

**ANNUAL REPORT  
OF THE  
THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN**

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**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
The Redevelopment Authority of the City of Johnstown  
416 Main Street, 2nd Floor  
Johnstown, Pennsylvania 15901

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Redevelopment Authority of the City of Johnstown, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Redevelopment Authority of the City of Johnstown's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Redevelopment Authority of the City of Johnstown as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Redevelopment Authority of the City of Johnstown, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Authority's Net Pension Liability and Related Ratios, Schedule of Contributions, and Schedule of Investment Return be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an

**Required Supplementary Information (Continued)**

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. Our opinions on the basic financial statements are not affected by this missing information.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Redevelopment Authority of the City of Johnstown's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2022, on our consideration of the Redevelopment Authority of the City of Johnstown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Redevelopment Authority of the City of Johnstown's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Redevelopment Authority of the City of Johnstown's internal control over financial reporting and compliance.



Altoona, Pennsylvania  
August 9, 2022

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 1,166,201	\$ 4,437,456	\$ 5,603,657
Other Receivable	0	4,787	4,787
Committed Investments	64,405	0	64,405
Accounts Receivable, Net	9,642	2,512,939	2,522,581
Prepaid Expenses	<u>36,689</u>	<u>37,484</u>	<u>74,173</u>
Total Current Assets	<u>\$ 1,276,937</u>	<u>\$ 6,992,666</u>	<u>\$ 8,269,603</u>
<b><u>Non-Current Assets</u></b>			
Fixed Assets, Net	\$ 2,770,911	\$ 66,055,384	\$ 68,826,295
Restricted Investments	0	2,508,997	2,508,997
Net Pension Asset	<u>64,687</u>	<u>0</u>	<u>64,687</u>
Total Non-Current Assets	<u>\$ 2,835,598</u>	<u>\$ 68,564,381</u>	<u>\$ 71,399,979</u>
<b><u>Deferred Outflows</u></b>			
Defeased Loss on Bonds, Net	\$ 0	\$ 228,122	\$ 228,122
Deferred Pension Outflow	<u>28,126</u>	<u>0</u>	<u>28,126</u>
Total Deferred Outflows	<u>\$ 28,126</u>	<u>\$ 228,122</u>	<u>\$ 256,248</u>
Total Assets and Deferred Outflows	<u>\$ 4,140,661</u>	<u>\$ 75,785,169</u>	<u>\$ 79,925,830</u>
<b><u>Liabilities and Net Position</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable and Accrued Liabilities	\$ 25,244	\$ 1,064,090	\$ 1,089,334
Accrued Benefits	58,819	0	58,819
Notes Payable	75,622	2,411,256	2,486,878
Bonds Payable	0	712,400	712,400
Accrued Interest	<u>0</u>	<u>105,895</u>	<u>105,895</u>
Total Current Liabilities	<u>\$ 159,685</u>	<u>\$ 4,293,641</u>	<u>\$ 4,453,326</u>
<b><u>Non-Current Liabilities</u></b>			
Notes Payable	\$ 795,362	\$ 32,299,235	\$ 33,094,597
Bonds Payable	<u>0</u>	<u>9,866,490</u>	<u>9,866,490</u>
Total Non-Current Liabilities	<u>\$ 795,362</u>	<u>\$ 42,165,725</u>	<u>\$ 42,961,087</u>
<b><u>Deferred Inflows</u></b>			
Unearned Revenues	\$ 409,544	\$ 0	\$ 409,544
Deferred Pension Inflows	<u>39,651</u>	<u>0</u>	<u>39,651</u>
Total Deferred Inflows	<u>\$ 449,195</u>	<u>\$ 0</u>	<u>\$ 449,195</u>
<b><u>Net Position</u></b>			
Investments in Capital Assets, Net of Related Debt	\$ 1,900,007	\$ 20,888,230	\$ 22,788,237
Unrestricted	836,412	5,928,576	6,764,988
Restricted	<u>0</u>	<u>2,508,997</u>	<u>2,508,997</u>
Total Net Position	<u>\$ 2,736,419</u>	<u>\$ 29,325,803</u>	<u>\$ 32,062,222</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 4,140,661</u>	<u>\$ 75,785,169</u>	<u>\$ 79,925,830</u>

**See Accompanying Notes and Independent Auditor's Report**

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 STATEMENTS OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>
<b><u>Primary Government</u></b>	
<b><u>Governmental Activities</u></b>	
Community Development	\$ 1,014,684
Employer Paid Benefits	148,456
Insurance	81,592
Interest on Long-Term Debt	23,707
Unallocated Depreciation	<u>47,946</u>
Total Governmental Activities	<u>\$ 1,316,385</u>
<b><u>Business-Type Activities</u></b>	
Regional Sewage	\$ 9,087,079
Center Town	91,059
Cambria Iron Works	<u>283,119</u>
Total Business-Type Activities	<u>\$ 9,461,257</u>
Total Primary Government	<u>\$10,777,642</u>
<b><u>General Revenues</u></b>	
Transfers In (Out)	
Unrestricted Investment Earnings	
Disposal of Capital Assets	
Other Revenues	
Total General Revenues and Transfers	
Change in Net Position	
<b><u>Net Position</u> - Beginning of Year</b>	
Prior Period Adjustment	
<b><u>Net Position</u> - Beginning of Year (Restated)</b>	
<b><u>Net Position</u> - End of Year</b>	

**See Accompanying Notes and Independent Auditor's Report**

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Net (Expense) Revenue and  
Changes in Net Position**

<u>Program Revenues</u>			<u>Primary Government</u>		
<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ 1,100,146	\$494,555	\$ 0	\$ 580,017	\$ 0	\$ 580,017
114,480	0	0	( 33,976)	0	( 33,976)
0	0	0	( 81,592)	0	( 81,592)
0	0	0	( 23,707)	0	( 23,707)
<u>0</u>	<u>0</u>	<u>0</u>	<u>( 47,946)</u>	<u>0</u>	<u>( 47,946)</u>
<u>\$ 1,214,626</u>	<u>\$494,555</u>	<u>\$ 0</u>	<u>\$ 392,796</u>	<u>\$ 0</u>	<u>\$ 392,796</u>
\$ 8,890,066	\$ 0	\$285,751	\$ 0	\$ 88,738	\$ 88,738
77,024	0	0	0	( 14,035)	( 14,035)
<u>104,629</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>( 178,490)</u>	<u>( 178,490)</u>
<u>\$ 9,071,719</u>	<u>\$ 0</u>	<u>\$285,751</u>	<u>\$ 0</u>	<u>(\$ 103,787)</u>	<u>(\$ 103,787)</u>
<u>\$10,286,345</u>	<u>\$494,555</u>	<u>\$285,751</u>	<u>\$ 392,796</u>	<u>(\$ 103,787)</u>	<u>\$ 289,009</u>
			\$ 0	\$ 0	\$ 0
			177	62,802	62,979
			1,214	653,691	654,905
			<u>1,058</u>	<u>2,696</u>	<u>3,754</u>
			\$ 2,449	\$ 719,189	\$ 721,638
			\$ 395,245	\$ 615,402	\$ 1,010,647
			\$2,266,618	\$28,710,401	\$30,977,019
			<u>74,556</u>	<u>0</u>	<u>74,556</u>
			\$2,341,174	\$28,710,401	\$31,051,575
			\$2,736,419	\$29,325,803	\$32,062,222

**See Accompanying Notes and Independent Auditor's Report**



**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
(INCLUDING THE RECONCILIATION OF THE GOVERNMENTAL  
FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION)  
DECEMBER 31, 2021**

	<b>Governmental Fund Types</b>		
	<b>General</b>	<b>Special Projects</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$654,300	\$511,901	\$1,166,201
Committed Investments	64,405	0	64,405
Accounts Receivable	9,642	0	9,642
Due from Other Funds	2,500	0	2,500
Prepaid Expenses	<u>36,689</u>	<u>0</u>	<u>36,689</u>
<b>TOTAL ASSETS</b>	<b><u>\$767,536</u></b>	<b><u>\$511,901</u></b>	<b><u>\$1,279,437</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 14,464	\$ 10,780	\$ 25,244
Accrued Benefits	58,819	0	58,819
Due to Other Funds	0	2,500	2,500
Deferred Revenue	<u>14,795</u>	<u>394,749</u>	<u>409,544</u>
Total Liabilities	<u>\$ 88,078</u>	<u>\$408,029</u>	<u>\$ 496,107</u>
<b><u>FUND BALANCE</u></b>			
Nonspendable	\$ 36,689	\$ 0	\$ 36,689
Unassigned	637,183	0	637,183
Committed	5,586	0	5,586
Assigned	<u>0</u>	<u>103,872</u>	<u>103,872</u>
Total Fund Balance	<u>\$679,458</u>	<u>\$103,872</u>	<u>\$ 783,330</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$767,536</u></b>	<b><u>\$511,901</u></b>	<b><u>\$1,279,437</u></b>

Amounts reported for governmental activities in the statement of net position are different due to the following:

Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds	\$2,770,911
Long-term liabilities are pension obligations and related deferred outflows/inflows of resources are not due and payable in the current period and, therefore, are not reported as a fund liability	( <u>817,822</u> )
Net Position of Governmental Activities	<u>\$2,736,419</u>

**See Accompanying Notes and Independent Auditor's Report**

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Projects</u>	<u>Total</u>
<b><u>Revenues</u></b>			
Charges for Services	\$1,027,909	\$ 0	\$1,027,909
Grants and Joint Projects	4,500	490,055	494,555
Rental Income	185,840	0	185,840
Interest and Investment Income	177	877	1,054
Other Income	<u>208</u>	<u>850</u>	<u>1,058</u>
Total Revenues	<u>\$1,218,634</u>	<u>\$491,782</u>	<u>\$1,710,416</u>
<b><u>Current Expenditures</u></b>			
Administration	\$ 437,784	\$ 0	\$ 437,784
Community Development	76,160	500,740	576,900
Employer Paid Benefits	135,913	0	135,913
Insurance	81,592	0	81,592
Capital Expenditures:			
Community Development	40,641	0	40,641
Debt Service:			
Debt Service - Principal	72,893	0	72,893
Debt Service - Interest	<u>23,707</u>	<u>0</u>	<u>23,707</u>
Total Expenditures	<u>\$ 868,690</u>	<u>\$500,740</u>	<u>\$1,369,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 349,944</u>	<u>(\$ 8,958)</u>	<u>\$ 340,986</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Sale of Assets	<u>\$ 3,200</u>	<u>\$ 0</u>	<u>\$ 3,200</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 353,144</u>	<u>(\$ 8,958)</u>	<u>\$ 344,186</u>
<b><u>Fund Balance</u></b> - Beginning of Year	<u>326,314</u>	<u>112,830</u>	<u>439,144</u>
<b><u>Fund Balance</u></b> - End of Year	<u>\$ 679,458</u>	<u>\$103,872</u>	<u>\$ 783,330</u>

See Accompanying Notes and Independent Auditor's Report

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balance - Total Governmental Funds	\$344,186
Contributions to the pension plan are recognized as an expenditure in the governmental funds when they are due, and thus requires the use of current financial resources. The net pension liability and deferred inflows and outflows related to participation in the PMRS pension plan in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	( 12,543)
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities.	72,893
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is to increase net position.	( <u>9,291</u> )
Change in Net Position of Governmental Activities	\$395,245
	<u><u>          </u></u>

**See Accompanying Notes and Independent Auditor's Report**

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	<u>Regional Sewage</u>	<u>Center Town</u>	<u>Cambria Iron Works</u>	<u>Total</u>
<b><u>Assets</u></b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$ 4,172,016	\$ 40,573	\$ 224,867	\$ 4,437,456
Accounts Receivable, Net of Allowance	2,507,508	0	5,431	2,512,939
Other Receivable	4,787	0	0	4,787
Prepaid Expenses	<u>13,648</u>	<u>12,411</u>	<u>11,425</u>	<u>37,484</u>
Total Current Assets	<u>\$ 6,697,959</u>	<u>\$ 52,984</u>	<u>\$ 241,723</u>	<u>\$ 6,992,666</u>
<b><u>Non-Current Assets</u></b>				
Fixed Assets, (Net of Accumulated Depreciation)	<u>\$64,193,704</u>	<u>\$325,427</u>	<u>\$1,536,253</u>	<u>\$66,055,384</u>
<b><u>Other Assets</u></b>				
Restricted Cash and Cash Equivalents	<u>\$ 2,508,997</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,508,997</u>
<b><u>Deferred Outflows</u></b>				
Deceased Loss on Bond, Net	<u>\$ 228,122</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 228,122</u>
Total Assets and Deferred Outflows	<u>\$73,628,782</u>	<u>\$378,411</u>	<u>\$1,777,976</u>	<u>\$75,785,169</u>
<b><u>Liabilities and Net Position</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts Payable and Accrued Liabilities	\$ 1,003,624	\$ 111	\$ 60,355	\$ 1,064,090
Accrued Interest	105,354	541	0	105,895
Notes Payable	2,395,353	15,903	0	2,411,256
Bonds Payable	<u>712,400</u>	<u>0</u>	<u>0</u>	<u>712,400</u>
Total Current Liabilities	<u>\$ 4,216,731</u>	<u>\$ 16,555</u>	<u>\$ 60,355</u>	<u>\$ 4,293,641</u>
<b><u>Non-Current Liabilities</u></b>				
Notes Payable	\$32,111,913	\$187,322	\$ 0	\$32,299,235
Bonds Payable	<u>9,866,490</u>	<u>0</u>	<u>0</u>	<u>9,866,490</u>
Total Non-Current Liabilities	<u>\$41,978,403</u>	<u>\$187,322</u>	<u>\$ 0</u>	<u>\$42,165,725</u>
<b><u>Net Position</u></b>				
Investments in Capital Assets, Net of Related Debt	\$19,230,316	\$121,661	\$1,536,253	\$20,888,230
Unrestricted	5,694,335	52,873	181,368	5,928,576
Restricted	<u>2,508,997</u>	<u>0</u>	<u>0</u>	<u>2,508,997</u>
Total Net Position	<u>\$27,433,648</u>	<u>\$174,534</u>	<u>\$1,717,621</u>	<u>\$29,325,803</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$73,628,782</u>	<u>\$378,411</u>	<u>\$1,777,976</u>	<u>\$75,785,169</u>

**See Accompanying Notes and Independent Auditor's Report**

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	<u>Regional Sewage</u>	<u>Center Town</u>	<u>Cambria Iron Works</u>	<u>Total</u>
<b><u>Operating Revenues</u></b>				
Charges for Service	\$ 8,890,066	\$ 0	\$ 0	\$ 8,890,066
Rental Income	0	77,024	104,629	181,653
Other	<u>3,775</u>	<u>0</u>	<u>0</u>	<u>3,775</u>
Total Operating Revenues	<u>\$ 8,893,841</u>	<u>\$ 77,024</u>	<u>\$ 104,629</u>	<u>\$ 9,075,494</u>
<b><u>Operating Expenses</u></b>				
Administrative Expense	\$ 2,086,982	\$ 0	\$ 762	\$ 2,087,744
Bank Fees	6,399	0	15	6,414
Insurance Expense	49,245	8,910	58,769	116,924
Utilities	246,427	0	1,364	247,791
Real Estate Tax	0	23,380	0	23,380
Other Taxes	0	503	0	503
Subcontracted Labor	2,261,731	0	0	2,261,731
Professional Fees	254,879	0	56,557	311,436
Amortization	28,915	0	0	28,915
Materials and Supplies	163,614	0	0	163,614
Chemicals	1,262,356	0	0	1,262,356
Hauling and Pumping Fees	22,360	0	0	22,360
Repairs and Maintenance	0	37,966	10,456	48,422
Depreciation Expense	1,791,238	11,529	140,716	1,943,483
Bad Debt Expense	192,719	0	0	192,719
Other	<u>80,515</u>	<u>38</u>	<u>14,480</u>	<u>95,033</u>
Total Operating Expenses	<u>\$ 8,447,380</u>	<u>\$ 82,326</u>	<u>\$ 283,119</u>	<u>\$ 8,812,825</u>
Operating Income (Loss)	<u>\$ 446,461</u>	<u>(\$ 5,302)</u>	<u>(\$ 178,490)</u>	<u>\$ 262,669</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>				
Gain on Sale of Assets	\$ 0	\$ 0	\$ 652,612	\$ 652,612
Grant Proceeds	285,751	0	0	285,751
Interest Income	62,516	78	208	62,802
Interest Expense	( 639,699)	( 8,733)	0	( 648,432)
Total Non-Operating Revenues (Expenses)	<u>(\$ 291,432)</u>	<u>(\$ 8,655)</u>	<u>\$ 652,820</u>	<u>\$ 352,733</u>
Change In Net Position	<u>\$ 155,029</u>	<u>(\$ 13,957)</u>	<u>\$ 474,330</u>	<u>\$ 615,402</u>
<b><u>Net Position</u></b> - Beginning of Year	<u>27,278,619</u>	<u>188,491</u>	<u>1,243,291</u>	<u>28,710,401</u>
<b><u>Net Position</u></b> - End of Year	<u>\$27,433,648</u>	<u>\$174,534</u>	<u>\$1,717,621</u>	<u>\$29,325,803</u>

See Accompanying Notes and Independent Auditor's Report

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	<u>Regional Sewage</u>	<u>Center Town</u>	<u>Cambria Iron Works</u>	<u>Total</u>
<b><u>Cash Flows from Operating Activities</u></b>				
Cash Received from Customers	\$ 8,376,844	\$77,024	\$ 293,536	\$ 8,747,404
Cash Received from Other Sources	3,775	0	0	3,775
Internal Activity - Payments From (To) Other Funds	243,600	0	( 599,191)	( 355,591)
Cash Payments to Subcontractors	( 2,261,731)	0	0	( 2,261,731)
Cash Payments to Suppliers for Goods and Services	( 3,868,437)	0	0	( 3,868,437)
Cash Payments for Other Operating Expenses	<u>0</u>	<u>( 72,912)</u>	<u>( 237,080)</u>	<u>( 309,992)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,494,051</u>	<u>\$ 4,112</u>	<u>(\$ 542,735)</u>	<u>\$ 1,955,428</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Proceeds from Issuance of Notes Payable	\$ 533,373	\$ 0	\$ 0	\$ 533,373
Proceeds from Sale of Fixed Assets	0	0	1,028,200	1,028,200
Grant Proceeds	280,964	0	0	280,964
Unearned Revenue	0	( 6,000)	( 46,956)	( 52,956)
Purchase of Property and Equipment	( 3,814,195)	0	( 221,089)	( 4,035,284)
Payment on Debt	( 2,556,375)	( 15,846)	0	( 2,572,221)
Interest Paid	<u>( 640,209)</u>	<u>( 8,774)</u>	<u>( 7,308)</u>	<u>( 656,291)</u>
Net Cash (Used for) Provided by Capital and Related Financing Activities	<u>(\$ 6,196,442)</u>	<u>(\$30,620)</u>	<u>\$ 752,847</u>	<u>(\$ 5,474,215)</u>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on Cash Equivalents	\$ 62,516	\$ 78	\$ 208	\$ 62,802
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(\$ 3,639,875)</u>	<u>(\$26,430)</u>	<u>\$ 210,320</u>	<u>(\$ 3,455,985)</u>
<b><u>Cash and Cash Equivalents</u></b> (Including \$2,147,641 for Regional Sewage, Reported as Restricted Cash) - Beginning of Year	<u>10,320,888</u>	<u>67,003</u>	<u>14,547</u>	<u>10,402,438</u>
<b><u>Cash and Cash Equivalents</u></b> (Including \$2,508,997 for Regional Sewage, Reported as Restricted Cash) - End of Year	<u>\$ 6,681,013</u>	<u>\$40,573</u>	<u>\$ 224,867</u>	<u>\$ 6,946,453</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 446,461	(\$ 5,302)	(\$ 178,490)	\$ 262,669
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization	\$ 1,820,153	\$11,529	\$ 140,716	\$ 1,972,398
Changes in Assets and Liabilities:				
Accounts Receivable	( 320,503)	0	188,907	( 131,596)
Accounts Payable and Other Liabilities	304,126	( 1,837)	( 107,578)	194,711
Prepaid Expense	214	( 278)	12,901	12,837
Due from Other Funds	<u>243,600</u>	<u>0</u>	<u>( 599,191)</u>	<u>( 355,591)</u>
Total Adjustments	<u>\$ 2,047,590</u>	<u>\$ 9,414</u>	<u>(\$ 364,245)</u>	<u>\$ 1,692,759</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,494,051</u>	<u>\$ 4,112</u>	<u>(\$ 542,735)</u>	<u>\$ 1,955,428</u>

**See Accompanying Notes and Independent Auditor's Report**

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**Note 1: Summary of Significant Accounting Policies**

The Redevelopment Authority of the City of Johnstown (the "Authority") was incorporated in 1949 by the City of Johnstown under the Pennsylvania Urban Redevelopment Law of 1945. The Authority assists the City of Johnstown's Department of Community and Economic Development and other local economic development partners including state and federal agencies to maintain a vital downtown business center and attract new businesses into blighted and abandoned industrial properties. The Authority also owns the Regional Sewage Plant which provides sewage treatment to residents of the City and surrounding municipalities.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 to its business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements.

The following is a summary of significant accounting policies of the Authority:

**A. Financial Reporting Entity**

The Authority implemented the Statement of Governmental Accounting Standards Board (GASB) No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*. The Authority's combined financial statements include the accounts of all the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Authority holds the corporate powers of the organization
- The Authority appoints a voting majority of the organization's board
- The Authority is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Authority
- There is fiscal dependency by the organization on the Authority

Based on the aforementioned criteria, it was determined that the Authority is a legally separate entity. In addition, it was determined that XENA Corporation is a blended component unit of the Authority.

**B. Basis of Presentation**

The Authority's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Authority as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Authority that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Authority at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Authority's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Authority, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Authority.

Fund Financial Statements

During the year, the Authority segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Authority at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column.

C. Fund Accounting

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Authority are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.



THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**C. Fund Accounting** (Continued)

**Governmental Funds** (Continued)

The Authority maintains the following governmental funds:

**General Fund**

The General Fund is the general operating fund of the Authority used to account for all financial resources, except those required to be accounted for in another fund. General revenues of the Authority, as well as other resources received and not designated for a specific purpose, are accounted for in the General Fund.

**Special Revenue Fund**

To account for the Authority's share of proceeds obtained from the sale of Johnstown Regional Energy in 2008. These funds are used to support other projects for the Authority.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The Authority's proprietary funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The following are the Authority's major proprietary funds:

**Center Town Mall**

The Center Town Mall fund is used to account for maintaining and operating the purchased land of the Center Town Mall with the intent of controlling the surrounding open vacant land to support the Renaissance Expansion Project.

**Cambria Iron Works**

In prior years, the Redevelopment Authority of the City of Johnstown received donated land and buildings in the Cambria Iron Works Complex. In 2004, the Authority established this fund to account for all activities related to operating the Cambria Iron Works Complex.

**Regional Sewage**

The Regional Sewage fund is used to account for the provision of sewage treatment to residents of the City and surrounding municipalities. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing, and collection.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**D. Measurement Focus and Basis of Accounting**

**Government-Wide Financial Statements**

The government-wide financial statements, and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of timing of related cash flows.

In accordance with GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority applies all GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

**Proprietary Fund Financial Statements**

Like the government-wide financial statements, proprietary or enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the Authority finances and meets the cash flow needs of its enterprise activities.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and non-capital financing activities and investing activities. The Authority's proprietary funds may be used to account for any activity for which a fee is charged to external users for goods or services.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021  
 (CONTINUED)

**Note 1: Summary of Significant Accounting Policies (Continued)**

**E. Deposits and Investments**

The Authority considers all unrestricted highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments of all funds are stated at fair value.

**F. Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds."

Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

**G. Accounts Receivable**

Receivables at December 31, 2021 consist of the following:

	- - - - Proprietary Funds - - - -		
	<u>Regional Sewage</u>	<u>Cambria Iron Works</u>	<u>Total</u>
Accounts Receivable	\$4,166,928	\$5,431	\$4,172,359
Less: Allowance for Uncollectibles	( <u>1,659,420</u> )	<u>0</u>	( <u>1,659,420</u> )
Accounts Receivable, Net	<u>\$2,507,508</u>	<u>\$5,431</u>	<u>\$2,512,939</u>

The Regional Sewage accounts receivable balance includes charges for treatment and loans provided to property owners served by the Johnstown Regional Sewage System at the Dornick Point Sewage Treatment Plan. The loans provide funds to property owners for the mandated remediation of underground privately owner sewer laterals in order to remove infiltration and inflow to the sanitary sewer collection system. Participants are charged \$6.00 per month per \$1,000 borrowed for a period of 20 years. As of December 31, 2021, the balance of the loans receivable was \$1,364,772.

The Authority periodically reviews its accounts receivable for past due accounts and collection history to determine if an allowance for doubtful accounts is required. The Authority has provided an allowance for estimated uncollectible accounts for sewage treatment fees based upon the Authority's collection history and the judgment of management. The allowance for doubtful accounts for Regional Sewage amounted to \$1,659,420 at December 31, 2021.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021  
 (CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**H. Fixed Assets**

Fixed assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Fixed assets are defined by the Authority as assets with an estimated useful life in excess of one year. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated fixed assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The Authority depreciates assets on a straight line basis using the following estimated useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Building and Permanent Fixtures	39 years
Building Improvements	10 - 15 years
Machinery and Equipment	5 - 7 years
Sewer Collection/Interceptors	50 years (average)

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has three items that qualify for reporting in this category. The loss on bond defeasance is reported in the government-wide and proprietary fund statement of net position and amortized over the life of the debt. The difference between the expected and actual experience and changes in assumptions related to the net pension plan are reported in the government-wide statement of net position and are amortized over the next four years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue. Also, the net difference between projected and actual earnings on plan investments is reported in the government-wide statement of net position. The amount deferred related to the defined pension plan is amortized over the next four years.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**J. Compensated Absences**

Authority employees may accumulate unused sick and vacation days and earn the right to receive payment for certain of these days. Per the Authority's policy, upon retirement, which requires at least 20 years of service or age 55, or disability, employees are paid for up to 55 accumulated sick days at the rate applying when the sick leave was earned. In addition, employees are paid for a maximum of 30 vacation days that employees are permitted to carry over plus any unused days earned in the current calendar year. Accrued compensated absences recorded in the General Fund amounted to \$58,819 at December 31, 2021.

**K. Restricted Net Position**

The Regional Sewage Fund maintains a restricted net position balance in the amount equal to restricted cash and cash equivalents held for the purpose of debt service on the outstanding bonds, as well as resources derived from the sanitary sewer upgrade surcharges which were assessed for the purpose of future upgrades to the sewer collection system. The Regional Sewage Fund maintains a restricted net position balance of \$2,508,997.

**L. Fund Balance**

On January 1, 2010, the Authority early implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement required the governmental funds' fund balances to be reclassified into the following five new categories.

*Nonspendable* - fund balance permanently restricted and unavailable for current operations. The General Fund maintained a nonspendable fund balance of \$36,689 for prepaid expense.

*Restricted* - fund balance temporarily restricted for specified purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Committed* - fund balance temporarily restricted for specified purposes established by a formal action by the Board of Directors. Formal action by the Board of Directors is also necessary to modify or rescind a fund balance commitment. The General Fund maintains a committed fund balance of \$5,586 to cover accrued benefits.

*Assigned* - fund balance intended for a specific purpose that does not meet the criteria to be classified as restricted or committed. The Board of Directors has authorized the Executive Director as the official authorized to assign fund balance to a specific purpose.

*Unassigned* - fund balance available for operations without any restriction. The General Fund maintained an unassigned fund balance of \$637,183 for operations.

The Board of Directors will spend the most restricted dollars before less restricted in the order as defined above.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**M. Use of Estimates**

Preparation of the Authority's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**N. Interfund Assets/Liabilities**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from/due to other funds". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

**O. Budgetary Data**

Administrative budgets are prepared; however, they are not legally required and therefore are not presented. Each grant budget is prepared on a fiscal year basis that corresponds to the fiscal year of the individual grant or activity.

Budgets are adopted on a basis consistent with generally accepted accounting principles. The Authority's Board of Directors approves all budgets and revisions. The level of budgetary responsibility varies, i.e. some on an object basis (salaries, fringes, etc.), some on a functional basis (training, administration, etc.), and some in total. Unused appropriations lapse at the end of the contract.

The Authority's primary funding source is federal and state grants, which have grant periods that may or may not coincide with the Authority's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Because of the Authority's dependency on federal and state grant revenues, revenue estimates are based upon the best available information as to potential sources of funding.

The Authority's annual budget differs from that of most local governments in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

The resulting annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards, which fail to materialize.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021  
 (CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**O. Budgetary Data** (Continued)

The Board of Directors formally approves the annual budget but, greater emphasis is placed on complying with the individual grant budget, terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

**P. Pending Changes in Accounting Principles**

In June 2017, the GASB issued Statement No. 87, *Leases*. The Authority is required to adopt Statement No. 87 for its 2022 financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The Authority is required to adopt Statement No. 89 for its 2022 financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The Authority is required to adopt Statement No. 91 for its 2022 financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The Authority is required to adopt Statement No. 92 for its 2023 financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria*. The Authority is required to adopt Statement No. 97 for its 2022 financial statements.

The Authority has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

**Note 2: Deposits and Investments**

Pennsylvania statutes provide for investment of Governmental Funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, and insured and collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of Governmental Funds, Fiduciary Fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice. The deposits and investments of the Fiduciary Funds are administered by trustees and are held separately from those of other Authority funds. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Authority.

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$5,603,657
Investments	2,573,402
Total Cash and Investments	\$8,177,059

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021  
 (CONTINUED)

**Note 2: Deposits and Investments** (Continued)

Cash and investments as of December 31, 2021 consist of the following:

Cash on Hand	\$ 50
Interest Bearing Cash	5,603,607
Certificates of Deposit (3 month maturity)	64,405
Investments	<u>2,508,997</u>
 Total Cash and Investments	 <u>\$8,177,059</u>

Investments in the amount of are restricted for the Regional Sewage fund as follows:

Construction Fund	\$ 668,917
Debt Service Reserve Fund	975,604
Debt Service Fund	<u>864,476</u>
	<u>\$2,508,997</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority manages its exposure to interest rate risk by investing in short-term highly-liquid investments.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority is not exposed to this credit risk due to investment in highly-liquid cash investments.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of December 31, 2021, the Authority's bank balance was \$5,854,072 and \$4,604,072 of that amount was not insured by the FDIC. The Pennsylvania Government code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Pennsylvania Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool equal at least 110% of the total amount deposited by the public agencies.



THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 2: Deposits and Investments (Continued)**

**Custodial Credit Risk (Continued)**

As of December 31, 2021, Authority investments by the following investment types were invested primarily in short-term U.S. Treasury Securities backed by the Federal Government. No other collateral is provided for these investments.

<u>Investment Type</u>	<u>Book Amount</u>	<u>Bank Amount</u>
Regional Sewage - Unrated Treasury Trust Obligation through Local Financial Institution	\$2,508,997	\$2,508,997

**Note 3: Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>					
Capital Assets, not being depreciated:					
Land	\$ 1,279,200	\$ 0	(\$ 1,986)	\$ 0	\$ 1,277,214
Other Non-Depreciable Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets, not being depreciated	<u>\$ 1,279,200</u>	<u>\$ 0</u>	<u>(\$ 1,986)</u>	<u>\$ 0</u>	<u>\$ 1,277,214</u>
Capital Assets, being depreciated:					
Buildings	\$ 1,688,095	\$ 40,641	\$ 0	\$ 0	\$ 1,728,736
Site Improvements	<u>40,460</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,460</u>
Total Capital Assets, being depreciated	<u>\$ 1,728,555</u>	<u>\$ 40,641</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,769,196</u>
Less Accumulated Depreciation for:					
Buildings	(\$ 220,403)	(\$ 45,249)	\$ 0	\$ 0	(\$ 265,652)
Site Improvements	<u>( 7,150)</u>	<u>( 2,697)</u>	<u>0</u>	<u>0</u>	<u>( 9,847)</u>
Total Accumulated Depreciation	<u>(\$ 227,553)</u>	<u>(\$ 47,946)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(\$ 275,499)</u>
Total Capital Assets, being depreciated, net	<u>\$ 1,501,002</u>	<u>(\$ 7,305)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,493,697</u>
Governmental Activities Capital Assets, net	<u>\$ 2,780,202</u>	<u>(\$ 7,305)</u>	<u>(\$ 1,986)</u>	<u>\$ 0</u>	<u>\$ 2,770,911</u>
<b><u>Business-Type Activities</u></b>					
Capital Assets, not being depreciated:					
Cambria Iron Works:					
Land	\$ 76,500	\$ 0	(\$ 17,000)	\$ 0	\$ 59,500
Other Non-Depreciable Assets	291,524	221,089	0	0	512,613
Center Town Mall:					
Land	239,312	0	0	0	239,312
Regional Sewer:					
Land	18,559	0	0	0	18,559
Other Non-Depreciable Assets	<u>4,511,458</u>	<u>3,682,089</u>	<u>0</u>	<u>( 23,984)</u>	<u>8,169,563</u>
Total Capital Assets, not being depreciated	<u>\$ 5,137,353</u>	<u>\$3,903,178</u>	<u>(\$ 17,000)</u>	<u>(\$23,984)</u>	<u>\$ 8,999,547</u>

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**(CONTINUED)**

**Note 3: Capital Assets (Continued)**

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b><u>Business-Type Activities</u> (Continued)</b>					
Capital Assets, being depreciated:					
Cambria Iron Works:					
Buildings	\$ 2,493,004	\$ 0	(\$463,507)	\$ 0	\$ 2,029,497
Center Town Mall:					
Buildings	244,726	0	0	0	244,726
Regional Sewer:					
Buildings	8,888,570	103,056	0	23,984	9,015,610
Machinery and Equipment	1,770,202	29,050	0	0	1,799,252
Interceptor Lines	<u>59,884,248</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>59,884,248</u>
Total Capital Assets, being depreciated	<u>\$73,280,750</u>	<u>\$ 132,106</u>	<u>(\$463,507)</u>	<u>\$23,984</u>	<u>\$72,973,333</u>
Less Accumulated Depreciation for:					
Buildings	(\$ 4,251,188)	(\$ 438,388)	\$104,919	\$ 0	(\$ 4,584,657)
Machinery and Equipment	( 2,531,414)	( 64,376)	0	0	( 2,595,790)
Interceptor Lines	<u>( 7,296,331)</u>	<u>( 1,440,718)</u>	<u>0</u>	<u>0</u>	<u>( 8,737,049)</u>
Total Accumulated Depreciation	<u>(\$14,078,933)</u>	<u>(\$1,943,482)</u>	<u>\$104,919</u>	<u>\$ 0</u>	<u>(\$15,917,496)</u>
Total Capital Assets, being depreciated, net	<u>\$59,201,817</u>	<u>(\$1,811,376)</u>	<u>(\$358,588)</u>	<u>\$23,984</u>	<u>\$57,055,837</u>
Business-Type Activities Capital Assets, net	<u>\$64,339,170</u>	<u>\$2,091,802</u>	<u>(\$375,588)</u>	<u>\$ 0</u>	<u>\$66,055,384</u>

**Note 4: Long-Term Obligations**

Long-term liability activity for the year ended December 31, 2021, was as follows:

	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities</u></b>					
Cambria Rowe Building Loan	\$ 104,208	\$ 0	(\$ 5,430)	\$ 98,778	\$ 6,165
AmeriServ Financial Bank Loan - 4598000100	656,082	0	( 37,673)	618,409	38,851
AmeriServ Financial Bank Loan - 4598100100	<u>183,587</u>	<u>0</u>	<u>( 29,790)</u>	<u>153,797</u>	<u>30,606</u>
Governmental Activities Long-Term Liabilities	<u>\$ 943,877</u>	<u>\$ 0</u>	<u>(\$ 72,893)</u>	<u>\$ 870,984</u>	<u>\$ 75,622</u>
<b><u>Business-Type Activities</u></b>					
2018 Sewer Revenue Bonds	\$ 4,550,000	\$ 0	(\$ 15,000)	\$ 4,535,000	\$ 15,000
2020 Sewer Revenue Bonds	6,220,000	0	( 340,000)	5,880,000	675,000
2009 Pennworks Loan	1,140,390	0	( 180,697)	959,693	183,409
2010 PENNVEST Loan	4,642,270	0	( 293,123)	4,349,147	297,128
2012 PENNVEST Loan	3,463,342	0	( 234,960)	3,228,382	237,308
2014 PENNVEST Loan	1,896,064	0	( 113,450)	1,782,614	115,139
2015 PENNVEST Loan	3,889,446	0	( 220,318)	3,669,128	222,362
2016 PENNVEST Loan	15,484,435	0	( 856,428)	14,628,007	864,371
2017 PENNVEST Loan	3,282,172	0	( 302,399)	2,979,773	305,203
2020 PENNVEST Loan	2,377,149	533,373	0	2,910,522	170,433
Center Town Mall Loan	219,071	0	( 15,846)	203,225	15,903
Bond Discount	( 106,022)	11,368	0	( 94,654)	( 11,323)
Bond Premium	<u>292,267</u>	<u>0</u>	<u>( 33,723)</u>	<u>258,544</u>	<u>33,723</u>
Business-Type Activities Long-Term Liabilities	<u>\$47,350,584</u>	<u>\$544,741</u>	<u>(\$2,605,944)</u>	<u>\$45,289,381</u>	<u>\$3,123,656</u>

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 4: Long-Term Obligations** (Continued)

**Description of Debt**

Pertinent information regarding general obligation debt outstanding is presented below:

**Bonds Payable**

**Sewer Revenue Bonds, Series of 2018**

During 2018, the Authority issued \$4,585,000 in Sewer Revenue Bonds with an average interest rate of 2.675% to refund, on a current basis, all of the outstanding principal and interest on the Authority's Sewer Revenue Bonds, Series of 2007 and pay all costs and expenses related to the issuance and sale of the Bonds. The security for the bonds is the pledged revenues, rentals and moneys of the Authority derived from or in connection with the Sewer System. The difference between the cash flows required to service old debt and the cash flows required to service the new debt amounts to \$558,345. The cumulative economic gain resulting from this transaction amounts to \$460,087.

**Sewer Revenue Bonds, Series of 2020**

During 2020, the Authority issued \$6,220,000 in Sewer Revenue Bonds with an average interest rate of 2.278% to refund, on a current basis, all of the outstanding principal and interest on the Authority's Sewer Revenue Bonds, Series of 2014 and pay all costs and expenses related to the issuance and sale of the Bonds. The security for the bonds is the pledged revenues, rentals, and moneys of the Authority derived from or in connection with the Sewer System. The difference between the cash flows required to service old debt and the cash flows required to service the new debt amounts to \$389,871. The cumulative economic gain resulting from this transaction amounts to \$388,642.

**Notes Payable**

**Center Town Mall**

In December 2012, the Authority, with Xena Corporation as a co-borrower, entered in a loan agreement with Somerset Trust Company to refinance the 1998 Center Town Mall Loan. The total loan amount was \$325,000. The loan bore an interest at 2.99% for three (3) years, with a balloon payment of \$289,665 due on December 19, 2015. The collateral for this loan was the first mortgage on Center Town Mall.

On December 23, 2015, the Authority refinanced this loan with a commercial mortgage totaling \$289,845, with an interest rate of 2.99% fixed for three years and reset every three years thereafter based on a three-year treasury plus 2.05% until maturity. The interest rate has a floor of 2.99% and a ceiling rate of 6.99%. The loan has a seventeen year term and a monthly payment of \$1,820, which will adjust with the rate. The collateral for this loan is a first lien position on 339 Walnut Street and a lot at 316 Vine Street, Johnstown, Pennsylvania, as well as an assignment of leases and rent.

**Regional Sewage**

In September 2006, the Authority entered into an agreement with the Commonwealth of Pennsylvania Department of Community and Economic Development's Water Supply and Wastewater Infrastructure Program (PennWorks). The \$3,600,000 agreement consists of a grant in the amount of \$1,080,000 and a loan in the amount of \$2,520,000. The annual

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 4: Long-Term Obligations** (Continued)

**Notes Payable** (Continued)

**Regional Sewage** (Continued)

interest rate of the loan is 2%, and must be repaid over 20 years. The proceeds from the Department of Community and Economic Development were used to purchase a plant clarifier and its related costs. All grant funds were utilized. The balance due on the loan as of December 31, 2021 was \$959,693.

**2010 PENNVEST Loan - Regional Sewer Improvement Project**

The Redevelopment Authority of the City of Johnstown was awarded a \$7.5 million loan from Pennsylvania Infrastructure Investment Authority. The terms of the loan are 40 months of principal and interest at a rate of 1%, and the remaining term of the loan is 180 months of principal and interest at a rate of 1.47%. The proceeds of the loan are to be used for the construction of 50 permanent flow meter manhole stations throughout the Authority's interceptor system, along with 3,900 linear feet of sanitary interceptor sewers in the Sell Street area of the City of Johnstown. The balance due on the loan as of December 31, 2021 was \$4,349,147.

**2012 PENNVEST Loan - Interceptor Rehabilitation and Storm Sewer Separation Project**

In July 2012, the Redevelopment Authority of the City of Johnstown, was awarded a \$5.9 million loan from the Pennsylvania Infrastructure Investment Authority. The terms of the loan are 45 months of principal and interest at a rate of 1%, and the remaining term of the loan is 180 months of principal and interest at a rate of 1.077%. The proceeds of the loan are to be used for construction of 19,200 linear feet of replacement interceptor's sewers in the Roxbury, Moxham, Hornerstown, and Walnut Grove areas of the Authority's interceptor system in the City of Johnstown. The balance due on the loan as of December 31, 2021 was \$3,228,382.

**2014 PENNVEST Loan - Franklin Street Interceptor Rehabilitation and Storm Water Separation Project**

In July 2014, the Redevelopment Authority of the City of Johnstown was awarded a \$2.5 million loan from the Pennsylvania Infrastructure Investment Authority. The terms of the loan are 47 months of principal and interest at a rate of 1% and the remaining term of the loan is 180 months of principal and interest at a rate of 1.601%. The proceeds of the loan are to be used for construction of 5,700 feet of replacement interceptor sewer for the Franklin Street interceptor in the Roxbury area of the City of Johnstown. The balance due on the loan as of December 31, 2021 was \$1,782,614.

**2015 PENNVEST Loan - Woodvale/Oakhurst Interceptor Rehabilitation and Storm Water Separation Project**

In April 2015, the Redevelopment Authority of the City of Johnstown was awarded project for a \$5.0 million loan from the Pennsylvania Infrastructure Investment Authority. The proceeds of the loan are to be used for construction of approximately 8,000 linear feet of sanitary sewers, 1,550 linear feet of slip liner along with related manhole rehabilitation, correct excessive infiltration and reduce sanitary sewer overflows in the Woodvale and Oakhurst areas of the City. The balance due on the loan as of December 31, 2021 was \$3,669,128.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 4: Long-Term Obligations** (Continued)

**Notes Payable** (Continued)

**2016 PENNVEST Loan - Hornerstown/Industrial Park Interceptor Rehab and Storm Water Separation Project**

In January 2016, the Redevelopment Authority of the City of Johnstown was awarded a \$18.3 million loan from the Pennsylvania Infrastructure Investment Authority. The proceeds of the loan are to be used for the construction of approximately 6,900 feet of replacement, 30 inch and 36 inch interceptor sewers in the Hornerstown area of the City of Johnstown. The balance due on the loan as of December 31, 2021 was \$14,628,007.

**2017 PENNVEST Loan - Hornerstown Street and Ohio Street Interceptor Rehab and Storm Water Separation Project**

In April 2018, the Redevelopment Authority of the City of Johnstown was awarded a PENNVEST loan in the amount of \$6,049,158 with a maturity date of July 1, 2039 for the Hornerstown Street and Ohio Street Interceptor Rehab and Storm Water Separation Project. The balance due on the loan as of December 31, 2021 was \$2,979,773.

**2020 PENNVEST Loan - Fairfield Avenue Sewer Remediation Project**

In March 2020, the Redevelopment Authority of the City of Johnstown was awarded a PENNVEST loan in the amount of \$5,146,282 with a maturity date of April 1, 2042 for the Fairfield Avenue Sewer Remediation Project. As of December 31, 2021, \$2,910,522 was disbursed to the Authority, with the remaining \$2,235,760 expected to be disbursed in 2022.

**Cambria Rowe Building Loan**

In December 2019, the Redevelopment Authority of the City of Johnstown entered into a loan agreement with Somerset Trust to finance the purchase of the Cambria Rowe Building located at 221 Central Avenue, Johnstown, PA. The total loan amount was \$110,000 with an interest rate of 3.30% and matures in December 2034. The balance due on the loan as of December 31, 2021 was \$98,778.

**416 Main Street Building Buildout Loan**

In October 2019, the Redevelopment Authority of the City of Johnstown entered into a loan agreement with AmeriServ Financial Bank to finance the renovations and build out of the 416 Main Street building. The total loan amount was \$630,000 with a fixed interest rate of 4.25% until October 3, 2024.

In July 2020, the Redevelopment Authority of the City of Johnstown entered into two (2) loan agreements with AmeriServ Financial Bank to finance the renovations and build out of the 416 Main Street Building. The loan agreements were agreed upon to refinance the loan that was obtained to finance the build out of the 416 Main Street building in October 2019. The total loan amount for the first loan was \$671,500 with a fixed interest rate of 2.5% until July 7, 2025. There is a 2.5% interest rate floor. After July 7, 2025, the rate will readjust to 75% of the daily yield on U.S. Treasury Securities, adjusted to a constant maturity of five years, plus 300 basis points. In addition, the rate will readjust on July 7, 2030 in the same fashion. The total amount for the second loan was \$218,500 with a fixed interest rate of 2.5% until July 7, 2025. There is a 2.5% interest rate floor. After July 7, 2025, the rate will readjust to 75% of the daily yield on U.S. Treasury Securities, adjusted to a constant maturity of five years, plus 300 basis points. As of December 31, 2021, the balances due on the loans are \$618,409 and \$153,797, respectively.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

Note 4: Long-Term Obligations (Continued)

Debt Maturity

An analysis of debt service requirements to maturity on these obligations follows:

2018 Sewer Revenue Bonds

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 15,000	\$ 145,420	\$ 160,420
2023	15,000	145,101	160,101
2024	15,000	144,764	159,764
2025	15,000	144,370	159,370
2026	15,000	143,976	158,976
2027 - 2031	1,730,000	687,186	2,417,186
2032 - 2034	<u>2,730,000</u>	<u>178,633</u>	<u>2,908,633</u>
	<u>\$4,535,000</u>	<u>\$1,589,450</u>	<u>\$6,124,450</u>

2020 Sewer Revenue Bonds

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 675,000	\$ 135,525	\$ 810,525
2023	690,000	125,400	815,400
2024	710,000	104,700	814,700
2025	730,000	83,400	813,400
2026	745,000	61,500	806,500
2027 - 2029	<u>2,330,000</u>	<u>93,700</u>	<u>2,423,700</u>
	<u>\$5,880,000</u>	<u>\$ 604,225</u>	<u>\$6,484,225</u>

2009 Penn Works Loan

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 168,842	\$ 14,567	\$ 183,409
2023	187,753	14,102	201,855
2024	191,543	10,312	201,855
2025	195,409	6,446	201,855
2026	199,353	2,502	201,855
2027	<u>16,793</u>	<u>28</u>	<u>16,821</u>
	<u>\$ 959,693</u>	<u>\$ 47,957</u>	<u>\$1,007,650</u>

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

Note 4: Long-Term Obligations (Continued)

Debt Maturity (Continued)

Center Town Mall Loan

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 15,903	\$ 5,855	\$ 21,758
2023	16,387	5,371	21,758
2024	16,885	4,873	21,758
2025	17,399	4,359	21,758
2026	17,928	3,830	21,758
2027 - 2031	98,158	10,632	108,790
2032	<u>20,565</u>	<u>299</u>	<u>20,864</u>
	<u>\$ 203,225</u>	<u>\$ 35,219</u>	<u>\$ 238,444</u>

2010 PENNVEST Loan

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 297,128	\$ 62,267	\$ 359,395
2023	301,494	57,901	359,395
2024	305,956	53,439	359,395
2025	310,484	48,911	359,395
2026	315,079	44,316	359,395
2027 - 2031	1,646,737	150,238	1,796,975
2032 - 2035	<u>1,172,269</u>	<u>31,005</u>	<u>1,203,274</u>
	<u>\$4,349,147</u>	<u>\$ 448,077</u>	<u>\$4,797,224</u>

2012 PENNVEST Loan

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 237,308	\$ 33,794	\$ 271,102
2023	239,858	31,244	271,102
2024	242,454	28,648	271,102
2025	245,078	26,024	271,102
2026	247,731	23,371	271,102
2027 - 2031	1,279,458	76,053	1,355,511
2032 - 2034	<u>736,495</u>	<u>11,915</u>	<u>748,410</u>
	<u>\$3,228,382</u>	<u>\$ 231,049</u>	<u>\$3,459,431</u>

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

Note 4: Long-Term Obligations (Continued)

Debt Maturity (Continued)

2014 PENNVEST Loan

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 115,139	\$ 27,837	\$ 142,976
2023	116,983	25,993	142,976
2024	118,870	24,106	142,976
2025	120,787	22,189	142,976
2026	122,735	20,241	142,976
2027 - 2031	644,014	70,867	714,881
2032 - 2035	<u>544,086</u>	<u>18,270</u>	<u>562,356</u>
	\$1,782,614	\$ 209,503	\$1,992,117

2015 PENNVEST Loan

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 222,362	\$ 35,843	\$ 258,205
2023	224,580	33,625	258,205
2024	226,836	31,369	258,205
2025	229,115	29,090	258,205
2026	231,417	26,788	258,205
2027 - 2031	1,192,426	98,599	1,291,025
2032 - 2036	1,253,537	37,488	1,291,025
2037	<u>88,855</u>	<u>250</u>	<u>89,105</u>
	\$3,669,128	\$ 293,052	\$3,962,180

2016 PENNVEST Loan

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 864,371	\$ 142,983	\$ 1,007,354
2023	872,994	134,360	1,007,354
2024	881,764	125,590	1,007,354
2025	890,622	116,732	1,007,354
2026	899,570	107,784	1,007,354
2027 - 2031	4,635,233	401,537	5,036,770
2032 - 2036	4,872,785	163,985	5,036,770
2037	<u>710,668</u>	<u>3,364</u>	<u>714,032</u>
	\$14,628,007	\$1,196,335	\$15,824,342



THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 4: Long-Term Obligations (Continued)**

**Debt Maturity (Continued)**

**2017 PENNVEST Loan**

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 305,203	\$ 28,634	\$ 333,837
2023	308,248	25,589	333,837
2024	311,345	22,492	333,837
2025	314,472	19,365	333,837
2026	317,632	16,205	333,837
2027 - 2031	<u>1,422,873</u>	<u>32,965</u>	<u>1,455,838</u>
	<u>\$2,979,773</u>	<u>\$ 145,250</u>	<u>\$3,125,023</u>

**2020 PENNVEST Loan**

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 170,433	\$ 28,609	\$ 199,042
2023	257,788	26,222	284,010
2024	260,378	23,632	284,010
2025	262,994	21,016	284,010
2026	265,636	18,374	284,010
2027 - 2031	1,368,746	51,302	1,420,048
2032 - 2033	<u>324,547</u>	<u>2,006</u>	<u>326,553</u>
	<u>\$2,910,522</u>	<u>\$ 171,161</u>	<u>\$3,081,683</u>

**AmeriServ Loan - 4598000100**

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 38,851	\$ 15,017	\$ 53,868
2023	39,833	14,035	53,868
2024	40,840	13,027	53,867
2025	41,873	11,994	53,867
2026	42,932	10,936	53,868
2027 - 2031	231,506	37,832	269,338
2032 - 2035	<u>182,574</u>	<u>8,396</u>	<u>190,970</u>
	<u>\$ 618,409</u>	<u>\$ 111,237</u>	<u>\$ 729,646</u>

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 4: Long-Term Obligations** (Continued)

**Debt Maturity** (Continued)

**AmeriServ Loan - 4598100100**

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 30,606	\$ 3,494	\$ 34,100
2023	31,380	2,720	34,100
2024	32,173	1,927	34,100
2025	32,987	1,113	34,100
2026	<u>26,651</u>	<u>290</u>	<u>26,941</u>
	<u>\$ 153,797</u>	<u>\$ 9,544</u>	<u>\$ 163,341</u>

**Cambria Rowe Building**

<u>Years Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 6,165	\$ 3,167	\$ 9,332
2023	6,372	2,960	9,332
2024	6,586	2,746	9,332
2025	6,806	2,526	9,332
2026	7,034	2,298	9,332
2027 - 2031	38,868	7,794	46,662
2032 - 2035	<u>26,947</u>	<u>1,387</u>	<u>28,334</u>
	<u>\$ 98,778</u>	<u>\$ 22,878</u>	<u>\$ 121,656</u>

**Note 5: Letters of Credit**

Letters of credit represent conditional obligations of First National Bank which guarantees the performance of the Authority to the Pennsylvania Department of Transportation. As of December 31, 2021, the Authority was party to one (1) \$20,000 irrevocable letter of credit that expired May 17, 2021. This letter of credit was subsequently renewed until May 17, 2022.

**Note 6: Retirement Plan**

**Plan Description**

The Redevelopment Authority of the City of Johnstown contributes to a single-employer defined benefit pension plan. The plan was established by Resolution No. 4230, effective April 1, 2016. The plan administered through the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). The CAFR is available on the PMRS Website. A copy can be obtained by contacting the PMRS accounting office.

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)**

**Note 6: Retirement Plan (Continued)**

**Method Used to Value Investments**

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**Plan Membership**

The plan covers all full-time employees. As of December 31, 2020, pension plan membership consisted of the following:

Active employees	5
Inactive employees and beneficiaries currently receiving benefits	1
Inactive employees entitled to benefits but not yet receiving them	<u>0</u>
Total	6
	=

**Benefits Provided**

Membership for fulltime officers and employees is mandatory. Original members receive credited service for all years of prior service for determining the member's eligibility for benefits. Members are eligible for unreduced basic benefits upon attainment of age 62, and members vest at 20% per year through the first five years or credited service at which time members are fully vested. The basic benefits equals a single life annuity starting on the effective date of retirement with a present value of the member's deduction (which may be up to 20% of compensation) and the Authority's contribution (currently 9% of compensation) on behalf of the member.

**Contributions**

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Act 205 requires that annual contributions to the pension plan be based upon the minimum municipal obligation (MMO). The MMO is determined from the plan's latest actuarial valuation report along with estimates of payroll, employee contributions, and administrative costs. For the year ended December 31, 2021, the Authority's required contribution was \$27,865.

Employees are required to contribute to the plan in an amount to be determined from time to time. This contribution is governed by the plan's governing ordinances and collective bargaining. Employers contributions are currently 9.0% of covered payroll.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the plan and funded through the MMO and/or plan earnings.

**Investments**

The plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plan's target asset allocation according to the PMRS investment policy adopted May 15, 2014, is as follows:

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**(CONTINUED)**

**Note 6: Retirement Plan (Continued)**

**Investments** (Continued)

<u>Asset Class</u>	<u>Range</u>
Cash and Cash Equivalents	0%
Domestic Equities	47.5%
International Equities	25%
Real Estate	12.5%
Fixed Income	15%

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit ratings of the plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are included on the table below.

**Net Pension Asset/Liability**

The Authority's net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) is based upon the January 1, 2019 actuarial valuation with liabilities measured at December 31, 2020. The tables show the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of the Plan assets), and the Net Pension Liability (Asset) as of the Measurement Date.

	<b>Change in Net Pension Liability (Asset)</b>		
	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b><u>Balances</u> - 12/31/2019</b>	\$313,746	\$332,374	(\$18,628)
Changes for the Year:			
Service Cost	\$ 25,870	\$ 0	\$25,870
Interest	16,326	0	16,326
Changes of Assumptions	15,775	0	15,775
Differences Between Expected and Actual Experience	4,334	0	4,334
Contributions - Employer	0	25,870	( 25,870)
Contributions - PMRS Assessment	0	120	( 120)
PMRS Investment Income	0	16,238	( 16,238)
Market Value Investment Income	0	39,098	( 39,098)
Benefit Payments	( 23,455)	( 23,455)	0
PMRS Administrative Expense	0	( 120)	120
Additional Administrative Expense	0	( 707)	707
<b>Net Changes</b>	<b>\$ 38,850</b>	<b>\$ 57,044</b>	<b>(\$18,194)</b>
<b><u>Balances</u> - 12/31/2020</b>	<b>\$352,596</b>	<b>\$389,418</b>	<b>(\$36,822)</b>

As of December 31, 2021, the net pension liability was reduced by \$27,865, representing contributions made subsequent to December 31, 2020.

The components of the net pension liability of the Authority's plan at December 31, 2020, were as follows:

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 6: Retirement Plan** (Continued)

Total Pension Plan Liability	\$352,596
Plan Fiduciary Net Position	<u>389,418</u>
Net Pension Liability	(\$ 36,822)

Plan Fiduciary Net Position as a percentage of the total pension liability is 110.44%.

**Actuarial Assumptions**

According to the Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financing reporting purposes, to determine the respective employer "plan fiduciary net position." PMRS has determined that net investment income or loss and administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year. The "Additional administrative expenses" are the expense in excess of the "PMRS administrative expense" (i.e. \$20 per participant expense paid by each plan). The "PMRS investment income" is based upon the regular and excess interest used to credit accounts annually. The "Market value investment income" reflects the investment income/loss during the year net of PMRS investment income and income/loss due to the difference between expected and actual asset values, including the impact from allocation of assets in support of the underlying retiree liabilities.

The actuarial assumptions used in the December 31, 2020 measurement date valuation were based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020, covering the defined benefit plan participants and all retirees, as well as subsequent Board approved assumption changes. This assumption changes from the Experience Study are first being used for the December 31, 2020 measurement date. Effective with the December 31, 2016 measurement date, the Investment Return Assumption for municipal assets decreased from 5.5% to 5.25%. Other significant assumptions used in the valuation include:

Post-Retirement Cost-of-Living Adjustments	2.2% per year, subject to plan limitations
Salary Increases	Inflation rate of 2.2%, plus merit based increases
Investment Rate of Return	5.25% compounded annually, net of expenses
Retirement Age	Age and service-based tables of rates that are specific to the type of eligibility condition.

**Discount Rate**

The discount rate used to measure the total pension liability was 5.25 percent. The projection of cash flows used to determine the discount rate assumed that Borough contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 6: Retirement Plan** (Continued)

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Authority, calculated using the discount rate of 5.25 percent, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25 percent) or 1-percentage-point higher (6.25 percent) than the current rate:

	<u>-1% (4.25%)</u>	<u>Current Discount Rate (5.25%)</u>	<u>+1% (6.25%)</u>
Net Pension Liability	\$2,641	(\$36,822)	(\$73,311)
	=====	=====	=====

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

<u>Components of Pension Expense</u>	<u>12/31/20</u>
Service Cost	\$25,870
Interest on Total Pension Liability	16,326
Expected Return on Assets	( 16,238)
Recognition of Changes in Assumptions	1,578
Recognition of Investment Gains and Losses	( 16,031)
Recognition of Liability Gains and Losses	1,527
Pension Plan Administrative Expense	<u>827</u>
Total Pension Expense	<u>\$13,859</u>

At December 31, 2021, the Plan reported deferred outflows of resources and deferred inflows of resources related to pension expense from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between the Expected and Actual Experience	\$15,507	\$ 0
Changes of Assumptions	12,619	0
Net Difference Between Projected and Actual Earnings on Plan Investments	<u>0</u>	<u>39,651</u>
Total	<u>\$28,126</u>	<u>\$39,651</u>

Amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pension will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2022	(\$12,079)
2023	( 13,544)
2024	( 4,713)
2025	3,105
2026	3,105
Thereafter	12,601

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 7: Deferred Compensation Plan**

The Authority established a deferred compensation plan, which was adopted under the provisions of the Internal Revenue Code Section 457 (Deferred Compensation Plan with Respect to Service for State and Local Governments.) A third-party firm administers the plan under a trust agreement.

The plan covers certain management employees of the Authority. The amounts required to be contributed are based on contractual amounts or percentages of compensation as provided in their employment contracts. All amounts of compensation deferred under the Plan and all income attributable to those amounts (until paid or made available to the employee or beneficiary) are solely the property and rights of the Authority; but are restricted for employees that participate in the Plan. The Authority must exercise due care as required of any ordinary prudent investor.

The plan is for eligible employees completing one year of service. Participants may defer income on a pre-tax basis through an elective contribution to the Plan, subject to limitations prescribed by the Internal Revenue Code. The Authority will match a percentage of each participant's contribution up to a maximum of 4% of gross compensation. Participants become immediately vested in the matching contribution. During the year ended December 31, 2021, the Authority's matching contribution to the Plan was \$12,108.

**Note 8: Commitments and Contingencies**

**Grant Programs**

The Authority participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Authority is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs.

**PA DEP - Consent Order**

In August 2009, the Pennsylvania Department of Environmental Protections (PA DEP) imposed the final Consent Order on the Authority involving violations of NPDES permit limits. The consent order also contained a time table for general improvements in the system for removal of wet weather overflows with the interceptor system. In conjunction with the final Consent Order, the Authority agreed to pay \$45,000 in penalties to PA DEP over an 18 month period, in addition the time table set to accomplish the required improvements ends December 31, 2022.

Given the scope of the Order, the size of the Authority's sewer system, and the various conditions and/or deficiencies that may be discovered by the assessment, it is difficult to predict the total cost of compliance with the order. Moreover, it is difficult to predict what, if any, large scale and/or regional capital improvements may be required after the completion of the assessment to address wet weather sewer overflows. The Authority has hired an engineering firm to assist in the development of its plans to comply with the order. Costs associated with the order are capitalized as the improvements will improve the life and increase the operating effectiveness of the sewer system.

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021  
 (CONTINUED)

**Note 8: Commitments and Contingencies** (Continued)

**Litigation and Investigation**

In the normal course of operations, the Authority is involved in various disputes and grievances. Management is of the opinion that any outcome resulting from these actions would not have a material effect on the Authority's financial position.

**Note 9: Risk Management**

The Authority is exposed to various risks or loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority utilizes commercial insurance policies for selected exposures.

**Note 10: Operating Leases as Lessee**

The Authority leases equipment from various vendors under specific terms and conditions. The following is a schedule of future minimum lease payments required under non-cancellable operating leases for the years ending December 31: The Future minimum lease payments required under non-cancellable operating leases for the year ending December 31, 2021:

<u>Year Ended</u>	<u>Amount</u>
2022	\$323
2023	323
2024	323
2025	323
2026	323

**Note 11: Operating Leases as Lessor**

The Authority leases both building and parking spaces to tenants under annual, month-to-month, and multiple year operating leases. Rent owed over next five years for multiple year leases is as follows:

<u>Year Ended</u>	<u>Amount</u>
2022	\$189,543
2023	171,001
2024	106,345
2025	31,521
2026	0

The cost of property held for leasing was \$1,946,523 while accumulated depreciation totaled \$550,669 as of December 31, 2021.



THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021  
(CONTINUED)

**Note 12: Prior Period Adjustments**

Net Position for the Governmental Activities as of January 1, 2021 has been adjusted for pension related expenses recognized in error in prior years. The correction has no effect on the results of the current year's operations of the Authority, nor its various funds; however, the cumulative effect increases beginning Net Position for the Governmental Activities for 2021 by \$74,556. Had the error not occurred, Net Position for the Governmental Activities for 2020 would have increased by \$74,556. Previously issued financial statements have not been restated to correct this error.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2020</u>	<u>2019</u>
<b><u>Total Pension Liability</u></b>		
Service Cost	\$ 25,870	\$ 18,662
Interest	16,326	15,623
Change in Benefit Terms	0	0
Differences Between Expected and Actual Experience	4,334	0
Changes of Assumptions	15,775	0
Transfers	0	0
Benefit Payments, including refunds of member contributions	( 23,455)	( 23,455)
Net Change in Pension Liability	\$ 38,850	\$ 10,830
<b><u>Total Pension Liability (Asset) - Beginning</u></b>	<u>313,746</u>	<u>302,916</u>
<b><u>Total Pension Liability (Asset) - Ending (A)</u></b>	<u>\$352,596</u>	<u>\$313,746</u>
<b><u>Plan Fiduciary Net Position</u></b>		
Contributions - Employer	\$ 25,870	\$ 18,662
Contributions - PMRS Assessment	120	100
Net Investment Income	55,336	59,575
Transfers	0	0
Benefit Payments, including refunds of member contributions	( 23,455)	( 23,455)
Administrative Expenses	( 827)	( 633)
Net Change in Plan Fiduciary Net Position	\$ 57,044	\$ 54,249
<b><u>Plan Fiduciary Net Position - Beginning</u></b>	<u>332,374</u>	<u>278,125</u>
<b><u>Plan Fiduciary Net Position - Ending (B)</u></b>	<u>\$389,418</u>	<u>\$332,374</u>
<b><u>Authority's Net Pension Liability (Asset) - Ending (A-B)</u></b>	<u>(\$ 36,822)</u>	<u>(\$ 18,628)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.44%	105.94%
Covered Employee Payroll	\$287,449	\$207,360
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(12.81%)	(8.98%)

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
(CONTINUED)**

	<u>2018</u>	<u>2017</u>
<b><u>Total Pension Liability</u></b>		
Service Cost	\$ 16,821	\$ 12,382
Interest	14,195	7,071
Change in Benefit Terms	3,108	0
Differences Between Expected and Actual Experience	16,415	0
Changes of Assumptions	0	0
Transfers	0	0
Benefit Payments, including refunds of member contributions	( 23,196)	( 23,196)
Net Change in Pension Liability	\$ 27,343	(\$ 3,743)
<b><u>Total Pension Liability (Asset) - Beginning</u></b>	<u>275,573</u>	<u>279,316</u>
<b><u>Total Pension Liability (Asset) - Ending (A)</u></b>	<u>\$302,916</u>	<u>\$275,573</u>
<b><u>Plan Fiduciary Net Position</u></b>		
Contributions - Employer	\$ 16,826	\$ 12,382
Contributions - PMRS Assessment	80	80
Net Investment Income	6,014	24,752
Transfers	0	0
Benefit Payments, including refunds of member contributions	( 23,196)	( 23,196)
Administrative Expenses	( 675)	( 363)
Net Change in Plan Fiduciary Net Position	(\$ 951)	\$ 13,655
<b><u>Plan Fiduciary Net Position - Beginning</u></b>	<u>279,076</u>	<u>265,421</u>
<b><u>Plan Fiduciary Net Position - Ending (B)</u></b>	<u>\$278,125</u>	<u>\$279,076</u>
<b><u>Authority's Net Pension Liability (Asset) - Ending (A-B)</u></b>	<u>\$ 24,791</u>	<u>(\$ 3,503)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.82%	101.27%
Covered Employee Payroll	\$186,904	\$107,000
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	13.26%	(3.27%)

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 PENSION PLAN  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 (CONTINUED)

	<u>2016</u>	<u>2015</u>
<b><u>Total Pension Liability</u></b>		
Service Cost	\$ 7,808	\$0
Interest	9,705	0
Change in Benefit Terms	0	0
Differences Between Expected and Actual Experience	( 1)	0
Changes of Assumptions	0	0
Transfers	261,804	0
Benefit Payments, including refunds of member contributions	<u>0</u>	<u>0</u>
Net Change in Pension Liability	\$279,316	\$0
<b><u>Total Pension Liability (Asset) - Beginning</u></b>	<u>0</u>	<u>0</u>
<b><u>Total Pension Liability (Asset) - Ending (A)</u></b>	<u>\$279,316</u>	<u>\$0</u>
<b><u>Plan Fiduciary Net Position</u></b>		
Contributions - Employer	\$ 7,808	\$0
Contributions - PMRS Assessment	40	0
Net Investment Income	( 3,754)	0
Transfers	261,804	0
Benefit Payments, including refunds of member contributions	0	0
Administrative Expenses	( 477)	<u>0</u>
Net Change in Plan Fiduciary Net Position	\$265,421	\$0
<b><u>Plan Fiduciary Net Position - Beginning</u></b>	<u>0</u>	<u>0</u>
<b><u>Plan Fiduciary Net Position - Ending (B)</u></b>	<u>\$265,421</u>	<u>\$0</u>
<b><u>Authority's Net Pension Liability (Asset) - Ending (A-B)</u></b>	<u>\$ 13,895</u>	<u>\$0</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.03%	N/A
Covered Employee Payroll	\$ 86,754	\$0
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	<u>16.02%</u>	<u>N/A</u>

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 PENSION PLAN  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 (CONTINUED)

	<u>2014</u>
<b><u>Total Pension Liability</u></b>	
Service Cost	\$0
Interest	0
Change in Benefit Terms	0
Differences Between Expected and Actual Experience	0
Changes of Assumptions	0
Transfers	0
Benefit Payments, including refunds of member contributions	<u>0</u>
Net Change in Pension Liability	\$0
<b><u>Total Pension Liability (Asset)</u></b> - Beginning	<u>0</u>
<b><u>Total Pension Liability (Asset)</u></b> - Ending (A)	\$0
	=
<b><u>Plan Fiduciary Net Position</u></b>	
Contributions - Employer	\$0
Contributions - PMRS Assessment	0
Net Investment Income	0
Transfers	0
Benefit Payments, including refunds of member contributions	0
Administrative Expenses	<u>0</u>
Net Change in Plan Fiduciary Net Position	\$0
<b><u>Plan Fiduciary Net Position</u></b> - Beginning	<u>0</u>
<b><u>Plan Fiduciary Net Position</u></b> - Ending (B)	\$0
	=
<b><u>Authority's Net Pension Liability (Asset)</u></b> - Ending (A-B)	\$0
	=
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A
Covered Employee Payroll	\$0
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	N/A
	=

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS**

	<u>2020</u>	<u>2019</u>	
Actuarially Determined Contribution	\$ 25,990	\$ 18,762	
Contributions in Relation to the Actuarially Determined Contribution	<u>25,990</u>	<u>18,762</u>	
Contribution Deficiency (Excess)	\$ 0	\$ 0	
Covered Employee Payroll	<u>\$287,449</u>	<u>\$207,360</u>	
Authority's Contributions as a Percentage of Covered Employee Payroll	<u>9.04%</u>	<u>9.05%</u>	
	<u><b>2018</b></u>	<u><b>2017</b></u>	
Actuarially Determined Contribution	\$ 16,901	\$ 12,422	
Contributions in Relation to the Actuarially Determined Contribution	<u>16,906</u>	<u>12,462</u>	
Contribution Deficiency (Excess)	(\$ 5)	(\$ 40)	
Covered Employee Payroll	<u>\$186,904</u>	<u>\$107,000</u>	
Authority's Contributions as a Percentage of Covered Employee Payroll	<u>9.05%</u>	<u>11.65%</u>	
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Actuarially Determined Contribution	\$ 7,808	\$ 0	\$ 0
Contributions in Relation to the Actuarially Determined Contribution	<u>7,848</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	(\$ 40)	\$ 0	\$ 0
Covered Employee Payroll	<u>\$ 86,754</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority's Contributions as a Percentage of Covered Employee Payroll	<u>9.05%</u>	<u>N/A</u>	<u>N/A</u>

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLAN**  
**SCHEDULE OF INVESTMENT RETURN**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	NOT PROVIDED	NOT PROVIDED	(4.57%)
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	17.84%	8.23%	N/A
			<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense			N/A



THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**Valuation Date**

Actuarially determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions were reported. Therefore, the Actuarially Determined Contributions for calendar year 2021 is based upon the January 1, 2019 actuarial valuation.

**Methods and Assumptions Used to Determine the 2018 Contribution Rates**

Actuarial Cost Method:	Entry Age Normal
Amortization Period:	Level dollar based upon the amortization periods in Act 205
Asset Valuation Method:	Based upon the municipal reserves
Discount Rate:	5.25%
Inflation:	2.80%
Salary Increases:	Age related scale with merit and inflation component
Post-Retirement COLA Increases:	2.2% per year, subject to plan limitations
Pre-Retirement Mortality:	Males - PUB-2010 General Employees Male Table  Females - PUB-2010 General Employees Female Table  20% of pre-retirement deaths are assumed to be service related
Post-Retirement Mortality:	Males: RP 2006 Annuitant Male Table  Females: RP 2006 Annuitant Female Table

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Direct/ Indirect D/I</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period</u>
<u>U.S. Environmental Protection Agency</u> (Passed Through Pennsylvania Infrastructure Investment Authority)				
Capitalization Grants for Clean Water State Revolving Funds	66.458	I	P33003895-102	2022
<u>U.S. Department of Defense</u> (Passed Through U.S. Army Corps of Engineers)				
South Central Pennsylvania Environmental Infrastructure (Section 313)	12.999	I	N/A	2021
Total Federal Awards				

Source Codes

N/A = Information Not Available  
 D - Direct Federal Funding  
 I - Indirect Federal Funding

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Total Received for Year</u>	<u>Accrued or (Deferred) Revenue at 12/31/20</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue at 12/31/21</u>	<u>Expenditures to Subrecipients</u>
\$533,373 <hr/>	(\$1,119,648) <hr/>	\$2,733,731 <hr/>	\$2,733,731 <hr/>	\$1,080,710 <hr/>	\$0 <hr/>
\$279,368 <hr/>	\$ 0 <hr/>	\$ 279,368 <hr/>	\$ 279,368 <hr/>	\$ 0 <hr/>	\$0 <hr/>
\$812,741 <hr/> <hr/>	(\$1,119,648) <hr/> <hr/>	\$3,013,099 <hr/> <hr/>	\$3,013,099 <hr/> <hr/>	\$1,080,710 <hr/> <hr/>	\$0 <hr/> <hr/>

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2021**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Redevelopment Authority of the City of Johnstown under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Redevelopment Authority of the City of Johnstown, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Redevelopment Authority of the City of Johnstown.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Redevelopment Authority of the City of Johnstown has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3: Subrecipients**

The Redevelopment Authority of the City of Johnstown did not provide federal awards to subrecipients during the year ended December 31, 2021.

**Note 4: Identification of Major Federal Award Program**

An extensive compliance test, as required by the Uniform Guidance, was performed on the Capitalization Grant for Clean Water State Revolving Funds, which represents 91% of the total expenditures reflected on the Schedule of Expenditures of Federal Awards.

The 40% test was satisfied as follows:

<u>Project Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
Capitalization Grant for Clean Water State Revolving Funds	66.458	\$2,733,731
South Central Pennsylvania Environmental Infrastructure (Section 313)	22.999	<u>279,368</u>
		\$3,013,099
		x 40%
Minimum Amount Which Must Be Tested		<u>\$1,205,240</u>

The Capitalization Grant for Clean Water State Revolving Funds program exceeds \$1,205,240 and, therefore, represents the program which the specific compliance requirements must be applied.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
The Redevelopment Authority of the City of Johnstown  
416 Main Street, 2nd Floor  
Johnstown, Pennsylvania 15901

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Redevelopment Authority of the City of Johnstown, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Redevelopment Authority of the City of Johnstown's basic financial statements, and have issued our report thereon dated August 9, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Redevelopment Authority of the City of Johnstown's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Redevelopment Authority of the City of Johnstown's internal control. Accordingly, we do not express an opinion on the effectiveness of the Redevelopment Authority of the City of Johnstown's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(CONTINUED)

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Redevelopment Authority of the City of Johnstown's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Young, Decker, Brown & Company, P.C.*

**AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
The Redevelopment Authority of the City of Johnstown  
416 Main Street, 2nd Floor  
Johnstown, Pennsylvania 15901

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Redevelopment Authority of the City of Johnstown's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Redevelopment Authority of the City of Johnstown's major federal programs for the year ended December 31, 2021. The Redevelopment Authority of the City of Johnstown's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Redevelopment Authority of the City of Johnstown complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Redevelopment Authority of the City of Johnstown and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Redevelopment Authority of the City of Johnstown's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Redevelopment Authority of the City of Johnstown's federal programs.

**AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Redevelopment Authority of the City of Johnstown's compliance based on our 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 generally accepted auditing standards, *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 referred to above 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 Redevelopment Authority of the City of Johnstown's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Redevelopment Authority of the City of Johnstown's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Redevelopment Authority of the City of Johnstown's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Redevelopment Authority of the City of Johnstown's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance 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 identified during the audit.

**Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



**AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE  
(CONTINUED)**

**Report on Internal Control Over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Young, DeLee, Brown & Company, P.C.*

**Altoona, Pennsylvania  
August 9, 2022**

**THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? None Reported

Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major Federal program:

Material weakness(es) identified? None Reported

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major Federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major Federal program:

CFDA Number: 66.458	Name of Federal Program or Cluster: Capitalization Grant for Clean Water State Revolving Funds
------------------------	--

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? No

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)

**Findings and Questioned Costs**

**Financial Statement Findings**

None

**Uniform Guidance Findings**

None

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2021

**Findings - Financial Statement Audit**

Finding 2020-001 was corrected during 2021.

**Financial - Major Federal Awards Program**

Finding 2020-002 is in the process of being resolved. \$1,077,459 of the 2020 questioned costs has been substantiated with eligible expenditures. Additional eligible expenditures will be submitted to the funding agency during 2022 for the remaining amount of \$174,057.