REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania
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REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

As Management of the Redevelopment Authority of the County of Lancaster, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements as presented elsewhere in this Report.

A- Financial Highlights

1 - The assets of the Authority exceeded its liabilities at the close of its most recent fiscal year by $11,756,092 (net position) as opposed to $11,642,696 for the prior fiscal year.

2 – As of the close of the current fiscal year, the Authority's Proprietary Fund reported ending Unrestricted Net Position of ($245,823) compared to ($159,485) for the prior fiscal year.

3 – The Authority's cash and cash equivalent balances at December 31, 2025, were $1,839,109 representing a decrease of $806,448 from the prior fiscal year.

4 – The Authority had Total Operating Revenues of $16,788,347 and Total Operating Expenses of $16,560,343 including depreciation of $1,105,072 for the year ended December 31, 2025.

5 – The Authority had $237,975 in capital outlays for the fiscal year December 31, 2025, for upgrades to the baseball stadium.

6 – The Authority's Expenditures of Federal Awards amounted to $8,448,842 for the fiscal year and its expenditures of State Awards amounted to $6,275,586.

B – Using the Annual Report

1 – Management's Discussion and Analysis

The Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's Financial Statements and Notes to Financial Statements included in this Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types.

2 –Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of the Statement of Net Position, Statement of Activities and Statement of Cash Flows.

B – Using the Annual Report – Continued

2 – Financial Statements (Continued)

The Statement of Net Position presents information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenue, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of unrelated cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The Statement of Cash Flows presents information showing how the Authority's cash and cash equivalents position changed during the year. The statement classifies cash receipts and cash payments as resulting from operating activities, capital and related financing activities and investing activities.

The financial statements report on the Authority's activities. The activities are primarily supported by CDBG subsidies and grants. The Authority's function is to provide funding for redevelopment projects in the County of Lancaster. The financial statements can be found on pages 9 through 11.

3 – Notes To Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The Notes to Financial Statements can be found in this Report after the financial statements.

4 – Supplemental Information

The Schedule of Expenditures of Federal awards is presented for purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards. The Schedule of Expenditures of Federal Awards can be found on page 27 of this report.

C – The Authority as a Whole

The Authority's Net Position increased by $113,397 during the fiscal year. During the current year, the Authority received $7,629,868 in grants from the US Department of Housing and Urban Development which are cost reimbursement grants.

C – The Authority as a Whole - Continued

The Authority's operating revenues from the stadium, Affordable Housing and Local Programs exceeded expenses by $877,068 when adjusted for depreciation of $1,105,072.

By far, the largest portion of the Authority's net position reflects its investment in capital assets (e.g., the stadium project). The Authority has invested these funds to provide recreational and entertainment facilities for residents of and visitors to Lancaster County.

D – Budgetary Highlights

For the year ended December 31, 2025, individual program or grant budgets were prepared by the Authority and were approved by the Board of Directors. The budgets were primarily used as a management tool and have no legal stature. (Also, the Authority adopted a comprehensive annual budget for the General Fund.) The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

E – Capital Assets and Debt Administration

As of December 31, 2025, the Authority's investment in capital assets net of accumulated depreciation was $13,428,444. This investment in capital assets includes land improvements, and stadium seating, leasehold improvements and office furniture and equipment.

Additional information on the Authority's capital assets can be found in Note 11 to the Financial Statements.

Bonds and Notes Payable

The Authority has satisfied its outstanding 2013 bond issue during the fiscal year. The Authority has outstanding $1,400,000 in notes payable due to the County of Lancaster, The City of Lancaster and the Lancaster Industrial Development Authority. The bonds and Notes are discussed in detail in Note 8 to the Financial Statements.

F – Economic Factors and Next Year's Budget Rates

The following factors were considered in preparing the Authority's budget for the fiscal year ending December 31, 2026:

The State of the economy which affects HUD's ability to fund certain grant and entitlement programs.

The Use of Current Assets is sufficient to fund Current Liabilities and any shortfalls rising from a possible economic downturn and reduced grants.

G– Contacting the Authority's Financial Management

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Redevelopment Authority of Lancaster County, 28 Penn Square, 2nd Floor, Lancaster, PA 17603, or call 717-394-0793.

	2025	2024	Variance	% Var
Cash and Other Current Assets	$ 5,254,742	$ 7,073,027	$ (1,818,285)	-25.7%
Capital Assets - Net	13,428,444	14,295,541	(867,097)	-6.07%
Total Assets	18,683,186	21,368,568	(2,685,382)	-12.6%
Less: Total Liabilities	(6,867,536)	(9,656,387)	2,788,851	-28.9%
Deferred Inflows	(59,558)	(69,485)	9,927	-14.3%
Net Position	$ 11,756,092	$ 11,642,696	$ 103,469	0.89%
Net Investment in Capital Assets	12,001,915	11,802,185	199,730	1.69%
Restricted Net Position	-	(4)	4	0.00%
Unrestricted Net Position	(245,823)	(159,485)	(86,338)	54.1%
Total Net Position	$ 11,756,092	$ 11,642,696	$ 113,396	0.97%
HUD Grants	$ 7,629,868	$ 6,114,054	$ 1,515,814	24.79%
Other Government Grants	2,691,913	1,978,951	$ 712,962	36.0%
Program Income	2,328,218	1,736,801	591,417	34.1%
Office of Budget - RACP Grant	4,000,000	2,491,068	1,508,932	60.6%
Other Revenue	47,311	33,018	14,293	43.29%
Interest	91,037	139,992	(48,955)	-35.0%
Total Operating Revenues	16,788,347	12,493,884	4,294,463	34.37%
CDBG Expenses	4,069,568	2,878,000	1,191,568	41.4%
HOME Expenses	2,316,070	1,675,704	640,366	38.2%
Emergency Solutions Expenses	326,232	134,378	191,854	142.8%
HOME Repair Program	763,272	810,179	(46,907)	-5.8%
CRIZ Grant	-	1,876	(1,876)	0%
PHARE	34,723	25,012	9,711	38.83%
Continium of Care Expenses	581,159	577,548	3,611	0.6%
Affordable Housing Expenses	254,758	328,227	(73,469)	-22.4%
Office of Budget - RACP Grant	4,000,000	30,000	3,970,000	13233.3%
PILOT	30,000	30,000	-	0.00%
General Expenses	1,450,689	1,111,390	339,299	30.5%
Salaries	1,248,536	1,265,114	(16,578)	-1.3%
Benefits	329,149	189,514	139,635	73.7%
Interest Expense	51,115	88,842	(37,727)	-42.5%
Depreciation Expense	1,105,072	1,083,363	21,709	2.00%
Total Operating Expenses	16,560,343	10,229,147	6,331,196	61.89%
Excess/(Deficiency) of Operating Revenues Over Expenses	228,004	2,264,737	(2,036,733)	89.9%
Prior Period Adjustment	(114,607)	80,128	1,191,568	1487%
Net Position at Beginning of Period	11,642,696	9,297,831	2,344,865	25.22%
Total Net Position	$ 11,756,093	$ 11,642,696	$ 113,397	0.97%

Polcari & Co.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Redevelopment Authority of the
County of Lancaster
Lancaster, Pennsylvania

Opinion

We have audited the accompanying financial statements of Net Position, Revenue, Expenses, and Changes in Net Position, and Cash Flows of the Lancaster County Redevelopment Authority, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Lancaster County Redevelopment Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of December 31, 2025, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Lancaster County Redevelopment Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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 Lancaster County Redevelopment Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 Lancaster County Redevelopment Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lancaster County Redevelopment Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis presented on pages 1-5 be presented to supplement the basic financial statements. Such 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 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 financial statements.

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Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Redevelopment Authority of County of Lancaster. The Combining Statements of Net Position and Revenue and Expenses and Changes in Net Position is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The Combining Statements of Net Position and Revenue and Expenses and Changes in Net Position and Schedule of Expenditures of federal awards are the responsibility of management and were derived from and directly relate to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the Combining Statements of Net Position and Revenue and Expenses and Changes in Net Position and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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 6, 2026, on our consideration of the Redevelopment Authority of County of Lancaster'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 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 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 the Authority's internal control over financial reporting and compliance.

Polcari & Company

POLCARI & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
August 6, 2026

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REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

STATEMENT OF NET POSITION
As of December 31, 2025

ASSETS		
Current Assets		
Unrestricted Cash and Cash Equivalents	$	1,839,109
Accounts Receivable		2,236,584
Loan Receivable		10,000
Prepaid Assets		32,038
Lease Receivable		123,106
Right of Use Assets (Net of Accumulated Amortization of $541,437)		1,013,905
Total Current Assets		5,254,742
Capital Assets (Net of Accumulated Depreciation of $17,760,463)		13,428,444
TOTAL ASSETS	$	18,683,186
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts Payable - Other	$	1,915,089
Accounts Payable - HUD		11,603
Deferred Revenue		1,829,993
Accrued Liabilities		42,664
Advances Payable		27,501
Accrued Interest Payable		54
Accrued Compensated Absences-Short Term		6,884
Total Current Liabilities		3,833,788
Leases Payable		1,305,467
Accrued Compensated Absences-Long Term		61,951
Accrued Interest Payable		266,330
Long Term Portion of Bonds and Notes Payable		1,400,000
TOTAL LIABILITIES	$	6,867,536
Deferred Inflows of Assets	$	59,558
NET POSITION		
Net Investment in Capital Assets Net of Related Debt		12,001,915
Unrestricted Net Position		(245,823)
TOTAL NET POSITION	$	11,756,092

See Notes to Financial Statements

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For The Year Ended December 31, 2025

REVENUES		
HUD Grants	$	7,629,868
Program Income		2,328,218
Office of Budget - RACP Grant		4,000,000
Other Grants		2,691,913
Other Income		47,311
Interest		91,037
Total Revenues		16,788,347
EXPENSES		
CDBG		4,069,568
HOME		2,316,070
ESG		326,232
Home Repair Program		763,272
Office of Budget - RACP Grant		4,000,000
Affordable Housing Programs		254,758
Continuum of Care Program		581,159
PHARE Grant		34,723
Salary Expense		1,248,536
Benefits Expense		329,149
Interest Expense		51,115
PILOT Expense		30,000
Insurance Expense		83,693
Depreciation		1,105,072
Lease Amortization		89,128
Other Administrative Expenses		626,627
Implementation Costs		126,265
Other Program Expenses		524,976
Total Expenses		16,560,343
Excess of Revenue over Expenses		228,004
Net Position - Beginning of Period		11,642,695
Prior Period Adjustment		(114,607)
Net Position - End of Period	$	11,756,092

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of Revenue over Expenses	$	228,004
Adjustments to Reconcile Operating Income to Net Assets Provided (Used) by Operating Activities		
Depreciation Expense		1,105,072
Lease Amortization		89,128
Decrease (Increase) in Assets:		
Accounts Receivable Other		789,487
Accounts Receivable Related Party		1,500,000
Lease Receivable		17,115
Prepaid Assets		1,500
Increase (Decrease) in Liabilities		
Accounts Payable -US Treasury		11,603
Accounts Payable		1,420,189
Accrued Liabilities		(4,271)
Advances Payable to Housing Authority		(1,472,351)
Accrued Interest Payable		10,888
Deferred Revenues		(1,609,744)
Deferred Inflows		(9,927)
Accrued Compensated Absences		(35,827)
Cash Provided By Operating Activities		2,040,866
CASH FLOWS USED BY FINANCING ACTIVITIES		
Payments for Lease Liability		(54,339)
Repayment on Bonds		(1,055,000)
Repayment of Operating Borrowings		(1,500,000)
Cash Used By Financing Activities		(2,609,339)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Net Cash Withdrawn (Paid to) Restricted Accounts		-
Cash Paid for the Acquisition of Fixed Assets		(237,975)
Cash Used for by Investing Activities		(237,975)
Increase in Cash and Cash Equivalents		(806,448)
Cash and Cash Equivalents - Beginning of Year		2,645,557
Cash and Cash Equivalents - End of Year	$	1,839,109

See Notes to Financial Statements

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - Summary of Organization, Activities and Significant Accounting Policies:

A. Organization – The Authority was incorporated under the provisions of the Pennsylvania Urban Redevelopment Act Number 385 of May 24, 1945, as amended.

The Authority has not identified any entities which should be subject to evaluation for inclusion in the Authority's reporting entity.

The Authority was created by the County of Lancaster. The Authority is not a component unit of the County but has a sub-recipient relationship. The County of Lancaster has delegated the administration of the Community Development Block Grant (CDBG) Program, the Emergency Shelter Grant (ESG) Program, the HOME Investment Partnership (HOME) Grant Program, and the Affordable Housing Program to the Authority. The County has retained control over the receipt of Federal grant funds wherein draw-downs are initially received by the County and then transferred to the Authority's accounts.

B. Budgets and Budgetary Accounting – The Authority operates each Fund based on a Budget and Financing Plan approved by the granting Agency, except for the Revolving Fund which is budgeted separately. Budget expenditures are controlled by line item and by project within a line item.

C. Activities of the Authority

1. CDBG, Emergency Solutions Grant and HOME Grant Program

The County of Lancaster and HUD entered into annual grant agreements pursuant to the authority of Title 1 of the Housing and Community Development Act of 1974, as amended and Title II of the Cranston-Gonzalez National Affordable Housing Act as amended. The obligation and utilization of the funding assistance is subject to the requirements of existing regulations and any special conditions imposed by HUD. The County provided certain assurances and certifications to HUD and also agreed to accept responsibility for adherence to the grant agreement by sub-recipient entities to which it makes funding assistance available.

2. PA Office of the Budget – Redevelopment Assistance Capital Program (RACP)

Since 2009, the Authority has received a total of $44,658,668 from the Pennsylvania Office of the Budget through the Redevelopment Assistance Capital Program for a variety of economic development projects in Lancaster County. These projects are in varying stages of completion.

C. Activities of the Authority - Continued

2. PA Office of the Budget - Redevelopment Assistance Capital Program (RACP) - Continued

a. Direct Wire was awarded $1,000,000 for the Direct Wire Expansion Project. The overall project includes the site work and construction required to build a +/- 39,498 square foot industrial building to house equipment used in the manufacture and converting of raw materials (primarily copper). The project includes the purchase of the manufacturing equipment and all ancillary equipment thereto. Estimated cost is approximately $10.2M before grant proceeds. As of December 31, 2025, $1,000,000 in grant funds have been received and expended.

b. Schreiber Center for Pediatric Development was awarded $3 million for their Expansion and Renovation Project. This project expanded Schreiber's main facility in East Hempfield Township with a new three-story, 14,700-square-foot wing on its west end. The addition fits within Schreiber's 7.6-acre property. The new wing houses an expanded physical therapy treatment area on the first floor and administrative offices on the second and third floors. The project also extensively renovated 8,300 square-feet of current office space to create new treatment areas for behavioral health and physical and occupational therapy. The renovations created larger therapy gyms, a new sensory courtyard and garden, and larger locker rooms for Central Pennsylvania's only dedicated outpatient pediatric therapy pool. The added and renovated spaces enabled Schreiber to hire more therapists to shorten wait times for first appointments. Schreiber had been forced to rent space nearby for behavioral health and administrative services—a costly necessity. This project brought all staff and services back under one roof, improving the family and patient experience as well as staff efficiency and productivity. As of December 31, 2025, $3,000,000 in grant funds have been received and expended.

3. Affordable Housing Program

The County of Lancaster passed an Ordinance on June 29, 1994, to raise revenues to enable County residents to purchase or rent quality residential housing. The Ordinance increased recording fees for deed and mortgages which are transferred monthly to the Authority. These funds are to be used for affordable housing efforts as defined by Statute.

4. Revolving Fund

A Revolving Fund was established to accumulate and pay payroll and other administrative costs for all participating funds. Initially an advance was received commensurate with participation in the Fund and reimbursements were made on a monthly basis on actual charges.

An equitable pro-ration was established by the Authority based on actual time records.

D. Significant Accounting Policies

1. Basis of Accounting - The accrual basis of accounting is used by the Authority for measuring the financial position and operating results of its Proprietary Fund. Under the accrual basis of accounting, transactions are recognized when they occur, regardless of when cash is received or disbursed. Revenue is recognized in the accounting period in which it is earned and becomes measurable.

2. Report Presentation - The financial statements included in this Report were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to governmental entities for Proprietary Fund Types. The Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". The Authority also adopted the provisions of Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38 "Certain Financial Statement Note Disclosures", which supplement Statement No. 34. Statement No. 34 established standards for all state and local governmental entities that includes a statement of Net Position, a statement of activities and a statement of cash flows. Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position" requires the re-naming of the Statement of Net Assets to the Statement of Net Position. The standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position. These classifications are defined as follows:

   Net Investment in Capital Assets - This component consists of land and depreciable assets, net of accumulated depreciation and net of the related debt outstanding. If there are significant unspent related debt proceeds as of year-end, the portion of the debt related to the unspent proceeds is not included in the calculation of Net Investments in Capital Assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

   Restricted Net Position This component includes net position subject to restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by the law through constitutional provisions or enabling legislation.

Significant accounting policies Continued:

3. Report Presentation Continued

Unrestricted Net Position - This component consists of net position that do not meet the definition of Restricted Net Position or Net Investment in Capital Assets.

The adoption of Governmental Accounting Standards Board Statements 34, 37 and 38 has no significant effect on the basic financial statements, except for the classification of net position in accordance with Statement No. 34.

Significant Accounting Policies are as follows:

a. Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include cash in banks, petty cash, certificates of deposit, and other investments with original maturities of less than three months from the date of purchase.

b. Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

c. Program income is composed of miscellaneous revenue and is recorded when earned.

d. The Authority is subsidized by the Federal Government. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal and State income tax returns.

e. Grants received from HUD, DCED or State Programs are recorded as income when earned.

f. The cost of accumulated unpaid compensated absences is reported in the period in which the expense is incurred rather than in the period paid.

g. The Authority has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

h. The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues earned and expenses incurred during the reporting period.

i. The Authority's Capitalization Policy calls for capital purchases with a value of $1,000 or more to be capitalized.

Significant accounting policies Continued:

j. The Authority has given consideration AU-360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets* in its preparation of these financial statements. As of December 31, 2025, the Authority has not recognized any reduction in the carrying value of its fixed assets when considering AU-360-10

k. Right to Use Assets—The Authority has recorded a right to use lease assets as a result of implementing GASB Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus any ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

l. Lease Receivable- The Authority has recorded a lease receivable for the present value of future lease payments as a result of implementing GASB Statement No. 87. The lease receivable is related to cell tower revenues derived from antennas placed by third parties at the baseball stadium.

m. On July 1, 2021, the Authority was required to adopt Governmental Accounting Standards Board No. 87, Leases. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, the lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. Additional information regarding the Authority's lease receivables and lease liabilities can be found in Note 18 to these financial statements.

NOTE 2 - Cash and Cash Equivalents

The Authority maintains cash and cash equivalents in local banks, which are covered by FDIC insurance and Act 72 of the Commonwealth of Pennsylvania. Act 72 requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian, but not in the Authority's name.

Cash, Cash Equivalents and Restricted Cash at December 31, 2025, consisted of the checking accounts, with carrying amounts of $1,839,109 and bank account balances of $1,440,688. Of these balances, $500,000 was covered by FDIC insurance and $940,687as covered by Act 72.

NOTE 3 - Accrued Compensated Absences

Accrued Compensated Absences of $68,835 at December 31, 2025, represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service. Employees may also be compensated for accumulated sick leave at retirement or termination from service to a maximum of 30 days.

NOTE 4 - Employee Retirement Plan

The Authority provides a defined contribution pension plan for eligible full-time and part-time employees. The plan is administered by T-Rowe Price and was established by a resolution of the board of directors. Any changes to the plan can only be enacted by board resolution. Under the plan, the Authority matches employee contributions up to 7.00%. The Authority's contribution to the plan for the fiscal year ended December 31, 2025, was $72,896

NOTE 5 - Indirect Costs

The Authority did not charge indirect costs to any of the funds during the audit period.

NOTE 6 - Lancaster County Housing Authority

The Authority is co-located with the Lancaster County Housing Authority. Common costs for payroll and other administrative costs are paid through a Revolving Fund in accordance with an equitable pro-ration policy established and agreed upon by both Authorities.
Activities of the Lancaster County Housing Authority are covered under a separate audit report.

NOTE 7 - Loans Receivable

At December 31, 2025, the Authority had a loan portfolio consisting of loans for 488 housing projects and 75 economic development projects with a loan balance of $51,611,749. No provision has been made in these financial statements for the Loans Receivable since they are deferred payment loans, forgivable loans, deferred loans, due on sale loans and amortized loans. Loan repayments, when received, are recorded as Program Income in accordance with the accounting instructions from the funding agency.

NOTE 8- Bonds Payable and Notes Payable

On May 25, 2004, The Redevelopment Authority of the County of Lancaster issued $13,505,000 of federally taxable guaranteed multi-purpose stadium facility revenue bonds Series 2004 (The Bonds). The Bonds were guaranteed by the County of Lancaster and were issued to finance site acquisition, design and construction of a multi-use stadium and related improvements. The Bonds were issued in denominations of $5,000 and mature between November 15, 2005, and November 15, 2025. The Bonds were payable solely and exclusively from, and secured by, (1) the receipts and revenues from the multi-purpose stadium facilities, (2) restricted funds established under the indenture and (3) to the extent necessary, sums the County is obligated to pay pursuant to a guaranty agreement dated May 15, 2004. Under that Guaranty, the County has unconditionally pledged its full faith, credit and taxing power for the full and prompt payment of principal and interest on the Bonds. On January 15, 2013 the Authority advanced defeased in subsistence its outstanding Series 2004 revenue bonds of $9,895,000 by issuing $10,950,000 in Series 2013 federally taxable guaranteed revenue bonds

NOTE 8- Bonds Payable and Notes Payable - Continued

The 2013 bonds bear interest at a variable rate between .54% and 3.813% and will be repaid in incremental principal amounts with the first payment of $40,000 on November 15, 2013. The 2004 revenue bonds bear interest at a variable rate between 5.10% and 5.85% and were also due in incremental principal amounts with the final payment due May 15, 2014.

In order to accomplish the advance refunding, the Authority was required to deposit in escrow $10,686,646 which together with interest was used to retire the outstanding 2004 bonds on May 15, 2014. The escrow account consists of obligations guaranteed by the United States Government and the balance in the escrow account is $0.

The final debt service requirements of $1,055,000 for the Series 2013 revenue bonds was completed in November 2025

At December 31, 2025, the Authority had the following notes payable related to the construction of the stadium project:

$ 300,000	Due to the City of Lancaster. Commencing on the fifth anniversary of this note dated December 30, 2004 interest and principal shall be payable from available excess revenues of the project if any. Interest shall accrue at one percent per annum. The total principal and all accrued and unpaid interest shall be due twenty five years from the date of this note. There were no excess revenues for the year ended December 31, 2025.
500,000	Due to the County of Lancaster. Commencing on the fifth anniversary of this note dated March 29, 2005 interest and principal shall be payable from available excess revenues of the project if any. Interest shall accrue at one percent per annum. The total principal and all accrued and unpaid interest shall be due twenty five years from the date of this note. There were no excess revenues for the year ended December 31, 2025.
100,000	Due to the Lancaster Industrial Development Authority. Principal and interest is due June 30, 2025. Interest has been accrued at the rate of three percent per annum. On June 2, 2026, this note was extened. Please see the subsequent events Note 20.
500,000	Due to the County of Lancaster. Commencing on the fifth anniversary of this note dated March 29, 2005 interest and principal shall be payable from available excess revenues of the project if any. Interest shall accrue at one percent per annum. The total principal and all accrued and unpaid interest shall be due twenty five years from the date of this note. There were no excess revenues for the year ended December 31, 2025.
$ 1,400,000	

NOTE 8 – Bonds and Notes Payable – Continued

	1/1/2025	Advances	Payments	12/31/2025
Bonds Payable	$ 1,055,000	$ -	$ (1,055,000)	$ -
Notes Payable				
City of Lancaster	300,000	-	-	300,000
County of Lancaster	500,000	-	-	500,000
Lancaster Industrial Authority	100,000	-	-	100,000
County of Lancaster	500,000	-	-	500,000
Total	$ 2,455,000	$ -	$ (1,055,000)	$ 1,400,000
Current Portion				$ -
Non Current Portion				$ 1,400,000

NOTE 9 – Operating Line of Credit

The Authority has established an operating line of credit with a local financial institution for of $1,000,000. The interest rate is variable and the outstanding amount at December 31, 2025, was $0.

NOTE 10 – Restricted Cash and Investments

In accordance with the bond indenture discussed in Note 9, the Authority is required to maintain restricted cash accounts to provide for the use of bond proceeds and repayment of bond principal and interest on the bonds. The final bond and interest payments were made in 2025. Pursuant to that indenture, the Authority had the following restricted cash accounts at December 31, 2025:

Account	Balance
Debt Service Fund	$ -
Clearing Fund	-
Total Restricted Cash Accounts	$ -

NOTE 11– Capital Assets

Capital Assets at December 31, 2025, consist of costs related to site acquisition and improvement and construction costs incurred on the Stadium Project as well as office leasehold improvements and office furniture. Depreciation of the Stadium commenced on May 10, 2005, the substantial construction completion date. The stadium is being depreciated over a thirty-year period and the furnishings over a twenty-year period. The office furniture and leasehold improvements are depreciated over a ten-year period.

NOTE 11 – Capital Assets – Continued

Description	1/1/2024	Additions	Disposals/Other	12/31/2025
Site Acquisiton and Improvements	$ 2,895,111	$ -	$ -	$ 2,895,111
Buildings	24,287,071	-	(25,667)	24,261,404
Improvements	2,253,110	149,839	25,667	2,428,616
Furnishings & Fixtures	1,515,640	88,136	-	1,603,776
Total Fixed Assets	30,950,932	237,975	-	31,188,907
Accumulated Depreciation	(16,655,391)	(1,105,072)	-	(17,760,463)
Net Fixed Assets	$ 14,295,541	$ (867,097)	$ -	$ 13,428,444

Depreciation expense for the year ended December 31, 2025, was $1,105,072.

NOTE 12 – Payment In Lieu Of Tax (PILOT)

The Authority's payment in lieu of tax (PILOT) for the stadium site was based on the real estate tax rates on the stadium properties prior to acquisition. The Authority has made annual PILOT payments to the School District of Lancaster, the County of Lancaster and the City of Lancaster in the amounts of $18,750, $2,880 and $8,370, respectively.

NOTE 13 – Stadium Revenue

The Authority's annual revenue derived from the stadium is comprised of three components including: skybox rentals, a naming rights fee and a team payment. The authority has a twenty-year lease agreement with the team for the twenty-five skybox rentals which includes renewal options. The naming rights of $250,000 for the stadium is paid to the Authority annually for twenty years. The baseball team is required to make an annual payment of $300,000 to the Authority for twenty years. In total the team is required to pay the Authority $1,100,000. Additionally, the Authority is to receive twenty-five percent of all non-baseball event net revenues, but not less than $25,000 annually.

NOTE 14- Accounts Receivable

At December 31, 2025, the Authority had receivables of $2,236,584 consisting of the following:

HUD	$ 1,852,835
Affordable Housing	31,323
Related Parties	121,460
Other	230,966
	$ 2,236,584

NOTE 15 - Loan Receivable

On August 26th, 2016, the Authority entered into a loan agreement with Columbia Economic Development Corporation, a Pennsylvania not for profit to provide $10,000 for predevelopment costs related to a redevelopment project. The loan commences on the signing of the agreement and matures on the date of sale of the project. No payments of interest or principal are due during the term of the loan and simple interest accrues at the rate of 1% per annum beginning with the signing of the loan.

NOTE 16 – Litigation

A confirmation received from the Authority's attorney disclosed that there were no judgments outstanding, no pending lawsuits or claims, no claims or penalties arising out of alleged violations of wage and trade laws or agreements, and no other matters of importance as of December 31, 2025.

NOTE 17 – Lease Commitments

As described in Note 1, the Authority was required to adopt GASB 87 as of January 1, 2022. The Authority has entered into two operating leases with a third party for office space it co-leases with the Lancaster County Redevelopment Authority. The leases consist of office space on both the first and second floors and include price escalations each year. The second-floor lease began on March 1, 2017, and the second-floor lease began in May of 2022. Both leases now provide for a termination date of April 30, 2037, and provide for incremental increases on the anniversary of the adjusted start date in May.

The lease liability is measured at a discount rate of 6%. As a result, the Authority has recorded a right to use asset with a remaining net book value of $1,013,905 as of December 31, 2025, and a remaining lease liability of $1,305,467. The weighted average of the remaining monthly lease payments at December 31, 2025, is $6,752.

NOTE 17 – Lease Commitments - Continued

The Authority's present value future annual principal payments are described as follows:

First Floor Lease	Total	Housing Authority	Redevelopment Authority
2026	$ 53,745	$ 25,260	$ 28,485
2027	60,764	28,559	32,205
2028	68,330	32,115	36,215
2029	76,487	35,949	40,538
2030	85,262	40,073	45,189
Thereafter	789,980	371,291	418,689
	$ 1,134,568	$ 533,247	$ 601,321

Second Floor Lease	Total	Housing Authority	Redevelopment Authority
2026	$ 62,930	$ 29,577	$ 33,353
2027	71,160	33,445	37,715
2028	80,022	37,610	42,412
2029	89,570	42,098	47,472
2030	99,839	46,924	52,915
Thereafter	925,055	434,776	490,279
	$ 1,328,576	$ 624,430	$ 704,146

In March of 2007, the Authority has entered into a 25-year lease with Crown Castle Cellular in which it rents rooftop space. The Authority recognizes a lease receivable with a term greater than 12 months in its financial statements. At the commencement of the lease, the Authority initially measures the leases receivable at the present value of the payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable adjusted for lease payments received at or before lease commencement. Subsequently, the deferred inflows of resources are recognized as revenue on a straight-line basis over the life of the lease term. The Authority has used an internal borrowing rate of 6.0% to present value the lease receivables. The balance of the lease receivable on December 31, 2025, was $123,106. Deferred Inflows on December 31, 2025, were $59,558 net of accumulated amortization of $188,602

NOTE 18 – Related Party Transactions

As Described above, the Redevelopment Authority is co-located with the Lancaster County Housing Authority. In addition to sharing office space, both Authorities share common management and employees. Salaries and Benefits allocated to the Housing Authority amounted to $867,120.

NOTE 18 – Related Party Transactions - Continued

Additionally, the Redevelopment Authority provides administrative services to the Lancaster County Land Bank Authority and Lancaster Redevelopment Fund Inc. These entities were formed in 2016 to support the activities of the Redevelopment Authority and are governed by its Board. Administrative costs including salary and benefits between the Land Bank Authority and the Redevelopment Fund Inc. were $69,206 and $134,748. respectively.

NOTE 19- Prior Period Adjustment

The Authority recorded one prior adjustment during the current fiscal year which resulted in an decrease of net assets. The Authority was required to adopt GASB-87 "Leases" at January 1. The Authority recognized lease receivable for cell towers affixed to its baseball stadiums and a corresponding deferred inflow of resources. A $114,607 adjustment was made to beginning equity to correct the lease amortization that began January 1, 2022.

NOTE 20 - Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated subsequent events through February 12, 2026, the date on which the financial statements were available to be issued and concluded that one event occurred that requires recognition in the financial statements or disclosure in the notes to the financial statements.

In June of 2026, the Authority negotiated the extension of a stadium note to the Lancaster Industrial Development Authority. Under the terms of the original note, the principal and all accrued interest was due June 30, 2025. Under the terms of the extension, $62,250 of interest accrued through June 2, 2026, will be capitalized and added to the principal of the original $100,000 note. Interest will accrue at the rate of 3% per annum on $162,250. The note and all accrued interest is due December 31, 2029.

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
COMBINING STATEMENT OF NET POSITION - ALL FUNDS
AS OF DECEMBER 31, 2025

ASSETS	CDBG Programs	HOME Program	Other Federal Programs	State Grant Programs	Affordable Housing Program	Stadium	Continuum of Care	YAB	Local Programs	Revolving Fund	Total
Cash and Cash Equivalents	$ 596,958	$ 250,733	$ 82,340	$ 664,834	$ 162,569	$ 114,271	$ 97,985	$ (450)	$ (162,771)	$ 32,640	$ 1,839,109
Restricted Cash and Investments	-	-	-	-	-	-			-	-	-
Accounts Receivable	1,571,375	259,575	2,050	-	31,323	-	219,074	31,728	105,938	15,521	2,236,584
Loan Receivable	-	-	-	-	-	-	-	-	10,000	-	10,000
Prepaid Expenses	-	-	-	-	-	29,566	-	-	2,472	-	32,038
Lease Receivable	-	-	-	-	-	123,106	-	-	-	-	123,106
Right of Use Assets	-	-	-	-	-	-	-	-	1,013,905	-	1,013,905
Interprogram Receivables/(Payables)	(6,198)	(12,454)	(1,985)	(229)	-	(57,000)	(20,563)	(4,299)	122,228	(19,500)	-
Total Current Assets	2,162,135	497,854	82,405	664,605	193,892	209,943	296,496	26,979	1,091,772	28,661	5,254,742
Capital Assets (Net of Accum. Depr.)	-	-	-	-		13,414,504	-	-	13,940	-	13,428,444
Total Assets	$ 2,162,135	$ 497,854	$ 82,405	$ 664,605	$ 193,892	$ 13,624,447	$ 296,496	$ 26,979	$ 1,105,712	$ 28,661	$ 18,683,186
LIABILITIES AND NET POSITION											
Current Liabilities											
Accounts Payable - US Treasury	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts Payable - DCED	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable - HUD	11,603	-	-	-	-	-	-	-	-	-	11,603
Accounts Payable	1,424,875	166,090	29,920	66,902	22,470	1,000	120,187	26,979	55,326	1,340	1,915,089
Deferred Revenue	687,908	328,001	52,083	596,516	-	-	165,485	-	-	-	1,829,993
Operating Borrowings	-	-	-	-	-	-	-	-	-		-
Current Portion of Long-term Debt	-	-	-	-	-	-	-	-	-	-	-
Current Portion of Accrued Comp Abs	-	-	-	-	-	-	-	-	6,884	-	6,884
Advances Payable	-	-	-	180	-	-	-	-	-	27,321	27,501
Accrued Interest Payable	-	-	-	19	35	-	-	-	-	-	54
Accrued Liabilities	18,249	3,763	402	988	-	-	10,824	-	8,438	-	42,664
Total Current Liabilities	2,142,635	497,854	82,405	664,605	22,505	1,000	296,496	26,979	70,648	28,661	3,833,788
Non-Current Liabilities											
Accrued Compensated Absences	-	-	-	-	-	-	-	-	61,951	-	61,951
Accrued Interest Payable - Notes		-	-	-	-	266,330	-	-	-	-	266,330
Leases Payable	-	-	-	-	-	-	-	-	1,305,467	-	1,305,467
Bonds & Mortgages Payable	-	-	-	-	-	1,400,000	-	-	-	-	1,400,000
Total Non-Current Liabilities	-	-	-	-	-	1,666,330	-	-	1,367,418	-	3,033,748
Total Liabilities	2,142,635	497,854	82,405	664,605	22,505	1,667,330	296,496	26,979	1,438,066	28,661	6,867,536
Deferred Inflow of Resources	-	-	-	-	-	59,558	-	-	-	-	59,558
NET POSITION											
Invested in Capital Assets Net of Related Debt	-	-	-	-	-	12,014,504	-	-	(12,589)	-	12,001,915
Restricted Net Position	-	-	-	-	-	-	-	-	-	-	-
Unrestricted Net Position	19,500	-	-	-	171,387	(116,945)	-	-	(319,765)	-	(245,823)
Total Net Position	19,500	-	-	-	171,387	11,897,559	-	-	(332,354)	-	11,756,092
Total Liabilities and Net Position	$ 2,162,135	$ 497,854	$ 82,405	$ 664,605	$ 193,892	$ 13,624,447	$ 296,496	$ 26,979	$ 1,105,712	$ 28,661	$ 18,683,186

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION - ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	CDBG Program	HOME Program	Other Federal Programs	State Grant Programs	Affordable Housing Program	Stadium	Continuum of Care	YAB	Other Local Programs	Elimination	Total
REVENUES											
HUD Grants	$ 4,448,561	$ 2,083,438	$ 342,849	$ -	$ -	$ -	755,020	$ -	$ -	$ -	$ 7,629,868
Program Income	420,292	398,682	-	-	311,305	1,197,939	-		-	-	2,328,218
Office of Budget - RACP Grant	-	-	-	4,000,000	-	-	-		-	-	4,000,000
Whole Homes Program	-	-	-	1,134,526	-	-	-		-	-	1,134,526
Homeless Assistance Program	-	-	-	836,724	-	-	-		-	-	836,724
Other Grants	-	-	-	-	-	237,975	416,286	66,402	-	-	720,663
Other Income	-	-	-	-	-	-	-		212,699	(165,388)	47,311
Interest	-	-	-	15,234	8,335	56,077	2,703	-	8,688	-	91,037
					-						
Total Revenues	4,868,853	2,482,120	342,849	5,986,484	319,640	1,491,991	1,174,009	66,402	221,387	(165,388)	16,788,347
EXPENSES											
CDBG (Schedule 1)	4,126,611	-	-	-	-	-	-		-	(57,043)	4,069,568
HOME (Schedule 2)	-	2,332,779	-	-	-	-	-		-	(16,709)	2,316,070
ESG (Schedule 3)	-	-	329,506	-	-	-	-		-	(3,274)	326,232
CRIZ Grant			-		-						-
Home Repair Program	-	-	-	763,272	-	-	-				763,272
											-
Office of Budget - RACP Grant	-	-	-	4,000,000	-	-	-		-	-	4,000,000
					-						-
Affordable Housing Programs	-	-	-	-	254,758	-	-		-	-	254,758
					-						-
PHARE Grant Expenditures	-	-	-	-	-	-	-		34,723	-	34,723
					-						
Salary Expense	582,568	124,445	10,668	142,395	-		355,598	9,513	23,349		1,248,536
Benefits Expense	159,674	24,897	2,675	37,746	-		90,769		13,388		329,149
					-					-	
Continuum of Care	-	-	-	-	-	-	581,159	-	-	-	581,159
					-		-		-		-
Interest Expense	-	-	-	-	-	51,115	-		-	-	51,115
PILOT Expense	-	-	-	-	-	30,000	-		-	-	30,000
Insurance Expense	-	-	-	-	-	83,693	-		-	-	83,693
Depreciation Expense	-	-	-	-	-	1,092,483	-		12,589	-	1,105,072
Lease Amortization	-	-	-		-	-	-		89,128	-	89,128
Other Administrative Expenses	-	-	-	629,310	-	11,728	-		73,951	(88,362)	626,627
Program Implementation Expense	-	-	-	69,376	-	-	-	56,889	-	-	126,265
Other Program Expenses	-	-	-	344,385	-	-	146,483		34,108	-	524,976
Total Expenses	4,868,853	2,482,121	342,849	5,986,484	254,758	1,269,019	1,174,009	66,402	281,236	(165,388)	16,560,343
Excess of Revenue Over/(Under) Expenses	-	-	-	-	64,882	222,972	-		(59,849)	-	228,004
Net Position - Beginning of Period	19,500	-	-	-	106,505	11,674,587	-		(157,897)	-	11,642,695
Prior Period Adjustment	-	-	-	-	-	-			(114,607)	-	(114,607)
Net Assets - End of Period	$ 19,500	$ -	$ -	$ -	$ 171,387	$ 11,897,559	$ -	$ -	$ (332,354)	$ -	$ 11,756,092

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

SCHEDULE OF EXPENDITURES OF FEDERAL & STATE AWARDS
For The Year Ended December 31, 2025

Direct Federal Assistance

CFDA NO.	Description		Expenditures
	CDBG Grant Cluster		
14.218	CDBG Grant Expenditures	$ 4,448,561	
14.218	Program Income	420,292	
	Total CDBG Grant Cluster		4,868,853
14.231	Emergency Solutions Grant Expenditures		342,849
14.239	HOME Grant Expenditures		2,482,120
14.267	Continuum of Care Program		755,020
	Total Federal Expenditures		$ 8,448,842

State Grantor Agency	Program Name	Expenditures
Dept. of Community & Economic Development (DCED)	CRIZ (City Revitilization & Improvement Zone)	$ 237,934
Dept. of Community & Economic Development (DCED)	Whole-Home Repairs Program	1,134,526
Dept. of Human Services	Homeless Assistance Program (HAP)	836,724
Office of the Budget	RACP (Redevleopment Assistance Capital Program)	4,000,000
Dept. of Agriculture	Youth Development & Agricultural (YAB)	66,402
	Total State Expenditures	$ 6,275,586
	Total Federal and State Expenditures	$ 14,724,428

1. Basis of Presentation - The Schedule of Expenditures of Federal Awards is presented in accordance with generally accepted accounting principles and is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presened in, or used in the preparation of the general purpose financial statements.

2. There were no subrecipient activities during the audit period.

3. The Authority has elected not to use the 10% de minimis cost rate.

4. The Authority received no non-cash assistance.

5. The Authority did not have any HUD issued mortgages or loans.

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

COMMUNITY DEVELOPMENT GRANT FUNDS
STATEMENT OF PROGRAM COSTS
FROM PROGRAM YEARS 2022, 2023, 2024 and 2025
For the Period January 1, 2025 through December 31, 2025

SCHEDULE 1

	Expenditures
Public Works, Facilities and Improvements	$ 208,171
Public Services	590,720
Acquisition/Disposition of Property	41,797
Rehabilitation and Preservation Activities	3,068,880
Administration -CV	259,899
Administration - CDBG	699,386
Total Program Costs	$ 4,868,853

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

HOME INVESTMENT PARTNERSHIP PROGRAM
STATEMENT OF PROGRAM COSTS
FROM PROGRAM YEARS 2021, 2023 and 2024
For the Period January 1, 2025 through December 31, 2025

SCHEDULE 2

		Expenditures
Rental Housing New Construction	$	1,843,669
Substantial Rehabilitation		194,433
Homebuyers Assistance		-
CHDO Setaside		-
CHDO Operating		-
Homeowners Assistance		-
Administration		444,018
Total Program Costs	$	2,482,120

REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania

EMERGENCY SHELTER GRANT PROGRAM
STATEMENT OF PROGRAM COSTS
FROM PROGAM YEARS 2023, 2024 and 2025
For the Period January 1, 2025 through December 31, 2025

SCHEDULE 3

	Expenditures
Outreach	$ 133,097
Rehousing	98,790
Shelter	94,038
Administration	16,924
Total	$ 342,849

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

Board of Commissioners
Redevelopment Authority of the
County of Lancaster
Lancaster, Pennsylvania

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Redevelopment Authority of the County of Lancaster (the Authority) as of and for the year ended December 31, 2025 and the related notes to the financial statements which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 6, 2026.

Internal Control Over Financial Reporting

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

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 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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States.

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.

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Wayne, New Jersey
April 6, 2026

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

Board of Commissioners
Redevelopment Authority of the
County of Lancaster
Lancaster, Pennsylvania

Report on Compliance for Each Major Program

We have audited the Redevelopment Authority of the County of Lancaster's (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Entity's major federal programs for the year ended December 31, 2025. The Redevelopment Authority of the County of Lancaster's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Redevelopment Authority of the County of Lancaster's compliance.

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

Opinion on Each Major Program

In our opinion, the Redevelopment Authority of the County of Lancaster complied, in all material respects, with the 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, 2025.

Report on Internal Control Over Compliance

The management of the Redevelopment Authority of the County of Lancaster is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the authority's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
August 6, 2026

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REDEVELOPMENT AUTHORITY OF THE COUNTY OF LANCASTER
Lancaster, Pennsylvania
December 31, 2025

SCHEDULE OF FINDINGS AND QUESTONED COSTS

SECTION 1 - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of Auditor's Report Issued:	Unmodified		
Internal Control over Financial Reporting:			
Material Weaknesses Identified?	____ yes	X no	
Significant dificiency(ies) identified that are not considered to be material weakness(es)?	____ yes	X none reported	
Noncompliance Material to Financial Statements Noted?	____ yes	X no	

Federal Awards

Internal Control over Major Programs:			
Material Weaknesses Identified?	____ yes	X no	
Significant dificiency(ies) identified that are not considered to be material weakness(es)?	____ yes	X none reported	
Type of audit report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance	____ yes	X no	

Identification of Major Programs

CFDA Number	Name of Federal Program or Cluster
14.218	CDBG Cluster

Dollar Threshhold used to distinguish between type A $1,000,000

Auditee qualified as low-risk? ____ yes X no

SECTION 2 – FINANCIAL STATEMENT FINDINGS
None

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
None