julie Slomski, County Clerk**

Sworn to and subscribed before me, a notary public, this \_\_\_\_ day of \_\_\_\_\_, 2023.

(SEAL)

PLEASANT RIDGE MANOR  
\$700,000 LETTER OF CREDIT AGREEMENT  
(COUNTY OF ERIE GUARANTY)  
APRIL 30, 2023

INCUMBENCY CERTIFICATE

I, Julie Slomski, County Clerk, Erie County, Pennsylvania (the "County"), do hereby certify that the persons named below are the duly qualified and actively serving officials of the County, in the respective offices set opposite their names, that they now hold said offices and that the signatures appearing opposite their respective names are the genuine signatures of said officers as of the date below.

<u>Name</u>	<u>Office</u>	<u>Signature</u>
Brenton Davis	County Executive	_____
Brian Shank	Chairman, County Council	_____
Julie Slomski	County Clerk	_____

IN WITNESS WHEREOF, I have hereunto set my signature as County Clerk as of this 30th day of April, 2023.

\_\_\_\_\_  
Julie Slomski, County Clerk

# 2401478.v1



PLEASANT RIDGE MANOR  
\$700,000 LETTER OF CREDIT AGREEMENT  
(COUNTY OF ERIE GUARANTY)  
APRIL 30, 2023

NO LITIGATION CERTIFICATE

The undersigned, Julie Slomski, County Clerk, Erie County, Pennsylvania (the "County"), does hereby certify that there is no litigation pending or threatened which affects the validity of the County's Guaranty of the \$700,000 Letter of Credit Agreement (the "Agreement") currently being entered into by the Pleasant Ridge Manor, said Guaranty being dated April 30, 2023.

\_\_\_\_\_  
Julie Slomski, County Clerk

# 2401478.v1

COUNTY COUNCIL  
COUNTY OF ERIE, PENNSYLVANIA  
ORDINANCE NO. \_\_\_\_ - 2023

AN ORDINANCE OF THE COUNTY OF ERIE, PENNSYLVANIA AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A GUARANTY AGREEMENT FOR THE BENEFIT OF PLEASANT RIDGE MANOR AND COMPLIANCE WITH THE PROVISIONS THEREOF AND INCURRING NONELECTORAL DEBT THEREBY; APPROVING A \$700,000 LETTER OF CREDIT AGREEMENT FROM PLEASANT RIDGE TO FIRST NATIONAL BANK OF PENNSYLVANIA; DIRECTING THE PROPER OFFICERS OF THE COUNTY TO TAKE NECESSARY ACTIONS; AND REPEALING ALL INCONSISTENT ORDINANCES.

WHEREAS, effective as of May 17, 1976, the County of Erie ("County") duly provided for the incorporation of the Erie County Geriatric Center, now known as Pleasant Ridge Manor ("Pleasant Ridge"), as a Pennsylvania nonprofit corporation, empowered to provide on behalf of the County on a public, nonsectarian, charitable basis, health and hospital care to indigent persons within the County who require such care because of physical infirmity, the assets of which entity, upon its dissolution, shall be paid and distributed to the County; and

WHEREAS, Pleasant Ridge desires to obtain a letter of credit in the principal amount of \$700,000 from First National Bank of Pennsylvania (the "Bank") in favor of the Commonwealth of Pennsylvania Department of Labor and Industry in order to support Pleasant Ridge's self-insured workers compensation program (the "Project"); and

WHEREAS, Pleasant Ridge's obligation to reimburse the Bank for drafts on the Letter of Credit will be memorialized through the execution and delivery of a reimbursement agreement and/or loan agreement (the "Agreement") in favor of the Bank; and

WHEREAS, to achieve lower insurance costs and considerable savings thereby to Pleasant Ridge and to the citizens of the County, the County Council has determined to enact this Ordinance and to thereby approve the guaranty of the Agreement as a general obligation of the County for which the County pledges its full faith, credit and general taxing power; and

WHEREAS, this Ordinance is enacted in accordance with the provisions of the Act of December 19, 1996, No. 177, the Local Government Unit Debt Act (the "Act"); and

WHEREAS, there has been presented to this meeting a form of the Guaranty Agreement (the "Guaranty Agreement") whereby the County will guarantee payment of the amounts due under the Agreement as a general obligation of the County for which the County pledges its full faith, credit and general taxing power.

NOW, THEREFORE, the County Council of the County of Erie, Pennsylvania hereby ordains that:



1. The Project is hereby approved.
2. The aggregate principal amount of indebtedness to be incurred by Pleasant Ridge and guaranteed by the County pursuant to the provisions of the Guaranty Agreement is \$700,000. The terms of the Agreement, including the amount, interest rate, maturity dates, and provisions for payment, are hereby approved. The schedule of maximum lease rental payments attached hereto as Exhibit A is hereby approved.
3. The debt to be incurred hereby is nonelectoral debt. The source of any payment under the Guaranty Agreement will be the general revenues of the County.
4. The County Clerk is hereby authorized and directed to certify and file with the Department of Community and Economic Development a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder. The County Executive, Chairman or Vice Chairman of County Council and County Clerk are authorized and directed to execute and deliver the Guaranty Agreement and to take other necessary action for the purposes set forth herein.
5. The County Executive and County Clerk are hereby authorized and directed to prepare, verify, execute and file the Debt Statement required by the Act and to take all necessary action to comply with the provisions of the Act, including specifically the authority to prepare and file, as it shall become necessary or required, both originally and annually thereafter, such statements under the Act as are necessary to qualify all or any portion of the authorized to be incurred as excluded from any debt limit, either as self-liquidating debt or as subsidized debt or both.
6. The County does hereby guarantee payment of the amounts due under the Agreement, which obligation hereby created is a general obligation of the County and the County hereby authorizes the incurrence of nonelectoral debt thereby. The County covenants with the registered owners of the Agreement that the County shall include the amount of the debt service as set forth in the attached schedule and the amounts payable in respect of its guaranty for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid from general revenues the principal of the Agreement and the interest thereon at the dates and places and in the manner stated in the Agreement, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.
7. The existing net nonelectoral debt of the County as determined under the provisions of the Act, including the debt to be incurred hereby, does not in the aggregate exceed the limitations of the Constitution or of the Act.
8. The proper officers of the County are hereby authorized and directed to execute any and all papers and to do and cause to be done any and all acts and things necessary and proper for the purpose of carrying out the provisions of this Ordinance and the covenants of the County as contained in the Guaranty Agreement.



9. There is hereby directed to be established a Sinking Fund with First National Bank of Pennsylvania, for the deposit of the amounts necessary to be paid by the County pursuant to the Guaranty Agreement.

10. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

11. This Ordinance shall become valid and effective as provided in the Act.

ATTEST:

COUNTY COUNCIL OF THE COUNTY OF  
ERIE, PENNSYLVANIA

\_\_\_\_\_  
Julie Slomski  
County Clerk

\_\_\_\_\_  
Brian Shank, Chairman

Date: \_\_\_\_\_

\_\_\_\_\_  
Mary Rennie, Vice Chairman

APPROVED BY:

\_\_\_\_\_  
Terry M. Scutella

\_\_\_\_\_  
Brenton Davis  
County Executive

\_\_\_\_\_  
André R. Horton

Date: \_\_\_\_\_

\_\_\_\_\_  
Jim Winarski

\_\_\_\_\_  
Charlie Bayle

\_\_\_\_\_  
Ellen Schauerman

**RESOLUTION NUMBER   , 2023**

Approval of the Redevelopment Assistance Capital Grant Application and the Cooperation Agreement among the Erie County General Authority, Saint Vincent Health Center, Allegheny Health Network, and the County of Erie for the Saint Vincent Hospital Expansion Project

**WHEREAS**, the General Authority (“the Authority”) desires to file an application with the Commonwealth in the amount up to \$2,000,000 for the Saint Vincent Hospital Expansion Project; and

**WHEREAS**, The General Authority and Erie County are obligated to reimburse the Commonwealth for project expenses deemed ineligible by the Commonwealth; and

**WHEREAS**, Saint Vincent Health Center and Allegheny Health Network agrees to indemnify, defend, and hold harmless the County and the Authority for any such project expenses paid by the County and deemed ineligible by the Commonwealth.

**WHEREAS**, The General Authority agrees to indemnify, defend, and hold harmless the County for any such project expenses paid by the County and deemed ineligible by the Commonwealth.

**NOW, THEREFORE, BE IT RESOLVED**, by the County Council of the County of Erie, that the Cooperation Agreement among the Erie County General Authority, Saint Vincent Health Center, Allegheny Health Network, and the County of Erie attached hereto as Exhibit A is hereby approved.

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this resolution was passed on this \_\_\_\_\_ day of \_\_\_\_\_, 2022 by a vote of \_\_\_\_ to \_\_\_\_.

ATTEST:

\_\_\_\_\_  
Julie Slomski  
County Clerk

Date: \_\_\_\_\_

APPROVED BY:

\_\_\_\_\_  
Brian Shank, Chairman  
Erie County Council

\_\_\_\_\_  
Brenton Davis,  
County Executive

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT A**

### **COOPERATION AGREEMENT**

**THIS COOPERATION AGREEMENT** made and entered into this 24<sup>th</sup> day of January, 2023, by and among **THE REDEVELOPMENT AUTHORITY OF THE COUNTY OF ERIE** (the "Grantee"), a Pennsylvania municipal authority, **SAINT VINCENT HEALTH CENTER**, (the "Sub- Grantee"), a Pennsylvania nonprofit corporation, **ALLEGHENY HEALTH NETWORK**, (the "Sub-Grantee"), a Pennsylvania nonprofit corporation, and the **COUNTY OF ERIE** (the "County").

#### **Background**

A. Grantee is authorized to file an Application for Financial Assistance with the Office of the Budget of the Commonwealth of Pennsylvania (the "Application") for a Redevelopment Assistance Capital Program Grant ME# 2092 (the "Grant") not to exceed \$2,000,000 for the Saint Vincent Hospital Expansion Project (the "Project").

B. The application requires the Grantee to apply for the Grant.

C. The Grant requires the County to authorize the Project and become obligated to reimburse the Commonwealth of Pennsylvania (the "Commonwealth") for any un-reimbursed Project expenses, paid from Grant funds, that may later be determined by the Commonwealth to have been ineligible.

D. In the event the Commonwealth determines that any expenditures of Grant funds are ineligible for the Project and the County and Grantee have reimbursed the Commonwealth for said expenditures, the Sub-Grantee agrees to indemnify the County and/or the Grantee under the terms of the Agreement herein.

E. This Cooperation Agreement is intended to memorialize the agreement among the Grantee, the Sub-Grantee, and the County regarding the Application, the Grant and the administration of Grant funds.

#### **Terms of Agreement**

**NOW, THEREFORE**, in consideration of the mutual covenants and promises hereinafter set forth, and intending to be legally bound hereby, the Grantee, the Sub-Grantee, and the County agree as follows:

1. Grantee will file the Application for the Grant for the Project and implement the activities set forth in the Application.

2. Grantee shall act as the RACP Grant manager in connection with the expenditure of the Grant proceeds.

3. Grantee shall receive all Grant funds issued by the Commonwealth to reimburse for Project costs and deliver said Grant funds to Sub-Grantee promptly upon receipt to reimburse eligible Project expenditures paid by the Sub-Grantee.

4. Grantee and Sub-Grantee will comply with all rules and regulations issued by the Office of the Budget of the Commonwealth that are applicable to the activities described in the Application, the other Grant documents, and in this Cooperation Agreement. The parties further agree to comply with all statutes, ordinances, laws, and regulations dealing with the prohibition against discrimination against any person because of race, color, religion, national origin, handicap, age, or sex in the execution and performance of this Agreement.



5. Grantee shall be responsible for the financial management of the Grant and shall prepare necessary applications for the disbursement of Grant funds. Grantee shall provide assistance and oversight to the Sub-Grantee in connection with the administration of the Grant. Grantee will prepare all disbursement requests and forward them to the Commonwealth for payment as expeditiously as possible.

6. The County and/or the Grantee shall reimburse the Office of the Budget of the Commonwealth for the Commonwealth's share of any expenditures, which are determined by the Office of the Budget to be ineligible expenditures. Notwithstanding the foregoing, the Sub-Grantee agrees to indemnify and hold harmless the County and the Grantee for any such reimbursement obligations, as well as any and all other claims or actions of the Commonwealth or any other party against the County or the Grantee caused or occasioned by the Application, the Grant, and/or the development of the Project.

7. The Sub-Grantee agrees to make available to Grantee and the County all of its books and records relating to the receipt and expenditure of funds provided to the Sub-Grantee pursuant to this Agreement, for the purpose of allowing Grantee and the County to inspect and audit those records and to determine whether the terms of the Grant have been met. Such inspection shall be made upon reasonable demand to the Sub-Grantee, if and as often as the Grantee or the County deems necessary to conduct such inspection and/or audits.

8. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing any partnership or joint venture between the Grantee and the Sub-Grantee. The Sub-Grantee shall at all times remain an independent contractor with respect to the activities to be performed under this Agreement.

9. The Sub-Grantee shall hold harmless, defend, and indemnify the Grantee and the County from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Sub-Grantee's performance or nonperformance of the activities or subject matter called for in this Agreement.

10. The Sub-Grantee shall comply with all accounting standards, documents, recordkeeping and retentions, and other requirements of the Grant documents, and shall provide proof of such compliance to the Grantee and the County upon request.

11. The rights and obligations of the Sub-Grantee hereunder may not be assigned without the specific written consent of the Grantee and the County.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

[SIGNATURE PAGE TO COOPERATION AGREEMENT]

ATTEST:

Karen Spiller

Redevelopment Authority of the County of Erie  
(Grantee)

By: [Signature]  
Chief Executive Officer

ATTEST:

Jacqueline M. Bauer  
Jacqueline M. Bauer (Jan 29, 2023 14:18 EST)

Saint Vincent Health Center (SUB-GRANTEE)

Christopher Clark  
By: Christopher Clark (Jan 27, 2023 13:53 EST)

ATTEST:

Jacqueline M. Bauer  
Jacqueline M. Bauer (Jan 29, 2023 14:18 EST)

Allegheny Health Network (SUB-GRANTEE)

By: [Signature]  
By: James Rohrbach (Jan 27, 2023 17:12 EST)

ATTEST:

\_\_\_\_\_  
County Clerk

COUNTY OF ERIE

By: \_\_\_\_\_  
County Executive

**RESOLUTION NUMBER 2023**

Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of Pleasant Ridge Manor and  
Preparation of Form 990 for Calendar Year Ending December 31, 2022

**BE IT RESOLVED** by the County Council of the County of Erie, pursuant to Article VIII, Section 13 of the Home Rule Charter for the County of Erie that the accounting firm of Zelenkoske Axelrod, LLC be appointed auditors for Pleasant Ridge Manor and preparation of form 990 for Calendar Year ending December 31, 2022. The fee will not exceed \$10,475, and the contract attached hereto as Exhibit A is hereby approved.

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this resolution was  
passed on this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

ATTEST:

\_\_\_\_\_  
Julie Slomski  
County Clerk

Date: \_\_\_\_\_

APPROVED BY:

\_\_\_\_\_  
Brian Shank, Chairman  
Erie County Council

\_\_\_\_\_  
Brenton Davis,  
County Executive

Date: \_\_\_\_\_

Date: \_\_\_\_\_





# ***Zelenkofske Axlerod LLC***

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

February 3, 2023

Pleasant Ridge Manor  
8300 West Ridge Road  
Fairview, PA 16415

You have requested that we audit the financial statements of the business-type activities, and the aggregate remaining fund information of Pleasant Ridge Manor as of December 31, 2022, and for the year then ended, and the related notes to the financial statements, which collectively comprise Pleasant Ridge Manor's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information (RSI), such as management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1) Management's Discussion and Analysis.

Supplementary information other than RSI will accompany Pleasant Ridge Manor's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1) Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual

## **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS. As part of an audit in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109  
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401  
210 Tollgate Hill Road, Greensburg, PA 15601

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# *Zelenkofske Axelrod LLC*

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may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pleasant Ridge Manor's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

## **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Pleasant Ridge Manor's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

## **Management Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
3. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit;
  - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
  - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;



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6. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
10. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

## **Nonattest Services**

With respect to any nonattest services we perform, preparation of the financial statements and related notes of Pleasant Ridge Manor in conformity with U.S. Generally Accepted accounting principles. We will not assume management responsibilities on behalf of Pleasant Ridge Manor. However, we will provide advice and recommendations to assist management of Pleasant Ridge Manor's in performing its responsibilities.

Pleasant Ridge Manor's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

## **Reporting**

We will issue a written report upon completion of our audit of Pleasant Ridge Manor's basic financial statements. Our report will be addressed to the governing body of Pleasant Ridge Manor. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.





# *Zelenkofske Axelrod LLC*

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## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

We expect to begin the audit on approximately April 1, 2023 and to issue our reports no later than June 15, 2023. Brian Chruscial is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another qualified firm representative to sign them.

During the course of the engagement, we may communicate with you or your personnel via fax, e-mail, and portals, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records to make your books and records complete.

We will provide you a list of required schedules and analyses to be prepared by your personnel before the audit begins. Timely completion of our audit is dependent on cooperation in preparing schedules and analyses timely and accurately. If there are delays in preparing the material or if schedules must be continually revised, costs will increase. We will advise you of difficulties or delays in completing the engagement.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

The audit documentation for this engagement is the property of Zelenkofske Axelrod LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Zelenkofske Axelrod LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.





# *Zelenkofske Axelrod LLC*

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At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management

We will provide copies of our reports to Pleasant Ridge Management; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

It is management's responsibility to submit, in the required time period, the information for all outstanding municipal securities in accordance with each of the respective securities requirements, Securities and Exchange Commission and Municipal Securities Rulemaking Board requirements, and any other applicable requirements. You agree that the expected report issuance date above will be sufficient to fulfill management's responsibility related to the above requirements. The expected report issuance date is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$8,765 for the annual audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary such as implementing new auditing pronouncement or auditing additional federal or state programs, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We normally bill at least monthly while work progresses. All invoices are due and payable upon presentation. For invoices due over 30 days, a finance charge is assessed on unpaid balances at the rate of one and one-half percent (1.5%) per month (eighteen percent (18%) per annum). We reserve the right to halt work if balances remain unpaid after ninety (90) or more days, and not to resume work until all overdue amounts are paid in full. Any balances remaining unpaid after ninety (90) or more days may, at our option, be formalized by the execution of a promissory note. You agree that you shall be liable for all reasonable costs we incur in collection including, but not limited to, reasonable attorney fees.

In the event any dispute arises relating in any way to this engagement, the parties agree to first attempt to resolve such dispute through the non-binding mediation process in the manner set forth herein, with costs to be divided equally between the parties. The mediation shall take place in Erie County, Pennsylvania. To effect mediation, the party desiring mediation shall give the other party 10 days' advance written notice of its desire to mediate. The other party shall respond within said 10-day period that it accepts or rejects the mediation process. If (a) the other party rejects the mediation process, (b) does not respond to the mediation notice or (c) the mediation is not successful, then, in any legal proceeding relating in any way to this agreement, all parties hereto hereby irrevocably consent to the jurisdiction and venue of the Court of Common Pleas of Erie County,



# *Zelenkofske Axelrod LLC*

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Pennsylvania (if there is no federal jurisdiction) and each party hereto further agrees not to raise any objection to such jurisdiction or to the laying of venue of any such proceeding in such county. Each party agrees that service of process in any such proceeding may be duly effected upon it by mailing a copy thereof, to the address given above. Our Firm's policy requires that payment arrangements must be made for all outstanding invoices prior to release of our work product.

You agree that our liability hereunder for damages shall be predicated on proof of ordinary negligence, fraud, or willful misconduct.

It is understood that Zelenkofske Axelrod LLC has spent many years developing its people and intellectual assets, including but not limited to computer software programs and business practices and procedures. Accordingly, you agree that any means of presentation of financial data which represent our internal or external work product or any other of our intellectual assets shall, at all times, remain the property of Zelenkofske Axelrod LLC and shall not be disseminated or shared with any entity not a party thereto without our prior written consent. Additionally, you and your affiliates or related entities agree not to employ any current or former employees of Zelenkofske Axelrod LLC, during the term of this engagement or for a period of three years thereafter without our prior written consent.

Our Firm is a member of the AICPA. We are required to periodically undergo Peer Review to assure high professional standards. In a Peer Review, a team of outside CPAs randomly selects and reviews financial statements, our report, and supporting workpapers. The Peer Review team is obligated to keep the information that it reviews confidential. If this engagement is selected, you authorize our Firm to permit peer reviewers to review the workpapers.

We have attached a copy of our latest external peer review report of our firm for your consideration and files.

Our Firm policy states that work may not begin on an engagement prior to our receipt of a signed engagement letter. However, should you request that we begin work on this engagement prior to our receipt of a signed copy of this engagement letter and we do so as courtesy to you, your receipt of our correspondence, attendance at meetings with us or similar activities shall constitute acceptance of this engagement letter and agreement to all of the terms contained in it.

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provisions of this letter are determined to be unenforceable, all other provisions shall remain in force.

We appreciate the opportunity to be of service to Pleasant Ridge Manor and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,

*Zelenkofske Axelrod LLC*

Zelenkofske Axelrod LLC





# ***Zelenkofske Axelrod LLC***

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RESPONSE:

This letter correctly sets forth our understanding with Pleasant Ridge Manor:

Acknowledged and agreed on behalf of the Pleasant Ridge Manor by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



***Zelenkofske Axelrod LLC***  
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**February 3, 2023**

Pleasant Ridge Manor  
8300 West Ridge Road  
Fairview, PA 16415

Subject: Preparation of Form 990 for Organizations Exempt from Income Tax

Thank you for selecting Zelenkofske Axelrod LLC to assist Pleasant Ridge Manor with tax compliance for the year ended December 31, 2022. The purpose of this letter is to confirm the terms of our engagement and the services we will provide.

You are engaging us to prepare the above referenced tax returns from information you provide to us. We may ask for clarification of some information, but we will not audit or otherwise verify the data you submit. We will provide checklists, questionnaires and/or worksheets to help you gather information necessary for a complete return. Please use those forms in order to avoid overlooking important information.

Our work in connection with the preparation of income tax returns does not include any procedures designed to discover defalcations or other irregularities. We may provide limited accounting and analysis, but only for the purpose of preparing complete and accurate income tax returns.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless you instruct us otherwise we will apply the "realistic possibility of success" standard to resolve such issues in your favor where possible.

Management is responsible for proper recording of transactions in the accounts, safeguarding assets, and substantial accuracy of the financial records. Once a return is input by our tax professionals, a draft will be emailed to you. Because you have final responsibility for the returns, you should review them carefully before you sign and file them. If a return is finalized by our firm based on your authority, and then you find a change needs to be made, an additional fee will be charge on an hourly basis for the amendment.

Your returns may be selected for review by the taxing authorities. Adjustments proposed by an examining agent are subject to appeal. We can arrange to be available, upon request, to represent you if your returns are audited. That representation will be a separate engagement and we will render additional invoices for fees and expenses incurred.

Our fee for preparation of the returns identified above will be \$1,710. All invoices are due and payable upon presentation. To the extent allowed by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109  
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401  
210 Tollgate Hill Road, Greensburg, PA 15601

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We retain copies of the records you have supplied us along with our work papers for your engagement for a period of seven years. After seven years, our work papers and engagement files are destroyed. All of your original records will be returned to you at the end of this engagement. Our working papers and files are not a substitute for the original records, and you should keep them in secure storage.

If this letter reflects your understanding of the terms of our engagement, please sign the enclosed copy in the space indicated and return it to us. If you have identified other returns you want us to prepare, please list them below your signature.

Thank you for your confidence in us.

Sincerely,

*Zelenkofske Axlerod LLC*

Zelenkofske Axlerod LLC

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_



**RESOLUTION NUMBER 2023**

Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of Pleasant Ridge Manor  
Pension Plan for Calendar Year Ending December 31, 2022

**BE IT RESOLVED** by the County Council of the County of Erie, pursuant to Article VIII, Section 13 of the Home Rule Charter for the County of Erie that the accounting firm of Zelenkoske Axelrod, LLC be appointed auditors for Pleasant Ridge Manor and preparation of form 990 for Calendar Year ending December 31, 2022. The fee will not exceed \$4,380, and the contract attached hereto as Exhibit A is hereby approved.

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this resolution was  
passed on this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

ATTEST:

\_\_\_\_\_  
Julie Slomski  
County Clerk

Date: \_\_\_\_\_

APPROVED BY:

\_\_\_\_\_  
Brian Shank, Chairman  
Erie County Council

Date: \_\_\_\_\_

\_\_\_\_\_  
Brenton Davis,  
County Executive

Date: \_\_\_\_\_



# ***Zelenkofske Axelrod LLC***

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February 3, 2023

Pleasant Ridge Manor Pension Plan  
8300 West Ridge Road  
Fairview, PA 16415

The following represents our understanding of the services we will provide Pleasant Ridge Manor Pension Plan.

You have requested that we audit the financial statements of the Pleasant Ridge Manor Pension Plan ("The Plan"), as of December 31, 2022, and for the year then ended and the related notes to the financial statements, which collectively comprise Pleasant Ridge's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

The objectives of our audit 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 auditing standards generally accepted in the United States of America (U.S. GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information (RSI), such as management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

## 1) Required Supplementary Pension and Other Postemployment Benefit Information

### **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. As part of an audit in accordance with U.S. GAAS and *Government Auditing Standards*, issued by the Comptroller General of the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 entity's internal control. However, we will communicate to you in writing

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concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

## **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Plan's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

## **Management Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
3. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit;
  - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
  - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and





# *Zelenkofske Axelrod LLC*

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7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
10. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

## **Nonattest Services**

With respect to any nonattest services we perform, preparation of the financial statements and related notes of the Plan in conformity with U.S. Generally Accepted accounting principles. We will not assume management responsibilities on behalf of the Plan. However, we will provide advice and recommendations to assist management of the Plan in performing its responsibilities.

The Plan's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

## **Reporting**

We will issue a written report upon completion of our audit of the Plan's basic financial statements. Our report will be addressed to the governing body of the Plan. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

We expect to begin the audit on approximately April 1, 2023 and to issue our reports no later than June 15, 2023. Brian Chruscial is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another qualified firm representative to sign them.





# *Zelenkofske Axelrod LLC*

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During the course of the engagement, we may communicate with you or your personnel via fax, e-mail, and portals, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records to make your books and records complete.

We will provide you a list of required schedules and analyses to be prepared by your personnel before the audit begins. Timely completion of our audit is dependent on cooperation in preparing schedules and analyses timely and accurately. If there are delays in preparing the material or if schedules must be continually revised, costs will increase. We will advise you of difficulties or delays in completing the engagement.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

The audit documentation for this engagement is the property of Zelenkofske Axelrod LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Zelenkofske Axelrod LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management





# *Zelenkofske Axelrod LLC*

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We will provide copies of our reports to the Plan; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

It is management's responsibility to submit, in the required time period, the information for all outstanding municipal securities in accordance with each of the respective securities requirements, Securities and Exchange Commission and Municipal Securities Rulemaking Board requirements, and any other applicable requirements. You agree that the expected report issuance date above will be sufficient to fulfill management's responsibility related to the above requirements. The expected report issuance date is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$4,380 for the annual audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary such as implementing new auditing pronouncement or auditing additional federal or state programs, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We normally bill at least monthly while work progresses. All invoices are due and payable upon presentation. For invoices due over 30 days, a finance charge is assessed on unpaid balances at the rate of one and one-half percent (1.5%) per month (eighteen percent (18%) per annum). We reserve the right to halt work if balances remain unpaid after ninety (90) or more days, and not to resume work until all overdue amounts are paid in full. Any balances remaining unpaid after ninety (90) or more days may, at our option, be formalized by the execution of a promissory note. You agree that you shall be liable for all reasonable costs we incur in collection including, but not limited to, reasonable attorney fees.

In the event any dispute arises relating in any way to this engagement, the parties agree to first attempt to resolve such dispute through the non-binding mediation process in the manner set forth herein, with costs to be divided equally between the parties. The mediation shall take place in Erie County, Pennsylvania. To effect mediation, the party desiring mediation shall give the other party 10 days' advance written notice of its desire to mediate. The other party shall respond within said 10-day period that it accepts or rejects the mediation process. If (a) the other party rejects the mediation process, (b) does not respond to the mediation notice or (c) the mediation is not successful, then, in any legal proceeding relating in any way to this agreement, all parties hereto hereby irrevocably consent to the jurisdiction and venue of the Court of Common Pleas of Erie County, Pennsylvania (if there is no federal jurisdiction) and each party hereto further agrees not to raise any objection to such jurisdiction or to the laying of venue of any such proceeding in such county. Each party agrees that service of process in any such proceeding may be duly effected upon it by mailing a copy thereof, to the address given above. Our Firm's policy requires that payment arrangements must be made for all outstanding invoices prior to release of our work product.

You agree that our liability hereunder for damages shall be predicated on proof of ordinary negligence, fraud, or willful misconduct.

It is understood that Zelenkofske Axelrod LLC has spent many years developing its people and intellectual assets, including but not limited to computer software programs and business practices and procedures. Accordingly, you agree that any means of presentation of financial data which represent our internal or external work product or any other of our intellectual assets shall, at all times, remain the property of Zelenkofske Axelrod LLC and shall not be disseminated or shared with any entity not a party thereto without our prior written consent. Additionally, you and your affiliates or related entities agree not to employ any current or former employees of Zelenkofske Axelrod LLC, during the term of this engagement or for a period of three years thereafter without our prior written consent.





# *Zelenkofske Axelrod LLC*

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Our Firm is a member of the AICPA. We are required to periodically undergo Peer Review to assure high professional standards. In a Peer Review, a team of outside CPAs randomly selects and reviews financial statements, our report, and supporting workpapers. The Peer Review team is obligated to keep the information that it reviews confidential. If this engagement is selected you authorize our Firm to permit peer reviewers to review the workpapers.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Our Firm policy states that work may not begin on an engagement prior to our receipt of a signed engagement letter. However, should you request that we begin work on this engagement prior to our receipt of a signed copy of this engagement letter and we do so as courtesy to you, your receipt of our correspondence, attendance at meetings with us or similar activities shall constitute acceptance of this engagement letter and agreement to all of the terms contained in it.

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provisions of this letter are determined to be unenforceable, all other provisions shall remain in force.

We appreciate the opportunity to be of service to the Plan and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,

*Zelenkofske Axelrod LLC*

Zelenkofske Axelrod LLC



# *Zelenkofske Axelrod LLC*

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RESPONSE:

This letter correctly sets forth our understanding with the Plan.

Acknowledged and agreed on behalf of the Plan by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**RESOLUTION NUMBER 2023**

Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of Erie County Care Management and preparation of form 990 for Calendar Year Ending December 31, 2022

**BE IT RESOLVED** by the County Council of the County of Erie, pursuant to Article VIII, Section 13 of the Home Rule Charter for the County of Erie that the accounting firm of Zelenkoske Axelrod, LLC be appointed auditors for Erie County Care Management and preparation of form 990 for Calendar Year ending December 31, 2022. The fee will not exceed \$7,930 and contract attached hereto as Exhibit A is hereby approved.

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this resolution was passed on this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

ATTEST:

\_\_\_\_\_  
Julie Slomski  
County Clerk

Date: \_\_\_\_\_

APPROVED BY:

\_\_\_\_\_  
Brian Shank, Chairman  
Erie County Council

Date: \_\_\_\_\_

\_\_\_\_\_  
Brenton Davis,  
County Executive

Date: \_\_\_\_\_





**EXHIBIT A**  
**Zelenkofske Axelrod LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

February 3, 2023

Erie County Care Management, Inc.  
1601 Sassafra Street  
Erie, PA 16502

Dear County Council:

You have requested that we audit the financial statements of the Erie County Care Management, Inc. ("Organization") as of December 31, 2022, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In addition, we will audit the organization's compliance over major federal award programs for the period ended December 31, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements 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 auditing standards generally accepted in the United States of America (U.S. GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to U.S. GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information (RSI), such as management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1) Management's Discussion and Analysis.

Supplementary information other than RSI will accompany the Organization's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109  
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401  
210 Tollgate Hill Road, Greensburg, PA 15601

[www.zallc.org](http://www.zallc.org)





# *Zelenkofske Axelrod LLC*

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- 1) Schedule of Expenditure of Federal Awards
- 2) Notes to the Schedule of Expenditure of Federal Awards

## **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

## **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

## **Audit of the Financial Statements**

We will conduct our audits in accordance U.S. GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in accordance with U.S. GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





# *Zelenkofske Axelrod LLC*

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- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Organization's basic financial statements. Our report will be addressed to the governing body of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

## **Audit of Major Program Compliance**

Our audit of the Organization's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. 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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with U.S. GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider





# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

## **Management's Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. 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;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and Data Collection Form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;





# *Zelenkofske Axelrod LLC*

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- b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

## **Nonattest Services**

We will assist in preparing the financial statements, related notes, and schedule of expenditures of federal awards of the Organization in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and the Data Collection form based on information provided by you. We will not assume management responsibilities on behalf of the Organization. However, we will provide advice and recommendations to assist management of the Organization in performing its responsibilities.

The Organization's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.





# *Zelenkofske Axelrod LLC*

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Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

We expect to begin the audit on approximately March 1, 2023 and to issue our reports no later than May 15, 2022. Brian Chruscial is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another qualified firm representative to sign them.

During the course of the engagement, we may communicate with you or your personnel via fax, e-mail, and portals, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records to make your books and records complete.

We will provide you a list of required schedules and analyses to be prepared by your personnel before the audit begins. Timely completion of our audit is dependent on cooperation in preparing schedules and analyses timely and accurately. If there are delays in preparing the material or if schedules must be continually revised, costs will increase. We will advise you of difficulties or delays in completing the engagement.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

The audit documentation for this engagement is the property of Zelenkofske Axelrod LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Zelenkofske Axelrod LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.





# *Zelenkofske Axelrod LLC*

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During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

It is management's responsibility to submit, in the required time period, the information for all outstanding municipal securities in accordance with each of the respective securities requirements, Securities and Exchange Commission and Municipal Securities Rulemaking Board requirements, and any other applicable requirements. You agree that the expected report issuance date above will be sufficient to fulfill management's responsibility related to the above requirements. The expected report issuance date is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$6,220 for the annual audit. We will also prepare the Organization's federal Form 990 return for the fiscal year ending December 31, 2022. The fee for the information return preparation will not exceed \$1,710. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary such as implementing new auditing pronouncement or auditing additional federal or state programs, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We normally bill at least monthly while work progresses. All invoices are due and payable upon presentation. For invoices due over 30 days, a finance charge is assessed on unpaid balances at the rate of one and one-half percent (1.5%) per month (eighteen percent (18%) per annum). We reserve the right to halt work if balances remain unpaid after ninety (90) or more days, and not to resume work until all overdue amounts are paid in full. Any balances remaining unpaid after ninety (90) or more days may, at our option, be formalized by the execution of a promissory note. You agree that you shall be liable for all reasonable costs we incur in collection including, but not limited to, reasonable attorney fees.

In the event any dispute arises relating in any way to this engagement, the parties agree to first attempt to resolve such dispute through the non-binding mediation process in the manner set forth herein, with costs to be divided equally between the parties. The mediation shall take place in Erie County, Pennsylvania. To effect mediation, the party desiring mediation shall give the other party 10 days' advance written notice of its desire to mediate. The other party shall respond within said 10-day period that it accepts or rejects the mediation process. If (a) the other party rejects the mediation process, (b) does not respond to the



# *Zelenkofske Axelrod LLC*

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mediation notice or (c) the mediation is not successful, then, in any legal proceeding relating in any way to this agreement, all parties hereto hereby irrevocably consent to the jurisdiction and venue of the Court of Common Pleas of Erie County, Pennsylvania (if there is no federal jurisdiction) and each party hereto further agrees not to raise any objection to such jurisdiction or to the laying of venue of any such proceeding in such county. Each party agrees that service of process in any such proceeding may be duly effected upon it by mailing a copy thereof, to the address given above. Our Firm's policy requires that payment arrangements must be made for all outstanding invoices prior to release of our work product.

You agree that our liability hereunder for damages shall be predicated on proof of ordinary negligence, fraud, or willful misconduct.

It is understood that Zelenkofske Axelrod LLC has spent many years developing its people and intellectual assets, including but not limited to computer software programs and business practices and procedures. Accordingly, you agree that any means of presentation of financial data which represent our internal or external work product or any other of our intellectual assets shall, at all times, remain the property of Zelenkofske Axelrod LLC and shall not be disseminated or shared with any entity not a party thereto without our prior written consent. Additionally, you and your affiliates or related entities agree not to employ any current or former employees of Zelenkofske Axelrod LLC, during the term of this engagement or for a period of three years thereafter without our prior written consent.

Our Firm is a member of the AICPA. We are required to periodically undergo Peer Review to assure high professional standards. In a Peer Review, a team of outside CPAs randomly selects and reviews financial statements, our report, and supporting workpapers. The Peer Review team is obligated to keep the information that it reviews confidential. If this engagement is selected you authorize our Firm to permit peer reviewers to review the workpapers.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Our Firm policy states that work may not begin on an engagement prior to our receipt of a signed engagement letter. However, should you request that we begin work on this engagement prior to our receipt of a signed copy of this engagement letter and we do so as courtesy to you, your receipt of our correspondence, attendance at meetings with us or similar activities shall constitute acceptance of this engagement letter and agreement to all of the terms contained in it.

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provisions of this letter are determined to be unenforceable, all other provisions shall remain in force.

We appreciate the opportunity to be of service to the Organization and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,

*Zelenkofske Axelrod LLC*

Zelenkofske Axelrod LLC





# ***Zelenkofske Axelrod LLC***

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RESPONSE:

This letter correctly sets forth our understanding with the Organization.

Acknowledged and agreed on behalf of the Organization by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_





*Jones, Nale & Mattingly PLC*

## **REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL**

To the Members of  
Zelenkofske Axelrod LLC  
and the Peer Review Committee of the Pennsylvania Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Zelenkofske Axelrod LLC (the firm) in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

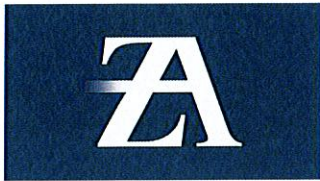
As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Zelenkofske Axelrod LLC in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Zelenkofske Axelrod LLC has received a peer review rating of *pass*.

*Jones, Nale & Mattingly PLC*

Louisville, Kentucky  
February 18, 2020



***Zelenkofske Axlerod LLC***  
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February 3, 2023

Erie County Care Management, Inc.  
1601 Sassafraz Street  
Erie, PA 16502

Subject: Preparation of Form 990 for Organizations Exempt from Income Tax

Thank you for selecting Zelenkofske Axlerod LLC to assist Erie County Care Management Inc. with tax compliance for the year ended December 31, 2022. The purpose of this letter is to confirm the terms of our engagement and the services we will provide.

You are engaging us to prepare the above referenced tax returns from information you provide to us. We may ask for clarification of some information, but we will not audit or otherwise verify the data you submit. We will provide checklists, questionnaires and/or worksheets to help you gather information necessary for a complete return. Please use those forms in order to avoid overlooking important information.

Our work in connection with the preparation of income tax returns does not include any procedures designed to discover defalcations or other irregularities. We may provide limited accounting and analysis, but only for the purpose of preparing complete and accurate income tax returns.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless you instruct us otherwise we will apply the "realistic possibility of success" standard to resolve such issues in your favor where possible.

Management is responsible for proper recording of transactions in the accounts, safeguarding assets, and substantial accuracy of the financial records. Once a return is input by our tax professionals, a draft will be emailed to you. Because you have final responsibility for the returns, you should review them carefully before you sign and file them. If a return is finalized by our firm based on your authority, and then you find a change needs to be made, an additional fee will be charge on an hourly basis for the amendment.

Your returns may be selected for review by the taxing authorities. Adjustments proposed by an examining agent are subject to appeal. We can arrange to be available, upon request, to represent you if your returns are audited. That representation will be a separate engagement and we will render additional invoices for fees and expenses incurred.

Our fee for preparation of the returns identified above will be \$1,710. All invoices are due and payable upon presentation. To the extent allowed by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109  
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401  
210 Tollgate Hill Road, Greensburg, PA 15601

[www.zallc.org](http://www.zallc.org)





***Zelenkofske Axelrod LLC***  
**CERTIFIED PUBLIC ACCOUNTANTS**  
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We retain copies of the records you have supplied us along with our work papers for your engagement for a period of seven years. After seven years, our work papers and engagement files are destroyed. All of your original records will be returned to you at the end of this engagement. Our working papers and files are not a substitute for the original records, and you should keep them in secure storage.

If this letter reflects your understanding of the terms of our engagement, please sign the enclosed copy in the space indicated and return it to us. If you have identified other returns you want us to prepare, please list them below your signature.

Thank you for your confidence in us.

Sincerely,

*Zelenkofske Axelrod LLC*

Zelenkofske Axelrod LLC

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_

**RESOLUTION NUMBER 2023**

Appointment of Zelenkofske Axelrod, LLC to Perform an Audit of the County of Erie for  
Calendar Year Ending December 31, 2022

**BE IT RESOLVED** by the County Council of the County of Erie, pursuant to Article VIII, Section 13 of the Home Rule Charter for the County of Erie that the accounting firm of Zelenkoske Axelrod, LLC be appointed auditors for the County of Erie for Calendar Year ending December 31, 2022. The fee will not exceed \$80,640 and contract attached hereto as Exhibit A is hereby approved.

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, this resolution was  
passed on this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by a vote of \_\_\_\_ to \_\_\_\_.

ATTEST:

\_\_\_\_\_  
Julie Slomski  
County Clerk

Date: \_\_\_\_\_

APPROVED BY:

\_\_\_\_\_  
Brian Shank, Chairman  
Erie County Council

Date: \_\_\_\_\_

\_\_\_\_\_  
Brenton Davis,  
County Executive

Date: \_\_\_\_\_



**EXHIBIT A**  
***Zelenkofske Axelrod LLC***  
**CERTIFIED PUBLIC ACCOUNTANTS**  
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February 3, 2023

Erie County  
County Council  
140 West Sixth Street  
Erie, PA 16501

Dear County Council:

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Erie ("County"), as of December 31, 2022, and for the year then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and Pennsylvania Department of Human Services (DHS) award programs for the period ended December 31, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and DHS award programs. The objectives of our audit of the financial statements 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 auditing standards generally accepted in the United States of America (U.S. GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to U.S. GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information (RSI), such as management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Required Budgetary Comparison Schedules for Major Funds
- 3) Required Supplementary Pension and Other Postemployment Benefit Information

Supplementary information other than RSI will accompany the County's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109  
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401  
210 Tollgate Hill Road, Greensburg, PA 15601

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# *Zelenkofske Axelrod LLC*

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and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- 1) Combining Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
- 2) Budgetary Comparison Schedules – Nonmajor Governmental Funds
- 3) Combining Statement of Net Position – Custodial Funds
- 4) Combining Statement of Changes in Net Position – Custodial Funds

## **Schedule of Expenditures of Federal Awards**

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

## **Other Information**

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- 1) Introductory Section
- 2) Statistical Section

## **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

## **Audit of the Financial Statements**

We will conduct our audits in accordance U.S. GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the DHS *Single Audit Supplement*. As part of an audit of financial statements in accordance with U.S. GAAS, in accordance with *Government Auditing Standards*, and the DHS *Single Audit Supplement*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting





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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.

- 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the County's basic financial statements. Our report will be addressed to the governing body of the County. We will make reference to the Component Auditors' audit of in our report on your financial statements; Maher Duessel's audits of Erie County Gaming Revenue Authority and Erie County Community College and Buseck, Barger and Bleil's audit of the Erie County Land Bank. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

## **Audit of Major Program Compliance**

Our audit of the County's major federal and DHS award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and the DHS *Single Audit Supplement*, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the DHS *Single Audit Supplement* and other procedures we consider necessary to enable us to express such an opinion on major federal and DHS award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and DHS *Single Audit Supplement* requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and DHS award programs, and the applicable compliance requirements occurred,





# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. 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 U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance and *DHS Single Audit Supplement* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal and DHS programs as a whole.

As part of a compliance audit in accordance with U.S. GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and DHS programs and, performing the applicable procedures described in the U.S. Office of Management Budget *OMB Compliance Supplement*, and *DHS Single Audit Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major federal and DHS programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major federal and DHS programs in our report on compliance issued pursuant to the Uniform Guidance and the *DHS Single Audit Supplement*.

Also, as required by the Uniform Guidance and the *DHS Single Audit Supplement*, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and DHS award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and DHS award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

## **Management's Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. 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;
3. For identifying, in its accounts, all federal and DHS awards received and expended during the period and the federal and DHS programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal and DHS awards that provides reasonable assurance that the entity is managing federal and DHS awards in compliance with federal and DHS statutes, regulations, and the terms and conditions of the federal and DHS awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems





# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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- designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
  9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
  10. For taking prompt action when instances of noncompliance are identified;
  11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
  12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
  13. For submitting the reporting package and Data Collection Form to the appropriate parties;
  14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
  15. To provide us with:
    - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and DHS award programs, such as records, documentation, and other matters;
    - b. Additional information that we may request from management for the purpose of the audit;
    - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
    - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
    - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
  16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
  17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
  18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
  19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
  20. For the accuracy and completeness of all information provided;
  21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
  22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic





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financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

## **Nonattest Services**

We will assist in preparing the financial statements, related notes, and schedule of expenditures of federal awards of the County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and the Data Collection Form based on information provided by you. We will not assume management responsibilities on behalf of the County. However, we will provide advice and recommendations to assist management of the County in performing its responsibilities.

The County's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

## **DHS Agreed Upon Procedures Engagement**

This section sets forth our understanding for applying agreed-upon procedures to the financial schedules and exhibits required by DHS of the County for the fiscal year ended June 30, 2022, and the calendar year ended December 31, 2022.

This engagement is solely for the purpose of reporting our findings in regards to the results of the procedures performed as compared to the procedures listed in the DHS *Single Audit Supplement*. The procedures we will perform have been agreed to by the specified parties to this engagement listed as follows: DHS and the County. We will apply the following procedures:

We agree to apply procedures to the financial schedules and exhibits required by DHS of the County for the fiscal year ended June 30, 2022, and the calendar year ended December 31, 2022, prepared in accordance with the DHS *Single Audit Supplement*. These procedures will be applied for the purpose of reporting our findings in regards to the results of the procedures performed as compared to the financial schedules and exhibits required by DHS. The procedures we will perform have been agreed to by DHS and the County. These agreed-upon procedures are enumerated as follows:

- a) We will verify by comparison of the amounts and classifications that the supplemental financial schedules required by DHS, which summarize amounts reported to DHS for fiscal year ended June 30, 2022, and calendar year ended December 31, 2022, have been accurately compiled based on the audited books and records of the County. We will also verify by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DHS *Single Audit Supplement* pertaining to this period.
- b) We will inquiry of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.
- c) In regard to the Reconciliation Schedule included as Exhibit XX, we will perform the following procedures:
  1. Agree the expenditure amounts listed on the Reconciliation Schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards ("SEFA").



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2. Agree the receipt amounts listed on the Reconciliation Schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the subrecipient Federal amounts that will be reflected in the audit confirmation reply from the Commonwealth of Pennsylvania Office of Budget, Comptroller Operations.
  3. Recalculate the amounts listed under the "Difference" column and the "% Difference" column.
  4. Agree the amounts listed under the "Difference" column to the audited books and records of the County.
  5. Agree the "Detailed Explanation of the Differences" to the audited books and records of the County.
- d) In regard to the Child Protective Services Law Monitoring of In-Home Purchased Service Providers Exhibit XXI, we will perform the following procedures:
1. Reconcile the list of providers under "Provider Name" column A to the providers who were paid for In-Home Purchased Services during the year according to the County Children and Youth Agency's (CCYA) general ledger, cash disbursements journal or similar record. Note any providers who were paid during the year, but were not included on this schedule.
  2. Agree the response in column B to the appropriate Provider contract
  3. Agree the information in columns C through I to the CCYA's monitoring records for In-Home Purchased Service Providers
- e) Disclose any adjustments and/or findings

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements established by the AICPA. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. We have no responsibility to determine the differences between the procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attestation engagement.

Our report will list the procedures performed and our findings. Our report will be addressed to the County and will be intended for use by and restricted to the use of the specified parties as identified above. Our report will contain such restricted-use language.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from management, written confirmation concerning representations made to us in connection with the agreed upon procedures. You agree to provide such confirmation.

## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

We expect to begin the audit on approximately March 1, 2023 and to issue our reports no later than June 30, 2023. Brian Chruscial is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another qualified firm representative to sign them.

During the course of the engagement, we may communicate with you or your personnel via fax, e-mail and portals, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.





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Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records to make your books and records complete.

We will provide you a list of required schedules and analyses to be prepared by your personnel before the audit begins. Timely completion of our audit is dependent on cooperation in preparing schedules and analyses timely and accurately. If there are delays in preparing the material or if schedules must be continually revised, costs will increase. We will advise you of difficulties or delays in completing the engagement.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

The audit documentation for this engagement is the property of Zelenkofske Axelrod LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Zelenkofske Axelrod LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management

We will provide copies of our reports to County Council; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.





# *Zelenkofske Axelrod LLC*

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It is management's responsibility to submit, in the required time period, the information for all outstanding municipal securities in accordance with each of the respective securities requirements, Securities and Exchange Commission and Municipal Securities Rulemaking Board requirements, and any other applicable requirements. You agree that the expected report issuance date above will be sufficient to fulfill management's responsibility related to the above requirements. The expected report issuance date is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$80,640 for the annual audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary such as implementing new auditing pronouncement or auditing additional federal or state programs, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We normally bill at least monthly while work progresses. All invoices are due and payable upon presentation. For invoices due over 30 days, a finance charge is assessed on unpaid balances at the rate of one and one-half percent (1.5%) per month (eighteen percent (18%) per annum). We reserve the right to halt work if balances remain unpaid after ninety (90) or more days, and not to resume work until all overdue amounts are paid in full. Any balances remaining unpaid after ninety (90) or more days may, at our option, be formalized by the execution of a promissory note. You agree that you shall be liable for all reasonable costs we incur in collection including, but not limited to, reasonable attorney fees.

In the event any dispute arises relating in any way to this engagement, the parties agree to first attempt to resolve such dispute through the non-binding mediation process in the manner set forth herein, with costs to be divided equally between the parties. The mediation shall take place in Erie County, Pennsylvania. To effect mediation, the party desiring mediation shall give the other party 10 days' advance written notice of its desire to mediate. The other party shall respond within said 10-day period that it accepts or rejects the mediation process. If (a) the other party rejects the mediation process, (b) does not respond to the mediation notice or (c) the mediation is not successful, then, in any legal proceeding relating in any way to this agreement, all parties hereto hereby irrevocably consent to the jurisdiction and venue of the Court of Common Pleas of Erie County, Pennsylvania (if there is no federal jurisdiction) and each party hereto further agrees not to raise any objection to such jurisdiction or to the laying of venue of any such proceeding in such county. Each party agrees that service of process in any such proceeding may be duly effected upon it by mailing a copy thereof, to the address given above. Our Firm's policy requires that payment arrangements must be made for all outstanding invoices prior to release of our work product.

You agree that our liability hereunder for damages shall be predicated on proof of ordinary negligence, fraud, or willful misconduct.

It is understood that Zelenkofske Axelrod LLC has spent many years developing its people and intellectual assets, including but not limited to computer software programs and business practices and procedures. Accordingly, you agree that any means of presentation of financial data which represent our internal or external work product or any other of our intellectual assets shall, at all times, remain the property of Zelenkofske Axelrod LLC and shall not be disseminated or shared with any entity not a party thereto without our prior written consent. Additionally, you and your affiliates or related entities agree not to employ any current or former employees of Zelenkofske Axelrod LLC, during the term of this engagement or for a period of three years thereafter without our prior written consent.

Our Firm is a member of the AICPA. We are required to periodically undergo Peer Review to assure high professional standards. In a Peer Review, a team of outside CPAs randomly selects and reviews financial statements, our report, and supporting workpapers. The Peer Review team is obligated to keep the information that it reviews confidential. If this engagement is selected you authorize our Firm to permit peer reviewers to review the workpapers.



# *Zelenkofske Axelrod LLC*

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In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Our Firm policy states that work may not begin on an engagement prior to our receipt of a signed engagement letter. However, should you request that we begin work on this engagement prior to our receipt of a signed copy of this engagement letter and we do so as courtesy to you, your receipt of our correspondence, attendance at meetings with us or similar activities shall constitute acceptance of this engagement letter and agreement to all of the terms contained in it.

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provisions of this letter are determined to be unenforceable, all other provisions shall remain in force.

We appreciate the opportunity to be of service to the County of Erie and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,

*Zelenkofske Axelrod LLC*

Zelenkofske Axelrod LLC





# ***Zelenkofske Axelrod LLC***

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RESPONSE:

This letter correctly sets forth our understanding with the County of Erie.

Acknowledged and agreed on behalf of the County of Erie by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



*Jones, Nale & Mattingly PLC*

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Members of  
Zelenkofske Axelrod LLC  
and the Peer Review Committee of the Pennsylvania Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Zelenkofske Axelrod LLC (the firm) in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Zelenkofske Axelrod LLC in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Zelenkofske Axelrod LLC has received a peer review rating of *pass*.

*Jones, Nale & Mattingly P.C.*

Louisville, Kentucky  
February 18, 2020