



Financial Statements

December 31, 2025

CITY OF JOHNSTOWN

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City of Johnstown

Department of Finance

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the year ended December 31, 2025. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the financial statements and notes to the financial statements (which immediately follow this discussion).

The intent of the Management Discussion and Analysis is to focus on the current year's activities and resulting changes in the City's financial position. It also includes currently known facts that may have a significant impact on the City's financial position. The annual financial statements include a comparative analysis of prior year government-wide financial information.

GASB 34 establishes the required elements of the general purpose external financial report as:

- Management's Discussion and Analysis
- Basic Financial Statements
 - Government-Wide Financial Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
 - Required Supplementary Information

FINANCIAL HIGHLIGHTS

- The net position of the City of Johnstown at December 31, 2025, amounted to \$61.8 million dollars. Net position invested in capital assets (net of depreciation and related debt) account for \$57.4 million dollars. Net position committed to Other Post Employment Benefits (OPEB) amounted to \$1.38 million. The remaining net position available for the government's ongoing obligations to citizens and creditors amounted to approximately \$3.02 million dollars.
- Total General Fund revenues were \$15.8 million for year 2025. Property tax receipts were \$7.5 million. Other local taxes, consisting of earned income, mercantile, business privilege, deed transfer, amusement, parking lot, and beverage taxes totaled \$4.4 million for year 2025. Revenues from other sources, such as intergovernmental revenues, payments in lieu of taxes, licenses and permits, fines and forfeits, grants and joint projects, departmental earnings, interest and investment income, and other income made up the remaining \$3.9 million of General Fund revenues.
- Total General Fund expenditures, including capital, totaled approximately \$15.3 million for the year 2025. Looking at the annual expenditure totals, they were spent in the following manner: \$1.8 million for General government, \$5.7 million for Public Safety, \$314 thousand for Community Development, \$271 thousand for Parking, \$5.8 million for Public Works, \$391 thousand for Culture & Recreation, and \$1.0 million for Debt Service.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Johnstown's basic financial statements. The basic financial statements are comprised of three (3) components: 1) government-wide financial statements, 2) fund financial statements and budgetary comparison, and 3) notes to the financial statements.

Government-Wide Financial Statements

There are two (2) government-wide financial statements (Statement of Net Position and Statement of Activities), which are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees. The governmental activities include general government, public safety, community development, parking, public works, culture and recreation, capital maintenance, and debt service.

Statement of Net Position

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two (2) reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, this is just one indicator of financial health of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions with the City.

Statement of Activities

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received in December 2025, and earned but unused vacation leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items was not received or distributed until after December 31, 2025.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Johnstown, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Johnstown can be divided into two (2) categories: governmental funds and fiduciary funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund. (GASB Statement No. 34 defines a major fund as a fund whose assets, liabilities, revenues or expenditures comprise 1) at least ten percent (10%) of the total dollar amount of the same category within either all governmental or all enterprise funds, as appropriate, and 2) at least five percent (5%) of the total dollar amount of all governmental and enterprise funds combined for the same category. The General Fund is always considered a major fund.) The governmental fund financial statements can be found immediately following the government-wide financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements' use of accrual accounting, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements, in order to facilitate this comparison.

The City maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and are adopted on a fund level. Personnel services are budgeted by full time positions. Capital outlays are approved on an item-by-item basis or project basis. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with the budget. Major fund budgetary variance statements are included with the basic financial statements. Budgetary variances for the General Fund are discussed in some detail later in this section.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Johnstown has one (1) type of fiduciary funds – Agency Funds (which are clearing accounts for assets held by the City in its role as custodian until the funds are allocated to the organizations or government agencies to which they belong). The Statement of Fiduciary Net Position can be found following the proprietary fund financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. The City's net position totaled \$61,820,483 at December 31, 2025. The following table reflects the condensed Government-Wide Statement of Net Position:

CITY OF JOHNSTOWN'S NET POSITION

	Governmental Activities	
	2025	2024
Current Assets	\$ 30,998,187	\$ 34,510,683
Non-Current Assets	70,950,419	67,270,076
Deferred Outflows	3,420,011	6,301,952
Total Assets and Deferred Outflows	<u>\$105,368,617</u>	<u>\$108,082,771</u>
Current Liabilities	\$ 1,515,560	\$ 2,216,773
Non-Current Liabilities	19,331,197	22,921,755
Deferred Inflows	22,701,377	27,326,330
Total Liabilities and Deferred Inflows	<u>\$ 43,548,134</u>	<u>\$ 52,464,858</u>
Net Position:		
Invested in Capital Assets, net of related debt	\$ 57,406,359	\$ 55,437,331
Committed	1,375,627	1,327,446
Unrestricted	3,038,497	(1,146,924)
Total Net Position	<u>\$ 61,820,483</u>	<u>\$ 55,617,853</u>

The City of Johnstown's total assets and deferred outflows were approximately \$105.4 million as of December 31, 2025. Of this amount, \$64.3 million represents fixed assets.

Of the remaining City assets and deferred outflows, approximately \$29.0 million is accounted for in cash, cash equivalents, and pooled investments, \$5.3 million in various receivables, \$2.0 million in pension assets, with the remainder spread among various other asset and deferred outflows.

At December 31, 2025, the City had outstanding liabilities and deferred inflows of \$43.5 million, with \$7.7 million in bonds, notes and leases payable, \$13.5 million in OPEB obligations and deferred inflows, \$8.4 million in pension deferred inflows, and \$8.4 million in unearned revenue. Refer to the notes to the financial statements for a more in-depth discussion of long-term obligations.

The largest portion of the City's net position reflects its investment in capital, less any outstanding related debt used to acquire those assets. The City's capital assets are used to provide services to citizens. Consequently, investments in capital are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this

debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Activities – Changes in Net Position

The following schedule provides the revenues and expenses for the current fiscal year compared to the previous fiscal year.

CITY OF JOHNSTOWN'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for services	\$ 1,222,138	\$ 1,034,106	\$ ---	\$ ---	\$ 1,222,138	\$ 1,034,106
Operating grants & contributions	5,826,320	4,518,792	---	---	5,826,320	4,518,792
Capital grants & contributions	3,221,567	1,452,145	---	---	3,221,567	1,452,145
General Revenues:						
Property taxes	7,501,232	6,963,249	---	---	7,501,232	6,963,249
Other local taxes	4,442,802	4,176,646	---	---	4,442,802	4,176,646
Other	2,175,300	2,884,609	---	---	2,175,300	2,884,609
Total Revenues	\$ 24,389,359	\$ 21,029,547	\$ ---	\$ ---	\$ 24,389,359	\$ 21,029,547

CITY OF JOHNSTOWN'S CHANGES IN NET POSITION (CONT'D.)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Expenses						
General						
Government	\$ 1,103,872	\$ 1,288,302	\$ ---	\$ ---	\$ 1,103,872	\$ 1,288,302
Public Safety	7,002,385	7,417,256	---	---	7,002,385	7,417,256
Community Development	1,172,886	1,337,264	---	---	1,172,886	1,337,264
Public Works	3,144,515	2,864,102	---	---	3,144,515	2,864,102
Culture and Recreation	390,652	249,554	---	---	390,652	249,554
Capital Maintenance	624,603	1,150,546	---	---	624,603	1,150,546
Debt Service	525,255	178,713	---	---	525,255	178,713
Unallocated Depreciation	3,951,451	2,913,036	---	---	3,951,451	2,913,036
Parking	271,110	333,310	---	---	271,110	333,310
Total Expenses	<u>\$18,186,729</u>	<u>\$17,732,083</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$18,186,729</u>	<u>\$17,732,083</u>
Excess of revenues over expenses	\$ 6,202,630	\$3,297,464	\$ ---	\$ ---	\$ 6,202,630	\$3,297,464
Net position – beginning	55,617,853	52,320,389	---	---	55,617,853	52,320,389
Net position – ending	<u>\$61,820,483</u>	<u>\$55,617,853</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$61,820,483</u>	<u>\$55,617,853</u>

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Johnstown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a financial analysis of the City's governmental and proprietary funds.

Governmental Funds Revenue and Expense Analysis

The general governmental functions are contained in the General Fund. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. On December 31, 2025, unassigned fund balance of the General Fund was approximately \$10.9 million. Total assets in the General Fund amounted to \$13.9 million, accounting for 39% of total governmental fund assets.

REVENUES CLASSIFIED BY SOURCE GOVERNMENTAL FUNDS

Revenue Source	December 31, 2025		December 31, 2024		Increase/(Decrease)
	Amount	% of Total	Amount	% of Total	Amount
Taxes	\$11,628,463	48.3%	\$11,139,895	53.3%	488,568
Charges for Services	562,137	2.3%	791,121	3.8%	(228,984)
Payments in lieu of taxes	36,524	0.2%	32,000	0.2%	4,524
Licenses and Permits	543,122	2.3%	441,224	2.1%	101,898
Debt Proceeds	195,106	0.8%	570,530	2.7%	(375,424)
Fines and Forfeits	209,998	0.9%	242,985	1.2%	(32,987)
Grants and Joint Projects	9,047,887	37.6%	5,844,635	28.0%	3,203,252
Departmental Earnings	450,003	1.9%	207,038	1.0%	242,965
Interest and Investment Income	1,267,640	5.3%	1,565,025	7.5%	(297,385)
Other Income	132,908	0.6%	68,792	0.3%	64,116
Total Revenues	\$24,073,788	100.0%	\$20,903,245	100.0%	3,170,543

The following provides an explanation of revenues by source that changed significantly over the prior year.

- **Taxes** - This consists primarily of real estate property tax receipts. Real property tax receipts were approximately \$7.5 million for 2025. The real estate tax rate was 52.48 cents/\$1,000 in 2025. The City of Johnstown maintains a relatively flat tax base due to the lack of new construction, an increasing number of property reassessments being applied for and granted by the tax assessment board at the County, demolition of properties, and businesses closing.
- **Charges for Services** - This category consists largely of parking charges for service which amounted to \$562 thousand for 2025.
- **Payment in Lieu of Taxes** - Payments received in 2025 in lieu of taxes amounted to approximately \$37 thousand in the General Fund.
- **Licenses and Permits**- This category consists largely of Beverage (liquor), current and delinquent Business, current and delinquent Mercantile and Business Privilege, Amusement, and Restaurant licenses. In addition, it includes Building, Plumbing, Sub-Structure, Cable Television fees, and Moving Permits. All of the licenses and permits covered under this section are allowable under Commonwealth of Pennsylvania's Act 511 that gives local municipalities the power to regulate fees. For 2025 approximately \$543 thousand was generated for licenses and permits.
- **Fines and Forfeits** - This category represents the collection of fines and forfeits received from various District Justices, County Court system, State Police, and other governmental agencies. The money collected can come from traffic fines, criminal activities, and other legal means producing restitution for laws violated. This area produced approximately \$210 thousand in 2025.

- **Grants and Joint Projects** - This category represents grant funds earned during 2025 of approximately of \$9.0 million for various projects. These projects consisted of new equipment for the various departments, improvements to various neighborhoods, monies to aid local businesses, and money to try and stimulate the local economy.
- **Departmental Earnings** - This category represents earnings received by various departments for services that they provide. In 2025, this area generated \$450 thousand of income for the City of Johnstown by providing services such as false alarm fees, accident and police reports, police training, NSF check fees, police record checks, police premium pay reimbursements, reimbursement of various insurance premiums pay for other funds, zoning hearing board fees, infrastructure service fees, rental of the sewer pumper, public works fees, fire department fees, health department fees, insurance proceeds for damage repairs, and towing fees.
- **Interest and Investment Income** - Interest earnings and investment income for year ended December 31, 2025, was approximately \$1.3 million.
- **Other Income** -This category is made up of the various miscellaneous income items that include things such as: miscellaneous contributions, sale of scrap equipment, debt proceeds, and monies which have no defined category.

The net change in fund balance for the Governmental Funds FY 2025 was an increase of \$1,163,495.

The following table represents expenditures by function:

EXPENSES CLASSIFIED BY SOURCE GOVERNMENTAL FUNDS

Expenditures by Source	December 31, 2025		December 31, 2024		Increase/ (Decrease)
	Amount	Percent of Total	Amount	Percent of Total	Amount
General Government	\$ 1,817,118	7.9%	\$ 1,724,494	8.2%	92,624
Public Safety	9,251,191	40.4%	9,595,312	45.6%	(344,121)
Parking	271,110	1.2%	333,310	1.6%	(62,200)
Community Development	1,172,886	5.1%	1,337,264	6.4%	(164,378)
Public Works	7,745,456	33.8%	4,532,434	21.6%	3,213,022
Culture and Recreation	390,652	1.7%	249,554	1.2%	141,098
Capital Expenditures	1,027,795	4.5%	2,253,900	10.7%	(1,226,105)
Debt Service	1,234,085	5.4%	999,988	4.8%	234,097
Total Expenditures	<u>\$ 22,910,293</u>	<u>100.0%</u>	<u>\$ 21,026,256</u>	<u>100.0%</u>	<u>\$ 1,884,037</u>

The following provides an explanation of the expenditures by function.

- **General Government** - This category is made up of several departments and funds that amount to approximately \$1.8 million dollars for year 2025:
 - **City Manager's Office** - This office provides for effective and productive administration of City affairs placed in his/her charge by City Council. The City Manager is responsible for all personnel matters, submission of a budget and capital program, administration of the budget and collection of taxes, enforcement

of City ordinances and regulations, direction and supervision of all departments, and making recommendations to the City Council concerning City affairs.

- **City Council** - The City Council serves as the legislative and policy making body of City government. They establish policy through the adoption of ordinances, resolutions, and motions at regular or special meetings. The City council appoints the City Manager, City Solicitor and members of the various boards and commissions. City Council consists of seven members, elected at large for staggered four-year terms, one of which is the Mayor.
 - **Finance Department** - This department is responsible for the collection of all real estate taxes, Act 511 taxes, receipt, record, and secure monies paid to the City, process purchase orders and issue checks to pay invoices and contractual obligations for goods and services received by the City, produce meaningful financial reports, provide payroll services, handle all employee benefits, file all local, state, and federal reports, and issue checks for payroll taxes.
 - **Non-Departmental** - This area is used for the payment of insurances, employee benefits, computer information systems and various City-wide charges not identified by department.
 - **Other Non-major Governmental Departments** - These are the Parking, Community Development, Liquid Fuels, Recreation, Sanitation and Capital Investment.
- **Public Safety** - This category is made up of several departments that total approximately \$9.3million for the 2025 year:
 - **Law Enforcement & Traffic Control** – Expenditures for the Police Department are used for protecting the community under federal, state, and local laws, provide rapid response to emergency situations, deterring crime through prevention, education, enforcement and apprehension of laws violators, returning stolen and lost property, and responding to all calls for services and information requests in an efficient, professional and ethical manner.
 - **Fire and Rescue Services** – The Fire and Rescue Services are responsible to protect lives and property by providing a wide range of fire, rescue, and non-emergency services with highly trained professionals. They are continually upgrading their services with new equipment and training to expand the professional services.
 - **Parking** – This area had total expenditures of \$271 thousand for 2025. The primary function of this area is to account for revenues from parking garages, meters, and fines.
 - **Community Development** - This area had total expenditures of approximately \$1.7 million for 2025.. The primary functions of this area are to enhance the residential, commercial, industrial and institutional base of the City and its component neighborhoods. They carry out their functions by enforcing housing, building, zoning, health, plumbing and other City ordinances in a professional manner, develop new and improve existing residential, commercial, industrial and institutional foundation through Codes Enforcement, administration of Federal and State grants for the purpose of job creation, Downtown revitalization and beautification, homeownership and housing rehabilitation, and

recreational opportunities, revive the economy and encourage residence in the City, and increase the commercial and industrial base of the City while developing and enhancing its housing stock.

- **Public Works** – Various activities make up this category and their total expenditures for 2025 were approximately \$7.7 million:
 - **Technical Services** – The administrative actions of the Public Works Department is to provide professional public works management, coordinated equipment purchasing, engineering and technical services in support of Public Works and other City operations.
 - **Infrastructure Maintenance** – This area is responsible to provide for the maintenance, upkeep and repair of recreation areas, streets and alleys, bridges, waterways and storm run-off throughout the City.
 - **Building and Grounds Maintenance**- This area is responsible for the maintenance, upkeep and repair of City-owned facilities and property.
 - **Mechanical Maintenance**- This area performs a variety of functions to support all the operating departments of the City of Johnstown. This division is to repair and maintain the service fleets for the Fire Department, Police Department, Public Works, and Community Development.
- **Culture and Recreation** – Expenditures for the year 2025 were approximately \$390 thousand. This area is responsible for the function to provide, supervise and maintain a wide range of recreational opportunities for the improvement of the Johnstown Community, and to allow every citizen the opportunity to enjoy a healthier more educational lifestyle.
- **Capital Expenditures** – For the year ended December 31, 2025, the City spent approximately \$1.0 million for various projects and acquisitions.
- **Debt Service**- The Debt Service payments for 2025 were approximately \$1.2 million for the year. The expenditures spent under this area were annual payments towards the City's General Obligation Bonds, loans, notes, and finance leases.

ORIGINAL AND FINAL AMENDED BUDGETS

During 2025, the original budget was amended for increases in revenues and expenses. Some of the amendments were for items such as new grants received, payment for new services provided, addition revenue sources, and unexpected operating expenses. The budget amendments were made under the guidelines established by the City's Home Rule Charter and all legal public notice and hearing requirements for this action were met.

FIXED ASSET AND DEBT ADMINISTRATION

Fixed Assets

The City of Johnstown's total investment in fixed assets, including construction in progress, as of December 31, 2025, amounts to approximately \$64.3 million (net of accumulated depreciation).

Debt Administration

The City of Johnstown's total outstanding debt and long term obligations as of December 31, 2025 amounts to approximately \$20 million. The City of Johnstown's debt is comprised of the following:

Notes Payable	\$ 799,301
Bonds Payable	6,105,000
Leases Payable	157,916
Compensated Absences	1,076,542
OPEB Liability	11,869,854
Total Long Term Obligations	<u>\$ 20,008,613</u>

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Johnstown's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be in writing and addressed to the City Manager, City of Johnstown, 401 Main Street, Johnstown, PA 15901.

INDEPENDENT AUDITOR'S REPORT

City Council
City of Johnstown
Johnstown, Pennsylvania

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information 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 City of Johnstown's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of 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 conformity 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 (GAAS). 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 City of Johnstown and to meet our 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.

Emphasis of Matter – Prior Period Adjustment

As described in Note 16 to the financial statements, the City of Johnstown restated its beginning net position as of January 1, 2025, to correct an error related to the accounting for grants. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 1 to the financial statements, the City of Johnstown adopted new accounting guidance, GASB Statement No. 102 "Certain Risk Disclosures". Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of Johnstown's 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 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 GAAS 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 GAAS, 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 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.
- Consider whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 management's discussion and analysis, schedules of net pension and OPEB liability, City contributions, investment returns and budgetary comparison information on pages III through XIII and 50 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Johnstown's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in blue ink that reads "Wessel & Company". The signature is written in a cursive, flowing style.

WESSEL & COMPANY
Certified Public Accountants

September 25, 2026

CITY OF JOHNSTOWN
GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and cash equivalents (Note 2)	\$ 28,961,677	\$ -	\$ 28,961,677
Receivables (net of allowance for uncollectibles)			
Accounts	433,247	-	433,247
Taxes	1,283,493	-	1,283,493
Due from other governments (Note 5)	254,423	-	254,423
Inventory	65,347	-	65,347
Total Current Assets	30,998,187	-	30,998,187
Non-Current Assets:			
Non-current loans and interest receivable	3,333,975	-	3,333,975
Deposit on equipment (Note 15)	1,300,000	-	1,300,000
Net pension asset (Note 11)	2,008,812	-	2,008,812
Fixed assets (net of accumulated depreciation) (Note 6)	64,307,632	-	64,307,632
Total Non-Current Assets	70,950,419	-	70,950,419
Deferred Outflows:			
Prepaid insurance	202,639	-	202,639
Deceased loss on bonds, net	62,719	-	62,719
Bond insurance, net	52,217	-	52,217
Bond discount	79,618	-	79,618
Deferred pension outflows (Note 11)	2,759,411	-	2,759,411
Deferred OPEB outflows (Note 13)	263,407	-	263,407
Total Deferred Outflows	3,420,011	-	3,420,011
Total Assets & Deferred Outflows	\$ 105,368,617	\$ -	\$ 105,368,617
<u>LIABILITIES AND NET POSITION:</u>			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 496,320	\$ -	\$ 496,320
Accrued wages payable	308,214	-	308,214
Notes payable (Note 9)	388,538	-	388,538
Bonds payable (Note 9)	245,000	-	245,000
Obligations under lease (Note 9)	43,878	-	43,878
Accrued interest	33,610	-	33,610
Total Current Liabilities	1,515,560	-	1,515,560
Non-Current Liabilities:			
Compensated absences (Note 8)	1,076,542	-	1,076,542
OPEB obligation (Note 13)	11,869,854	-	11,869,854
Notes payable (Note 9)	410,763	-	410,763
Bonds payable (Note 9)	5,860,000	-	5,860,000
Obligations under lease (Note 9)	114,038	-	114,038
Total Non-Current Liabilities	19,331,197	-	19,331,197
Deferred Inflows:			
Unearned revenue (Note 7)	12,754,041	-	12,754,041
Deferred OPEB inflows (Note 13)	1,585,967	-	1,585,967
Deferred pension inflows (Note 11)	8,361,369	-	8,361,369
Total Deferred Inflows	22,701,377	-	22,701,377
Net Position:			
Net investment in capital assets	57,406,359	-	57,406,359
Net position - unassigned	4,414,124	-	4,414,124
Total Net Position	61,820,483	-	61,820,483
Total Liabilities and Net Position	\$ 105,368,617	\$ -	\$ 105,368,617

CITY OF JOHNSTOWN
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 1,103,872	\$ 450,003	\$ 4,148,874	\$ -	\$ 3,495,005	\$ -	\$ 3,495,005
Public safety	7,002,385	209,998	300,000	-	(6,492,387)	-	(6,492,387)
Community development	1,172,886	-	1,172,886	-	-	-	-
Parking	271,110	447,922	-	-	176,812	-	176,812
Public works	3,144,515	-	-	3,221,567	77,052	-	77,052
Culture and recreation	390,652	114,215	-	-	(276,437)	-	(276,437)
Capital maintenance	624,603	-	204,560	-	(420,043)	-	(420,043)
Debt service	525,255	-	-	-	(525,255)	-	(525,255)
Unallocated depreciation	3,951,451	-	-	-	(3,951,451)	-	(3,951,451)
Total Governmental Activities	18,186,729	1,222,138	5,826,320	3,221,567	(7,916,704)	-	(7,916,704)
Total Primary Government	\$ 18,186,729	\$ 1,222,138	\$ 5,826,320	\$ 3,221,567	\$ (7,916,704)	\$ -	\$ (7,916,704)
		General Revenues:					
		Taxes:					
		Property taxes, levied for general purposes			\$ 7,501,232	\$ -	\$ 7,501,232
		Payments in lieu of taxes			36,524	-	36,524
		Other taxes			4,442,802	-	4,442,802
		Licenses & permits			543,122	-	543,122
		Proceeds from debt			195,106	-	195,106
		Unrestricted investment earnings			1,267,640	-	1,267,640
		Other revenues			132,908	-	132,908
		Total General Revenues and Transfers			14,119,334	-	14,119,334
		Change in Net Position			6,202,630	-	6,202,630
		Net Position - Beginning of Year			55,183,077	-	55,183,077
		Prior Period Adjustment (Note 16)			434,776	-	434,776
		Net Position - Beginning of Year, as restated			55,617,853	-	55,617,853
		Net Position - End of Year			\$ 61,820,483	\$ -	\$ 61,820,483

CITY OF JOHNSTOWN
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Major Funds							Nonmajor	
	General	Community	State	Liquid	Capital	UDAG	American	Governmental	Totals
	Fund	Development	Grant	Fuels	Investment	Fund*	Rescue Plan	Funds	
		Fund*	Fund	Fund*	Fund		Fund		
ASSETS:									
Assets:									
Cash and cash equivalents	\$ 10,801,201	\$ -	\$ 567,703	\$ 1,139,118	\$ 7,518,646	\$ 319,320	\$ 8,475,209	\$ 140,480	\$ 28,961,677
Receivables (net of allowance (for uncollectibles)									
Accounts	433,247	-	-	-	-	-	-	-	433,247
Taxes	1,283,493	-	-	-	-	-	-	-	1,283,493
Due from other governments	-	-	4,836	-	23,542	-	-	-	28,378
Due from other funds	1,126,521	106,659	16,057	-	33,661	82,868	3,650	-	1,369,416
Inventory - gas and oil	65,347	-	-	-	-	-	-	-	65,347
Non-current loans and interest receivable	-	-	1,963,069	-	-	747,772	-	623,134	3,333,975
Total Assets	13,709,809	106,659	2,551,665	1,139,118	7,575,849	1,149,960	8,478,859	763,614	35,475,533
DEFERRED OUTFLOWS									
Prepaid Insurance	202,639	-	-	-	-	-	-	-	202,639
Total Assets and Deferred Outflows	\$ 13,912,448	\$ 106,659	\$ 2,551,665	\$ 1,139,118	\$ 7,575,849	\$ 1,149,960	\$ 8,478,859	\$ 763,614	\$ 35,678,172
LIABILITIES:									
Accounts payable	\$ 112,502	\$ 1,212	\$ -	\$ -	\$ -	\$ 24	\$ 296,364	\$ 86,218	\$ 496,320
Accrued wages payable	308,214	-	-	-	-	-	-	-	308,214
Due to other funds	-	-	-	1,139,118	-	-	-	4,253	1,143,371
Total Liabilities	420,716	1,212	-	1,139,118	-	24	296,364	90,471	1,947,905
DEFERRED INFLOWS:									
Unavailable revenue - property taxes	1,149,681	-	-	-	-	-	-	-	1,149,681
Unearned revenue	87,974	105,447	2,551,665	-	3,381	1,149,936	8,182,495	673,143	12,754,041
Total Deferred Inflows	1,237,655	105,447	2,551,665	-	3,381	1,149,936	8,182,495	673,143	13,903,722
FUND BALANCE:									
Committed	1,375,627	-	-	-	7,572,468	-	-	-	8,948,095
Unassigned	10,878,450	-	-	-	-	-	-	-	10,878,450
Total Fund Balance	12,254,077	-	-	-	7,572,468	-	-	-	19,826,545
Total Liabilities, Deferred Inflows and Fund Balance	\$ 13,912,448	\$ 106,659	\$ 2,551,665	\$ 1,139,118	\$ 7,575,849	\$ 1,149,960	\$ 8,478,859	\$ 763,614	\$ 35,678,172

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

Long-term liabilities, including bonds payable, accrued interest on bonds, pension obligations, other post employment benefits and compensated absences are not due and payable in the current period and therefore are not reported as a fund liability	(24,763,375)
Deposit on equipment funded with grant proceeds	1,300,000
The difference in net position between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods	1,149,681
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds	64,307,632
Net position of governmental activities	\$ 61,820,483

* Management has elected to report as a major fund.

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Major Funds							Nonmajor Governmental Funds	Totals
	General Fund	Community Development Fund *	State Grant Fund	Liquid Fuels Fund *	Capital Investment Fund	UDAG Fund*	American Rescue Plan Fund		
Revenues									
Taxes	\$ 11,628,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,628,463
Charges for services	562,137	-	-	-	-	-	-	-	562,137
Payments in lieu of taxes	36,524	-	-	-	-	-	-	-	36,524
Licenses and permits	543,122	-	-	-	-	-	-	-	543,122
Fines and forfeits	209,998	-	-	-	-	-	-	-	209,998
Grants and joint projects	1,818,423	1,056,483	63,271	587,618	204,560	3,341	4,277,598	1,036,593	9,047,887
Departmental earnings	450,003	-	-	-	-	-	-	-	450,003
Interest and investment income	398,049	-	225	46,547	286,180	619	535,630	390	1,267,640
Other income	132,741	-	-	-	167	-	-	-	132,908
Total Revenues	15,779,460	1,056,483	63,496	634,165	490,907	3,960	4,813,228	1,036,983	23,878,682
Expenditures									
General government	1,817,118	-	-	-	-	-	-	-	1,817,118
Public safety	5,684,774	300,000	-	-	-	-	3,266,417	-	9,251,191
Community development	314,326	756,483	63,496	-	-	3,960	-	34,621	1,172,886
Parking	271,110	-	-	-	-	-	-	-	271,110
Public works	5,781,634	-	-	263,332	-	-	698,128	1,002,362	7,745,456
Culture and recreation	390,652	-	-	-	-	-	-	-	390,652
Capital expenditures	-	-	-	-	1,027,795	-	-	-	1,027,795
Debt service	1,000,788	-	-	-	233,297	-	-	-	1,234,085
Total Expenditures	15,260,402	1,056,483	63,496	263,332	1,261,092	3,960	3,964,545	1,036,983	22,910,293
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	519,058	-	-	370,833	(770,185)	-	848,683	-	968,389
Other Financing Sources/(Uses)									
Operating transfers In	784,675	-	-	-	434,841	-	-	-	1,219,516
Operating transfers (Out)	-	-	-	(370,833)	-	-	(848,683)	-	(1,219,516)
Other financing source - debt issuance	-	-	-	-	195,106	-	-	-	195,106
Total Other Financing Sources/(Uses)	784,675	-	-	(370,833)	629,947	-	(848,683)	-	195,106
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	1,303,733	-	-	-	(140,238)	-	-	-	1,163,495
Fund Balance/(Deficit) - Beginning of Year									
as originally stated	10,641,870	-	-	-	7,586,404	-	-	-	18,228,274
Prior Period Adjustment (Note 17)	308,474	-	-	-	126,302	-	-	-	434,776
Fund Balance - Beginning of Year, as Restated	10,950,344	-	-	-	7,712,706	-	-	-	18,663,050
Fund Balance/(Deficit) - End of Year	\$ 12,254,077	\$ -	\$ -	\$ -	\$ 7,572,468	\$ -	\$ -	\$ -	\$ 19,826,545

* Management has elected to report as a major fund.

CITY OF JOHNSTOWN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS 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	\$ 1,163,495
The compensated absences portion of accrued wages and benefits and other post employment benefits in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	26,560
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 the participation in the defined benefit 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.	712,161
The Other Post Employment Benefit (OPEB) liability and deferred inflows and outflows related to participation in the OPEB 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.	1,715,815
The issuance of long-term debt (e.g. bonds, leases) 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 position. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities.	708,830
The difference in the change in net position between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two accounting methods.	315,571
The effect of grant draws for downpayment of equipment, not yet in service. The amount reflects the expense in the fund compared to the increase in assets as noted on the government-wide statement of net position.	300,000
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is a decrease in the change in net position.	<u>1,260,198</u>
Change in net position of governmental activities (page 7)	<u><u>\$ 6,202,630</u></u>

CITY OF JOHNSTOWN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

	457 Deferred Compensation Fund	Rehabilitation Loan Fund
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Assets:		
Cash and cash equivalents	\$ -	\$ 4,161
Investments	-	-
Non-current loans and Interest receivable	-	3,861,756
Due from other funds	-	-
Property and rights under deferred compensation plan	<u>2,734,953</u>	<u>-</u>
Total Assets	<u>2,734,953</u>	<u>3,865,917</u>
Deferred Outflows	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u><u>\$ 2,734,953</u></u>	<u><u>\$ 3,865,917</u></u>
<u>LIABILITIES AND NET POSITION</u>		
Liabilities:		
Unearned revenues	\$ -	\$ 3,861,756
Benefits payable	-	-
Due to other funds	-	-
Due to other governments	<u>-</u>	<u>-</u>
Deferred Inflows	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows	<u>-</u>	<u>3,861,756</u>
Net Position:		
Grantee deposits	-	4,161
Held in trust for employees under deferred comp plan	<u>2,734,953</u>	<u>-</u>
Total Net Position	<u>2,734,953</u>	<u>4,161</u>
Total Liabilities, Deferred Outflows, and Net Position	<u><u>\$ 2,734,953</u></u>	<u><u>\$ 3,865,917</u></u>

CITY OF JOHNSTOWN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

	Enterprise and UDAG Loan Fund	Job Development Revolving Loan Fund	Pension Trust Fund	Total Current Year
<u>ASSETS</u>				
Assets:				
Cash and cash equivalents	\$ 19,280	\$ 213,526	\$ 367,891	\$ 604,858
Investments	-	-	57,266,423	57,266,423
Non-current loans and Interest receivable	-	339,394	-	4,201,150
Due from other funds	-	-	-	-
Property and rights under deferred compensation plan	-	-	-	2,734,953
Total Assets	19,280	552,920	57,634,314	64,807,384
Deferred Outflows	-	-	-	-
Total Assets and Deferred Outflows	<u>\$ 19,280</u>	<u>\$ 552,920</u>	<u>\$ 57,634,314</u>	<u>\$ 64,807,384</u>
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Unearned revenues	\$ -	\$ 339,394	\$ -	\$ 4,201,150
Benefits payable	-	-	56,803	56,803
Due to other funds	19,280	206,765	-	226,045
Due to other governments	-	6,761	-	6,761
Deferred Inflows	-	-	-	-
Total Liabilities and Deferred Inflows	19,280	552,920	56,803	4,490,759
Net Position:				
Grantee deposits	-	-	-	4,161
Held in trust for pension benefits	-	-	57,577,511	60,312,464
Total Net Position	-	-	57,577,511	60,316,625
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 19,280</u>	<u>\$ 552,920</u>	<u>\$ 57,634,314</u>	<u>\$ 64,807,384</u>

CITY OF JOHNSTOWN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	457 Deferred Compensation Fund	Rehabilitation Loan Fund
<u>Additions</u>		
Contributions:		
Employee	\$ -	\$ -
Employer	174,796	-
Deposits		
Loan Repayments	-	-
	<u>174,796</u>	<u>-</u>
Total Additions		
	<u>174,796</u>	<u>-</u>
Investment Income:		
Interest and dividends	-	-
Net appreciation in fair value of investments	346,443	-
	<u>346,443</u>	<u>-</u>
Total Investment Income		
	<u>346,443</u>	<u>-</u>
Total Additions		
	<u>521,239</u>	<u>-</u>
<u>Deductions</u>		
Benefits	316,037	-
Rehab, demolition, and economic development	-	2,079
Administrative expenses	9,154	-
	<u>325,191</u>	<u>2,079</u>
Total Deductions		
	<u>325,191</u>	<u>2,079</u>
Change in Net Position	<u>196,048</u>	<u>(2,079)</u>
Net Position		
Beginning of Year	<u>2,538,905</u>	<u>6,240</u>
End of Year	<u>\$ 2,734,953</u>	<u>\$ 4,161</u>

CITY OF JOHNSTOWN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Enterprise and UDAG Loan Fund	Job Development Revolving Loan Fund	Pension Trust Fund	Total
<u>Additions</u>				
Contributions:				
Employee	\$ -	\$ -	\$ 310,717	\$ 310,717
Employer	-	-	1,066,507	1,241,303
Deposits	-	-	-	-
Loan Repayments	-	35,160	-	35,160
Total Additions	-	35,160	1,377,224	1,587,180
Investment Income:				
Interest and dividends			1,300,997	1,300,997
Net appreciation in fair value of investments	-	-	6,175,462	6,521,905
Total Investment Income	-	-	7,476,459	7,822,902
Total Additions	-	35,160	8,853,683	9,410,082
<u>Deductions</u>				
Benefits	-	-	4,094,983	4,411,020
Rehab, demolition, and economic development	-	35,160	-	37,239
Administrative expenses	-	-	181,501	190,655
Total Deductions	-	35,160	4,276,484	4,638,914
Change in Net Position	-	-	4,577,199	4,771,168
Net Position				
Beginning of Year	-	-	53,000,312	55,545,457
End of Year	\$ -	\$ -	\$ 57,577,511	\$ 60,316,625

CITY OF JOHNSTOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Johnstown was incorporated December 18, 1889, under the Commonwealth of Pennsylvania Third Class Cities Act as replaced by provisions of Act 317, P.L. 932, reenacted and amended by Act 164, P.L. 662, otherwise known as the Third-Class City Code. Effective January 1, 1994, the City of Johnstown's form of government changed from the Mayor-Council to the Council-Manager form under the Home Rule Charter. The appointed professional manager is responsible for the day-to-day operations of the City and the council acts as the governing body of the City.

The following is a summary of significant accounting policies of the City of Johnstown:

a. Financial Reporting Entity

The City follows the Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity." The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City'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 City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The organization has the potential to impose a financial benefit/burden on the City

Based on the aforementioned criteria, the City of Johnstown has no component units.

b. Basis of Presentation

The City'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.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City 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 City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City'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 City, 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 City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City 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 City 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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

c. Fund Accounting

The City 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 three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City 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 deferred outflows, and liabilities and deferred inflows, is reported as fund balance.

The following are the City's major governmental funds:

General Fund

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

*Community Development Fund**

The Community Development Fund is used to account for activities associated with the Department of Housing and Urban Development Community Development Block Grant Entitlements Program.

State Grant Programs Fund

The State Grant Programs Fund is used to account for small special purpose state grants.

*Liquid Fuels Fund**

The Liquid Fuels fund is used to account for state aid provided for road construction and maintenance.

Capital Investment Fund

The Capital Investments Fund is used to account for expenses for capital projects within the City of Johnstown. The projects are approved by City Council at public meetings. The funding for capital projects typically comes from state and/or federal grants or issuance of debt.

*Urban Development Action Grant (UDAG)**

The UDAG Fund is used to account for loans, related loan repayments, and grants.

American Recovery Plan Fund

The American Recovery Plan Fund of the City accounts for federal funding received and related expenditures under the American Rescue Plan Act of 2021.

**Management has elected to present the funds as major.*

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The City's investment trust fund accounts for the external portion of the cash management pool, which represents resources that belong to legally separate entities. The City's custodial funds account for assets held by the City for political subdivisions in which the City acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

d. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements, and fund financial statements for fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows, liabilities, and deferred inflows (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 accounts, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of timing of related cash flows.

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 deferred outflows and current liabilities and deferred inflows 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 Funds

The City did not have any proprietary funds, or related activity to report for the year ended December 31, 2025.

e. Unearned Revenues

Unearned revenues arise when assets are recognized before the revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements were met have also been recorded as unearned revenue.

f. Investments

Investments of all funds are stated at fair value.

g. Budgets and Budgetary Accounting

Management submits to City Council proposed operating budgets in accordance with the Administrative Code. Prior to the inception of the calendar year, the budgets are legally enacted by Council through passage of budget ordinances. All transfers of budgeted amounts between departments, as well as all budget amendments, require the approval of City Council. Transfers among programs within a department require the approval of the City Manager.

The budgets are prepared on the cash receipts and disbursements basis of accounting, for the following funds:

- General Fund
- Special Revenue
 - Community Development Fund
 - State Grant Programs Fund
 - Liquid Fuels Fund
 - Capital Investment Fund
 - UDAG Fund
 - American Rescue Plan Fund
 - Home Loan Fund
 - Conference Center Fund

Formal budgetary integration is employed as a management control device on a cash receipts and disbursements basis of accounting during the year for the aforementioned funds. However, since the budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP), the budgetary comparisons presented in this report are on a non-GAAP budgetary basis. In this instance, however, the comparison is not materially distorted by the different bases.

h. Cash and Cash Equivalents

The City considers all unrestricted highly liquid investments with a maturity of three (3) months or less when purchased to be cash equivalents.

i. Fixed Assets

Fixed assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental columns in the governmental-wide financial statements. Fixed assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one (1) 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.

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.

Infrastructure reported in the governmental activities column consists of City roads and bridges constructed after 1980.

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

<u>Description</u>	<u>Estimated Lives</u>
Site Improvements	15-40 years
Infrastructure	15-40 years
Office Furniture & Equipment	8-15 years
Building & Permanent Fixtures	20-40 years
General Equipment	10-15 years
Radio Equipment	10 years
Computer Hardware & Software	5 years
Vehicles	8 years

j. Accumulated Liabilities for Compensated Absences

Accumulated compensated absences for sick pay in the governmental and proprietary fund types expected to be liquidated with expendable available resources are accrued and the amount payable from future resources is recorded in the General Long-Term Debt Account Group in accordance with statement 16 of the Governmental Accounting Standards Board, "Accounting for Compensated Absences."

k. Deferred Compensation Plan

The City of Johnstown 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 City. 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 City; but are restricted for employees that participate in the Plan. The City must exercise due care as required of any ordinary prudent investor.

l. Earned Income Tax/Municipal Services Tax

The City imposes an earned income tax of 1.0% on residents and non-residents.

m. Interfund Transactions

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances (reported in “Due from” asset accounts) are considered “available spendable resources”.

n. Fund Balance

The City follows 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 categories.

Nonspendable fund balance – fund balance permanently restricted and unavailable for current operations.

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

Committed fund balance – fund balance temporarily restricted for specified purposes established by a formal action by Council. Formal action by Council is also necessary to modify or rescind a fund balance commitment.

Assigned fund balance – fund balance intended for a specific purpose that does not meet the criteria to be classified as restricted or committed. The Council has authorized the Finance Director as the official authorized to assign fund balance to a specific purpose.

Unassigned fund balance – fund balance available for operations without any restriction.

Council will spend the most restricted dollars before less restricted in the order as defined above.

A committed fund balance exists in the General Fund due to an ordinance approved by Council to transfer and commit \$1.2 million from the General Fund cash account for the purpose of funding the Other Post Employment Benefits (OPEB) liabilities of the City of Johnstown, the largest portion of which is hospitalization coverage for retirees. Accumulated interest on the initial \$1.2 million is also considered committed.

A committed fund balance exists in the Capital Investment Fund, as the Capital Investment Fund is restricted for capital outlay and infrastructure projects. These resources are not available for general operating purposes.

o. New GASB Pronouncements

In the current year, the City has implemented GASB Statement No. 102, Certain Risk Disclosures. The adoption of this Statement had no effect on previously reported amounts.

p. Pending Changes in Accounting Principles

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. The City is required to adopt Statement No. 103 for its 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The City is required to adopt Statement No. 104 for its 2026 financial statements.

In December 2025, the GASB issued Statement No. 105, Subsequent Events. The City is required to adopt Statement No. 105 for its 2027 financial statements.

NOTE 2 CASH AND CASH EQUIVALENTS 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 City 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 City.

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 28,961,677
Fiduciary funds:	
Cash and investments	<u>57,871,281</u>
Total Cash and Investments	<u>\$ 86,832,958</u>

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

Deposits with financial institutions	\$ 29,566,535
Investments	<u>57,266,423</u>
Total Cash and Investments	<u>\$ 86,832,958</u>

Interest Rate Risk

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. One of the ways that the Entity manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Entity's investments by maturity:

Investment Type	Year of Maturity			
	<1	1 – 5	5 - 10	10+
U.S. Treasury & Agency	\$ ---	\$ 3,064,166	\$ 2,057,563	\$ ---
Corporate Bonds	---	2,664,543	2,042,813	424,329
Totals	<u>\$ ---</u>	<u>\$ 5,728,709</u>	<u>\$ 4,100,376</u>	<u>\$ 424,329</u>

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. Presented below is the total amount of investments within each rating:

Rating	Amount
AAA	\$ 535,413
AA+	6,555,464
AA	36,128
AA-	189,964
A+	359,167
A	567,626
A-	846,093
BBB+	672,946
BBB	436,631
BBB-	53,982
Total	<u>\$10,253,414</u>

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. The Pennsylvania Government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Pennsylvania Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The

market value of the pledged securities in the collateral pool equal at least one hundred ten percent (110%) of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks related to deposits and investments, as of December 31, 2025, The City's Investments by the following investment types were uncollateralized, which includes deposits collateralized by securities held by the pledging financial institution or by its trust department or agent, but not the City's name.

<u>Investment Type</u>	<u>Reported Amount</u>
Pension Trust	<u>\$ 57,266,423</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by bond trustees) include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year End</u>
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$ 422,754</u>

Investments – Fair Value Measurements

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

Level 1 – Represented by quoted prices available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities and mutual funds.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using price models or discounted cash flows. Level 2 securities would include U.S. agency securities,

mortgage-based agency securities, obligations of states, and political subdivisions and certain corporate, asset backed securities, swap agreements, and life insurance contracts.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of fiduciary net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Stocks: Valued at the closing price reported on the active market on which the securities are traded.

Government Obligations and Corporate Bonds: Government obligations consisting of U.S. Treasury bonds and notes, agency securities, mortgage backed securities and corporate debt obligations consisting of bonds are generally valued at the most recent price of the equivalent quotes yield for such securities, or those of comparable maturity, quality and type. Such investments are generally classified within Level 2 of the valuation hierarchy.

The following table sets forth by level within the fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as of December 31, 2025:

	Fair Value Measurements at Reporting Date		
	Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Government & Agencies	\$ ---	\$ 5,121,729	\$ ---
Stocks	46,309,066	---	---
Corporate Obligation	4,349,641	782,043	---
Cash & Cash Equivalents	703,944	---	---
	<u>\$ 51,362,651</u>	<u>\$ 5,903,772</u>	<u>\$ ---</u>

NOTE 3 PROPERTY TAXES

The City bills and collects its own property taxes based upon property valuations provided by the County Assessor's Office. For 2025, the City levied 52.20 mills per dollar for general revenue purposes. The other tax levies, of .28 mills per dollar of assessed valuation was provided for the county library. The total tax levy of 52.48 mills per dollar of assessed valuation would generate \$7,313,554 of property tax revenue based upon the total taxable assessed valuation of property within the City of 139,353,310. The property tax levy for 2025 was passed in December 2024.

The following is a summary of the tax calendar for the year ended December 31, 2025:

Mailing Date – April 1, 2025

Discount Period at 2% -- May 1, 2025 to May 31, 2025

Face Period -- June 1, 2025 to July 31, 2025

Penalty Period at 10% -- August 1, 2025 to December 31, 2025

NOTE 4 PAYMENTS IN LIEU OF TAXES

Payments received in 2025 in lieu of taxes amounted to \$36,524 in the General Fund, which resulted from the City's agreements with the Johnstown Housing Authority and Cambria County Association for the Blind and Handicapped.

NOTE 5 DUE FROM/(TO) OTHER GOVERNMENTS

Amounts due from other governments are generally comprised of amounts due from the Federal, State and Local government units for reimbursement due under the grant programs at December 31, 2025. Amounts due to other governments are generally comprised of interest earned on state grants required to be returned to the state for which program expenditures have not occurred at December 31, 2025.

NOTE 6 FIXED ASSETS

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

	Balance December 31, 2024	Additions	Disposals	Balance December 31, 2025
Government Activities:				
Land	\$ 4,713,625	\$ ---	\$ ---	\$ 4,713,625
Construction-in-progress	---	132,666	---	132,666
Total fixed assets not being depreciated	4,713,625	132,666	---	4,846,291
Other fixed assets:				
Site Improvements	5,521,960	---	---	5,521,960
Building and permanent fixtures	37,962,159	---	---	37,962,159
Infrastructure	56,955,625	4,508,608	---	61,464,233
General equipment	5,967,735	29,696	---	5,997,431
Vehicles	8,378,453	540,679	---	8,919,132
Total other fixed assets, at cost	119,499,557	5,211,649	---	124,711,206
Less accumulated depreciation for:				
Site improvements	(5,514,038)	(653,817)	---	(6,167,855)
Buildings and permanent fixtures	(20,177,215)	(654,725)	---	(20,831,940)
Infrastructure	(18,315,099)	(2,157,412)	---	(20,472,511)
General equipment	(5,256,473)	(88,860)	---	(5,345,333)
Vehicles	(7,189,298)	(396,637)	---	(7,585,935)
Total accumulated depreciation	(56,452,123)	(3,951,451)	---	(60,403,574)
Governmental activities fixed assets, net	<u>\$ 63,047,434</u>	<u>\$ 1,260,198</u>	<u>\$ ---</u>	<u>\$ 64,307,632</u>

NOTE 7 UNEARNED REVENUES

Unearned revenues are generally comprised of advances from Federal, State and Local governmental units for which program expenditures have not yet occurred at December 31, 2025. In addition, unearned revenue is recorded as an offset to non-current loans and interest receivable made to businesses and individuals in connection with joint projects with the federal and state governments. Property taxes for which there was an enforceable

legal claim at December 31, 2025, but were levied to finance 2025 operations, have been recorded as unearned revenue.

NOTE 8 LIABILITY FOR COMPENSATED ABSENCES

City employees that are governed by a union agreement may accumulate unused sick days and earn the right to receive payment for those days. The following summarizes the terms of each contract as it pertains to accumulating sick leave.

	# of Days Earned/Year	Payment		Rate
		Right to Receive Payment for Accumulation of Days	Maximum Number of Days	
Police	15	Termination, death, retirement, or resignation	105	2025 Daily Rate
Fire	15	Termination, death, retirement, or resignation	105	2025 Daily Rate
Non-Uniform	10	Retirement	75	2025 Daily Rate

Employees not governed by a union contract can accumulate sick time. However, these employees' right to receive payment for the accumulated time only occurs at retirement. Vacations are included in the computation as determined by union contracts. Directors and Managers can accumulate unused vacations time, which is included in the computation.

Accrued compensated absences expected to be liquidated with expendable available resources have been recorded in the General Fund as a current liability at December 31, 2025, in the amount of \$0. The amount payable from future resources is recorded as a non-current liability in the Governmental-Wide Statement of Net Position in the amount of \$1,076,542.

NOTE 9 LONG TERM DEBT

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

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Amounts Due Within One Year
Governmental Activities:					
2016 General Obligation Note	\$ 1,038,208	\$ ---	\$ (694,047)	\$ 344,161	\$ 344,161
2023 General Obligation Note	301,941	---	(26,399)	275,542	27,955
2024 General Obligation Note	195,106	---	(15,508)	179,598	16,422
2020 General Obligation Bonds	6,250,000	---	(145,000)	6,105,000	245,000
Lease Obligations	192,106	112,688	(146,878)	157,916	43,878
Governmental Activities Long-term Liabilities	<u>\$ 7,977,361</u>	<u>\$ 112,688</u>	<u>\$ (1,027,832)</u>	<u>\$ 7,062,217</u>	<u>\$ 677,416</u>

Description of Debt

Pertinent information regarding general obligation debt outstanding is presented below:

General Obligation Note, Series A of 2016:

In December 2016, the City issued a General Obligation Note with First Summit in the amount of \$6,000,000. This note matures in May 2026 with an interest rate of 2.65%. The proceeds of this loan were used to pay off the outstanding balance of the FNB Loan, Line of Credit, and two (2) KS StateBank finance leases.

General Obligation Note, 2023:

In December 2023, the city issued a General note with First Summit in the amount of \$326,670. The note matures December 1, 2033, with an interest rate of 5.74%. The proceeds were used to finance a new fire truck.

General Obligation Note, 2024:

In April 2024, the City issued a General Obligation note with First Summit in the amount of \$204,963. The note matures in 2031, with an interest rate of 5.74%. The proceeds were used to finance the purchase of equipment.

General Obligation Bonds, Series of 2020:

In January 2020, the City issued General Obligation Bonds, Series of 2020 for \$6,635,000 with a coupon rate ranging from 2.00% to 3.00%. The proceeds of the bond were used to refund the City's General Obligation Bonds, Series of 2013 and to pay the cost of issuance. This transaction saved the City approximately \$505,000 resulting in an economic gain of nearly \$495,000.

Leases

During March 2016, the City obtained a finance leases from KS StateBank. The lease was for \$828,436 with an interest rate of 3.63% which matured in March 2025. An additional finance leased was obtained from KS State Bank during 2024 for \$168,248 with an interest rate of 6.25% which matures in June 2027. An additional lease for police vehicles was obtained in September 2025. The total lease amounted to \$129,618, matures in July 2030, and bears interest at a rate of 5.35%.

Debt Maturity

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

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2016 General Obligation Note			
<u>Years Ending December 31:</u>			
2026	\$ <u>344,161</u>	\$ <u>4,565</u>	\$ <u>348,726</u>
	\$ <u>344,161</u>	\$ <u>4,565</u>	\$ <u>348,726</u>
2023 General Obligation Note			
<u>Years Ending December 31:</u>			
2026	\$ 27,955	\$ 15,077	\$ 43,032
2027	29,603	13,429	43,032
2028	31,348	11,684	43,032
2029	33,195	9,837	43,032
2030	35,151	7,881	43,032
2031 - 2033	<u>118,290</u>	<u>27,349</u>	<u>145,639</u>
	\$ <u>275,542</u>	\$ <u>85,257</u>	\$ <u>360,799</u>
2024 General Obligation Note			
<u>Years Ending December 31:</u>			
2026	\$ 16,422	\$ 9,881	\$ 26,303
2027	17,390	8,914	26,304
2028	18,414	7,889	26,303
2029	19,500	6,804	26,304
2030	20,649	5,654	26,303
2031 - 2033	<u>87,224</u>	<u>1,618</u>	<u>88,842</u>
	\$ <u>179,599</u>	\$ <u>40,760</u>	\$ <u>220,359</u>
2020 General Obligation Bond			
<u>Years Ending December 31:</u>			
2026	\$ 245,000	\$ 134,434	\$ 379,434
2027	965,000	129,538	1,094,538
2028	985,000	110,238	1,095,238
2029	1,005,000	89,553	1,094,553
2030	1,030,000	67,443	1,097,443
2031 - 2032	<u>1,875,000</u>	<u>63,743</u>	<u>1,938,743</u>
	\$ <u>6,105,000</u>	\$ <u>594,949</u>	\$ <u>6,699,949</u>

Finance LeasesYears Ending December 31:

2026	\$ 43,878	\$ 7,277	\$ 51,155
2027	43,902	5,820	49,722
2028	22,171	3,752	25,923
2029	23,358	2,566	25,924
2030	24,607	1,316	25,923
	<u>\$ 157,916</u>	<u>\$ 20,731</u>	<u>\$ 178,647</u>

NOTE 10 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

- a) Cumulative deficit fund balances or net assets of individual funds. No funds had deficit fund balances at December 31, 2025:
- b) Individual fund interfund receivable and payable balances. Balances at December 31, 2025, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,126,521	\$ ---
Enterprise and UDAG Loan Fund	---	19,280
Community Development Fund	106,659	---
Urban Development Action Grant Fund	82,868	---
State Grant Program Fund	16,057	---
Home Loan Fund	---	2,169
Job Redevelopment Revolving Loan Fund	---	206,765
Capital Investment Fund	33,661	---
Conference Center Fund	---	2,084
American Rescue Plan	3,650	---
Liquid Fuels Fund	---	1,139,118
	<u>\$ 1,369,416</u>	<u>\$ 1,369,416</u>

NOTE 11 PENSION PLANS*Plan Description*

The City maintains four (4) Single Employer defined benefit pension plans. All plans provide retirement benefits, death benefits for surviving spouses and disability benefits to plan members. These benefits are established and may be amended by the individual pension boards, which are established by City Council. The Commonwealth of Pennsylvania has enacted the "Municipal Pension Plan Funding and Recovery Act" (Act 205). The act establishes certain standards and requirements for municipal pensions in the areas of: (1) actuarial reporting; (2) employer contribution requirements; (3) revising the State insurance allocations; and (4) funding assistance and measures available to municipalities based on a "distressed status" classification determined by the Commonwealth of Pennsylvania. In December 1985, the City of Johnstown elected third level "distress" for pension purposes as authorized by the State of Pennsylvania. The City's actuarial reports for all pension plans have been changed to meet the reporting requirements of Act 205. The plans do issue separate reports. A copy of these reports can be obtained from the City of Johnstown's Finance Department. The disclosure requirements for each plan are summarized as follows:

Police Employees

Plan Administration

The City of Johnstown Police Pension Plan is a single-employer defined benefit pension plan. The Plan was established by Ordinance No. 3390, effective December 29, 1959. The Plan is governed by the City Council of the City of Johnstown which may amend plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to CS McKee and State Street. The plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2025.

Method Used to Value Investments

Plan investments are reported at fair value as reported by the AmeriServ Trust and Financial Services Company. 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.

Benefits Provided

A monthly benefit equal to 50% of monthly average of highest 5 years of pay, or if hired prior to 3/11/2010, 50% of final monthly pay if greater, plus a service increment of 1/40 of pension for each year of service completed in excess of 25 years (20 years if hired prior to 3/11/2010), excluding service beyond age 65. Pay is defined as base salary plus longevity pay, sick leave incentive and educational pay. Maximum service increment is \$100 (\$500 if hired before 1/1/2018). Minimum total benefit is \$400.

The surviving spouse of a deceased participant will automatically receive 50% (100% if hired before 1/1/2018) of the participant's pension entitlement until death or remarriage, at which time the benefit will be divided equally among the participant's children under age 18. If no spouse or children are eligible to receive the benefit, the accumulated contributions will be refunded to the estate.

Net Pension Liability of the City's Plan

The components of the net pension (asset) of the City's plan at December 31, 2025, were as follows:

Total Pension Plan Liability	\$ 20,457,904
Plan Fiduciary Net Position	<u>(22,371,790)</u>
Net Pension (Asset)	<u>\$ (1,913,886)</u>

Plan Fiduciary Net Position as a percentage of the total pension liability is 109.4%.

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the plan will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205, with the Act 44 of 2009 amortization payment reduction no longer applicable. Based

on that assumption, 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 payment 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 City, calculated using the discount rate of 6.5 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	<u>-1% (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>+1% (7.5%)</u>
Net pension liability/(asset)	<u>\$ 444,772</u>	<u>\$ (1,913,886)</u>	<u>\$ (3,879,722)</u>

Pension expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

Components of Pension Expense	<u>12/31/25</u>
Service Cost	\$ 335,145
Interest on total pension liability	1,292,249
Recognition of differences between expected and Actual experience	(408,644)
Changes in benefit terms	128,276
Amortization of changes in assumptions	158,042
Employee contributions	(109,359)
Projected earnings on pension plan investments	(1,301,192)
Recognition of differences between projected and Actual earnings on plan investments	(135,422)
Pension plan administrative expense	24,616
Total pension expense	<u>\$ (16,289)</u>

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

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between the expected and actual experience	\$ ---	\$ 638,871
Changes of assumptions	47,412	---
Net difference between projected and Actual earnings on plan investments	1,034,788	2,936,519
Total	<u>\$ 1,082,200</u>	<u>\$ 3,575,390</u>

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	\$ (183,993)
2027	(1,201,035)
2028	(739,835)
2029	(368,327)
2030	---
Thereafter	---
Total	<u>\$ (2,493,190)</u>

Fire Employees

Plan Administration

The City of Johnstown Firemen's Pension Plan is a single-employer defined benefit pension plan. The Plan was established by Ordinance No. 2752, effective July 1, 1948. The Plan was amended and restated by Ordinance No. 4441, effective January 1, 1988. The Plan is governed by the City Council of the City of Johnstown which may amend plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to CS McKee and Mariner Institutional LLC. The plan is required to file Form PC-202C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2025.

Method Used to Value Investments

Plan investments are reported at fair value as reported by the AmeriServ Trust and Financial Services Company. 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.

Benefits Provided

The members are vested after twelve (12) years of service and eligible for retirement at age fifty-five (55) and completion of twenty-five (25) years of services if hired on or after January 1, 2018, and eligible for retirement after twenty (20) years of service if hired before January 1, 2018. A monthly benefit equal to 50% of the greater of final monthly base and longevity pay or monthly base and longevity pay averaged over the highest 5 years, plus a Service Increment. Service increment if hired on or after 1/1/2018: 1/40 of pension for each year of service completed in excess of 25 years, excluding service after age 65 with a maximum Service Increment of \$100. Service increment if hired before 1/1/2018: 1/40 of pension for each year of service in excess of 20 years, excluding service after age 65, with a maximum increment of \$500.

The surviving spouse of a deceased participant will automatically receive fifty percent (50%), or one hundred percent (100%) if hired before 1/1/2018, of the participant's pension entitlement until death or remarriage, at which time the benefit will be divided equally among the participant's children under age eighteen (18), if any.

Disability retirement benefits that are service related will be received based on the normal retirement benefit. Non-service-related disability retirement benefits will be received upon total and permanent disablement after completion of fifteen (15) years of service.

Net Pension Liability of the City’s Plan

The components of the net pension liability of the City’s plan at December 31, 2025, were as follows:

Total Pension Plan Liability	\$ 22,222,113
Plan Fiduciary Net Position	<u>(22,274,529)</u>
Net Pension (Asset)	\$ <u><u>(52,416)</u></u>

Plan Fiduciary Net Position as a percentage of the total pension liability is 100.2%

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that the plan will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205. Based on that assumption, 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 payment 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 City, calculated using the discount rate of 6.5 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	<u>-1% (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>+1% (7.5%)</u>
Net pension liability/(asset)	<u>\$2,528,207</u>	<u>\$ (52,416)</u>	<u>\$ (2,198,757)</u>

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

Components of Pension Expense	<u>12/31/25</u>
Service Cost	\$ 376,297
Interest on total pension liability	1,399,894
Recognition of differences between expected and actual experience	(89,727)
Change in benefit terms	---
Amortization of changes in assumptions	---
Employee contributions	(98,598)
Projected earnings on pension plan investments	(1,277,117)
Recognition of differences between projected and actual earnings on plan investments	(171,347)
Pension plan administrative expense	25,460
Other changes in fiduciary net position	---
Total pension expense	<u>\$ 164,862</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between the expected and actual experience	\$ ---	\$ 108,612
Changes of assumptions	---	---
Net difference between projected and actual earnings on plan investments	<u>974,043</u>	<u>2,908,143</u>
Total	<u>\$ 974,043</u>	<u>\$ 3,016,755</u>

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

<u>Year Ended</u>	<u>Amount</u>
2026	\$ (110,323)
2027	(1,012,531)
2028	(604,730)
2029	(315,128)
2030	---
Thereafter	---
Total	<u>\$ (2,042,712)</u>

Officers and Non-Uniform Employees

Plan Administration

The City of Johnstown Officers and Employees Pension Plan is a single-employer defined benefit pension plan. The Plan was established effective January 1, 1971. The Plan was amended and restated by Ordinance No. 4440, effective January 1, 1988. The Plan is governed by the City Council of the City of Johnstown which may amend plan provisions, and which is responsible for the management of Plan assets. The City Council has delegated the authority to manage certain Plan assets to CS McKee and Mariner Institutional LLC. The plan is required to file Form PC-203C biennially with the

Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2025.

Method Used to Value Investments

Plan investments are reported at fair value as reported by the AmeriServ Trust and Financial Services Company. 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.

Benefits Provided

Members are vested after twelve (12) years and are eligible for retirement at the age of fifty-five (55) and twenty (20) years of service for those hired before 1/1/2017 and at the age of sixty (60) and fifteen (15) years of service for those hired after 1/1/2017. For employees hired before January 1, 2017, the pension benefit is equal to fifty percent (50%) of the greater of the final 24 months average of total salary or highest sixty (60) month average of total salary, less fifty percent (50%) of primary social security benefit. Employees who retire after age fifty-five (55) will receive an additional one percent (1%) of the average salary for each year of service in excess of twenty (20) years, up to a maximum increment of twenty percent (20%) of salary. For employees hired after January 1, 2017, the pension benefit is equal to one and a half percent (1.50%) of the average compensation multiplied by the years of service.

At retirement, retirees may elect a joint and survivor annuity benefit in a reduced amount, which is actuarially equivalent to the retirement benefit payable as a life annuity. For active members who die, contributions will be refunded.

Disability retirement benefits that are either service or non-service related will be received upon total and permanent disablement after completion of ten (10) years of service. If hired before January 1, 2017, a participant will receive the retirement benefit with no offset for Social Security.

Net Pension Liability of the City's Plan

The components of the net pension liability of the City's plan at December 31, 2025, were as follows:

Total Pension Plan Liability	\$ 11,495,058
Plan Fiduciary Net Position	<u>(11,677,052)</u>
Net Pension (Asset)	<u>\$ (181,994)</u>

Plan Fiduciary Net Position as a percentage of the total pension liability is 101.6%

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer 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 City, calculated using the discount rate of 6.5 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	-1% (5.5%)	Current Discount Rate (6.5%)	+1% (7.5%)
Net pension liability/(asset)	<u>\$ 908,727</u>	<u>\$ (181,994)</u>	<u>\$(1,114,883)</u>

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

Components of Pension Expense	12/31/25
Service Cost	\$ 179,638
Interest on total pension liability	733,284
Recognition of differences between expected and actual experience	(13,816)
Change in benefit terms	---
Amortization of changes in assumptions	---
Employee contributions	(91,360)
Projected earnings on pension plan investments	(681,510)
Recognition of differences between projected and actual earnings on plan investments	(49,379)
Pension plan administrative expense	16,020
Other changes in fiduciary net position	---
Total pension expense	<u>\$ 92,877</u>

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	\$ 49,359	\$ 50,753
Changes of assumptions	---	---
Net difference between projected and actual earnings on plan investments	<u>572,931</u>	<u>1,545,654</u>
Total	<u>\$ 622,290</u>	<u>\$ 1,596,407</u>

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	\$ 25,762
2027	(525,419)
2028	(311,671)
2029	(162,789)
2030	---
Thereafter	---
Total	<u>\$ (974,117)</u>

Sewage Employees

Plan Administration

The City of Johnstown Bureau of Sewage Pension Plan is a single-employer defined benefit pension plan. The Plan was established effective January 1, 1971. The plan was amended and restated by Ordinance No. 4443, effective January 1, 1988. The plan is governed by the City Council of the City of Johnstown which may amend plan provisions, and which is responsible for the management of plan assets. The City Council has delegated the authority to manage certain Plan assets to CS McKee and State Street. The plan is required to file Form PC-203C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2025.

Method Used to Value Investments

Plan investments are reported at fair value as reported by the AmeriServ Trust and Financial Services Company. 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.

Benefits Provided

Effective January 1, 2014, the plan was closed to new participants. The vesting schedule provides for a graduated vesting of one hundred percent (100%) after fifteen (15) years of service and the eligibility for retirement at age sixty-five (65). For participants hired before January 1, 1988, the retirement benefit is a monthly benefit equal to 1% of average compensations plus ½ of 1% of average compensation in excess of \$1,000, multiplied by years and completed months of service up to a maximum of 40 years. Average compensation is defined as total pay average over the final 60 months of employment. For participants hired on or after January 1, 1988, the retirement benefit is a monthly benefit equal to 1% of average compensation multiplied by years of service to a maximum of 40 years.

In addition, the death benefit will no longer be paid by the pension plan but will be paid by other life insurance policies. The cash value of the current policies will now be a Plan asset. There are no contributions required by the employees hired prior to January 1, 1988. The employees hired after January 1, 1988, will contribute two and a quarter percent (2.25%) of wages.

Before retirement age, the surviving spouse of a deceased participant will automatically receive a refund of contributions, if any, without interest. After retirement age, the normal form of payment is a life annuity. The participant, at retirement, may select an optional form of payment that is an actuarial equivalent of the normal form.

Disability retirement benefits that are either service or non-service related are accumulated in a side fund and is payable upon permanent incapacity to perform duties of employment.

Net Pension Liability of the City’s Plan

The components of the net pension liability of the City’s plan at December 31, 2025, were as follows:

Total Pension Plan Liability	\$ 1,393,623
Plan Fiduciary Net Position	<u>(1,254,139)</u>
Net Pension Liability	<u>\$ 139,484</u>

Plan Fiduciary Net Position as a percentage of the total pension liability is 90.0%

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer 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 City, calculated using the discount rate of 6.5 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	<u>-1% (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>+1% (7.5%)</u>
Net pension liability/(asset)	<u>\$ 224,951</u>	<u>\$ 139,484</u>	<u>\$ 63,215</u>

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

Components of Pension Expense	12/31/25
Service Cost	\$ ---
Interest on total pension liability	91,426
Recognition of differences between expected and actual experience	85,932
Amortization of changes in assumptions	---
Projected earnings on pension plan investments	(76,983)
Recognition of differences between projected and actual earnings on plan investments	7,206
Pension plan administrative expense	5,315
Total pension expense	<u>\$ 112,896</u>

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	\$ ---	\$ ---
Changes of assumptions	---	---
Net difference between projected and actual earnings on plan investments	80,878	172,817
Total	<u>\$ 80,878</u>	<u>\$ 172,817</u>

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	\$ 19,792
2027	(61,087)
2028	(33,926)
2029	(16,718)
2030	---
Thereafter	---
Total	<u>\$ (91,939)</u>

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by City Council by a majority vote of its members. It is the policy of City Council to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The City's total pension assets held by Ameriserv Trust and Financial Services Company amounted to \$57,266,423 as of December 31, 2025. The following was the City's adopted asset allocation policy for these investments as of December 31, 2025:

Asset Class	Target Allocation	Actual Allocation
Domestic Equity	47.5%	51.8%
International Equity	15.0%	17.4%
US Fixed Income	25.0%	18.0%
US Real Estate Funds	12.5%	11.6%
Cash & Equivalents	0.0%	1.2%
Total	100.0%	100.0%

Concentrations

As of December 31, 2025, the pension plan held the following investments that represented five percent (5%) or more of the pension plan's fiduciary net position:

Investment	Balance
Vanguard Total Stock Market Index	\$ 29,929,817
American Funds EuroPacific Growth	10,033,334
C.S. McKee Fixed Income	10,385,084
Principal Real Estate R6	6,703,434

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The following was the City's target asset allocation as of December 31, 2025:

Asset Class	Long Term Expected Real Rate of Return Net of Investment Expense & Inflation
Equities	5.0% – 7.0%
Fixed Income	1.0% – 3.0%
Cash	0.0% – 1.0%

Rate of Return on Investments

For the 2025 measurement period, the annual money-weighted rate of return on the City's combined pension plan investments, net of pension plan investment expense, was 14.51%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Plan Membership

The most recent plan financial statements, for the year ending December 31, 2025, reflects the following numbers of participants in the plans:

	<u>Police</u>	<u>Firemen</u>	<u>Non-Uniform</u>	<u>Sewage*</u>	<u>Total</u>
Participants:					
Retirees and beneficiaries	74	68	77	16	235
Deferred vested	5	0	3	0	8
Active employees	<u>35</u>	<u>29</u>	<u>37</u>	<u>0</u>	<u>101</u>
	<u>114</u>	<u>97</u>	<u>117</u>	<u>16</u>	<u>344</u>

**Effective January 1, 2014, the Sewage pension plan was closed to new participants.*

Summary of Significant Accounting Policies

The City of Johnstown maintains a pension trust fund to account for all four (4) pension plans. The pension trust fund is presented on the accrual basis of accounting in the City's financial statements. Employer contributions to each plan are recognized when due as required by Act 205. Benefits and refunds are recognized when due and payable in accordance with the terms of the individual plan. Investments of the plans are reported at fair market value.

NOTE 12 COMMITMENTS AND CONTINGENCIES

a. Litigation

In the normal course of operations, the City 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 City's financial position.

b. Grant Programs

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

c. Risk Financing

The City is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risk areas have not exceeded commercial insurance coverage for the past three (3) years. There were no significant reductions in insurance coverage from coverage in the prior year.

d. Golf Course Lease

The City entered into a Golf Course Agreement and Operation Agreement with an Independent Operator (Operator) in March 2014, effective January 1, 2015. The initial

terms of the agreement was for five (5) years with three (3), three (3) year options to renew.

The City leases to the Operator the premises together with all buildings and equipment. For the year ended December 31, 2025, the City recognized revenue related to the Golf Course Agreement in the amount of \$24,000.

In addition, the Operator will assume complete responsibility for the operation, maintenance, repair, and capital improvements of the golf course during the terms of this agreement.

NOTE 13 POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 11, the City provides post employment health care benefits to the Police, Fire, Sewage and Non-Uniformed employees. The post-employment benefits reimburse one hundred percent (100%) of the amount validated claims for medical, dental, and hospitalization costs incurred by pre-Medicare retirees. The requirements for each department are summarized as follows:

Police Employees

The City provides post employment care benefits to Police employees who were hired prior to January 1, 2010, and retired from the City on or after attaining age fifty (50) with at least twenty (20) years of service. These requirements stated pertain to police employees hired after January 1, 1989. The police employees hired prior to January 1, 1989, need only twenty (20) years of service to retire and receive the post employment health care benefits. The City reimburses one hundred percent (100%) of the cost for employees but not their dependents for those employees retiring before January 1, 1997. For the employees retiring after January 1, 1997, the City reimburses one hundred percent (100%) of the cost for employees and their dependents.

Fire Employees

The City provides post employment health care benefits to fire employees who retired from the City on or after attaining age fifty (50) with at least twenty (20) years of service. These requirements stated pertain to fire employees hired after January 1, 1989. The fire employees hired prior to January 1, 1989, need only twenty (20) years of service to retire and receive the post employment health care benefits. The City reimburses one hundred percent (100%) of the cost for employees and their dependents.

Sewage Employees

The City provides post employment health care benefits to sewage employees who retired from the City on or after attaining age sixty-two (62). The City reimburses \$250 per month for the employee until they reach the age of eligibility for Medicare.

Non-Uniform Employees

The City provides post employment health care benefits to non-uniform employees who retired from the City on or after attaining age fifty-five (55) with at least twenty (20) years of service. These requirements stated pertain to non-uniform employees retiring after January 1, 1997. The non-uniform employees retiring before January 1, 1997, did not receive the post employment health care benefits. For those hired after January 1, 2017,

the requirements are age 60 and 15 years of service. The City reimburses one hundred percent (100%) of the cost for employees and their dependents.

Membership

Membership of the plan consisted of the following at January 1, 2024, the date of the latest actuarial valuation:

Retirees and Spouses Receiving OPEB Benefits	187
Active Plan Members	<u>107</u>
	<u>294</u>

Actuarial Methods and Assumptions

The City has an actuarial valuation prepared on an annual basis. The following methods and assumptions were used to prepare the valuation:

Valuation Date:	January 1, 2024
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.75%
Discount Rate	4.50%
Mortality Rates	Fire and Police: 2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010)
	Non-Uniformed: Public Retirement Plan – General Employee mortality tables (PubG-2010)
Trend Rates	

Year	Medical/Rx	Vision
2026	7.25%	2.0%
2027	6.75%	2.0%
2028	6.25%	2.0%
2029	5.75%	2.0%
2030	5.25%	2.0%
2031 and later	4.75%	2.0%

Funded Status and Funding Progress

As of December 31, 2025, the Plan was 0% funded. The actuarial accrued liability for benefits was \$11,869,854 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$11,869,854. The estimated covered payroll (annual payroll of active employees covered by the plan) was \$7,352,594 and the ratio of the UAAL to the covered payroll was two hundred seventeen percent (161%).

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.50%. As the Plan is unfunded, the Plan's projected benefits are discounted back using rates equivalent for a twenty (20) year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher.

Changes in the Net OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at 12/31/24	\$ 12,551,946	\$ ---	\$ 12,551,946
Changes for the year:			
Service cost	199,411	---	199,411
Interest	537,539	---	537,539
Difference between expected and actual experience	---	---	---
Assumption Changes	(206,396)	---	(206,396)
Contributions – employer	---	1,212,646	(1,212,646)
Contributions – employee	---	---	---
Net investment income	---	---	---
Benefit payments	(1,212,646)	(1,212,646)	---
Administrative expenses	---	---	---
Net changes	(682,092)	---	(682,092)
Balances at 12/31/25	\$ 11,869,854	\$ ---	\$ 11,869,854

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.50%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	-1% (3.50%)	Current Discount Rate (4.50%)	+1% (5.50%)
Net OPEB liability	<u>\$12,682,125</u>	<u>\$11,869,854</u>	<u>\$11,135,541</u>

Sensitivity of the Net OPEB Liability to Changes in Health Care Trend Rates

The following presents the net OPEB liability of the City, calculated using the trend rate of 2.75%, as well as what the City's net OPEB liability would be if it were calculated using a inflation rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	<u>-1% (1.75%)</u>	<u>Current Trend Rate (2.75%)</u>	<u>+1% (3.75%)</u>
Net OPEB liability	<u>\$10,925,868</u>	<u>\$11,869,854</u>	<u>\$12,930,186</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized an OPEB benefit of \$(503,169). At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 263,407	\$ 657,967
Change of assumptions	---	928,000
Net difference between projected and actual earnings on OPEB plan investments	---	---
Total	<u>\$ 263,407</u>	<u>\$ 1,585,967</u>

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

<u>Year Ended</u>	<u>Amount</u>
2026	\$ (1,022,256)
2027	(150,817)
2028	(118,747)
2029	(30,740)
2030	---
Thereafter	---
Total	<u>\$ (1,322,560)</u>

See the Required Supplementary Information schedules for additional required financial statement disclosures related to the City's OPEB plan.

NOTE 14 LERTA

On April 2, 2019, the City, in conjunction with Cambria County and the Greater Johnstown School District, approved the establishment of a Local Economic Revitalization Tax Assistance Act (LERTA) in the Moxham section of town. The purpose is to improve the economic, physical, and social conditions within the area by stimulating existing business employment, creating new employment, and diminishing blight. The assessed valuation of qualified improvements to an applicable property shall be exempt from real property taxation in accordance with the following schedule:

Commercial LERTA

Abatement Period:	10 Years
Assessment Increment Abated:	Year 1 & 2: 100%
	Year 3 & 4: 80%
	Year 5 & 6: 60%
	Year 7 & 8: 40%
	Year 9 & 10: 20%

Residential LERTA

Abatement Period:	5 Years
Assessment Increment Abated:	Year 1: 100%
	Year 2: 80%
	Year 3: 60%
	Year 4: 40%
	Year 5: 20%

NOTE 15 DEPOSIT ON EQUIPMENT

During the year ended December 31, 2024, the City used Community Development Grant Funds to fund the purchase of a new fire truck. The City made a deposit of \$1,000,000. During the year ended December 31, 2025, the City used an additional \$300,000 of Community Development Grant Funds to make an additional deposit on the purchase of a new fire truck. The City expects to receive the fire truck during 2027.

NOTE 16 PRIOR PERIOD ADJUSTMENT

During the current year, management identified an error in the previously issued financial statements related to revenue recognition of grants as well as the recognition of prepaid expenses. The error resulted in a net understatement of the fund balance in the amount of \$434,776.

The City of Johnstown has corrected the error by restating the opening fund balance in the accompanying financial statements. The effect of the correction on the financial statements is summarized as follows:

Governmental Funds	As previously Reported	Prior Period Adjustment	As Restated
Fund Balance	18,228,274	434,776	\$18,663,050

NOTE 17 SUBSEQUENT EVENTS

Subsequent events were evaluated through September 25, 2026, the date the financial statements were available to be issued. Subsequent events of which the City is aware have been recognized or disclosed in the financial statements as required.

REQUIRED SUPPLEMENTARY INFORMATION

City of Johnstown
Police Pension Plan
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	335,145	\$ 339,526	\$ 325,684	\$ 354,709	\$ 340,248	\$ 314,407	\$ 300,868	\$ 295,897	\$ 283,155	\$ 317,244
Interest	1,292,249	1,302,656	1,288,698	1,301,413	1,286,389	1,384,151	1,361,929	1,377,127	1,364,578	1,344,378
Change in benefit terms	128,276	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(500,106)	-	(425,708)	-	(1,151,093)	-	(613,765)	-	(235,466)	-
Change in assumptions	-	-	-	-	837,622	-	141,446	-	1,560,809	-
Benefit payments, including refunds of member contributions	(1,408,045)	(1,443,545)	(1,384,339)	(1,409,319)	(1,410,564)	(1,376,175)	(1,342,177)	(1,500,713)	(1,462,347)	(1,306,659)
Net change in pension liability	(152,481)	198,637	(195,665)	246,803	(97,398)	322,383	(151,699)	172,311	1,510,729	354,963
Total pension liability/(asset) - beginning	20,610,385	20,411,748	20,607,413	20,360,610	20,458,008	20,135,625	20,287,324	20,115,013	18,604,284	18,249,321
Total pension liability/(asset) - ending (A)	\$ 20,457,904	\$ 20,610,385	\$ 20,411,748	\$ 20,607,413	\$ 20,360,610	\$ 20,458,008	\$ 20,135,625	\$ 20,287,324	\$ 20,115,013	\$ 18,604,284
Plan fiduciary net position										
Contributions - employer	\$ 212,360	\$ 374,601	\$ 350,212	\$ 466,501	\$ 488,042	\$ 473,743	\$ 1,356,585	\$ 1,124,935	\$ 1,133,248	\$ 883,560
Contributions - member	109,359	87,997	87,848	94,351	94,766	98,472	95,914	95,929	101,992	98,361
Net investment income	2,865,001	2,652,886	3,085,318	(3,806,945)	2,091,455	1,785,960	1,765,758	(244,883)	1,595,802	577,195
Benefit payments, including refunds of member contributions	(1,408,045)	(1,443,545)	(1,384,339)	(1,409,319)	(1,410,564)	(1,376,175)	(1,342,177)	(1,500,713)	(1,462,347)	(1,306,659)
Administrative expenses	(24,616)	(48,782)	(45,330)	(62,026)	(50,059)	(51,608)	(92,017)	(101,370)	(64,122)	(74,543)
Other	-	-	-	-	-	6,303,469	-	-	-	-
Net change in plan fiduciary net position	1,754,059	1,623,157	2,093,709	(4,717,438)	1,213,640	7,233,861	1,784,063	(626,102)	1,304,573	177,914
Plan fiduciary net position - beginning	20,617,731	18,994,574	16,900,865	21,618,303	20,404,663	13,170,802	11,386,739	12,012,841	10,708,268	10,530,354
Plan fiduciary net position - ending (B)	\$ 22,371,790	\$ 20,617,731	\$ 18,994,574	\$ 16,900,865	\$ 21,618,303	\$ 20,404,663	\$ 13,170,802	\$ 11,386,739	\$ 12,012,841	\$ 10,708,268
City's net pension liability/(asset) - ending (A-B)	\$ (1,913,886)	\$ (7,346)	\$ 1,417,174	\$ 3,706,548	\$ (1,257,693)	\$ 53,345	\$ 6,964,823	\$ 8,900,585	\$ 8,102,172	\$ 7,896,016
Plan fiduciary net position as a percentage of the total pension liability	109.4%	100.0%	93.1%	82.0%	106.2%	99.7%	65.4%	56.1%	59.7%	57.6%
Covered employee payroll	\$ 2,693,721	\$ 2,299,640	\$ 2,089,495	\$ 2,175,121	\$ 2,301,446	\$ 2,131,573	\$ 2,160,985	\$ 2,034,010	\$ 2,111,903	\$ 2,022,322
City's net pension liability as a percentage of covered employee payroll	-71.0%	-0.3%	67.8%	170.4%	-54.6%	2.5%	322.3%	437.6%	383.6%	390.4%

City of Johnstown
Fire Pension Plan
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 376,297	\$ 368,512	\$ 353,489	\$ 352,654	\$ 338,277	\$ 291,409	\$ 278,860	\$ 341,314	\$ 326,616	\$ 303,767
Interest	1,399,894	1,377,482	1,353,742	1,353,907	1,336,795	1,352,074	1,337,860	1,304,370	1,282,916	1,258,344
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(30,722)	-	(327,251)	-	94,470	-	110,808	-	(132,098)	-
Change in assumptions	-	-	-	-	904,778	-	168,166	-	1,383,888	-
Benefit payments, including refunds of member contributions	(1,407,081)	(1,350,317)	(1,363,527)	(1,401,259)	(1,450,319)	(1,426,151)	(1,426,255)	(1,342,714)	(1,293,608)	(1,279,707)
Net change in pension liability	338,388	395,677	16,453	305,302	1,224,001	217,332	469,439	302,970	1,567,714	282,404
Total pension liability/(asset) - beginning	21,883,725	21,488,048	21,471,595	21,166,293	19,942,292	19,724,960	19,255,521	18,952,551	17,384,837	17,102,433
Total pension liability/(asset) - ending (A)	<u>\$ 22,222,113</u>	<u>\$ 21,883,725</u>	<u>\$ 21,488,048</u>	<u>\$ 21,471,595</u>	<u>\$ 21,166,293</u>	<u>\$ 19,942,292</u>	<u>\$ 19,724,960</u>	<u>\$ 19,255,521</u>	<u>\$ 18,952,551</u>	<u>\$ 17,384,837</u>
Plan fiduciary net position										
Contributions - employer	\$ 597,037	\$ 663,561	\$ 633,672	\$ 526,195	\$ 517,592	\$ 507,944	\$ 1,600,345	\$ 1,422,311	\$ 1,420,722	\$ 1,416,480
Contributions - member	98,598	96,795	93,453	90,584	87,105	83,553	77,601	93,577	86,010	88,781
Net investment income	2,852,761	2,591,696	2,956,452	(3,584,239)	1,968,292	1,686,760	1,348,813	(183,558)	1,146,615	394,467
Benefit payments, including refunds of member contributions	(1,407,081)	(1,350,317)	(1,363,527)	(1,401,259)	(1,450,319)	(1,426,151)	(1,426,255)	(1,342,714)	(1,293,608)	(1,279,707)
Administrative expenses	(25,460)	(46,735)	(43,441)	(62,997)	(47,582)	(49,077)	(75,946)	(84,217)	(47,694)	(61,848)
Other	-	-	-	-	-	8,419,245	-	-	-	-
Net change in plan fiduciary net position	2,115,855	1,955,000	2,276,609	(4,431,716)	1,075,088	9,222,274	1,524,558	(94,601)	1,312,045	558,173
Plan fiduciary net position - beginning	20,158,674	18,203,674	15,927,065	20,358,781	19,283,693	10,061,419	8,536,861	8,631,462	7,319,417	6,761,244
Plan fiduciary net position - ending (B)	<u>\$ 22,274,529</u>	<u>\$ 20,158,674</u>	<u>\$ 18,203,674</u>	<u>\$ 15,927,065</u>	<u>\$ 20,358,781</u>	<u>\$ 19,283,693</u>	<u>\$ 10,061,419</u>	<u>\$ 8,536,861</u>	<u>\$ 8,631,462</u>	<u>\$ 7,319,417</u>
City's net pension liability/(asset) - ending (A-B)	<u>\$ (52,416)</u>	<u>\$ 1,725,051</u>	<u>\$ 3,284,374</u>	<u>\$ 5,544,530</u>	<u>\$ 807,512</u>	<u>\$ 658,599</u>	<u>\$ 9,663,541</u>	<u>\$ 10,718,660</u>	<u>\$ 10,321,089</u>	<u>\$ 10,065,420</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>100.2%</u>	<u>92.1%</u>	<u>84.7%</u>	<u>74.2%</u>	<u>96.2%</u>	<u>96.7%</u>	<u>51.0%</u>	<u>44.3%</u>	<u>45.5%</u>	<u>42.1%</u>
Covered employee payroll	<u>\$ 2,232,394</u>	<u>\$ 2,126,148</u>	<u>\$ 2,135,126</u>	<u>\$ 2,086,889</u>	<u>\$ 1,930,843</u>	<u>\$ 1,801,840</u>	<u>\$ 1,867,519</u>	<u>\$ 1,804,277</u>	<u>\$ 1,876,399</u>	<u>\$ 1,903,380</u>
City's net pension liability as a percentage of covered employee payroll	<u>-2.3%</u>	<u>81.1%</u>	<u>153.8%</u>	<u>265.7%</u>	<u>41.8%</u>	<u>36.6%</u>	<u>517.5%</u>	<u>594.1%</u>	<u>550.0%</u>	<u>528.8%</u>

City of Johnstown
Non-Uniform Pension Plan
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 179,638	\$ 193,681	\$ 191,705	\$ 164,932	\$ 157,830	\$ 139,373	\$ 136,502	\$ 179,196	\$ 171,070	\$ 181,810
Interest	733,284	738,064	748,302	767,547	777,497	815,097	822,136	858,802	862,498	873,457
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	71,795	-	(159,509)	-	(80,741)	-	(524,605)	-	(402,927)	-
Change in assumptions	-	-	-	-	500,987	-	105,264	-	1,062,618	-
Benefit payments, including refunds of member contributions	(1,022,925)	(1,101,923)	(1,097,135)	(1,094,520)	(1,096,483)	(1,054,777)	(1,069,111)	(1,129,411)	(1,060,710)	(997,052)
Net change in pension liability	(38,208)	(170,178)	(316,637)	(162,041)	259,090	(100,307)	(529,814)	(91,413)	632,549	58,215
Total pension liability/(asset) - beginning	11,533,266	11,703,444	12,020,081	12,182,122	11,923,032	12,023,339	12,553,153	12,644,566	12,012,017	11,953,802
Total pension liability/(asset) - ending (A)	<u>\$ 11,495,058</u>	<u>\$ 11,533,266</u>	<u>\$ 11,703,444</u>	<u>\$ 12,020,081</u>	<u>\$ 12,182,122</u>	<u>\$ 11,923,032</u>	<u>\$ 12,023,339</u>	<u>\$ 12,553,153</u>	<u>\$ 12,644,566</u>	<u>\$ 12,012,017</u>
Plan fiduciary net position										
Contributions - employer	\$ 235,598	\$ 295,744	\$ 281,394	\$ 268,249	\$ 263,665	\$ 266,704	\$ 811,131	\$ 632,701	\$ 767,675	\$ 593,762
Contributions - member	91,360	92,730	91,900	85,565	75,185	71,621	68,534	71,306	83,247	45,733
Net investment income	1,495,455	1,402,167	1,663,198	(2,101,083)	1,182,478	1,033,678	999,979	(144,462)	976,824	356,533
Benefit payments, including refunds of member contributions	(1,022,925)	(1,101,923)	(1,097,135)	(1,094,520)	(1,096,483)	(1,054,777)	(1,069,111)	(1,129,411)	(1,060,710)	(997,052)
Administrative expenses	(16,020)	(35,618)	(28,055)	(41,258)	(30,288)	(36,552)	(55,240)	(64,512)	(42,190)	(49,535)
Other	-	-	-	-	-	4,078,229	-	-	-	-
Net change in plan fiduciary net position	783,468	653,100	911,302	(2,883,047)	394,557	4,358,903	755,293	(634,378)	724,846	(50,559)
Plan fiduciary net position - beginning	10,893,584	10,240,484	9,329,182	12,212,229	11,817,672	7,458,769	6,703,476	7,337,854	6,613,008	6,663,567
Plan fiduciary net position - ending (B)	<u>\$ 11,677,052</u>	<u>\$ 10,893,584</u>	<u>\$ 10,240,484</u>	<u>\$ 9,329,182</u>	<u>\$ 12,212,229</u>	<u>\$ 11,817,672</u>	<u>\$ 7,458,769</u>	<u>\$ 6,703,476</u>	<u>\$ 7,337,854</u>	<u>\$ 6,613,008</u>
City's net pension liability/(asset) - ending (A-B)	<u>\$ (181,994)</u>	<u>\$ 639,682</u>	<u>\$ 1,462,960</u>	<u>\$ 2,690,899</u>	<u>\$ (30,107)</u>	<u>\$ 105,360</u>	<u>\$ 4,564,570</u>	<u>\$ 5,849,677</u>	<u>\$ 5,306,712</u>	<u>\$ 5,399,009</u>
Plan fiduciary net position as a percentage of the total pension liability	101.6%	94.5%	87.5%	77.6%	100.2%	99.1%	62.0%	53.4%	58.0%	55.1%
Covered employee payroll	<u>\$ 1,867,675</u>	<u>\$ 1,665,870</u>	<u>\$ 1,846,773</u>	<u>\$ 1,721,775</u>	<u>\$ 1,400,940</u>	<u>\$ 1,415,793</u>	<u>\$ 1,396,833</u>	<u>\$ 1,322,840</u>	<u>\$ 1,411,710</u>	<u>\$ 1,557,097</u>
City's net pension liability as a percentage of covered employee payroll	-9.7%	38.4%	79.2%	156.3%	-2.1%	7.4%	326.8%	442.2%	375.9%	346.7%

City of Johnstown
Sewage Pension Plan
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	91,426	93,170	100,243	102,050	107,992	117,702	122,954	126,168	131,428	123,653
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	85,932	-	78,907	-	45,861	-	34,859	-	78,815	-
Change in assumptions	-	-	-	-	13,170	-	-	-	233,955	-
Benefit payments, including refunds of member contributions	(205,473)	(206,390)	(211,641)	(205,955)	(193,065)	(200,149)	(195,874)	(217,643)	(195,874)	(218,669)
Net change in pension liability	(28,115)	(113,220)	(32,491)	(103,905)	(26,042)	(82,447)	(38,061)	(91,475)	248,324	(95,016)
Total pension liability/(asset) - beginning	<u>1,421,738</u>	<u>1,534,958</u>	<u>1,567,449</u>	<u>1,671,354</u>	<u>1,697,396</u>	<u>1,779,843</u>	<u>1,817,904</u>	<u>1,909,379</u>	<u>1,661,055</u>	<u>1,756,071</u>
Total pension liability/(asset) - ending (A)	<u>\$ 1,393,623</u>	<u>\$ 1,421,738</u>	<u>\$ 1,534,958</u>	<u>\$ 1,567,449</u>	<u>\$ 1,671,354</u>	<u>\$ 1,697,396</u>	<u>\$ 1,779,843</u>	<u>\$ 1,817,904</u>	<u>\$ 1,909,379</u>	<u>\$ 1,661,055</u>
Plan fiduciary net position										
Contributions - employer	\$ 21,512	\$ 14,827	\$ 14,827	\$ 24,028	\$ 25,462	\$ 27,254	\$ 78,049	\$ 79,027	\$ 68,636	\$ 130,092
Contributions - member	-	-	-	-	-	-	-	-	-	-
Net investment income	160,581	164,946	214,006	(294,278)	173,757	157,456	218,209	(33,157)	230,392	88,667
Benefit payments, including refunds of member contributions	(205,473)	(206,390)	(211,641)	(205,955)	(193,065)	(200,149)	(195,874)	(217,643)	(195,874)	(218,669)
Administrative expenses	(5,315)	(7,605)	(7,800)	(13,365)	(9,044)	(11,217)	(14,759)	(19,902)	(14,619)	(17,371)
Other	-	-	-	-	-	199,057	-	-	-	-
Net change in plan fiduciary net position	(28,695)	(34,222)	9,392	(489,570)	(2,890)	172,401	85,625	(191,675)	88,535	(17,281)
Plan fiduciary net position - beginning	<u>1,282,834</u>	<u>1,317,056</u>	<u>1,307,664</u>	<u>1,797,234</u>	<u>1,800,124</u>	<u>1,627,723</u>	<u>1,542,098</u>	<u>1,733,773</u>	<u>1,645,238</u>	<u>1,662,519</u>
Plan fiduciary net position - ending (B)	<u>\$ 1,254,139</u>	<u>\$ 1,282,834</u>	<u>\$ 1,317,056</u>	<u>\$ 1,307,664</u>	<u>\$ 1,797,234</u>	<u>\$ 1,800,124</u>	<u>\$ 1,627,723</u>	<u>\$ 1,542,098</u>	<u>\$ 1,733,773</u>	<u>\$ 1,645,238</u>
City's net pension liability/(asset) - ending (A-B)	<u>\$ 139,484</u>	<u>\$ 138,904</u>	<u>\$ 217,902</u>	<u>\$ 259,785</u>	<u>\$ (125,880)</u>	<u>\$ (102,728)</u>	<u>\$ 152,120</u>	<u>\$ 275,806</u>	<u>\$ 175,606</u>	<u>\$ 15,817</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.0%</u>	<u>90.2%</u>	<u>85.8%</u>	<u>83.4%</u>	<u>107.5%</u>	<u>106.1%</u>	<u>91.5%</u>	<u>84.8%</u>	<u>90.8%</u>	<u>99.0%</u>
Covered employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's net pension liability as a percentage of covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

City of Johnstown
Pension Plans
Schedule of City's Contributions
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Police</u>										
Actuarially determined contribution	\$ 212,360	\$ 374,601	\$ 350,212	\$ 466,501	\$ 488,042	\$ 1,267,883	\$ 1,356,585	\$ 1,124,935	\$ 1,133,248	\$ 1,101,949
Contributions in relation to the actuarially determined contributions	212,360	374,601	350,212	466,501	488,042	6,777,212	1,356,585	1,124,935	1,133,248	883,560
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,509,329)	\$ -	\$ -	\$ -	\$ 218,389
Covered employee payroll	\$ 2,693,721	\$ 2,299,640	\$ 2,089,495	\$ 2,175,121	\$ 2,301,446	\$ 2,131,573	\$ 2,160,985	\$ 2,034,010	\$ 2,111,903	\$ 2,022,322
City's contributions as a percentage of covered employee payroll	7.9%	16.3%	16.8%	21.4%	21.2%	317.9%	62.8%	55.3%	53.7%	43.7%
<u>Fire</u>										
Actuarially determined contribution	\$ 522,069	\$ 663,561	\$ 633,672	\$ 526,195	\$ 517,592	\$ 1,538,675	\$ 1,600,345	\$ 1,422,311	\$ 1,420,722	\$ 1,416,480
Contributions in relation to the actuarially determined contributions	597,037	663,561	633,672	526,195	517,592	8,927,189	1,600,345	1,422,311	1,420,722	1,416,480
Contribution deficiency/(excess)	\$ (74,968)	\$ -	\$ -	\$ -	\$ -	\$ (7,388,514)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,232,394	\$ 2,126,148	\$ 2,135,126	\$ 2,086,889	\$ 1,930,843	\$ 1,801,840	\$ 1,867,519	\$ 1,804,277	\$ 1,876,399	\$ 1,903,380
City's contributions as a percentage of covered employee payroll	26.7%	31.2%	29.7%	25.2%	26.8%	495.4%	85.7%	78.8%	75.7%	74.4%
<u>Non-Uniform</u>										
Actuarially determined contribution	\$ 235,598	\$ 295,744	\$ 281,394	\$ 268,249	\$ 263,665	\$ 745,603	\$ 811,131	\$ 632,701	\$ 767,675	\$ 732,560
Contributions in relation to the actuarially determined contributions	235,598	295,744	281,394	268,249	263,665	4,344,933	811,131	632,701	767,675	593,762
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,599,330)	\$ -	\$ -	\$ -	\$ 138,798
Covered employee payroll	\$ 1,867,675	\$ 1,665,870	\$ 1,846,773	\$ 1,721,775	\$ 1,400,940	\$ 1,415,793	\$ 1,396,833	\$ 1,322,840	\$ 1,411,710	\$ 1,557,097
City's contributions as a percentage of covered employee payroll	12.6%	17.8%	15.2%	15.6%	18.8%	306.9%	58.1%	47.8%	54.4%	38.1%
<u>Sewage</u>										
Actuarially determined contribution	\$ 21,512	\$ 14,827	\$ 14,827	\$ 24,028	\$ 25,462	\$ 50,940	\$ 78,049	\$ 79,027	\$ 68,636	\$ 130,092
Contributions in relation to the actuarially determined contributions	21,512	14,827	14,827	24,028	25,462	226,312	78,049	79,027	68,636	130,092
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (175,372)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's contributions as a percentage of covered employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

City of Johnstown
Combined Pension Plans
Schedule of Investment Return
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense not funded through the MMO	14.51%	17.38%	18.97%	-18.04%	10.50%	14.49%	16.30%	-2.17%	16.03%	5.92%

City of Johnstown
Pension Plans
Notes to Schedule of City's Contributions

The following information is provided with regards to significant methods and assumptions used in calculating the actuarially required contributions:

	<u>Police Employees</u>	<u>Fire Employees</u>	<u>Officers and Non-Uniform Employees</u>	<u>Sewage Employees</u>
Actuarial valuation date	1-1-25	1-1-25	1-1-25	1-1-25
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	10 years	10 years	10 years	10 years
Asset valuation method	4 Year Smoothing	4 Year Smoothing	4 Year Smoothing	4 Year Smoothing
Inflation	2.50%	2.75%	2.75%	2.50%
Salary Increases (including inflation)	4.25%	4.25%	4.50%	N/A
Investment rate of return (net of expense)	6.50%	6.50%	6.50%	6.50%
Retirement age	See notes	See notes	See notes	See notes
Mortality Table	2010 Public Retirement Plan - Public Safety Mortality tables (PubS -2010)	2010 Public Retirement Plan - Public Safety Mortality tables (PubS -2010)	2010 Public Retirement General Employee Mortality tables	2010 Public Retirement Plan - General Employee Mortality tables (PubG-2010)

City of Johnstown
Other Post Employee Benefits Plan
Schedule of City Contributions
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,212,646	\$ 1,120,951	\$ 1,095,242	\$ 1,110,126	\$ 1,408,518	\$ 1,598,997	\$ 1,225,508	\$ 1,192,676	\$ 1,242,887	\$ 1,289,431
Contributions in relation to the actuarially determined contributions	1,212,646	1,120,951	1,095,242	1,110,126	1,408,518	1,598,997	1,225,508	1,192,676	1,242,887	1,289,431
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 7,352,594	\$ 5,782,350	\$ 5,836,617	\$ 5,784,917	\$ 5,404,107	\$ 5,349,206	\$ 5,425,337	\$ 5,161,127	\$ 5,400,012	\$ 5,482,799
City's contributions as a percentage of covered employee payroll	16.5%	19.4%	18.8%	19.2%	26.1%	29.9%	22.6%	23.1%	23.0%	23.5%

Notes to Schedule:

Valuation Date: 1/1/2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Inflation rate	2.75%
Discount rate	4.50%
Retirement age	
Police:	Age 50 and 20 years of service if hired before 2010, otherwise age 50 and 25 years of service
Fire:	Age 50 and 20 years of service if hired before 2018, otherwise age 55 and 25 years of service
Non-Uniformed:	The earlier of age 55 and 25 years of service, age 60 with 20 years of service or age 63 and 12 years of service if hired before 2017, otherwise the earlier of age 60 with 20 years of service or age 63 and 12 years of service
Mortality	See accompanying footnotes to the financial statements.

Note: The years presented in this schedule are all of the years in which information is available.

City of Johnstown
Other Post Employment Benefits Plan
Schedule of Changes in the City's
Net OPEB Liability and Related Ratios

Total OPEB liability	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 199,411	\$ 203,498	\$ 253,776	\$ 246,984	\$ 467,239	\$ 454,734	\$ 484,477	\$ 471,510
Interest	537,539	534,797	374,385	387,086	591,795	604,769	578,509	583,104
Change in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	458,525	-	(3,947,807)	-	2,357,748	-	-
Change in assumptions	(206,396)	(960,970)	-	(1,280,840)	-	378,917	-	-
Benefit payments, including refunds of member contributions	(1,212,646)	(1,120,951)	(1,095,242)	(1,110,126)	(1,408,518)	(1,598,997)	(1,225,508)	(1,192,676)
Net change in OPEB liability	(682,092)	(885,101)	(467,081)	(5,704,703)	(349,484)	2,197,171	(162,522)	(138,062)
Total OPEB liability/(asset) - beginning	12,551,946	13,437,047	13,904,128	19,608,831	19,958,315	17,761,144	17,923,666	18,061,728
Total OPEB liability/(asset) - ending (A)	<u>\$ 11,869,854</u>	<u>\$ 12,551,946</u>	<u>\$ 13,437,047</u>	<u>\$ 13,904,128</u>	<u>\$ 19,608,831</u>	<u>\$ 19,958,315</u>	<u>\$ 17,761,144</u>	<u>\$ 17,923,666</u>
Plan fiduciary net position								
Contributions - employer	1,212,646	1,120,951	1,095,242	1,110,126	1,408,518	1,598,997	1,225,508	1,192,676
Contributions - member	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,212,646)	(1,120,951)	(1,095,242)	(1,110,126)	(1,408,518)	(1,598,997)	(1,225,508)	(1,192,676)
Administrative expenses	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's net OPEB liability/(asset) - ending (A-B)	<u>\$ 11,869,854</u>	<u>\$ 12,551,946</u>	<u>\$ 13,437,047</u>	<u>\$ 13,904,128</u>	<u>\$ 19,608,831</u>	<u>\$ 19,958,315</u>	<u>\$ 17,761,144</u>	<u>\$ 17,923,666</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Covered employee payroll	<u>\$ 7,352,594</u>	<u>\$ 5,782,350</u>	<u>\$ 5,836,617</u>	<u>\$ 5,784,917</u>	<u>\$ 5,404,107</u>	<u>\$ 5,349,206</u>	<u>\$ 5,425,337</u>	<u>\$ 5,161,127</u>
City's net OPEB liability as a percentage of covered employee payroll	<u>161.4%</u>	<u>217.1%</u>	<u>230.2%</u>	<u>240.4%</u>	<u>362.9%</u>	<u>373.1%</u>	<u>327.4%</u>	<u>347.3%</u>

Note: The years presented in this schedule are all of the years in which information is available.

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes	\$ 11,043,000	\$ 11,043,000	\$ 11,628,463	\$ 585,463
Payments in lieu of taxes	32,456	32,456	36,524	4,068
Charges for service	551,250	551,250	562,137	10,887
Licenses and permits	454,000	454,000	543,122	89,122
Fines and forfeits	355,600	355,600	209,998	(145,602)
Grants and joint projects	1,627,868	1,627,868	1,818,423	190,555
Departmental earnings	236,000	236,000	450,003	214,003
Interest	220,000	220,000	398,049	178,049
Miscellaneous	137,600	137,600	132,741	(4,859)
Total Revenues	14,657,774	14,657,774	15,779,460	1,121,686
Expenditures				
General government	655,395	655,395	688,849	(33,454)
Finance	1,143,840	1,143,840	1,128,269	15,571
Fire	4,085,606	4,085,606	4,485,348	(399,742)
Police	4,502,914	4,502,914	1,199,426	3,303,488
Community development	398,016	398,016	314,326	83,690
Culture and recreation	339,513	339,513	390,652	(51,139)
Parking	300,925	300,925	271,110	29,815
Public works	2,480,936	2,480,936	5,781,634	(3,300,698)
Debt service	1,000,788	1,000,788	1,000,788	-
Total Expenditures	14,907,933	14,907,933	15,260,402	(352,469)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(250,159)	(250,159)	519,058	769,217
Other Financing Sources/(Uses)				
Operating transfers in	185,000	185,000	784,675	599,675
Operating transfers (out)	65,159	65,159	-	(65,159)
Total Other Financing Sources/(Uses)	250,159	250,159	784,675	534,516
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ 1,303,733	\$ 1,303,733
Fund Balance/(Deficit) - Beginning of Year			10,950,344	
Fund Balances - End of Year			\$ 12,254,077	

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
Revenues				
Federal grants and program income	\$ 2,567,489	\$ 2,567,489	\$ 1,056,483	\$ (1,511,006)
Total Revenues	2,567,489	2,567,489	1,056,483	(1,511,006)
Expenditures				
Demolition	350,000	350,000	175,178	174,822
Economic development	148,780	148,780	12,386	136,394
Rehabilitation - contractors	212,000	212,000	94,253	117,747
Rehabilitation - delivery	80,000	80,000	53,360	26,640
Administration	357,555	357,555	296,398	61,157
Planning	60,000	60,000	30,727	29,273
Public improvements and safety	694,708	694,708	343,258	351,450
Fair Housing	10,000	10,000	540	9,460
Special enforcement	519,000	519,000	42,087	476,913
Other	1,079	1,079	8,296.00	(7,217)
Total Expenditures	2,433,122	2,433,122	1,056,483	1,376,639
Other Financing Sources/(Uses)				
Operating Transfer In	-	-	-	-
Operating Transfer (Out)	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	\$ 134,367	\$ 134,367	\$ -	\$ (134,367)
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STATE GRANT PROGRAMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
State grants	\$ 135,500	135,500	\$ 63,271	\$ (72,229)
Interest	-	-	225	225
Total Revenues	135,500	135,500	63,496	(72,004)
Expenditures				
Project costs	137,751	137,751	63,496	74,255
Total Expenditures	137,751	137,751	63,496	74,255
Other Financing Sources/(Uses)				
Operating Transfer In	-	-	-	-
Operating Transfer (Out)	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>\$ (2,251)</u>	<u>\$ (2,251)</u>	\$ -	<u>\$ 2,251</u>
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			<u>\$ -</u>	

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LIQUID FUELS FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues:				
Grant revenue	\$ 588,121	588,121	\$ 587,618	\$ (503)
Other income	40,000	40,000	46,547	6,547
Total Revenues	628,121	628,121	634,165	6,044
Expenditures:				
Public Works	725,200	725,200	263,332	461,868
Total Expenditures	725,200	725,200	263,332	461,868
(Deficiency) of Revenues (Under)				
Expenditures	(97,079)	(97,079)	370,833	467,912
Other Financing Sources/(Uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(370,833)	(370,833)
Total Other Financing Sources/(Uses)	-	-	(370,833)	(370,833)
(Deficiency) of Revenues and Other				
Financing Sources (Under) Expenditures				
and Other Financing Uses	\$ (97,079)	\$ (97,079)	\$ -	\$ 97,079
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL INVESTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Grants, projects, and program income	\$ 610,288	\$ 610,288	\$ 204,560	\$ (405,728)
Interest and investment income	290,658	290,658	286,180	(4,478)
Other income	-	-	167	167
Total Revenues	900,946	900,946	490,907	(410,039)
Expenditures				
Capital expenditures	2,538,802	2,538,802	1,027,795	1,511,007
Debt Service	-	-	233,297	(233,297)
Total Expenditures	2,538,802	2,538,802	1,261,092	1,277,710
Other Financing Sources/(Uses)				
Operating Transfer In	434,841	434,841	629,947	(195,106)
Operating Transfer (Out)	-	-	-	-
Total Other Financing Sources/(Uses)	434,841	434,841	629,947	(195,106)
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>\$ (1,203,015)</u>	<u>\$ (1,203,015)</u>	\$ (140,238)	<u>\$ 1,062,777</u>
Fund Balance - Beginning of Year			7,712,706	
Fund Balance - End of Year			<u>\$ 7,572,468</u>	

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - UDAG
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Grants and joint projects	-	\$ -	\$ 3,341	\$ 3,341
Interest and investment income	-	-	619	619
Total Revenues	-	-	3,960	3,960
Expenditures				
Community Development	2,310	2,310	3,960	(1,650)
Total Expenditures	2,310	2,310	3,960	(1,650)
Other Financing Sources/(Uses)				
Operating Transfer In	-	-	-	-
Operating Transfer (Out)	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(2,310)	\$ (2,310)	\$ -	\$ 2,310
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			\$ -	

CITY OF JOHNSTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - AMERICAN RECOVERY PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Grants and joint projects	\$ -	\$ -	\$ 4,277,598	\$ 4,277,598
Interest and investment income	500,000	500,000	535,630	35,630
Total Revenues	500,000	500,000	4,813,228	4,313,228
Expenditures				
Public safety	660,000	660,000	3,266,417	(2,606,417.00)
Public works	10,656,632	10,656,632	698,128	9,958,504
Total Expenditures	11,316,632	11,316,632	3,964,545	7,352,087
Other Financing Sources/(Uses)				
Operating Transfer In	-	-	-	-
Operating Transfer (Out)	(500,000)	(500,000)	(848,683)	348,683
Total Other Financing Sources/(Uses)	(500,000)	(500,000)	(848,683)	348,683
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>\$ (11,316,632)</u>	<u>\$ (11,316,632)</u>	\$ -	<u>\$ 11,316,632</u>
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			<u>\$ -</u>	

CITY OF JOHNSTOWN
NONMAJOR FUNDS

The following are the City of Johnstown's nonmajor funds for the year ending December 31, 2025:

HOME LOAN FUND: The Home Loan Fund is used to account for loan payments made by, and collections on behalf of, the Federal Home Investment Partnership Program.

CONFERENCE CENTER FUND: The Conference Center fund is used to account for grant expenditures related to a Pennsylvania Department of Community and Economic Development grant awarded to the City for purposes of marketing and attracting people to the City's Conference Center.

CITY OF JOHNSTOWN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Home Loan Fund	Conference Center Fund	Total Current Year
<u>ASSETS:</u>			
Cash	\$ 7,119	133,361	\$ 140,480
Non-current loans and interest receivable	623,134	-	623,134
Due from other governments	-	-	-
Due from other funds	-	-	-
Total Assets	<u>\$ 630,253</u>	<u>\$ 133,361</u>	<u>\$ 763,614</u>
<u>LIABILITIES:</u>			
Accounts payable	\$ 4,950	\$ 81,268	\$ 86,218
Accrued wages payable	-	-	-
Due to other governments	-	-	-
Due to other funds	2,169	2,084	4,253
Total Liabilities	<u>7,119</u>	<u>83,352</u>	<u>90,471</u>
<u>DEFERRED INFLOWS:</u>			
Unearned Revenue	623,134	50,009	673,143
Total Deferred Inflows	<u>623,134</u>	<u>50,009</u>	<u>673,143</u>
<u>FUND BALANCE:</u>			
Unassigned	-	-	-
Total Fund Balance/ (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance/(Deficit)	<u>\$ 630,253</u>	<u>\$ 133,361</u>	<u>\$ 763,614</u>

CITY OF JOHNSTOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Home Loan Fund	Conference Center Fund	Total Current Year
Revenues			
Grants and joint projects	\$ 34,621	1,001,972	\$ 1,036,593
Charges for services	-	-	-
Taxes	-	-	-
Fines and forfeits	-	-	-
Interest and investment income	-	390	390
Other income	-	-	-
	<u>34,621</u>	<u>1,002,362</u>	<u>1,036,983</u>
Total Revenues	<u>34,621</u>	<u>1,002,362</u>	<u>1,036,983</u>
Expenditures			
Human services	-	-	-
General government	-	-	-
Parking	-	-	-
Public works	-	1,002,362	1,002,362
Culture and recreation	-	-	-
Community development	34,621	-	34,621
	<u>34,621</u>	<u>1,002,362</u>	<u>1,036,983</u>
Total Expenditures	<u>34,621</u>	<u>1,002,362</u>	<u>1,036,983</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/(Deficit) - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>