

TRI-COG LAND BANK
HOMESTEAD, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2025**

TRI-COG LAND BANK

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**To the Management and Board of Directors
Tri-COG Land Bank**

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of the Tri-COG Land Bank (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tri-COG Land Bank's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tri-COG Land Bank'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 Tri-COG Land Bank'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.

Turnley, Robertson & Associates, LLC

Turnley, Robertson & Associates, LLC

April 1, 2026
New Brighton, Pennsylvania

TRI-COG LAND BANK
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 445,482
Accounts Receivable	348,402
Prepaid Expenses	6,248
TOTAL CURRENT ASSETS	<u>\$ 800,132</u>

NONCURRENT ASSETS

Property Held for Sale	\$ 1,748,500
TOTAL NONCURRENT ASSETS	<u>\$ 1,748,500</u>
TOTAL ASSETS	<u>\$ 2,548,632</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 18,736
Mastercard Payable	4,152
Unearned Revenue - Grants	425,248
TOTAL CURRENT LIABILITIES	<u>\$ 448,136</u>
TOTAL LIABILITIES	<u>\$ 448,136</u>

NET ASSETS

Without Donor Restrictions	\$ 2,100,496
TOTAL NET ASSETS	<u>\$ 2,100,496</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,548,632</u>

TRI-COG LAND BANK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>WITHOUT DONOR RESTRICTIONS</u>
<u>REVENUE AND OTHER SUPPORT</u>	
Foundation and Endowment Grants	\$ 407,797
Land Bank Member Annual Contributions	347,271
Properties Acquired (Assessed Values)	362,100
Sale of Properties	285,863
Tax Recapture	80,243
Closing Costs Reimbursements	6,949
Net Investment Income	11,524
Miscellaneous Revenue	29,132
TOTAL REVENUE AND OTHER SUPPORT	<u>\$ 1,530,879</u>
 <u>PROGRAM EXPENSES</u>	
Acquisitions	\$ 164,106
Dispositions	574,602
Grant Disbursements	291,976
Operational	442,301
Organizational Overhead	716,743
Loss - Held for Sale Properties	20,800
TOTAL PROGRAM EXPENSES	<u>\$ 2,210,528</u>
 CHANGE IN NET ASSETS	 \$ (679,649)
 NET ASSETS - JANUARY 1, 2025	 <u>2,780,145</u>
 NET ASSETS - DECEMBER 31, 2025	 <u>\$ 2,100,496</u>

The accompanying notes are an integral part of these financial statements

TRI-COG LAND BANK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Foundations and Endowments	\$ 603,963
Cash Received from Land Bank Member Contributions	347,271
Cash Received from Sale of Property	362,100
Cash Received from Earnings on Investments	11,524
Cash Received from Miscellaneous Revenue	29,132
Cash Payments to Suppliers for Goods and Services	(1,650,580)
Net Cash Provided (Used) by Operating Activities	<u>\$ (296,590)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS **\$ (296,590)**

CASH AND CASH EQUIVALENTS - JANUARY 1, 2025 742,072

CASH AND CASH EQUIVALENTS - DECEMBER 31, 2025 **\$ 445,482**

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Change in Net Assets \$ (679,649)

ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Properties Acquired (Assessed Values)	(362,100)
Properties Sold (Assessed Values)	534,500
Gain - Held for Sale Property	20,800

CHANGE IN CURRENT ASSETS AND LIABILITIES:

(Increase) Decrease in Accounts Receivable	(214,080)
(Increase) Decrease in Prepaid Expenses	(1,272)
Increase (Decrease) in Mastercard Payable	958
Increase (Decrease) in Accounts Payable	(5,993)
Increase (Decrease) in Unearned Revenue	410,246

Total Adjustments

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES **\$ (296,590)**

The accompanying notes are an integral part of these financial statements

TRI-COG LAND BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Tri-COG Land Bank was authorized and organized as a Pennsylvania Land Bank in accordance with Commonwealth of Pennsylvania Act 153 of 2012, under Chapter 21 of Title 68 known as the Land Banks Act, and the Intergovernmental Cooperation Agreement (effective January 10, 2017) made by and between the following taxing jurisdictions located in Allegheny County:

<u>MUNICIPALITIES</u>	<u>MUNICIPALITIES</u>	<u>SCHOOL DISTRICTS</u>	<u>COUNTY</u>
Blawnox	Millvale	Clairton City	Allegheny
Braddock	Monroeville	East Allegheny	
Braddock Hills	Munhall	Fox Chapel Area	
Chalfant	North Braddock	Gateway	
Churchill	North Versailles	McKeesport Area	
Clairton	Pitcairn	Shaler	
Dravosburg	Rankin	South Allegheny	
East McKeesport	Reserve	Steel Valley	
East Pittsburgh	Sharpsburg	Woodland Hills	
Edgewood	South Versailles		
Etna	Swissvale		
Forest Hills	Turtle Creek		
Glassport	West Homestead		
Homestead	White Oak		
McKeesport	Wilkins		

The purpose of the Tri-COG Land Bank is to address blight and transition abandoned properties to beneficial reuse using a unified, predictable, and transparent process in order to revitalize communities and strengthen their respective tax bases. The main sources of funding for the Tri-COG Land Bank are from private Foundation grants and annual contributions from Land Bank members as specified in the Intergovernmental Cooperation Agreement. In accordance with this agreement, member contributions for calendar year 2025 are equal to five percent (5%) of the calendar year 2024 delinquent real estate tax principal collected by each member during calendar year 2025.

The Financial Accounting Standards Board (FASB) is responsible for establishing generally accepted accounting principles for nonprofit organizations through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Tri-COG Land Bank are discussed below.

FINANCIAL STATEMENT PRESENTATION

In accordance with generally accepted accounting standards, the Tri-COG Land Bank is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

TRI-COG LAND BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL STATEMENT PRESENTATION (Continued)

- **Net Assets without Donor Restrictions** – Net assets available for use in general operations and not subject to donor-imposed restrictions.
- **Net Assets with Donor Restrictions** – Net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

In accordance with generally accepted accounting standards, the Tri-COG Land Bank is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

BASIS OF ACCOUNTING

The Tri-COG Land Bank utilizes the accrual basis of accounting. Under this method, revenue is recognized when earned rather than when received, and expenses are recognized when an obligation is incurred rather than when cash is paid.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposit accounts held with First Commonwealth Bank.

RECEIVABLES

Receivables are stated at net realizable value.

PROPERTY HELD FOR SALE

As of December 31, 2025, the Tri-COG Land Bank owned 87 properties. During calendar year 2024, the Tri-COG Land Bank acquired 22 properties for future sale for beneficial reuse to revitalize communities and strengthen their respective tax bases. Property held for sale is stated at the appraisal value or the assessed value as established by Allegheny County, if the appraisal value has not been established. This methodology is continually reassessed each year, coupled with consideration for establishing an impairment allowance, if the Tri-COG Land Bank maintains ownership of these properties for an extended period of time.

TRI-COG LAND BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTIONS

Contributions are recognized when the donor makes a promise to give to the Tri-COG Land Bank that is, in substance, unconditional. Contributions received are recorded as net assets without donor restrictions, or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction fully expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ADOPTED ACCOUNTING PRONOUNCEMENTS

No new FASB accounting pronouncements were adopted for the Land Bank's 2025 financial statements.

PENDING ACCOUNTING PRONOUNCEMENTS

- Accounting Standards Update (ASU 2024-02), Codification Improvements "Amendments to Remove Reference to the Concept Statements". The effective date of this ASU is for fiscal years beginning after December 15, 2025.
- Accounting Standards Update (ASU) No. 2024-03, Income Statement – "Reporting Comprehensive Income" – Expenses Disaggregation Disclosures (Subtopic 220-40). Disaggregation of Income Statement Expenses. The effective date of this ASU is for fiscal years beginning after December 15, 2027.
- Accounting Standards Update (ASU) No. 2025-01, Income Statement "Reporting Comprehensive Income" – Expense Disaggregation Disclosures (Subtopic 220-40). Clarifying the Effective Date. The effective date of this ASU is for fiscal years beginning after December 15, 2026.
- Accounting Standards Update (ASU) No. 2025-05 – Financial Instruments – Credit Losses (Topic 326); Measurement of Credit Losses for Accounts Receivable and Contract Losses. The effective date of this ASU is for fiscal years beginning after December 15, 2025.

TRI-COG LAND BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 2 – CASH AND CASH EQUIVALENTS

The following provides a reconciliation between the Land Bank's December 31, 2025 bank account balances and the cash and cash equivalent balances in the financial statements:

Bank Account Balances 12/31/2025	\$ 448,101
Reconciling Items: Outstanding Checks	(15,537)
Cash and Cash Equivalents per Financial Statements	<u>\$ 432,564</u>

The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Land Bank's deposits may not be returned to it. The Land Bank does not have a separate policy for custodial credit risk. As of December 31, 2025, \$198,101 of the combined demand deposit bank balances is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Land Bank's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

NOTE 3 – AVAILABILITY AND LIQUIDITY

Financial assets available for general Tri-COG Land Bank operating expenditures, that is, without donor or other restrictions limiting their use within one year of the balance sheet date are as follows:

Cash and Cash Equivalents	<u>\$ 432,564</u>
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The Tri-COG Land Bank's main support comes from member contributions and foundation and endowment grant funding.

NOTE 4 – STAFFING SERVICES AGREEMENT

The Tri-COG Land Bank is a party to an 'inter-entity cooperation agreement' with the Steel Rivers Council of Governments (the COG). The COG has agreed to permit its personnel to perform services on behalf of the Tri-COG Land Bank in order to facilitate the continued operation of the Land Bank until such time as the Land Bank is adequately staffed. Monies received by the Land Bank will in part be used to reimburse the COG for the use of COG personnel to perform staffing services for the Land Bank. As part of this agreement, the Tri-COG Land Bank reimbursed the COG \$17,500 for use of its operating facilities in the form of rent.

TRI-COG LAND BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 5 - TAX EXEMPT STATUS

The Tri-COG Land Bank is a not-for-profit organization exempt from state and local taxes pursuant to Section 2109(b) of the Land Banks Act. On May 6, 2019, the Tri-COG Land Bank was determined to be a not-for-profit organization exempt from federal income taxes as determined under Section 501(c)3 of the Internal Revenue Code (IRC), with an effective date of exemption being March 16, 2017. The Tri-COG Land Bank has been classified as an Organization that is not a private foundation under (IRC) Section 509(a). The Tri-COG Land Bank is exempt from filing Internal Revenue Service Form 990 on an annual basis

NOTE 6 – RISK AND UNCERTAINTIES

GENERAL INSURANCE

The Tri-COG Land Bank is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

LEGAL MATTERS

The Tri-COG Land Bank is a party to various legal actions normally associated with similar entities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to the financial position of the Tri-COG Land Bank. As of December 31, 2025, the Landbank is unaware of any pending litigation that would be material to the financial position of Tri-COG Land Bank.

NOTE 7 – SUBSEQUENT EVENTS

Management has determined that there are no events subsequent to December 31, 2025 through the April 1, 2026 date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.