ANNUAL REPORT

OF THE

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN

****

FOR THE YEAR ENDED DECEMBER 31, 2025

CONTENTS

YOUNG OAKES BROWN & COMPANY PC
Certified Public Accountants

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, 2025, 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, 2025, 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.

1210 Thirteenth Street • PO Box 1550 • Altoona, Pennsylvania 16603 • Phone: (814) 944-6191 • Fax: (814) 942-1018 • E-mail: info@yobco.com
Members: American Institute of Certified Public Accountants • Pennsylvania Institute of Certified Public Accountants • Allinial Global

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, Schedule of Investment Return, and Notes on pages 40 - 52 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

Required Supplementary Information (Continued)
considers it to be an 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.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2026, 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.

Young, Oakes, Brown & Company, P.C.

Altoona, Pennsylvania
July 14, 2026

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 362,143	$ 7,345,400	$ 7,707,543
Investments	45,511	0	45,511
Accounts Receivable, Net	15,153	3,414,502	3,429,655
Grant Receivable	12,160	124,997	137,157
Prepaid Expenses	27,317	29,903	57,220
Lease Receivable	128,618	22,801	151,419
Internal Balances	(73,994)	73,994	0
Capital Assets, not being depreciated:			
Land	1,244,972	188,259	1,433,231
Construction in Progress	0	1,508,100	1,508,100
Capital Assets, Net of Accumulated Depreciation:			
Buildings	1,513,231	5,121,560	6,634,791
Land Improvements	19,824	464,902	484,726
Machinery and Equipment	1,836	940,955	942,791
Interceptor Lines	0	53,335,274	53,335,274
Restricted Cash	0	2,839,303	2,839,303
Net Pension Asset	63,210	0	63,210
Lease Receivable, Less Current Portion	1,356,600	761,738	2,118,338
Total Assets	$4,716,581	$76,171,688	$80,888,269
Deferred Outflows			
Defeased Loss on Bonds, Net	$ 0	$ 157,936	$ 157,936
Deferred Outflows Related to Pension	36,121	0	36,121
Total Deferred Outflows	$ 36,121	$ 157,936	$ 194,057
Liabilities			
Accounts Payable and Accrued Liabilities	$ 50,353	$ 833,395	$ 883,748
Accrued Benefits	47,581	0	47,581
Accrued Interest	0	77,054	77,054
Unearned Revenue	271,971	10,721	282,692
Non-Current Liabilities:			
Due Within One Year	63,168	3,106,063	3,169,231
Due in More Than One Year	503,356	32,474,916	32,978,272
Total Liabilities	$ 936,429	$36,502,149	$37,438,578
Deferred Inflows			
Leases	$1,485,218	$ 784,539	$ 2,269,757
Deferred Inflows Related to Pension	28,764	0	28,764
Total Deferred Inflows	$1,513,982	$ 784,539	$ 2,298,521
Net Position			
Investments in Capital Assets, Net of Related Debt	$2,213,339	$27,058,953	$29,272,292
Unrestricted	88,952	9,144,680	9,233,632
Restricted	0	2,839,303	2,839,303
Total Net Position	$2,302,291	$39,042,936	$41,345,227

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, 2025

Functions/Programs	Expenses
Primary Government	
Governmental Activities	
Community Development	$ 1,727,140
Employer Paid Benefits	146,318
Insurance	64,966
Interest on Long-Term Debt	25,221
Unallocated Depreciation	46,652
Total Governmental Activities	$ 2,010,297
Business-Type Activities	
Regional Sewage	$ 9,251,628
Center Town	15,043
Cambria Iron Works	202,232
Total Business-Type Activities	$ 9,468,903
Total Primary Government	$11,479,200
General Revenues	
Transfers In (Out)	
Unrestricted Investment Earnings	
Other Revenues	
Sale of Assets	
Total General Revenues and Transfers	
Change in Net Position	
Net Position - Beginning of Year	
Net Position - End of Year	

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, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
	$ 696,010	$1,199,691	$ 0	$ 168,561	$ 0	$ 168,561
	91,105	0	0	(55,213)	0	(55,213)
	0	0	0	(64,966)	0	(64,966)
	0	0	0	(25,221)	0	(25,221)
	0	0	0	(46,652)	0	(46,652)
	$ 787,115	$1,199,691	$ 0	($ 23,491)	$ 0	($ 23,491)
	$10,827,264	$ 40,757	$277,634	$ 0	$ 1,894,027	$ 1,894,027
	8,699	0	0	0	(6,344)	(6,344)
	59,944	26,651	246,973	0	131,336	131,336
	$10,895,907	$ 67,408	$524,607	$ 0	$ 2,019,019	$ 2,019,019
	$11,683,022	$1,267,099	$524,607	($ 23,491)	$ 2,019,019	$ 1,995,528
				($ 34,041)	$ 34,041	$ 0
				35,728	401,632	437,360
				1,100	2,967	4,067
				(26,456)	(61,519)	(87,975)
				($ 23,669)	$ 377,121	$ 353,452
				($ 47,160)	$ 2,396,140	$ 2,348,980
				2,349,451	36,646,796	38,996,247
				$2,302,291	$39,042,936	$41,345,227

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)
AS OF DECEMBER 31, 2025

	Governmental Fund Types		
	General	Special Projects	Total
ASSETS			
Cash and Cash Equivalents	$ 82,485	$279,658	$ 362,143
Investments	45,511	0	45,511
Accounts Receivable	15,153	0	15,153
Grant Receivable	0	12,160	12,160
Due from Other Funds	1,006	0	1,006
Prepaid Expenses	27,317	0	27,317
TOTAL ASSETS	$ 171,472	$291,818	$ 463,290
LIABILITIES			
Accounts Payable	$ 13,801	$ 36,552	$ 50,353
Accrued Benefits	47,581	0	47,581
Deferred Revenue	48,977	222,994	271,971
Interfund Loan	75,000	0	75,000
Total Liabilities	$ 185,359	$259,546	$ 444,905
FUND BALANCE			
Nonspendable	$ 27,317	$ 0	$ 27,317
Unassigned	(41,204)	0	(41,204)
Assigned	0	32,272	32,272
Total Fund Balance	($ 13,887)	$ 32,272	$ 18,385
TOTAL LIABILITIES AND FUND BALANCE	$ 171,472	$291,818	

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	2,779,863
Long-term pension asset and related deferred outflows/inflows of resources are not available in the current period and, therefore, are not reported as a fund asset.	70,567
Long-term notes payable are not due and payable in the current period and, therefore, are not recorded as a fund liability.	(566,524)
Lease receivable is not available to pay for current period expenditures and, are therefore, deferred or not recorded as a fund asset.	1,485,218
Deferred inflows of resources related to unearned revenues from leases are not reflected in the funds because they are not measured on the accrual basis.	(1,485,218)
Net Position of Governmental Activities	$2,302,291

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, 2025

	Governmental Fund Types		
	General	Special Projects	Total
Revenues			
Charges for Services	$ 539,526	$ 0	$ 539,526
Grants and Joint Projects	321,405	878,286	1,199,691
Rental Income	241,750	0	241,750
Interest and Investment Income	35,728	5,839	41,567
Other Income	1,100	0	1,100
Total Revenues	$1,139,509	$884,125	$2,023,634
Expenditures			
Current:			
Administration	$ 696,260	$ 0	$ 696,260
Community Development	327,628	703,252	1,030,880
Employer Paid Benefits	136,299	0	136,299
Insurance	64,966	0	64,966
Capital Expenditures:			
Community Development	27,422	179,264	206,686
Debt Service:			
Debt Service – Principal	71,993	0	71,993
Debt Service – Interest	25,221	0	25,221
Total Expenditures	$1,349,789	$882,516	$2,232,305
Excess (Deficiency) of Revenues Over (Under) Expenditures	($ 210,280)	$ 1,609	($ 208,671)
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	$ 104,534	$ 0	$ 104,534
Transfers In	30,000	0	30,000
Transfers (Out)	(64,041)	0	(64,041)
Total Other Financing Sources (Uses)	$ 70,493	$ 0	$ 70,493
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	($ 139,787)	$ 1,609	($ 138,178)
Fund Balance - Beginning of Year	125,900	30,663	156,563
Fund Balance - End of Year	($ 13,887)	$ 32,272	$ 18,385

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, 2025

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

Net Change in Fund Balance - Total Governmental Funds	($138,178)
Contributions to the pension plan are recognized as an expenditure in the governmental funds when they are due and, thus, requires the use of current financial resources. The net pension liability and deferred inflows and outflows related to participation in the PMRS pension plan in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(10,019)
The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities.	71,993
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is to increase net position.	29,044
Change in Net Position of Governmental Activities	($ 47,160)

See Accompanying Notes and Independent Auditor's Report

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2025

	Regional Sewage	Center Town	Cambria Iron Works	Total
Assets				
Current Assets				
Cash and Cash Equivalents	$ 7,313,829	$ 23,973	$ 7,598	$ 7,345,400
Accounts Receivable, Net of Allowance	3,408,822	0	5,680	3,414,502
Due from Other Funds	67,468	0	0	67,468
Lease Receivable - Current Portion	0	0	22,801	22,801
Grant Receivable	4,414	0	120,583	124,997
Prepaid Expenses	17,229	1,208	11,466	29,903
Interfund Receivable - Current Portion	12,653	0	0	12,653
Total Current Assets	$10,824,415	$ 25,181	$ 168,128	$11,017,724
Non-Current Assets				
Fixed Assets, (Net of Accumulated Depreciation)	$59,751,796	$110,200	$1,697,054	$61,559,050
Lease Receivable, Less Current Portion	0	0	761,738	761,738
Interfund Receivable, Less Current Portion	62,347	0	0	62,347
Total Non-Current Assets	$59,814,143	$110,200	$2,458,792	$62,383,135
Other Assets				
Restricted Cash and Cash Equivalents	$ 2,839,303	$ 0	$ 0	$ 2,839,303
Total Assets	$73,477,861	$135,381	$2,626,920	$76,240,162
Deferred Outflows				
Defeased Loss on Bond, Net	$ 157,936	$ 0	$ 0	$ 157,936
Liabilities				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$ 764,068	$ 105	$ 69,222	$ 833,395
Due to Other Funds	1,006	0	67,468	68,474
Unearned Revenue	0	0	10,721	10,721
Accrued Interest	77,054	0	0	77,054
Notes Payable	2,321,364	0	0	2,321,364
Bonds Payable	784,699	0	0	784,699
Total Current Liabilities	$ 3,948,191	$ 105	$ 147,411	$ 4,095,707
Non-Current Liabilities				
Notes Payable	$25,638,239	$ 0	$ 0	$25,638,239
Bonds Payable	6,836,677	0	0	6,836,677
Total Non-Current Liabilities	$32,474,916	$ 0	$ 0	$32,474,916
Total Liabilities	$36,423,107	$ 105	$ 147,411	$36,570,623
Deferred Inflows				
Leases	$ 0	$ 0	$ 784,539	$ 784,539
Net Position				
Investments in Capital Assets, Net of Related Debt	$25,251,699	$110,200	$1,697,054	$27,058,953
Unrestricted	9,121,688	25,076	(2,084)	9,144,680
Restricted	2,839,303	0	0	2,839,303
Total Net Position	$37,212,690	$135,276	$1,694,970	$39,042,936

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
FOR THE YEAR ENDED DECEMBER 31, 2025

	Regional Sewage	Center Town	Cambria Iron Works	Total
Operating Revenues				
Charges for Service	$10,827,264	$ 0	$ 0	$10,827,264
Rental Income	0	8,699	59,944	68,643
Other	0	2,967	0	2,967
Total Operating Revenues	$10,827,264	$ 11,666	$ 59,944	$10,898,874
Operating Expenses				
Administrative Expense	$ 1,482,275	$ 0	$ 0	$ 1,482,275
Bank Fees	7,146	963	0	8,109
Insurance Expense	57,974	4,941	45,349	108,264
Utilities	309,010	812	1,882	311,704
Real Estate Tax	0	2,692	0	2,692
Other Taxes	0	591	0	591
Subcontracted Labor	1,792,351	0	0	1,792,351
Professional Fees	294,609	4,005	15,335	313,949
Amortization	27,251	0	0	27,251
Materials and Supplies	176,265	0	0	176,265
Chemicals	1,725,201	0	0	1,725,201
Hauling and Pumping Fees	842,611	0	0	842,611
Repairs and Maintenance	0	0	12,297	12,297
Depreciation Expense	1,839,144	529	100,218	1,939,891
Bad Debt Expense	60,353	0	0	60,353
Other	45,268	510	500	46,278
Total Operating Expenses	$ 8,659,458	$ 15,043	$ 175,581	$ 8,850,082
Operating Income (Loss)	$ 2,167,806	($ 3,377)	($ 115,637)	$ 2,048,792
Non-Operating Revenues (Expenses)				
Grant Proceeds	$ 318,391	$ 0	$ 273,624	$ 592,015
Grant Expenses	(40,757)	0	(26,651)	(67,408)
Interest Income	398,479	60	3,093	401,632
Interest Expense	(551,413)	0	0	(551,413)
Gain (Loss) on Sale of Assets	15,000	(76,519)	0	(61,519)
Total Non-Operating Revenues (Expenses)	$ 139,700	($ 76,459)	$ 250,066	$ 313,307
Income (Loss) Before Transfers	$ 2,307,506	($ 79,836)	$ 134,429	$ 2,362,099
Transfers In	0	64,041	0	64,041
Transfers (Out)	0	0	(30,000)	(30,000)
Change in Net Position	$ 2,307,506	($ 15,795)	$ 104,429	$ 2,396,140
Net Position - Beginning of Year	34,905,184	151,071	1,590,541	36,646,796
Net Position - End of Year	$37,212,690	$135,276	$1,694,970	$39,042,936

See Accompanying Notes and Independent Auditor's Report

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Regional Sewage	Center Town Mall	Cambria Iron Works	Total
Cash Flows from Operating Activities				
Cash Received from Customers	$10,618,233	$10,302	$ 58,764	$10,687,299
Cash Received from Other Sources	0	2,967	0	2,967
Cash Payments to Subcontractors	(1,792,351)	0	0	(1,792,351)
Cash Payments to Suppliers for Goods and Services	(4,578,970)	0	0	(4,578,970)
Cash Payments for Other Operating Expenses	0	(7,853)	(73,246)	(81,099)
Net Cash Provided by (Used for) Operating Activities	$ 4,246,912	$ 5,416	($ 14,482)	$ 4,237,846
Cash Flows from Noncapital Financing Activities				
Due from Other Funds	($ 142,468)	$ 0	$ 0	($ 142,468)
Due to Other Funds	1,006	0	67,468	68,474
Grant Proceeds	327,207	0	0	327,207
Grant Expenditures	(40,757)	0	(26,651)	(67,408)
Transfers In (Out)	0	17,718	(30,000)	(12,282)
Net Cash Provided by Noncapital Financing Activities	$ 144,988	$17,718	$ 10,817	$ 173,523
Cash Flows from Capital and Related Financing Activities				
Grant Proceeds	$ 0	$ 0	$153,041	$ 153,041
Proceeds from Sale of Assets	15,000	0	0	15,000
Purchase of Property and Equipment	(870,835)	0	(264,973)	(1,135,808)
Payment on Debt	(3,022,799)	0	0	(3,022,799)
Interest Paid	(593,497)	(714)	0	(594,211)
Net Cash (Used for) Capital and Related Financing Activities	($ 4,472,131)	($ 714)	($111,932)	($ 4,584,777)
Cash Flows from Investing Activities				
Interest on Cash Equivalents and Accounts Receivable	$ 398,479	$ 60	$ 3,093	$ 401,632
Net Increase (Decrease) in Cash and Cash Equivalents	$ 318,248	$22,480	($112,504)	$ 228,224
Cash and Cash Equivalents (Including $2,803,092 for Regional Sewage, Reported as Restricted Cash) - Beginning of Year	9,834,884	1,493	120,102	9,956,479
Cash and Cash Equivalents (Including $2,839,303 for Regional Sewage, Reported as Restricted Cash) - End of Year	$10,153,132	$23,973	$ 7,598	$10,184,703

Noncash Transactions

Center Town
During 2025, the Fund sold property. The proceeds of the sale were used to pay off debt associated with property ($155,755) and related costs.

Cambria Iron Works
As of December 31, 2025, the Fund acquired $63,872 of fixed assets that are included in accounts payable at year end.

See Accompanying Notes and Independent Auditor's Report

THE REDEVELOPMENT AUTHORITY OF THE CITY OF JOHNSTOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(CONTINUED)

	Regional Sewage	Center Town Mall	Cambria Iron Works	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	$ 2,167,806	($ 3,377)	($115,637)	$ 2,048,792
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization	$ 1,866,395	$ 529	$100,218	$ 1,967,142
Changes in Assets and Liabilities:				
Accounts Receivable	(148,678)	1,603	(1,180)	(148,255)
Accounts Payable and Other Liabilities	363,020	28	3,100	366,148
Prepaid Expense	(1,631)	6,633	(983)	4,019
Total Adjustments	$ 2,079,106	$ 8,793	$101,155	$ 2,189,054
Net Cash Provided by (Used for) Operating Activities	$ 4,246,912	$ 5,416	($ 14,482)	$ 4,237,846

See Accompanying Notes and Independent Auditor's Report

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.

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.

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 Projects 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.

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.

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, 2025 consist of the following:

	- - - - Proprietary Funds- - - -			
	Regional Sewage	Center Town Mall	Cambria Iron Works	Total
Accounts Receivable	$5,786,706	$0	$5,680	$5,792,386
Less: Allowance for Uncollectibles	(2,377,884)	0	0	(2,377,884)
Accounts Receivable, Net	$3,408,822	$0	$5,680	$3,414,502

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, 2025, the balance of the loans receivable was $1,850,829.

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 $2,377,884 at December 31, 2025.

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.

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

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 four 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, changes in assumptions, and difference between projected and actual earnings related to the pension plan are reported in the government-wide statement of net position and are amortized over the next seven 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 four items that qualify for reporting in this category. Leases receivable for Governmental Activities on the Statement of Net Position are being amortized through 2047 and are not reported in the governmental funds balance sheet. Lease receivable is reported in the government-wide and proprietary fund statement of net position is being amortized through 2072. The changes in assumptions and net difference between projected and actual earnings on plan investments related to the pension plan are reported in the government-wide statement of net position and are amortized over the next six years.

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 $47,581 at December 31, 2025.

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 $2,839,303.

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 $27,317 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.

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

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.

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. New Accounting Standard
The Authority has adopted all current statements of the Governmental Accounting Standards Board (GASB) that are applicable at December 31, 2025.

Q. Subsequent Events
In preparing these financial statements, management has evaluated events and transactions for recognition through July 14, 2026, the date the financial statements were available to be issued.

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, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Cash Equivalents	$ 4,672,198
Investments	3,080,856
Restricted Cash	2,839,303
Total Cash and Investments	$10,592,357

Cash and investments as of December 31, 2025 consist of the following:

Cash on Hand	$ 50
Cash and Cash Equivalents	4,672,148
Investments	3,080,856
Restricted Cash	2,839,303
Total Cash and Investments	$10,592,357

Note 2: Deposits and Investments (Continued)

Cash is restricted for the Regional Sewage fund as follows:

Construction Fund	$ 921,202
Debt Service Reserve Fund	992,243
Debt Service Fund	925,858
	$2,839,303

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, 2025, the Authority's bank balance, including CDs with an original maturity of 6 months, was $7,773,721 and $6,727,980 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 equals at least 110% of the total amount deposited by the public agencies.

As of December 31, 2025, Authority restricted cash was invested primarily in short-term U.S. Treasury Securities backed by the Federal Government. No other collateral is provided for these investments.

Investment Type	Book Amount	Bank Amount
Regional Sewage - Unrated Treasury Trust Obligation through Local Financial Institution	$2,839,303	$2,839,303

Note 3: Interfund Receivable/Payable

During 2025, the Johnstown Regional Sewage Fund loaned the General Fund $75,000. The note is for five years with a fixed interest rate of 4%. Repayment terms are 60 months at 4.0% interest and payments begin in February 2026.

Repayment of the note is scheduled as follows:

Years Ended December 31	Principal	Interest	Total
2026	$12,653	$2,541	$15,194
2027	14,342	2,233	16,575
2028	14,926	1,649	16,575
2029	15,535	1,040	16,575
2030	16,167	408	16,575
2031	1,377	4	1,381
	$75,000	$7,875	$82,875

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Restated Beginning Balance	Increase	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital Assets, not being depreciated:					
Land	$ 1,277,628	$ 2,757	($ 35,413)	$ 0	$ 1,244,972
Other Non-Depreciable Assets	84,335	0	0	(84,335)	0
Total Capital Assets, not being depreciated	$ 1,361,963	$ 2,757	($ 35,413)	($ 84,335)	$ 1,244,972
Capital Assets, being depreciated:					
Buildings	$ 1,771,450	$ 203,929	($315,000)	$ 84,335	$ 1,744,714
Land Improvements	40,460	0	0	0	40,460
Machinery and Equipment	3,799	0	0	0	3,799
Total Capital Assets, being depreciated	$ 1,815,709	$ 203,929	($315,000)	$ 84,335	$ 1,788,973
Less Accumulated Depreciation for:					
Buildings	($ 407,711)	($ 43,195)	$219,423	$ 0	($ 231,483)
Land Improvements	(17,939)	(2,697)	0	0	(20,636)
Machinery and Equipment	(1,203)	(760)	0	0	(1,963)
Total Accumulated Depreciation	($ 426,853)	($ 46,652)	$219,423	$ 0	($ 254,082)
Total Capital Assets, being depreciated, net	$ 1,388,856	$ 157,277	($ 95,577)	$ 84,335	$ 1,534,891
Governmental Activities Capital Assets, net	$ 2,750,819	$ 160,034	($130,990)	$ 0	$ 2,779,863

Note 4: Capital Assets (Continued)

	Restated Beginning Balance	Increase	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, not being depreciated:					
Cambria Iron Works:					
Land	$ 59,500	$ 0	$ 0	$ 0	$ 59,500
Other Non-Depreciable Assets	796,281	328,845	0	(89,279)	1,035,847
Center Town Mall:					
Land	239,312	0	(129,112)	0	110,200
Regional Sewer:					
Land	18,559	0	0	0	18,559
Other Non-Depreciable Assets	7,284,441	348,973	0	(7,161,161)	472,253
Total Capital Assets, not being depreciated	$ 8,398,093	$ 677,818	($129,112)	($7,250,440)	$ 1,696,359
Capital Assets, being depreciated:					
Cambria Iron Works:					
Buildings	$ 860,174	$ 0	$ 0	$ 0	$ 860,174
Land Improvements	1,185,805	0	0	89,279	1,275,084
Center Town Mall:					
Buildings	244,726	0	(244,726)	0	0
Regional Sewer:					
Buildings	9,147,040	499,849	0	3,171	9,650,060
Machinery and Equipment	2,117,079	13,857	(32,944)	0	2,097,992
Interceptor Lines	62,018,399	8,156	0	7,157,990	69,184,545
Total Capital Assets, being depreciated	$75,573,223	$ 521,862	($277,670)	$7,250,440	$83,067,855
Less Accumulated Depreciation for:					
Buildings	($ 5,250,512)	($ 326,280)	$188,118	$ 0	($ 5,388,674)
Machinery and Equipment	(1,099,294)	(90,687)	32,944	0	(1,157,037)
Land Improvements	(725,176)	(85,006)	0	0	(810,182)
Interceptor Lines	(14,411,353)	(1,437,918)	0	0	(15,849,271)
Total Accumulated Depreciation	($21,486,335)	($1,939,891)	$221,062	$ 0	($23,205,164)
Total Capital Assets, being depreciated, net	$54,086,888	($1,418,029)	($ 56,608)	$7,250,440	$59,862,691
Business-Type Activities Capital Assets, net	$62,484,981	($ 740,211)	($185,720)	$ 0	$61,559,050

Depreciation expense was charged to the unallocated depreciation function of the primary government for Governmental Activities.

Note 5: Long-Term Obligations

Long-term liability activity for the year ended December 31, 2025, was as follows:

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Due Within One Year
Governmental Activities					
Cambria Rowe Building Loan	$ 79,230	$ 0	($ 6,026)	$ 73,204	$ 6,323
AmeriServ Financial Bank Loan - 4598000100	499,524	0	(38,774)	460,750	36,636
AmeriServ Financial Bank Loan - 4598100100	59,763	0	(27,193)	32,570	20,209
Governmental Activities Long-Term Liabilities	$ 638,517	$ 0	($ 71,993)	$ 566,524	$ 63,168

Note 5: Long-Term Obligations (Continued)

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Due Within One Year
Business-Type Activities					
2018 Sewer Revenue Bonds	$ 4,490,000	$ 0	($ 15,000)	$ 4,475,000	$ 15,000
2020 Sewer Revenue Bonds	3,805,000	0	(730,000)	3,075,000	745,000
2009 Pennworks Loan	395,419	0	(179,273)	216,146	199,353
2010 PENNVEST Loan	3,443,491	0	(310,864)	3,132,627	315,465
2012 PENNVEST Loan	2,508,134	0	(245,298)	2,262,836	247,953
2014 PENNVEST Loan	1,431,165	0	(120,948)	1,310,217	122,899
2015 PENNVEST Loan	2,994,804	0	(229,306)	2,765,498	231,609
2016 PENNVEST Loan	12,255,432	0	(799,229)	11,456,203	807,257
2017 PENNVEST Loan	2,294,632	0	(146,889)	2,147,743	148,365
2020 PENNVEST Loan	3,914,325	0	(245,992)	3,668,333	248,463
Center Town Mall Loan	155,755	0	(155,755)	0	0
Sewer Lateral Assistance Loan	1,000,000	0	0	1,000,000	0
Bond Discount	(61,979)	9,704	0	(52,275)	(9,024)
Bond Premium	157,375	0	(33,724)	123,651	33,723
Business-Type Activities Long-Term Liabilities	$38,783,553	$ 9,704	($3,212,278)	$35,580,979	$3,106,063

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 into 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.

Note 5: Long-Term Obligations (Continued)

Notes Payable (Continued)

Center Town Mall (Continued)
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. During 2025, the property at 339 Walnut Street was sold and part of the proceeds were used to pay off the existing mortgage.

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 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, 2025 was $216,146.

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, 2025 was $3,132,627.

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, 2025 was $2,262,836.

Note 5: Long-Term Obligations (Continued)

Notes Payable (Continued)

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, 2025 was $1,310,217.

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, 2025 was $2,765,498.

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, 2025 was $11,456,203.

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, 2025 was $2,147,743.

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 November 1, 2039 for the Fairfield Avenue Sewer Remediation Project. The balance due on the loan as of December 31, 2025 was $3,668,333.

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, 2025 was $73,204.

Note 5: Long-Term Obligations (Continued)

Notes Payable (Continued)

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, 2025.

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. The rate on both loans as of December 31, 2025 was 5.955%. As of December 31, 2025, the balances due on the loans are $460,750 and $32,570, respectively.

Sewer Lateral Assistance Program

During 2022, the Redevelopment Authority and the City of Johnstown entered into an agreement where the Authority would be the program manager for the City of Johnstown's Residential Sewer Lateral Assistance Loan Program. Under the agreement, the City of Johnstown provided the Authority $1,000,000 in funding to support the program, of which, the authority may retain up to $30,000 for administrative purposes. Under the program, City of Johnstown homeowners are provided a loan for the purpose of improving their sewer lateral to the required standard set by the Johnstown Water Authority and the Pennsylvania Department of Environmental Protection. The term of the loan program is 20 years with the intention that the Authority will return all funds back to the City after the program ends.

Debt Maturity

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

2018 Sewer Revenue Bonds

Years Ended December 31	Principal	Interest	Total
2026	$ 15,000	$ 143,976	$ 158,976
2027	15,000	143,545	158,545
2028	15,000	143,114	158,114
2029	15,000	142,683	157,683
2030	830,000	142,202	972,202
2031 - 2034	3,585,000	294,275	3,879,275
	$4,475,000	$1,009,795	$5,484,795

Note 5: Long-Term Obligations (Continued)

Debt Maturity (Continued)

2020 Sewer Revenue Bonds

Years Ended December 31	Principal	Interest	Total
2026	$ 745,000	$ 61,500	$ 806,500
2027	765,000	46,600	811,600
2028	775,000	31,300	806,300
2029	790,000	15,800	805,800
	$3,075,000	$ 155,200	$3,230,200

2009 Penn Works Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 199,353	$ 2,502	$ 201,855
2027	16,793	28	16,821
	$ 216,146	$ 2,530	$ 218,676

2010 PENNVEST Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 315,465	$ 43,930	$ 359,395
2027	320,134	39,261	359,395
2028	324,872	34,523	359,395
2029	329,679	29,716	359,395
2030	334,559	24,836	359,395
2031 - 2035	1,507,918	49,460	1,557,378
	$3,132,627	$ 221,726	$3,354,353

2012 PENNVEST Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 247,953	$ 23,149	$ 271,102
2027	250,637	20,465	271,102
2028	253,350	17,752	271,102
2029	256,092	15,010	271,102
2030	258,864	12,238	271,102
2031 - 2033	995,940	20,694	1,016,634
	$2,262,836	$ 109,308	$2,372,144

Note 5: Long-Term Obligations (Continued)

Debt Maturity (Continued)

2014 PENNVEST Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 122,899	$ 20,077	$ 142,976
2027	124,881	18,095	142,976
2028	126,895	16,081	142,976
2029	128,942	14,034	142,976
2030	131,021	11,955	142,976
2031 - 2035	675,579	27,388	702,967
	$1,310,217	$ 107,630	$1,417,847

2015 PENNVEST Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 231,609	$ 26,596	$ 258,205
2027	233,936	24,269	258,205
2028	236,286	21,919	258,205
2029	238,660	19,545	258,205
2030	241,058	17,147	258,205
2031 – 2035	1,242,103	48,922	1,291,025
2036 - 2037	341,846	2,426	344,272
	$2,765,498	$ 160,824	$2,926,322

2016 PENNVEST Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 807,257	$ 110,869	$ 918,126
2027	815,367	102,759	918,126
2028	823,558	94,568	918,126
2029	831,832	86,294	918,126
2030	840,188	77,938	918,126
2031 - 2035	4,329,257	261,373	4,590,630
2036 - 2039	3,008,744	51,678	3,060,422
	$11,456,203	$ 785,479	$12,241,682

Note 5: Long-Term Obligations (Continued)

Debt Maturity (Continued)

2017 PENNVEST Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 148,365	$ 20,799	$ 169,164
2027	149,855	19,309	169,164
2028	151,361	17,803	169,164
2029	152,882	16,282	169,164
2030	154,417	14,747	169,164
2031 - 2035	795,670	5,150	845,820
2036 - 2039	595,193	10,976	606,169
	$2,147,743	$ 150,066	$2,297,809

2020 PENNVEST Loan

Years Ended December 31	Principal	Interest	Total
2026	$ 248,463	$ 35,547	$ 284,010
2027	250,959	33,051	284,010
2028	253,480	30,530	284,010
2029	256,027	27,983	284,010
2030	258,599	25,411	284,010
2031 - 2035	1,332,487	87,563	1,420,050
2036 - 2039	1,068,318	21,065	1,089,383
	$3,668,333	$ 261,150	$3,929,483

AmeriServ Loan - 4598000100

Years Ended December 31	Principal	Interest	Total
2026	$ 36,636	$ 26,812	$ 63,448
2027	38,908	24,540	63,448
2028	41,258	22,190	63,448
2029	43,884	19,564	63,448
2030	46,609	16,839	63,448
2031 - 2035	253,455	37,340	290,795
	$ 460,750	$ 147,285	$ 608,035

Note 5: Long-Term Obligations (Continued)

Debt Maturity (Continued)

AmeriServ Loan - 4598100100

Years Ended December 31	Principal	Interest	Total
2025	$ 20,209	$ 1,411	$ 21,620
2026	12,361	249	12,610
	$ 32,570	$ 1,660	$ 34,230

Cambria Rowe Building

Years Ended December 31	Principal	Interest	Total
2026	$ 6,323	$ 4,234	$ 10,557
2027	6,713	3,844	10,557
2028	7,118	3,439	10,557
2029	7,569	2,988	10,557
2030	8,038	2,519	10,557
2031 - 2034	37,443	4,788	42,231
	$ 73,204	$ 21,812	$ 95,016

Note 6: 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, 2025, the Authority was party to one (1) $20,000 irrevocable letter of credit that expires May 17, 2026. The Authority is also party to one (1) $10,000 irrevocable letter of credit that renews annually on December 7 for successive one-year periods, unless notified by the bank of its intention not to renew. The Authority is also party to one (1) $12,750 irrevocable letter of credit that expires August 7, 2027. It shall renew annually for successive one-year periods, unless notified by the bank of its intention not to renew.

The Authority has a letter of credit with First National Bank which guarantees the performance of the Authority to Brush Valley Township. As of December 31, 2025, the letter of credit was $10,000 and is set to expire on February 4, 2026. The letter of credit will automatically extend for additional one-year periods unless notified by the bank of its intention not to renew.

The Authority has a letter of credit with First National Bank which guarantees the performance of the Authority to Conemaugh Township. As of December 31, 2025, the letter of credit was $3,750 and is set to expire on July 27, 2026. This letter of credit will automatically extend for additional one-year periods unless notified by the bank of its intention not to renew.

Note 7: 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 was 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.

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 January 1, 2025, pension plan membership consisted of the following:

Active employees	4
Inactive employees and beneficiaries currently receiving benefits	1
Inactive employees entitled to benefits but not yet receiving them	1
Total	6

Benefits Provided

Membership for full-time 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 (required contribution is 0%, but voluntary contributions 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, 2025, the Authority's required contribution was $22,079.

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.

Note 7: Retirement Plan (Continued)

Contributions (Continued)
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:

Asset Class	Range
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, 2024, and the total pension liability used to calculate the net pension liability (asset) is based upon the January 1, 2025 actuarial valuation with liabilities measured at December 31, 2024. 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.

	Change in Net Pension Liability (Asset) Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances - 12/31/2023	$429,282	$452,006	($22,724)
Changes for the Year:			
Service Cost	$ 29,920	$ 0	$29,920
Interest	22,496	0	22,496
Changes of Benefit Terms	6,966	0	6,966
Changes of Assumptions	(4,181)	0	(4,181)
Differences Between Expected and Actual Experience	5,195	0	5,195
Contributions - Employer	0	29,920	(29,920)
Contributions - PMRS Assessment	0	100	(100)
PMRS Investment Income	0	22,866	(22,866)
Market Value Investment Income	0	27,269	(27,269)
Benefit Payments	(23,455)	(23,455)	0
PMRS Administrative Expense	0	(100)	100
Additional Administrative Expense	0	(1,252)	1,252
Net Changes	$ 36,941	$ 55,348	($18,407)
Balances - 12/31/2024	$466,223	$507,354	($41,131)

Note 7: Retirement Plan (Continued)

Net Pension Asset/Liability (Continued)
As of December 31, 2025, the net pension asset was increased by $22,079, representing contributions made subsequent to December 31, 2024.

The components of the net pension asset of the Authority's plan at December 31,2024, were as follows:

Total Pension Plan Liability	$466,223
Plan Fiduciary Net Position	507,354
Net Pension Liability/(Asset)	($ 41,131)

Plan Fiduciary Net Position as a percentage of the total pension liability is 108.82%.

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, 2024 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 were first being used for the December 31, 2020 measurement date. Effective with the December 31, 2024 measurement date, the Investment Return Assumption for municipal assets increased from 5.25% to 5.50%. Other significant assumptions used in the valuation include:

Salary Increases	Inflation rate of 2.2%, plus merit based increases
Investment Rate of Return	5.50% compounded annually, net of expenses
Retirement Age	Age and service-based tables of rates that are specific to the type of eligibility condition.

Note 7: Retirement Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that Authority 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.

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 5.50 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 (4.50 percent) or 1-percentage-point higher (6.50 percent) than the current rate:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net Pension Liability (Asset)	$22,384	($41,131)	($102,608)

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

Components of Pension Expense	12/31/24
Service Cost	$29,920
Interest on Total Pension Liability	22,496
Expected Return on Assets	(22,866)
Change of Benefits	6,966
Recognition of Changes in Assumptions	1,055
Recognition of Investment Gains and Losses	(11,798)
Recognition of Liability Gains and Losses	2,593
Pension Plan Administrative Expense	1,352
Total Pension Expense	$29,718

At December 31, 2025, the Plan reported deferred outflows of resources and deferred inflows of resources related to pension expense from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between the Expected and Actual Experience	$15,384	$ 0
Changes of Assumptions	6,307	3,135
Net Difference Between Projected and Actual Earnings on Plan Investments	14,430	25,629
Total	$36,121	$28,764

Note 7: Retirement Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ended	Amount
2026	$ 7,989
2027	(6,439)
2028	(1,805)
2029	3,647
2030	1,640
Thereafter	2,325

Note 8: 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, 2025, the Authority's matching contribution to the Plan was $13,943.

Note 9: 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.

Note 9: Commitments and Contingencies (Continued)

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 timetable 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. The third amendment to the 2009 Consent Order and Agreement includes a civil penalty of $1,000 for each month in which one or more SSOs occur through December 31, 2026. From January 1, 2027 through termination of this Consent Order and Agreement, JRA shall pay a stipulated penalty of $10,000 per month for each month in which an SSO occurs on the Sewer System. The Consent Order and Agreement shall terminate on December 31, 2030.

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.

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 10: 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 11: Leases

Governmental Activities

The Authority, as a lessor, has entered into lease agreements involving building space. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, initially recognized during 2022 was $1,944,080.

Note 11: Leases (Continued)

Governmental Activities (Continued)
Future expected payments as of December 31, 2025:

Years Ended December 31	Principal	Interest	Total
2026	$ 128,618	$ 27,699	$ 156,317
2027	126,017	34,812	160,829
2028	123,470	42,002	165,472
2029	120,974	49,275	170,249
2030	100,266	47,617	147,883
2031 - 2035	387,796	272,876	660,672
2036 - 2040	324,990	376,297	701,287
2041 - 2045	162,041	270,851	432,892
2046 - 2047	11,046	25,544	36,590
	$1,485,218	$1,146,973	$2,632,191

Business-Type Activities
The Authority, as a lessor, has entered into a lease agreement involving building space. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, initially recognized during the year was $860,032.

Future expected payments as of December 31, 2025:

Years Ended December 31	Principal	Interest	Total
2026	$ 22,801	$ 4,199	$ 27,000
2027	21,713	5,287	27,000
2028	20,677	6,323	27,000
2029	26,254	9,746	36,000
2030	25,626	11,274	36,900
2031 - 2035	119,224	79,585	198,809
2036 - 2040	105,632	119,301	224,933
2041 - 2045	93,591	160,902	254,493
2046 - 2050	82,921	205,014	287,935
2051 - 2055	73,468	252,304	325,772
2056 - 2060	65,093	303,489	368,582
2061 - 2065	57,672	359,344	417,016
2066 - 2070	51,098	420,718	471,816
2071 - 2072	18,769	186,884	205,653
	$ 784,539	$2,124,370	$2,908,909

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

	2024
Total Pension Liability	
Service Cost	$ 29,920
Interest	22,496
Changes of Benefit Terms	6,966
Differences Between Expected and Actual Experience	5,195
Changes of Assumptions	(4,181)
Benefit Payments, including refunds of member contributions	(23,455)
Net Change in Pension Liability	$ 36,941
Total Pension Liability (Asset) - Beginning	429,282
Total Pension Liability (Asset) - Ending (A)	$466,223
Plan Fiduciary Net Position	
Contributions - Employer	$ 29,920
Contributions - PMRS Assessment	100
Net Investment Income	50,135
Benefit Payments, including refunds of member contributions	(23,455)
Administrative Expenses	(1,352)
Net Change in Plan Fiduciary Net Position	$ 55,348
Plan Fiduciary Net Position - Beginning	452,006
Plan Fiduciary Net Position - Ending (B)	$507,354
Authority's Net Pension Liability (Asset) - Ending (A-B)	($ 41,131)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.82%
Covered Employee Payroll	$332,443
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(12.37%)

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

	2023
Total Pension Liability	
Service Cost	$ 29,097
Interest	21,044
Differences Between Expected and Actual Experience	0
Changes of Assumptions	0
Benefit Payments, including refunds of member contributions	(23,455)
Net Change in Pension Liability	$ 26,686
Total Pension Liability (Asset) - Beginning	402,596
Total Pension Liability (Asset) - Ending (A)	$429,282
Plan Fiduciary Net Position	
Contributions - Employer	$ 29,097
Contributions - PMRS Assessment	100
Net Investment Income	44,560
Benefit Payments, including refunds of member contributions	(23,455)
Administrative Expenses	(1,298)
Net Change in Plan Fiduciary Net Position	$ 49,004
Plan Fiduciary Net Position - Beginning	403,002
Plan Fiduciary Net Position - Ending (B)	$452,006
Authority's Net Pension Liability (Asset) - Ending (A-B)	($ 22,724)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.29%
Covered Employee Payroll	$323,302
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(7.03%)

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

	2022
Service Cost	$ 27,978
Interest	19,583
Differences Between Expected and Actual Experience	3,756
Changes of Assumptions	0
Benefit Payments, including refunds of member contributions	(23,455)
Net Change in Pension Liability	$ 27,862
Total Pension Liability (Asset) - Beginning	374,734
Total Pension Liability (Asset) - Ending (A)	$402,596
Plan Fiduciary Net Position	
Contributions - Employer	$ 27,978
Contributions - PMRS Assessment	100
Net Investment Income	(52,589)
Benefit Payments, including refunds of member contributions	(23,455)
Administrative Expenses	(1,134)
Net Change in Plan Fiduciary Net Position	($ 49,100)
Plan Fiduciary Net Position - Beginning	452,102
Plan Fiduciary Net Position - Ending (B)	$403,002
Authority's Net Pension Liability (Asset) - Ending (A-B)	($ 406)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.10%
Covered Employee Payroll	$310,865
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(.13%)

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

	2021
Total Pension Liability	
Service Cost	$ 27,244
Interest	18,349
Differences Between Expected and Actual Experience	0
Changes of Assumptions	0
Benefit Payments, including refunds of member contributions	(23,455)
Net Change in Pension Liability	$ 22,138
Total Pension Liability (Asset) - Beginning	352,596
Total Pension Liability (Asset) - Ending (A)	$374,734
Plan Fiduciary Net Position	
Contributions - Employer	$ 27,244
Contributions - PMRS Assessment	100
Net Investment Income	59,933
Benefit Payments, including refunds of member contributions	(23,455)
Administrative Expenses	(1,138)
Net Change in Plan Fiduciary Net Position	$ 62,684
Plan Fiduciary Net Position - Beginning	389,418
Plan Fiduciary Net Position - Ending (B)	$452,102
Authority's Net Pension Liability (Asset) - Ending (A-B)	($ 77,368)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	120.65%
Covered Employee Payroll	$302,716
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(25.56%)

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

	2020
Total Pension Liability	
Service Cost	$ 25,870
Interest	16,326
Differences Between Expected and Actual Experience	4,334
Changes of Assumptions	15,775
Benefit Payments, including refunds of member contributions	(23,455)
Net Change in Pension Liability	$ 38,850
Total Pension Liability (Asset) - Beginning	313,746
Total Pension Liability (Asset) - Ending (A)	$352,596
Plan Fiduciary Net Position	
Contributions - Employer	$ 25,870
Contributions - PMRS Assessment	120
Net Investment Income	55,336
Benefit Payments, including refunds of member contributions	(23,455)
Administrative Expenses	(827)
Net Change in Plan Fiduciary Net Position	$ 57,044
Plan Fiduciary Net Position - Beginning	332,374
Plan Fiduciary Net Position - Ending (B)	$389,418
Authority's Net Pension Liability (Asset) - Ending (A-B)	($ 36,822)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.44%
Covered Employee Payroll	$287,449
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(12.81%)

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

	2019
Total Pension Liability	
Service Cost	$ 18,662
Interest	15,623
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	(23,455)
Net Change in Pension Liability	$ 10,830
Total Pension Liability (Asset) - Beginning	302,916
Total Pension Liability (Asset) - Ending (A)	$313,746
Plan Fiduciary Net Position	
Contributions - Employer	$ 18,662
Contributions - PMRS Assessment	100
Net Investment Income	59,575
Transfers	0
Benefit Payments, including refunds of member contributions	(23,455)
Administrative Expenses	(633)
Net Change in Plan Fiduciary Net Position	$ 54,249
Plan Fiduciary Net Position - Beginning	278,125
Plan Fiduciary Net Position - Ending (B)	$332,374
Authority's Net Pension Liability (Asset) - Ending (A-B)	($ 18,628)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.94%
Covered Employee Payroll	$207,360
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(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)

	2018
Total Pension Liability	
Service Cost	$ 16,821
Interest	14,195
Change in Benefit Terms	3,108
Differences Between Expected and Actual Experience	16,415
Changes of Assumptions	0
Transfers	0
Benefit Payments, including refunds of member contributions	(23,196)
Net Change in Pension Liability	$ 27,343
Total Pension Liability (Asset) - Beginning	275,573
Total Pension Liability (Asset) - Ending (A)	$302,916
Plan Fiduciary Net Position	
Contributions - Employer	$ 16,826
Contributions - PMRS Assessment	80
Net Investment Income	6,014
Transfers	0
Benefit Payments, including refunds of member contributions	(23,196)
Administrative Expenses	(675)
Net Change in Plan Fiduciary Net Position	($ 951)
Plan Fiduciary Net Position - Beginning	279,076
Plan Fiduciary Net Position - Ending (B)	$278,125
Authority's Net Pension Liability (Asset) - Ending (A-B)	$ 24,791
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.82%
Covered Employee Payroll	$186,904
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	13.26%

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

	2017
Total Pension Liability	
Service Cost	$ 12,382
Interest	7,071
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	(23,196)
Net Change in Pension Liability	($ 3,743)
Total Pension Liability (Asset) - Beginning	279,316
Total Pension Liability (Asset) - Ending (A)	$275,573
Plan Fiduciary Net Position	
Contributions - Employer	$ 12,382
Contributions - PMRS Assessment	80
Net Investment Income	24,752
Transfers	0
Benefit Payments, including refunds of member contributions	(23,196)
Administrative Expenses	(363)
Net Change in Plan Fiduciary Net Position	$ 13,655
Plan Fiduciary Net Position - Beginning	265,421
Plan Fiduciary Net Position - Ending (B)	$279,076
Authority's Net Pension Liability (Asset) - Ending (A-B)	($ 3,503)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.27%
Covered Employee Payroll	$107,000
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	(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)

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

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

	2015
Total Pension Liability	
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	0
Net Change in Pension Liability	$0
Total Pension Liability (Asset) - Beginning	0
Total Pension Liability (Asset) - Ending (A)	$0
Plan Fiduciary Net Position	
Contributions - Employer	$0
Contributions - PMRS Assessment	0
Net Investment Income	0
Transfers	0
Benefit Payments, including refunds of member contributions	0
Administrative Expenses	0
Net Change in Plan Fiduciary Net Position	$0
Plan Fiduciary Net Position - Beginning	0
Plan Fiduciary Net Position - Ending (B)	$0
Authority's Net Pension Liability (Asset) - 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

	2024	2023	2022	2021
Statutorily Required Contribution	$ 30,020	$ 29,197	$ 28,078	$ 27,344
Contributions in Relation to the Statutorily Required Contribution	30,020	29,197	28,078	27,344
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$332,443	$323,302	$310,865	$302,716
Authority's Contributions as a Percentage of Covered Employee Payroll	9.03%	9.03%	9.03%	9.03%

	2020	2019	2018
Statutorily Required Contribution	$ 25,990	$ 18,762	$ 16,901
Contributions in Relation to the Statutorily Required Contribution	25,990	18,762	16,906
Contribution Deficiency (Excess)	$ 0	$ 0	($ 5)
Covered Employee Payroll	$287,449	$207,360	$186,904
Authority's Contributions as a Percentage of Covered Employee Payroll	9.04%	9.05%	9.05%

	2027	2016	2015
Statutorily Required Contribution	$ 12,422	$ 7,808	$ 0
Contributions in Relation to the Statutorily Required Contribution	12,462	7,848	0
Contribution Deficiency (Excess)	($ 40)	($ 40)	$ 0
Covered Employee Payroll	$107,000	$ 86,754	$ 0
Authority's Contributions as a Percentage of Covered Employee Payroll	11.65%	9.05%	N/A

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

	2024	2023	2022	2021
Annual Money-Weighted Rate of Return, Net of Investment Expense	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED	NOT PROVIDED

	2020	2019	2018
Annual Money-Weighted Rate of Return, Net of Investment Expense	NOT PROVIDED	NOT PROVIDED	(4.57%)

	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	17.84%	8.23%	N/A

Valuation Date

Statutorily Required Contributions is a contribution based upon the payroll and the contribution rate under the terms of the cash balance pension plan. Therefore, the Statutorily Required Contributions for calendar year 2025 is based upon the January 1, 2025 actuarial valuation.

Actuarial Assumptions

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:	5.50%
Inflation:	2.2%
Salary Scale:	Age related scale with merit and inflation component of 2.2%
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
Disabled Life Mortality Base Tables:	Male: RP 2006 Disabled Annuitant Male Table Female: RP 2006 Disabled Annuitant Female Table
Mortality Improvement:	All base mortality tables are projected from the applicable table's base year to 2023 using Mortality Improvement Scale MP-2018

YOUNG OAKES BROWN & COMPANY PC
Certified Public Accountants

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, 2025, 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 July 14, 2026.

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.

1210 Thirteenth Street • PO Box 1550 • Altoona, Pennsylvania 16603 • Phone: (814) 944-6191 • Fax: (814) 942-1018 • E-mail: info@yobco.com
Members: American Institute of Certified Public Accountants • Pennsylvania Institute of Certified Public Accountants • Allinial Global

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, Oakes, Brown & Company, P.C.

Altoona, Pennsylvania
July 14, 2026