

TOWN COUNCIL

MEETING

PACKET

July 6, 2015

Agenda
Monday, July 6, 2015
Town Hall, Council Chambers
450 So. Parish Avenue
7:00 PM



MISSION STATEMENT—*The mission of the government of the Town of Johnstown is to provide leadership based upon trust and integrity, commitment directed toward responsive service delivery, and vision for enhancing the quality of life in our community.*

Members of the audience are invited to speak at the Council meeting. Public Comment (item No. 5) is reserved for citizen comments on items not contained on the printed agenda. Citizen comments are limited to three (3) minutes per speaker. When several people wish to speak on the same position on a given item, they are requested to select a spokesperson to state that position. If you wish to speak at the Town Council meeting, please fill out a sign-up sheet and present it to the Town Clerk.

- 1) **CALL TO ORDER**
 - A) Pledge of Allegiance
- 2) **ROLL CALL**
- 3) **AGENDA APPROVAL**
- 4) **RECOGNITIONS AND PROCLAMATIONS**
- 5) **PUBLIC COMMENT (three-minute limit per speaker)**

*The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to have an item discussed or if there is public comment on those ordinances marked with an *asterisk. The Council member may then move to have the subject item removed from the Consent Agenda for discussion separately.*

- 6) **CONSENT AGENDA**
 - A) Town Council Meeting –June 15, 2015
 - B) Resolution No. 2015-08, Opposing Envirotech Services' Application for Change of Zone (Weld County Case Number: COZ15-0001)
 - C) First Amendment to Market Place Drive Infrastructure Reimbursement Agreement
 - 7) **STAFF REPORTS**
 - 8) **OLD BUSINESS**
 - 9) **NEW BUSINESS**
 - A) Consider Subdivision Development and Improvement Agreement for Thompson Crossing II, Filing No. 1
 - B) Presentation of 2014 Annual Audit Report – Mr. Raymond E. Derr, P.C. (CPA)
 - C) Consider Approval of Tamarack Consulting, LLC Proposal to Provide Engineering and Cost Certification Services
 - D) Consider Approval of McCloud & Associates Engagement Agreement
 - 10) **COUNCIL REPORTS AND COMMENTS**
 - 11) **MAYOR'S COMMENTS**
 - 12) **ADJOURN**
-



NOTICE OF ACCOMODATION

If you need special assistance to participate in the meeting, please contact the Town Clerk at (970) 587-4664. Notification at least 72 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to the meeting.

AGENDA ITEMS 6A-C

CONSENT

AGENDA

- **Council Minutes – June 15, 2015**
 - **Resolution No. 2015-08**
(Opposing Envirotech Services’
Change of Zone)
- **Market Place Drive Reimbursement**
Agreement – First Amendment

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2015

ITEM NUMBER: 6A-C

SUBJECT: Consent Agenda

ACTION PROPOSED: Approve Consent Agenda

PRESENTED BY: Town Clerk

AGENDA ITEM DESCRIPTION: The following items are included on the Consent Agenda, which may be approved by a single motion approving the Consent Agenda:

- A) Town Council Minutes-June 15, 2015
- B) *Resolution No. 2015-08, Opposing Envirotech Services' Application for Change of Zone (Weld County Case Number: COZ15-0001)
- C) **First Amendment to Market Place Drive Infrastructure Reimbursement Agreement

*Resolution No. 2015-08 expresses opposition to the Envirotech Services rezoning application to Weld County. The proposed rezoning would change the zoning of approximately 137 acres located east of Weld County Road 13 and immediately south of US Highway 34 from A Agriculture to I-2 Industrial.

In a work session held on June 1, 2015 Town Council discussed the referral from Weld County of the Envirotech Rezoning, and provided general direction to the Town Attorney for preparation of the resolution.

**Mr. Roger Pilant General Manager of RV Boatel, LLC has submitted a request for a five (5) year extension of the Marketplace Drive Reimbursement Agreement which was approved by Town Council on July 22, 2005. The pace of development along Marketplace Drive has been below expectations. The five (5) year extension is provided for in the Municipal Code. The Town Attorney prepared the First Amendment to the Market Place Drive Infrastructure Reimbursement Agreement.

LEGAL ADVICE: The entire Consent Agenda may be approved by a motion of the Town Council approving the Consent Agenda, which automatically approves each and every item listed on the Consent Agenda. If a Council member wishes to have a specific discussion on an individual item included with the Consent Agenda, they may move to remove the item from the Consent Agenda for discussion.

FINANCIAL ADVICE: N/A

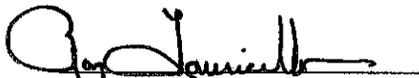
RECOMMENDED ACTION: Approve Consent Agenda

SUGGESTED MOTION:

For Approval: I move to approve the Consent Agenda.

For Denial:

Reviewed:


Town Manager

**COUNCIL
MINUTES**

The Town Council of the Town of Johnstown met on Monday, June 15, 2015 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor Romanowski led the Pledge of Allegiance.

Roll Call:

Those present were: Councilmembers Berg, James, Lebsack, Mellon and Mitchell

Those absent were: Councilmember Molinar Jr.

Also present: Avi Rocklin, Town Attorney, Roy Lauricello, Town Manager John Franklin, Town Planner, Tom Hellen, Public Works Director, Brian Phillips, Police Chief and Diana Seele, Town Clerk/Treasurer

Agenda Approval

Councilmember Mellon a motion seconded by Councilmember Berg to approve the Agenda as submitted. Motion carried with a unanimous vote.

Consent Agenda

Councilmember James made a motion seconded by Councilmember Berg to amend the Consent Agenda to move Resolution 2015-07 to Item 9E and approve the following items:

- June 1, 2015 - Town Council Meeting Minutes
- May Financial Statements
- Resolution No. 2015-06, Approving Thompson Crossing II, Filing No. 1 Final Plat

Motion carried with a unanimous vote.

New Business

A. Consider Amended Development Agreement for 2534 West – This agreement addresses improvements along the frontage of the hotel site to be built by Mr. Hamid Eslan. Mr. Eslan agrees to pay the costs of the frontage improvements when required, and will furnish a completion guarantee (letter of credit). Councilmember James made a motion seconded by Councilmember Lebsack to approve the Amended Development Agreement for 2534 West. Motion carried with a unanimous vote.

B. Consider Wholesale Municipal Water Sale Agreement with Central Weld Water District – Town staff negotiated an agreement with Central Weld County Water District (CWCWD) for a connection to their system at WCR 17 and WCR 42 to serve as an emergency water supply in the event the 12” water transmission line in WCR 17 or the booster pump station serving the Pioneer Ridge subdivision fails. Councilmember Berg made a motion seconded by Councilmember James to approve the Wholesale Municipal Water Sales Agreement with Central Weld County Water District, and authorize the Mayor to sign it. Motion carried with an aye vote. Councilmember Mellon voted no.

C. Ratification of Approval of Ray Real Estate Service Agreement and BBC Research & Consulting Proposal – Ray Real Estate and BBC Research and Consulting was retained to assist the town in revenue projections and expenditures for the Carson Development. Because of the expedited nature of the project, on Friday, June 5th the Town Clerk emailed the agreement/proposal to the Mayor and Councilmembers to obtain their position on the agreement/proposal prior to the June 15, 2015 Town Council meeting. Seven response in favor of authorizing the Mayor or Mayor Pro tem to sign the agreement and approving the proposal was received. This agenda item ratifies their previous approval. Councilmember James made a motion seconded by Councilmember Berg to ratify the approval of the Ray Real Estate Service Agreement and the BBC Research & Consulting Proposal. Motion carried with a unanimous vote.

D. Consider Resolution 2015-07, Resolution in Opposition to Martin Marietta's Application for Use by Special Review (Case Number USR 15-0027) – Councilmember Mellon made a motion seconded by Councilmember Lebsack to approve Resolution No. 2015-07, Resolution in Opposition to Martin Marietta's Application for Use by Special Review (Case Number USR 15-0027). Motion carried with a unanimous vote.

There being no further business to come before Council the meeting adjourned at 7:40 p.m.

Mayor

Town Clerk/Treasurer

RESOLUTION

No. 2015-08

TOWN OF JOHNSTOWN, COLORADO

RESOLUTION NO. 2015-08

**OPPOSING ENVIROTECH SERVICES' APPLICATION FOR CHANGE
OF ZONE (WELD COUNTY CASE NUMBER: COZ15-0001)**

WHEREAS, EnviroTech Services submitted an application for a change of zone from A (Agricultural) to I-2 (Industrial) for property owned by Weld 34, LLC, located south of and adjacent to U.S. Highway 34 and east of and adjacent to Weld County Road 13 ("Property"); and

WHEREAS, the Weld County Department of Planning Services referred the matter to the Town of Johnstown (the "Town") for review and recommendation; and

WHEREAS, the Town has adopted the "Johnstown Area Comprehensive Plan," a copy of which may be viewed at www.townofjohnstown.com/DocumentCenter/Home/View/192 ("Comprehensive Plan"); and

WHEREAS, the Property is within the Growth Management Area contemplated in the Comprehensive Plan, an area into which urban development and annexation is anticipated to occur in the future; and

WHEREAS, the Town designated the Property for commercial use in the Comprehensive Plan; and

WHEREAS, the proposed industrial use is inconsistent with the Comprehensive Plan; and

WHEREAS, the Property abuts the existing Indianhead residential subdivision and is in close proximity to anticipated residential development within the current Town boundaries; and

WHEREAS, the proposed industrial uses would negatively impact the Indianhead residential subdivision by exposing the homes to industrial operations, forcing them to coexist with large, otherwise unplanned, industrial development and creating potential losses of property value, quiet enjoyment and quality of life; and

WHEREAS, on a broader scale, the Town envisions growth along the U.S. Highway 34 corridor to include commercial, residential and mixed use development, consistent and harmonious with the current development; and

WHEREAS, the proposed industrial use is not only inconsistent with the Town's vision of the growth along the U.S. Highway 34, but has considerable potential to lead to an expanded and unplanned heavy industrial presence along the U.S. Highway 34 corridor; and

WHEREAS, after careful review and consideration, the Town finds that the proposed change of zone, if permitted, would create undesirable and harmful consequences, inconsistent with the Town's long-range planning and inconsistent with the best growth and development along the U.S. Highway 34 corridor; and

WHEREAS, the change of zone from A (Agricultural) to I-2 (Industrial) is not in the best interests of the Town or the citizens of the Town and surrounding areas.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO, THAT:

1. The Town Council opposes EnviroTech Services' application for change of zone from A (Agricultural) to I-2 (Industrial) for the Property.
2. The Town Council respectfully requests that Weld County deny EnviroTech, Services' application for change of zone.

PASSED, SIGNED, APPROVED, AND ADOPTED this 6th day of July, 2015.

ATTEST:

TOWN OF JOHNSTOWN, COLORADO

By: _____
Diana Seele, Town Clerk

By: _____
Mark Romanowski, Mayor

**REIMBURSEMENT
AGREEMENT
(First Amendment)**

**FIRST AMENDMENT TO MARKET PLACE DRIVE
INFRASTRUCTURE REIMBURSEMENT AGREEMENT**

THIS FIRST AMENDMENT TO MARKET PLACE DRIVE INFRASTRUCTURE REIMBURSEMENT AGREEMENT is entered into this ___ day of July, 2015, by and between the **Town of Johnstown, Colorado**, a home rule municipality of the State of Colorado ("Johnstown"), and **RV Boatel, LLC**, a Colorado Limited Liability Company.

(Capitalized terms used herein but not defined shall have the same meaning ascribed to such terms in the Market Place Drive Infrastructure Reimbursement Agreement.)

RECITALS

WHEREAS, on July 22, 2005, Johnstown and RV Boatel, LLC, entered into the Market Place Drive Infrastructure Reimbursement Agreement to set forth their agreement and understanding regarding reimbursement of the cost of public improvements from Benefited Property Owners pursuant to Article V, Sections 13-91 through 13-94 of the Johnstown Municipal Code; and

WHEREAS, the Market Place Drive Infrastructure Reimbursement Agreement provides for a term of ten-years from the date of the execution of the Agreement; and

WHEREAS, Article V, Sections 13-92 of the Johnstown Municipal Code provides that the term may be extended for an additional five-year period upon petition by the person who paid for the initial construction; and

WHEREAS, RV Boatel, LLC has petitioned to extend the Market Place Drive Infrastructure Reimbursement Agreement for an additional five-year period; and

WHEREAS, Johnstown desires to extend the term of the Market Place Drive Infrastructure Reimbursement Agreement to allow RV Boatel, LLC additional time to recover Reimbursement.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and obligations expressed herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Johnstown and RV Boatel, LLC agree as follows:

1. Incorporation of Recitals. The Recitals are incorporated into the terms and conditions of this Agreement.

2. Extension of Term of Market Place Infrastructure Reimbursement Agreement. The term of the Market Place Infrastructure Reimbursement Agreement, set forth in Section 2(g) thereof, shall be extended for an additional five-year period. The Market Place Infrastructure Reimbursement Agreement shall terminate on July 21, 2020.

3. Recovery of Interest During Renewal Period. Article V, Sections 13-93 of the Johnstown Municipal Code provides that an interest component may be added to the cost of the public improvements subject to reimbursement during the initial ten-year term, but not to subsequent periods. RV Boatel, LLC is thus precluded from recovering additional interest during the five-year renewal period set forth herein.

4. Validity of Market Place Infrastructure Reimbursement Agreement. Except and only as expressly modified herein, the provisions of the Market Place Infrastructure Reimbursement Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

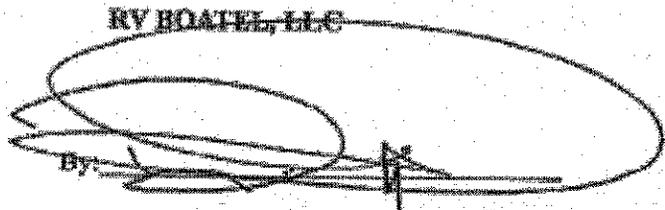
ATTEST:

TOWN OF JOHNSTOWN, COLORADO

Diana Seele, Town Clerk

By: _____
Mark Romanowski, Mayor

RV BOATEL, LLC

By: 

Roger Pilant

Title: MANAGER RV BOATEL
LLC

AGENDA ITEM 9A

**SUBDIVISION
DEVELOPMENT
AND
IMPROVEMENT AGREEMENT
(Thompson Crossing II, Filing No. 1)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2015

ITEM NUMBER: 9A

SUBJECT: Consider Subdivision Development and Improvement Agreement - Thompson Crossing II, Filing No. 1

ACTION PROPOSED: Consider Approval of Subdivision Development and Improvement Agreement for Thompson Crossing II, Filing No. 1

PRESENTED BY: John Franklin, Town Planner and Avi Rocklin, Town Attorney

AGENDA ITEM DESCRIPTION: The Final Plat for Thompson Crossing II, Filing No. 1 was approved by Resolution No. 2015-07. The Agreement requires the Developer to develop the property in accordance with the subdivision plat that was approved previously by the Council. The Agreement requires the Developer to install public and private improvements at the Developer's cost in accordance with the Town's specifications. Special provisions include:

- Completion of High Plains Blvd. as a rural section with two travel lanes and shoulders from the north end of the subdivision to Ronald Reagan Blvd., including construction of a railroad crossing. A special rural section would be constructed in front of two adjoining parcels. A property owner, Anita Comer has requested deferral of paving in front of her property until High Plains Blvd. is constructed from the south – if that is acceptable, the developer agrees to provide a surety for completion of the special Rural Section along the Comer parcel.
- Prorata share payment towards the widening of the Big Thompson River Bridge to accommodate two lanes of traffic plus shoulders, which is estimated to cost \$450,000. The developer agrees to pay an amount of \$135.00 per dwelling unit, based upon 245 total lots.
- The Developer agrees to install a 'Speed Table' on Tarragon Drive in a location and design approved by Town staff, which will be in a location approximately 990' west of this filing.
- Developer agrees to purchase of water taps from the Town.
- Developer may request reimbursement for the cost of the Neighborhood Park.
- Developer may request Town approval of a Reimbursement Agreement for applicable off-site costs.

LEGAL ADVICE: The Town Attorney drafted the attached public improvements development agreement.

FINANCIAL ADVICE: N/A

RECOMMENDED ACTION: Consider approval of the public improvements development agreement.

SUGGESTED MOTIONS:

For Approval: I move to approve the Subdivision Development and Improvement Agreement for Thompson Crossing II, Filing No. 1.

For Denial: I move to deny approval of the Subdivision Development and Improvement Agreement for Thompson Crossing II, Filing No. 1.

Reviewed:


Town Manager

AGREEMENT

**SUBDIVISION DEVELOPMENT AND IMPROVEMENT AGREEMENT
FOR
TOWN OF JOHNSTOWN
(THOMPSON CROSSING II, FILING NO. 1)**

This Subdivision Development and Improvement Agreement ("Agreement"), made and entered into by and between the Town of Johnstown, Colorado, a municipal corporation (the "Town") and Lomas-Somerset Meadows, LLC, a California Limited Liability Company (the "Developer").

WITNESSETH:

WHEREAS, Developer is the owner of a parcel of land situated in the Town of Johnstown, County of Larimer, State of Colorado, the description of which is set forth on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, Developer seeks to develop the Property and to designate such development as Thompson Crossing II, Filing No. 1 ("Development"); and

WHEREAS, Developer has submitted a final plat depicting the Development, which final plat is attached hereto as Exhibit "B-1" and incorporated herein by this reference ("Final Plat"); and

WHEREAS, the Town Council approved the Final Plat by passage of Resolution No. 2015-06, containing terms and conditions of approval of the Final Plat, which Resolution is attached hereto as Exhibit "B-2" and incorporated herein by this reference ("Resolution"); and

WHEREAS, Developer understands and agrees that, as a further condition of approval of the Final Plat, Developer is required to construct certain subdivision improvements to the Property, that Developer is responsible for the costs and expenses of those subdivision improvements unless otherwise provided herein, and that the subdivision improvements contemplated herein are reasonable, necessary, appropriate, and directly benefit the Development; and

WHEREAS, Developer agrees to undertake and complete the Development in accordance with this Agreement, the Final Plat, the Resolution, the Town's ordinances, resolutions and regulations and all other applicable laws and regulations.

NOW, THEREFORE, in consideration of the premises cited above and the mutual covenants and promises contained herein, the sufficiency of which is acknowledged, the Town and Developer agree as follows:

DEFINITIONS

For the purposes of this Agreement, the following words and terms shall be defined as follows:

1.1 **"Approved Plans"** shall mean: (1) with respect to the Public Improvements, the approved "Civil Engineering Construction Plans" related to the Development and on file with Town; and (2) with respect to the Private Improvements, the approved "the Site Development Plan" related to the Development and on file with Town.

1.2 **"Developer"** shall mean the owner(s) of the Property described in Exhibit "A" and any heirs, successors, assigns or transferees of any of the Property described in Exhibit "A."

1.3 **"Civil Engineering Construction Plans"** shall mean the approved engineering plans for construction, installation and improvement of the Public Improvements.

1.4 **"Development"** shall mean all the Property, property rights and subdivision improvements within the legal description in Exhibit "A."

1.5 **"Dry Utilities"** shall mean electricity, natural gas, cable and telephone.

1.6 **"Maintenance Guarantee"** shall mean a guarantee that the Subdivision Improvements constructed shall be free from defects and failures as more fully described in Paragraphs 5.2 and 5.4 below.

1.7 **"Private Improvements"** shall mean, without limitation, the construction, installation and improvement of privately owned and maintained common improvements including, but not limited to, stormwater improvements, landscaping, irrigation, fencing, entry signs, street signs and posts, street lighting, parks and open space, trails, postal service boxes and school bus stop shelters.

1.8 **"Public Improvements"** shall mean, without limitation, the construction, installation, improvement and dedication of public improvements, including, but not limited to public thoroughfares and streets, sanitary sewer facilities, water line facilities, drainage facilities, irrigation structures and other public facilities and improvements to serve the Development.

1.9 **"Site Development Plan"** shall mean the approved plans for the construction, installation and improvement of the Private Improvements.

1.10 **"Subdivision Improvements"** shall mean the Public Improvements, Private Improvements and Dry-Utilities.

1.11 "Town" shall mean the Town of Johnstown, Colorado.

1.12 "Town Engineer" shall mean the professional engineer designated by the Town Manager to perform the obligations set forth in this Agreement.

1.13 "Town Manager" shall include the Town Manager and his authorized designees.

1.14 "Town Official" shall include the Town Manager, Town Attorney, Town Treasurer, Town Engineer, Town Planner and their authorized designees.

SUBDIVISION IMPROVEMENTS

2. Public Improvements

2.1 *Pre- Construction*

a. Engineering Services: Developer shall furnish, at its own expense, all engineering services in connection with construction, installation and improvement of the Public Improvements. Engineering services shall be performed by a professional engineer registered in the State of Colorado. Engineering services shall consist of, but not be limited to, survey, designs, plans and profiles, specifications, drawings, estimates, construction administration, and the furnishing of necessary documents in connection therewith, including but not limited to final engineering drawings, final sewer and water design plans and final drainage plans (the "Civil Engineering Construction Plans").

b. Civil Engineering Construction Plans: Prior to commencing construction of the Public Improvements, Developer shall submit the Civil Engineering Construction Plans to the Town Engineer for review. Construction of the Public Improvements shall not commence until the Town provides written notice of approval of the Civil Engineering Construction Plans. Developer shall not thereafter modify the approved Civil Engineering Construction Plans without the written approval of the Town. The Town's review and approval of the Civil Engineering Construction Plans shall not limit or affect Developer's responsibility or liability for design, construction and installation of the Public Improvements, and Developer agrees to save and hold the Town harmless from any claims, fault or negligence attributable to such design, construction and installation, other than negligent designs which are required by the Town over Developer's written objection.

c. Rights-of-Way, Easements, Permits and Use Tax: Prior to commencing construction of the Public Improvements, Developer shall acquire, at its own expense, good and sufficient rights-of-way or easements, clear of any encumbrances, on all lands and facilities, if any, traversed by the proposed Public Improvements. All such rights-of-way and easements shall be conveyed to the Town and the documents of conveyance shall be furnished to the Town Manager for recording. At the Town's request, Developer shall provide at its sole expense a policy of title insurance insuring title in the Town, free and clear of all liens and encumbrances, for all land,

property and easements dedicated or conveyed to the Town or for public use. In addition, Developer shall obtain all the requisite permits and licenses necessary for construction of the Public Improvements. Developer shall also pay all applicable use tax due and owing to the Town.

2.2 **Construction of Public Improvements:** Upon satisfaction of the conditions set forth in Paragraph 2.1, Developer shall construct the Public Improvements at its own expense in accordance with this Agreement, the Final Plat, the Resolution, the Civil Engineering Construction Plans, the Town's ordinances, resolutions and regulations and all other applicable laws and regulations. All Public Improvements shall be installed and constructed within the rights-of-way or easements dedicated to the Town. Unless otherwise approved by the Town in writing, all materials used for constructing the Public Improvements shall be new and both workmanship and materials shall be of good quality.

2.3 **Construction Schedule:** Developer shall construct the Public Improvements in accordance with the schedule of public improvements set forth on "Exhibit C," attached hereto and incorporated herein by reference ("Schedule of Public Improvements"). Once construction begins, Developer shall keep the Town Manager informed by weekly status reports of the progress of the work and a projection of when the Public Improvements will be completed as well as the cost of such Public Improvements.

2.4 **Testing and Inspection:** Developer shall employ, at its own expense, a qualified independent testing company, approved by the Town Engineer, to perform all testing of materials or construction that may be reasonably required by the Town. Developer shall furnish certified copies of test results to the Town Engineer. At all times during construction of the Public Improvements, the Town shall have the right, but not the duty, to inspect materials and workmanship, at Developer's cost. All materials and work must conform to the Civil Engineering Construction Plans. Any material or work not conforming to the Civil Engineering Construction Plans shall be promptly removed, repaired or replaced, at Developer's expense and to the satisfaction of the Town Engineer.

2.5 **Completion of Construction:** Developer shall complete construction of the Public Improvements no later than eighteen (18) months from the commencement of the construction, unless such completion date is extended for reasons beyond the reasonable control of Developer and Developer has obtained the Town Manager's written consent to the extension.

3. Private Improvements

3.1 **Pre- Construction:** Prior to commencing construction of the Private Improvements, Developer shall submit a Site Development Plan to the Town. The Site Development Plan shall contain the proposed Private Improvements for the Development, including a plan for stormwater improvements, an irrigation system, landscaping, fencing, entry-way signage, street signs and posts, street lighting, parks and open space, trails, postal service boxes and school bus stop shelters. Landscaping and fencing shall be designed in accordance with the Town's landscape guidelines. Construction of the Private Improvements shall not

commence until the Town provides written notice of approval of the Site Development Plan, with the exception of approval of the school bus shelters, which must be approved by the school district. Developer shall not thereafter modify the approved Site Development Plan without the written approval of the Town. The Town's review and approval of the Site Development Plan shall not limit or affect Developer's responsibility or liability for design, construction and installation of the Private Improvements, and Developer agrees to save and hold the Town harmless from any claims, fault or negligence attributable to such design, construction and installation, other than negligent designs which are required by the Town over Developer's written objection. In addition, Developer shall obtain all the requisite permits and licenses necessary for construction of the Private Improvements. Developer shall also pay all applicable use tax due and owing to the Town.

3.2 **Construction of Private Improvements:** Upon satisfaction of the conditions set forth in Paragraph 3.1, Developer shall construct the Private Improvements at its own expense in accordance with the terms of this Agreement, the Final Plat, the Resolution, the Site Development Plan, the Town's ordinances, resolutions and regulations and all other applicable laws and regulations. All landscaping services shall be performed by a professional landscape architect or engineer. Unless otherwise approved by the Town in writing, all materials used for constructing the Private Improvements shall be new and both workmanship and materials shall be of good quality.

3.3 **Inspection:** At all times during construction and installation of the Private Improvements, the Town shall have the right, but not the duty, to inspect materials and workmanship, at Developer's cost. All materials and work must conform to the Site Development Plan. Any material or work not conforming to the Site Development Plan shall be promptly removed, repaired or replaced, at Developer's expense and to the satisfaction of the Town.

3.4 **Completion of Private Improvements:** Unless otherwise agreed in writing by the Town Manager, the Private Improvements shall be completed no later than the date that the Public Improvements are completed, unless such completion date is extended for reasons beyond the reasonable control of Developer and Developer has obtained the Town Manager's written consent to the extension. The Town may, in its discretion, allow Developer to defer completion of the landscaping services between December 1 and March 1 of any given year provided that sufficient surety in the form of a cash escrow deposited with the Town or an irrevocable letter of credit in the form attached hereto as **Exhibit "D"** in which the Town is designated as the beneficiary is provided to the Town.

4. Dry-Utilities

4.1 **Utilities:** Developer shall obtain all proper conveyances and arrangements for the installation and provision of the Dry Utilities to serve the Development. Developer shall provide proof of such conveyances and arrangements to the Town, which proof may be in the form of contracts for such services, no later than the date that the Public Improvements are completed.

4.2 *Easements:* All easements approved by the utility companies shall be submitted to the Town.

ACCEPTANCE OF SUBDIVISION IMPROVEMENTS

5.1 *Initial Acceptance:* Developer shall make written application to the Town Manager for initial acceptance of the Subdivision Improvements ("Initial Acceptance") within thirty (30) days of the completion date of the Subdivision Improvements, with the exception of the improvements for which the Town has authorized an extension of time to complete. The written application shall include one set of reproducible "as built" drawings and an affidavit executed by Developer affirming that the Subdivision Improvements have been paid in full, certifying the final construction costs and including documentary evidence of the construction costs. If the Town Manager requests, Developer shall provide lien waivers, or other acceptable assurance, from all subcontractors, suppliers and materialmen who have furnished labor, material or services for the design, construction or installation of the Subdivision Improvements. The affidavit and lien waivers may be reviewed by the Town, but the Town assumes no responsibility or liability to or for anyone regarding the veracity of the information so provided.

After the receipt of the written application, the Town Engineer shall use reasonable efforts to promptly inspect the Subdivision Improvements. If the Subdivision Improvements are satisfactory, Developer shall be entitled to Initial Acceptance upon receipt of the Maintenance Guarantee. If the Subdivision Improvements are not satisfactory, the Town Engineer shall prepare a detailed written description of all Subdivision Improvements which are not in compliance with the Approved Plans, subject to any changes that have been approved by the Town and any changes that have been required by the Town as a result of any unforeseen engineering design issues. Such report shall be delivered to Developer. After curing the defects, Developer shall make a renewed written application to the Town for re-inspection of the Public Improvements, which written application shall contain the items set forth above. The Town Engineer shall thereafter use reasonable efforts to promptly re-inspect the Subdivision Improvements. If the Subdivision Improvements are satisfactory, Developer shall be entitled to Initial Acceptance upon receipt of the Maintenance Guarantee.

5.2 *Maintenance Guarantee.* Prior to Initial Acceptance, Developer shall provide the Town with a maintenance guarantee in the form of a cash escrow deposited with the Town or an irrevocable letter of credit in the form attached hereto as Exhibit "D" in which the Town is designated as the beneficiary ("Maintenance Guarantee"). The Maintenance Guarantee shall equal fifteen percent (15%) of the total cost of the Subdivision Improvements. The Maintenance Guarantee shall warrant and guarantee all expenses and costs for maintenance, repairs and replacements of the Subdivision Improvements until Final Acceptance. The Maintenance Guarantee shall be released after Final Acceptance of all of the Subdivision Improvements.

5.3 *Delivery of Initial Acceptance.* Upon satisfaction of the conditions set forth above in Paragraphs 5.1 and 5.2, the Town shall provide written notice of Initial Acceptance of the Subdivision Improvements to Developer. The Town may issue written notice of Initial Acceptance

of the Subdivision Improvements prior to completion of certain of the less critical improvements, as determined and agreed-upon by the Town in its sole discretion. In which case, the Developer may be entitled to obtain building permits prior to completion of all the Subdivision Improvements, assuming satisfaction of the remaining terms of this Agreement and based on conditions otherwise set forth herein.

5.4 *Maintenance, Repair and Replacement:* Until Final Acceptance of the Subdivision Improvements, Developer shall promptly perform all maintenance and make all repairs and replacements of all defects or failures of the Subdivision Improvements at Developer's expense. If, within ten (10) days after Developer's receipt of written notice from the Town requesting such maintenance, repairs or replacements, Developer shall not have undertaken with due diligence to make the same, the Town may make such maintenance, repairs or replacements at Developer's expense and shall be entitled to draw upon the Maintenance Guarantee, either before undertaking to make such repairs or at any time thereafter or the Town may charge Developer for the costs thereof. In case of emergency, as determined by the Town, such written notice shall be deemed waived and the Town may proceed as it deems necessary at the expense of Developer or the issuers of the Maintenance Guarantee.

5.5 *Final Acceptance:* Two (2) years after the Town's Initial Acceptance of the Subdivision Improvements, which time period may be extended in the Town's discretion due to remedial or repair work that may be necessary in the first two (2) years by providing written notice to Developer, Developer shall make a written request to the Town Manager for a final inspection of the Subdivision Improvements ("Final Acceptance"). If the Town Engineer determines that the Subdivision Improvements are free of defects in materials and workmanship and have been repaired and maintained to the extent required, the Town Manager shall provide a written certification of completion and Final Acceptance. If the Town Engineer determines that the Subdivision Improvements are not free of defects in materials and workmanship and have not been repaired and maintained to the extent required, the Town Manager shall issue a written notice of non-compliance specifying the defects. Developer shall take such action as is necessary to cure the noncompliance and, upon curing the same, provide a new written request to the Town Manager for a final inspection of the Subdivision Improvements. Failure of the Developer to make a timely request for Final Acceptance shall not limit the Town's rights hereunder nor shall it limit the Town's right to utilize or operate the Public Improvements as the Town deems appropriate.

5.6 *Homeowners Association:* Prior to Final Acceptance and prior to the sale of lots or homes in the Development, Developer shall establish a homeowners association for the Development. Developer shall provide the Town with proposed covenants, bylaws and articles of incorporation for the homeowners association. Upon written approval of the covenants, bylaws and articles of incorporation by the Town, the same shall be recorded with the appropriate County Clerk and Recorder and the homeowners association shall thereafter be deemed to be established.

5.7 *Dedication and Maintenance of Subdivision Improvements:* Upon Final Acceptance of the Subdivision Improvements: (1) the Public Improvements shall be owned, operated and maintained by the Town; (2) the Private Improvements shall be owned, operated and

maintained, as appropriate and otherwise authorized and approved by the Town, by the Developer, the homeowner's association or a metropolitan or special district; and (3) the Dry-Utilities shall be owned, operated and maintained, as appropriate and otherwise authorized, by the Developer, the homeowner's association, a metropolitan or special district or the appropriate public utility company.

WATER AND SEWER SERVICE

6.1 The Town and Developer shall enter into a Water and Sewer Service Agreement setting forth their agreement concerning water rights dedication, preliminary projections of water and sewer demand and a commitment by the Town for water and sewer service to the Development. The Water and Sewer Service Agreement, whenever executed, shall be incorporated into this Agreement and made a part hereof.

BUILDING PERMITS

7.1 The Town shall not issue building permits or install water meters until: (1) the Final Plat has been recorded with the County Clerk and Recorder; (2) Developer has paid all applicable use tax due and owing to the Town; (3) Developer has received written notice of Initial Acceptance of the Subdivision Improvements; (4) meter and curb stop pass inspection; (5) storm drainage fees required under Municipal Code Section 17-113 have been paid; (6) the parties have entered into a Water and Sewer Service Agreement; (7) Developer has established a homeowners association as set forth in Paragraph 5.6 above; and (8) all terms of this Agreement have been faithfully kept by Developer.

7.2 Notwithstanding the foregoing, the Town may, in its sole discretion, issue building permits prior to completion of certain of the less critical Subdivision Improvements, as determined by the Town in its sole discretion, on the condition that such improvements be completed prior to the issuance of certificates of occupancy.

7.3 If at any time the Town determines that Developer is not in compliance with this Agreement, the Final Plat, the Resolution or the Approved Plans, the Town may withhold the issuance of building permits.

OPERATION STANDARDS

8.1 The operation of construction equipment outside an enclosed structure shall be prohibited between the hours of 8:00 p.m. and, on weekdays, the hour of 7:00 a.m. or, on weekends and legal holidays, the hour of 8:00 a.m. The Town Manager may, upon written application, alter the hours of operation for good cause by providing written notice to Developer.

8.2 The operation of construction equipment for the purpose of grading or constructing either surface improvements or underground utilities, either public or private, shall be prohibited between the hours of 8:00 p.m. and 7:00 a.m. on weekdays and 4:00 p.m. and 8:00 a.m. on legal holidays and weekends. The Town Manager may, upon written application, alter the hours of operation for good cause by providing written notice to Developer.

8.3 Developer agrees to control all weeds growing within the Development. Developer further agrees to use the appropriate herbicide and undertake mowing of the property within the Development.

8.4 Developer shall, at all times, keep the public right-of-way free from accumulation of waste material, rubbish, dirt and mud caused by Developer's operation. Developer shall remove such waste material, rubbish, dirt and mud no less than weekly and, at the completion of the work, shall promptly remove all debris waste materials, rubbish, dirt, mud, tools, construction equipment, machinery, building materials, trash containers, and portable toilets from the public right-of-way.

8.5 When the Town Engineer provides written notice that erosion, by wind or water, is likely to be an issue, Developer shall install temporary or permanent erosion control into the Development at the earliest practicable time. By way of explanation and without limitation, said control may consist of seeding of approved grasses, temporary dikes, gabions or other similar devices.

8.6 In the event that Developer fails to perform the work specified in Paragraphs 8.3, 8.4 or 8.5 within a reasonable time period after receiving written notice from the Town, not to exceed ten (10) days for the work specified in Paragraphs 8.3 and 8.4, the Town may, in addition to other remedies, including those set forth in Paragraph 7.3, perform the work required and charge Developer for said cost. Developer shall pay the Town for all costs incurred by the Town in the performance of the above said service within ten (10) days of the Town submitting an invoice for said services. If Developer does not remit the costs, in addition to other remedies, the Town may draw on the Maintenance Guarantee.

8.7 Developer hereby ensures that Developer's subcontractors shall cooperate with the Town's construction inspectors in all manners, including, but not limited to, by ceasing operations when winds are of sufficient velocity to create blowing dust which the Town, in its discretion, determines is hazardous to the public health and welfare.

8.8 Developer shall take all steps necessary to prevent its construction activities from damaging adjacent properties.

DEVELOPMENT STANDARDS

9.1 Developer shall comply with the requirements contained in the Annexation Agreement related to the Property, except as specifically amended by this Agreement.

9.2 Except as otherwise provided in this Agreement, the Final Plat, the Resolution or Approved Plans, Developer shall comply with Johnstown's municipal code, zoning ordinances, subdivision regulations, landscape guidelines and, if operative with respect to the Development, the approved design guidelines.

9.3 Appropriate design standards must be met including, but not limited to, the following:

- A. Developer shall submit detailed elevations showing architectural features of the proposed dwelling units. Architectural features, elevations and home sites shall have prior approval of the Town. Such approvals shall not be unreasonably withheld.
- B. All proposed multi-family areas and all other areas not planned for detached single family units must be the subject of a Site Development Plan to be reviewed and approved by the Town prior to any construction being performed.
- C. All off-street parking structures or pads shall be provided to the rear of the front setback. Driveways leading to the off-street parking may be constructed within the front setback and may also be used for parking.
- D. In areas built with single family homes, no individual unit shall be built with the same elevation within three (3) of itself on both sides of the street and all units shall have at least a two-car garage, except the multi-family homes.
- E. In areas built with single family homes, at least twenty-five percent (25%) of the facade of each dwelling unit, excluding windows, doors, and garage doors, shall be of masonry, stone, brick, or an equivalent. All roofs shall have thirty (30) year architectural style shingles. Any shingle type or style other than architectural style shingles shall be submitted to the Town for prior approval, but three-tab conventional asphalt shingle roofing shall not be permitted.
- F. All trails within the Development must be a minimum of ten (10) feet wide and six (6) inches thick and constructed of concrete. Interior sidewalks shall

be a minimum of five (5) feet wide, four (4) inches thick and constructed of concrete.

- G. To provide for emergency vehicular access, no structure shall be located in excess of one hundred and fifty feet (150'), excluding cul-de-sacs, from a single point of vehicular access unless an approved temporary second point of vehicular access is provided.
- H. Current Municipal Code required setbacks must be met, including, but not limited to, setback requirements for oil and gas facilities.
- I. A thirty-foot landscape buffer and a ten-foot meandering sidewalk, which shall be six inches thick, shall be constructed along any proposed arterial roads. The landscape buffer shall be landscaped with deciduous trees and evergreens along with deciduous shrub beds and bluegrass in accordance with the Town's approved landscape plan. Curb and gutter shall be provided in the same locations as the before mentioned sidewalks and landscape buffers. All local streets shall have five-foot attached sidewalks and collector streets shall have five-foot detached sidewalks and shall be landscaped with trees and grass.

9.4 All Final Plat and construction drawings shall be submitted in mylar, print, and digital form, which must conform to the Town's format and content requirements.

9.5 Developer shall take all necessary steps to prevent its construction activities from harming water quality, water bodies and wetlands. All drainage and holding ponds shall be kept free of standing water by whatever means possible including, but not limited to, pumping water out of any holding ponds.

LIABILITY, INSURANCE AND COST REIMBURSEMENT

10.1 *Indemnification*: Developer hereby agrees to indemnify and hold the Town, Town Officials, its employees, agents, representatives, insurers and self insurance pool harmless from and against any and all suits, demands, actions, damages, liability, losses, claims, fees and expenses, including attorney's fees, resulting or arising in any way from any breach or default of this Agreement or any acts or omissions of Developer, its employees, agents, consultants, representatives or subcontractors, except to the extent caused by gross negligence or willful misconduct of the Town. Developer shall promptly investigate, handle, respond to, and provide defense for and defend against any such liability, claims or demands at the sole expense of Developer. Developer also agrees to bear all costs, expenses and attorney's fees related thereto whether or not such liability, claims or demands are groundless, false or fraudulent.

10.2 **Insurance:** Developer shall for itself and for its contractors, subcontractors, representatives and agents engaged in the design, construction or installation of the Subdivision Improvements maintain such liability insurance including general liability, contractors liability, professional liability, comprehensive automobile liability and sufficient public liability insurance as will protect the Town, Town Officials, its employees, agents and representatives against any and all potential liability, claims, damage, demands, losses, and expenses which may be incurred or asserted pursuant to Paragraph 10.1 above. Liability insurance shall be in the minimum amount of one hundred fifty thousand dollars (\$150,000.00) for injury to one person, or six hundred thousand dollars (\$600,000.00) for injury to two or more persons in any single occurrence, or such greater amounts as may be established by the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as may be amended. Whenever requested by the Town Manager, Developer agrees to promptly submit certificates of insurance evidencing sufficient amounts, types and duration of insurance and which show the Town, Town Officials, its employees, agents and representatives as additional insureds. Developer shall not be relieved of any liability, claims, demands or other obligations assumed or set forth in this Development Agreement by reason of its failure to procure or maintain such insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations or types. In addition to the insurance specified above, Developer shall maintain workers compensation insurance, if so required by law, and shall require its contractors, subcontractors, representatives and agents engaged in the design, construction or installation of improvements to maintain workers compensation insurance in the amount required by law.

10.3 **Drainage Liability:** Developer shall indemnify and hold the Town harmless from any liability the Town may have on account of any change in the nature, direction, quantity, or quality of drainage flow resulting from the Development. In addition, Developer shall reimburse the Town for any and all costs, fees, and expenses, including attorney's fees, which the Town incurs in acquiring any rights-of-way or easements which the Town is required to acquire or condemn or which the Town is held to have acquired or condemned for drainage as a result of this Development. This provision shall survive Final Acceptance and the termination of this Agreement.

10.4 **Tax Liability:** Developer shall pay all outstanding taxes, encumbrances or obligations on any property dedicated or conveyed to the Town prior to or at the time of such dedication or conveyance, and shall indemnify and hold the Town harmless from any and all encumbrances, obligations or tax liability incurred prior to the dedication or conveyance to the Town. Any use tax due for construction materials shall be paid prior to construction of any improvements on the Property.

10.5 **Cost Reimbursement to Town:** Developer shall reimburse the Town for professional consultants, including, but not limited to engineers, testing companies and attorneys, engaged by the Town to process and complete the Development.

10.6 **Colorado Governmental Immunity Act:** Nothing in this Agreement shall be construed to waive, limit or otherwise modify any governmental immunity that may be available

by the law to the Town, Town Officials, employees, contractors, or agents, or any other person acting on behalf of the Town and, in particular, governmental immunity afforded pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as amended.

DEFAULTS AND REMEDIES

11.1 A default by Developer shall exist if Developer fails to fulfill or perform any material obligation contained in this Agreement, the Final Plat, the Resolution, or the Approved Plans, or Developer fails to comply with the Town's ordinances, resolutions and regulations and all other applicable laws and regulations. In the event of a default, the Town shall deliver written notice to Developer of such default and Developer shall have ten (10) days from receipt of such notice to cure the default. If the default is not of a type that may be cured within such ten (10) day period, Developer may provide written notice to the Town within such period that it is actively and diligently pursuing such cure and Developer shall thereafter have a reasonable time to cure the default, provided that Developer is at all times within that extended period actively and diligently pursuing a cure. In case of emergency, as determined by the Town, such written notice shall be deemed waived and the Town may proceed as it deems necessary at the expense of Developer or the issuers of the Maintenance or Performance Guarantee.

11.2 If the default arises subsequent to Initial Acceptance and the default is not timely cured, the Town may draw on the Maintenance Guarantee. If the default relates to the improvement secured by the Performance Guarantee and the default is not timely cured, the Town may draw on the Performance Guarantee. In addition, and without limitation, if the default is not timely cured, the Town may withhold approval of any or all building permits, certificates of occupancy, water meters or tap hook-ups for any area within the Development. Notwithstanding these rights and remedies, the Town may pursue whatever additional remedies it may have against Developer or anyone, either at law, equity or pursuant to this Agreement. The Town's remedies shall be cumulative.

11.3 Should Developer default in any obligation under this Agreement, the Town may, in its discretion, complete such Subdivision Improvements at Developer's expense. The Town shall estimate the cost of such improvements and give notice to Developer to pay such cost estimate. The Town shall use such payment for said improvements and refund any money collected in excess of the actual cost of said improvements. Should payment not be made within thirty (30) days of such notice, the Town may assess the amount of the cost estimate, plus ten percent (10%) to defray the cost of collection as provided by state law, to the Property and file a lien against the Property, such lien to have priority over all liens except general taxes and prior special assessments and to be placed upon the tax list for the current year to be collected in the same manner as taxes are collected. The Town may file such lien at any time after said thirty (30) days while Developer is in default of this Agreement.

SPECIAL PROVISIONS

12.1 The Additional Terms, Conditions or Provisions relating to this Development are set forth in Exhibit "B-3," which is attached hereto, incorporated herein by this reference, and made a part of this Agreement.

MISCELLANEOUS

13.1 *No Waiver*: Delays in enforcement or the waiver of any one or more breaches of this Agreement by the Town shall not constitute a waiver of any of the remaining terms or obligations.

13.2 *Severability*: If any provisions or parts of this Agreement are judged to be unenforceable or invalid, to the extent practicable, such judgment shall not affect, impair or invalidate the remaining parts of this Agreement, the intention being that the various parts and provisions hereof are severable.

13.3 *Recording of Agreement*: A Notice of this Agreement substantially in the form as shown on Exhibit "E" is to be recorded with the approved Final Plat and shall be a covenant running with and against all the Property, property rights and improvements contained within the Development described in Exhibit "A" in order to put prospective owners, purchasers, successors, assigns, and others acquiring any interest in the property on notice as to the terms and obligations herein. No lots, tracts or parcels may be separately conveyed prior to recording such Notice and the Final Plat.

13.4 *Binding Effect*: Unless otherwise provided herein, this Agreement shall be binding upon Developer's heirs, successors, assigns, transferees and any other person or entity acquiring or purchasing any interest in any of the Property described in the attached Exhibit "A," with the exception of a bona fide residential home buyer of a completed owner-occupied home.

13.5 *Transfer or Assignments*: In the event of a sale or transfer of any portion of the Development, except to a bona fide residential home buyer of a completed owner-occupied home, the seller or transferor and the purchaser or transferee shall be jointly and severally liable for the performance of each of the obligations contained in this Agreement unless, prior to the transfer or the sale, a written agreement satisfactory to the Town delineating and allocating the various rights and obligations for the Subdivision Improvements has been approved and executed by the Town Council.

13.6 *Title and Authority*: Developer expressly warrants and represents to the Town that it is the record owner of the Development and further represents and warrants that the undersigned has full power and authority to enter into this Agreement. Developer understands that the Town is relying on the representations and warranties contained herein in approving in entering into this Agreement.

13.7 *Notice*: All notices, consents, applications or other instruments provided for under this Agreement shall be deemed properly given and received: (1) when personally delivered and received, when sent by messenger service, or when forwarded by facsimile or email-delivery, but

only upon confirmation of receipt of such facsimile or email; (2) on the next day after deposit for delivery with a nationally-recognized overnight courier service; or (3) three business days after deposit in the United States mail, by certified mail with return receipt requested, postage prepaid and addressed as follows:

TO DEVELOPER:

Lomas-Somerset Meadows
13848 Weddington Street
Sherman Oaks, CA 91401
Attention: Todd Kurtin

Kurtin Properties, Inc. a California
Corporation

Attn: Jon Kurtin

TO TOWN:

TOWN OF JOHNSTOWN
Attention: TOWN MANAGER
450 So. Parish
P. O. Box 609
Johnstown, CO 80534
Facsimile: (970) 587-0141
Email: rcello@townofjohnstown.com

Avi S. Rocklin, Esq.
Law Office of Avi S. Rocklin, LLC
19 Old Town Square, Suite 238
Fort Collins, CO 80528
Facsimile: (970) 797-1806
Email: avi@rocklinlaw.com

13.8 *Costs and Attorney Fees.* If the Developer breaches this Agreement, the Developer shall pay the Town's reasonable costs and expenses, including attorney's fees, incurred in the enforcement of the terms, conditions and obligations of this Agreement. Nothing herein shall be construed to prevent or interfere with the Town's rights and remedies specified elsewhere in the Agreement.

13.9 *Vested Right.* The Final Plat shall have vested rights pursuant to §§ 24-68-101, *et seq.*, C.R.S. for a period of three (3) years from the date of this Agreement.

13.10 *Warranty of Developer:* Developer warrants that the Subdivision Improvements shall be installed in a good and workmanlike manner and in compliance with the Approved Plans, this Agreement, the Final Plat, the Resolution, the Town's ordinances, resolutions and regulations and all other applicable laws and regulations and shall be substantially free of any defects in materials and workmanship.

13.11 *Governing Law and Venue.* This Agreement and the interpretation thereof shall be governed by the laws of the State of Colorado and Municipal Code of the Town of Johnstown. Venue for any claim, proceeding or action arising out of this Agreement shall be in Larimer or Weld County, Colorado.

13.12 *No Presumption.* Each party acknowledges that it has obtained, or has had the opportunity to obtain, the advice of legal counsel of its own choosing in connection with the

negotiation and execution of this Agreement and with respect to all matters set forth herein. In the event of any dispute, disagreement or controversy arising from this Agreement, the parties shall be considered joint authors and no provision shall be interpreted against any party because of authorship.

13.13 *Entire Agreement.* This Agreement constitutes the entire agreement and understanding between the parties and supersedes all prior agreements or understandings. Any amendment to this Agreement must be in writing and signed by the parties.

13.14 *Compliance with the Law.* Developer shall comply with all federal, state and local laws and regulations in the performance of the obligations under this Agreement.

13.15 *No Third Party Beneficiaries.* No person or entity, other than a party to this Agreement, shall have any right of action under this Agreement including, but not limited to, lenders, lot or home buyers and materialmen, laborers or others providing work, services or materials for the Subdivision Improvements.

13.16 *Force Majeure.* Neither party shall be liable for a failure to perform hereunder if such failure is the result of force majeure, which shall mean causes beyond the reasonable control of a party such as acts of God, labor strikes, war, terrorism, fire or action or inaction of government authorities.

13.17 *Headings.* The paragraph headings herein are for the convenience and reference of the parties and are not intended to define or limit the scope or intent of this Agreement.

IN WITNESS WHEREOF, and agreeing to be fully bound by the terms of this Agreement, the parties have set their hands below on this 17th day of June, 2015.

OWNER
Lomas-Somerset Meadows, LLC

ATTEST:

By: _____



Secretary/Member

Date

(SEAL)

Please see attached document

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1 _____
 2 _____
 3 _____
 4 _____
 5 _____
 6 _____

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California _____
 County of Los Angeles

Subscribed and sworn to (or affirmed) before me
 on this 19 day of June, 2015,
 by Todd Kurtin
 (1) _____

(and (2) _____),
 Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence
 to be the person(s) who appeared before me.



Signature _____
 Signature of Notary Public

Seal
 Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

STATE OF COLORADO)
) ss.
COUNTY OF)

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20____, by
_____.

WITNESS my hand and official seal.

My commission expires:

Notary Public

TOWN OF JOHNSTOWN, COLORADO
A Municipal Corporation

By: _____
Mark Romanowski, Mayor

ATTEST:

By: _____
Diana Seele, Town Clerk

**SUBDIVISION DEVELOPMENT AND IMPROVEMENT AGREEMENT
FOR
THE TOWN OF JOHNSTOWN
(THOMPSON CROSSING II, FILING NO. 1)**

EXHIBITS

TABLE OF CONTENTS

EXHIBIT A:	Legal Description of Subject Property
EXHIBIT B-1:	Copy of Final Plat
EXHIBIT B-2:	Town Resolution Approving Development
EXHIBIT B-3:	Additional Terms, Conditions or Provisions
EXHIBIT C:	Schedule of Public Improvements
EXHIBIT D:	Irrevocable Letter of Credit Form
EXHIBIT E:	Notice (Approval of Final Plan/Plat and of Development Agreement)

EXHIBIT A

**LEGAL DESCRIPTION
(Development)**

EXHIBIT A

THOMPSON CROSSING II, FILING NO. 1

LEGAL DESCRIPTION

(PER LAND TITLE GUARANTEE COMPANY ORDER NO. FCC25119022)

THE N 1/2 OF THE SE 1/4 OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH P.M., COUNTY OF LARIMER, STATE OF COLORADO EXCEPT THOSE PARCELS DESCRIBED IN DEEDS RECORDED FEBRUARY 24, 1902 IN BOOK 146 AT PAGE 263 AND OCTOBER 8, 1970 IN BOOK 1443 AT PAGE 834 AND MAY 22, 1987 AT RECEPTION NO. 87029605.

SAID PARCEL CONTAINS A GROSS AREA OF 3,321,349 SQUARE FEET, 76.248 ACRES, MORE OR LESS.

EXHIBIT B-1
PLAT OR PLAN
(SEE ATTACHED)

THOMPSON CROSSING II, FILING NO. 1

BEING LOCATED IN THE N 1/2 OF THE SE 1/4 OF SECTION 14, T 5 N., R 68 W OF THE 6TH P.M.,
TOWN OF JOHNSTOWN, COUNTY OF LARIMER, STATE OF COLORADO

FINAL PLAT

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY
13648 WENDONTON ST.
SHREVEPORT, CA 94701
ATTENTION: THE ATTORNEY AT LAW
C/O CALIFORNIA CORPORATION
2000 MAIN STREET, SUITE 100
SAN DIEGO, CA 92108-2928

CONVEYOR:
LOUIS-SOMERSET MEADOWS, L.L.C.
200 LAS LUMAS AVENUE
PACIFIC PALISADES, CA 91327
ENGINEER:
3700 E. 12TH ST., SUITE 202
LOVELAND, CO 80538
PLANNER:
PACIFIC HILL GROUP
444 WINDYBUSH AVENUE
SOUTHFORD, CT 06488
SURVEYOR:
SHAW-WHITE SMITH & ASSOCIATES P.C.
506 W. 8TH ST.
LOVELAND, CO 80538

CONDITION: THESE BY THESE PRESENTS THAT LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY AND SHAW-WHITE SMITH & ASSOCIATES P.C., A CALIFORNIA LIMITED LIABILITY COMPANY AND SHAW-WHITE SMITH & ASSOCIATES P.C., A CALIFORNIA LIMITED LIABILITY COMPANY, BEING THE OWNER OF THE FOLLOWING DESCRIBED PROPERTY:

THE N 1/2 OF THE SE 1/4 OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRIME MERIDIAN, COUNTY OF LARIMER, STATE OF COLORADO, BEING THE PROPERTY OF LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY, AS SHOWN ON THE PLAT DATED MAY 22, 1987 AT RECEPTION NO. 8702888

SAID PARCEL CONTAINS A GROSS AREA OF 3,271.98 SQUARE FEET (0.0746 ACRES), MORE OR LESS.

AND DO HEREBY SUBDIVIDE THE SAME INTO THE LOTS, BLOCKS, TRACTS, OUTLOTS, PLATS AND LOTS SHOWN ON THIS MAP AND DO HEREBY DEMONSTRATE AND DECLARE THE RIGHTS OF WATER AND EASEMENTS FOR PUBLIC USE, UNLESS OTHERWISE NOTED.

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY

BY: TRIP CURTIS

TITLE: ATTORNEY AT LAW

STATE OF COLORADO

COUNTY OF LARIMER

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____ 2014.

AT _____ IN THE COUNTY OF LARIMER, STATE OF COLORADO.

WITNESS MY HAND AND OFFICIAL SEAL.

BY COMMISSION EXPRESSES: _____

NOTARY PUBLIC: _____

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY
13648 WENDONTON ST.
SHREVEPORT, CA 94701
ATTENTION: THE ATTORNEY AT LAW
C/O CALIFORNIA CORPORATION
2000 MAIN STREET, SUITE 100
SAN DIEGO, CA 92108-2928

CONVEYOR:

LOUIS-SOMERSET MEADOWS, L.L.C.

200 LAS LUMAS AVENUE

PACIFIC PALISADES, CA 91327

ENGINEER:

3700 E. 12TH ST., SUITE 202

LOVELAND, CO 80538

PLANNER:

PACIFIC HILL GROUP

444 WINDYBUSH AVENUE

SOUTHFORD, CT 06488

SURVEYOR:

SHAW-WHITE SMITH & ASSOCIATES P.C.

506 W. 8TH ST.

LOVELAND, CO 80538

CONDITION: THESE BY THESE PRESENTS THAT LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY AND SHAW-WHITE SMITH & ASSOCIATES P.C., A CALIFORNIA LIMITED LIABILITY COMPANY, BEING THE OWNER OF THE FOLLOWING DESCRIBED PROPERTY:

THE N 1/2 OF THE SE 1/4 OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRIME MERIDIAN, COUNTY OF LARIMER, STATE OF COLORADO, BEING THE PROPERTY OF LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY, AS SHOWN ON THE PLAT DATED MAY 22, 1987 AT RECEPTION NO. 8702888

SAID PARCEL CONTAINS A GROSS AREA OF 3,271.98 SQUARE FEET (0.0746 ACRES), MORE OR LESS.

AND DO HEREBY SUBDIVIDE THE SAME INTO THE LOTS, BLOCKS, TRACTS, OUTLOTS, PLATS AND LOTS SHOWN ON THIS MAP AND DO HEREBY DEMONSTRATE AND DECLARE THE RIGHTS OF WATER AND EASEMENTS FOR PUBLIC USE, UNLESS OTHERWISE NOTED.

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY

BY: TRIP CURTIS

TITLE: ATTORNEY AT LAW

STATE OF COLORADO

COUNTY OF LARIMER

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____ 2014.

AT _____ IN THE COUNTY OF LARIMER, STATE OF COLORADO.

WITNESS MY HAND AND OFFICIAL SEAL.

BY COMMISSION EXPRESSES: _____

NOTARY PUBLIC: _____

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY
13648 WENDONTON ST.
SHREVEPORT, CA 94701
ATTENTION: THE ATTORNEY AT LAW
C/O CALIFORNIA CORPORATION
2000 MAIN STREET, SUITE 100
SAN DIEGO, CA 92108-2928

CONVEYOR:

LOUIS-SOMERSET MEADOWS, L.L.C.

200 LAS LUMAS AVENUE

PACIFIC PALISADES, CA 91327

ENGINEER:

3700 E. 12TH ST., SUITE 202

LOVELAND, CO 80538

PLANNER:

PACIFIC HILL GROUP

444 WINDYBUSH AVENUE

SOUTHFORD, CT 06488

SURVEYOR:

SHAW-WHITE SMITH & ASSOCIATES P.C.

506 W. 8TH ST.

LOVELAND, CO 80538

CONDITION: THESE BY THESE PRESENTS THAT LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY AND SHAW-WHITE SMITH & ASSOCIATES P.C., A CALIFORNIA LIMITED LIABILITY COMPANY, BEING THE OWNER OF THE FOLLOWING DESCRIBED PROPERTY:

THE N 1/2 OF THE SE 1/4 OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRIME MERIDIAN, COUNTY OF LARIMER, STATE OF COLORADO, BEING THE PROPERTY OF LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY, AS SHOWN ON THE PLAT DATED MAY 22, 1987 AT RECEPTION NO. 8702888

SAID PARCEL CONTAINS A GROSS AREA OF 3,271.98 SQUARE FEET (0.0746 ACRES), MORE OR LESS.

AND DO HEREBY SUBDIVIDE THE SAME INTO THE LOTS, BLOCKS, TRACTS, OUTLOTS, PLATS AND LOTS SHOWN ON THIS MAP AND DO HEREBY DEMONSTRATE AND DECLARE THE RIGHTS OF WATER AND EASEMENTS FOR PUBLIC USE, UNLESS OTHERWISE NOTED.

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY

BY: TRIP CURTIS

TITLE: ATTORNEY AT LAW

STATE OF COLORADO

COUNTY OF LARIMER

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____ 2014.

AT _____ IN THE COUNTY OF LARIMER, STATE OF COLORADO.

WITNESS MY HAND AND OFFICIAL SEAL.

BY COMMISSION EXPRESSES: _____

NOTARY PUBLIC: _____

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY
13648 WENDONTON ST.
SHREVEPORT, CA 94701
ATTENTION: THE ATTORNEY AT LAW
C/O CALIFORNIA CORPORATION
2000 MAIN STREET, SUITE 100
SAN DIEGO, CA 92108-2928

CONVEYOR:

LOUIS-SOMERSET MEADOWS, L.L.C.

200 LAS LUMAS AVENUE

PACIFIC PALISADES, CA 91327

ENGINEER:

3700 E. 12TH ST., SUITE 202

LOVELAND, CO 80538

PLANNER:

PACIFIC HILL GROUP

444 WINDYBUSH AVENUE

SOUTHFORD, CT 06488

SURVEYOR:

SHAW-WHITE SMITH & ASSOCIATES P.C.

506 W. 8TH ST.

LOVELAND, CO 80538

CONDITION: THESE BY THESE PRESENTS THAT LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY AND SHAW-WHITE SMITH & ASSOCIATES P.C., A CALIFORNIA LIMITED LIABILITY COMPANY, BEING THE OWNER OF THE FOLLOWING DESCRIBED PROPERTY:

THE N 1/2 OF THE SE 1/4 OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH PRIME MERIDIAN, COUNTY OF LARIMER, STATE OF COLORADO, BEING THE PROPERTY OF LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY, AS SHOWN ON THE PLAT DATED MAY 22, 1987 AT RECEPTION NO. 8702888

SAID PARCEL CONTAINS A GROSS AREA OF 3,271.98 SQUARE FEET (0.0746 ACRES), MORE OR LESS.

AND DO HEREBY SUBDIVIDE THE SAME INTO THE LOTS, BLOCKS, TRACTS, OUTLOTS, PLATS AND LOTS SHOWN ON THIS MAP AND DO HEREBY DEMONSTRATE AND DECLARE THE RIGHTS OF WATER AND EASEMENTS FOR PUBLIC USE, UNLESS OTHERWISE NOTED.

LOUIS-SOMERSET MEADOWS, L.L.C., A CALIFORNIA LIMITED LIABILITY COMPANY

BY: TRIP CURTIS

TITLE: ATTORNEY AT LAW

STATE OF COLORADO

COUNTY OF LARIMER

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____ 2014.

AT _____ IN THE COUNTY OF LARIMER, STATE OF COLORADO.

WITNESS MY HAND AND OFFICIAL SEAL.

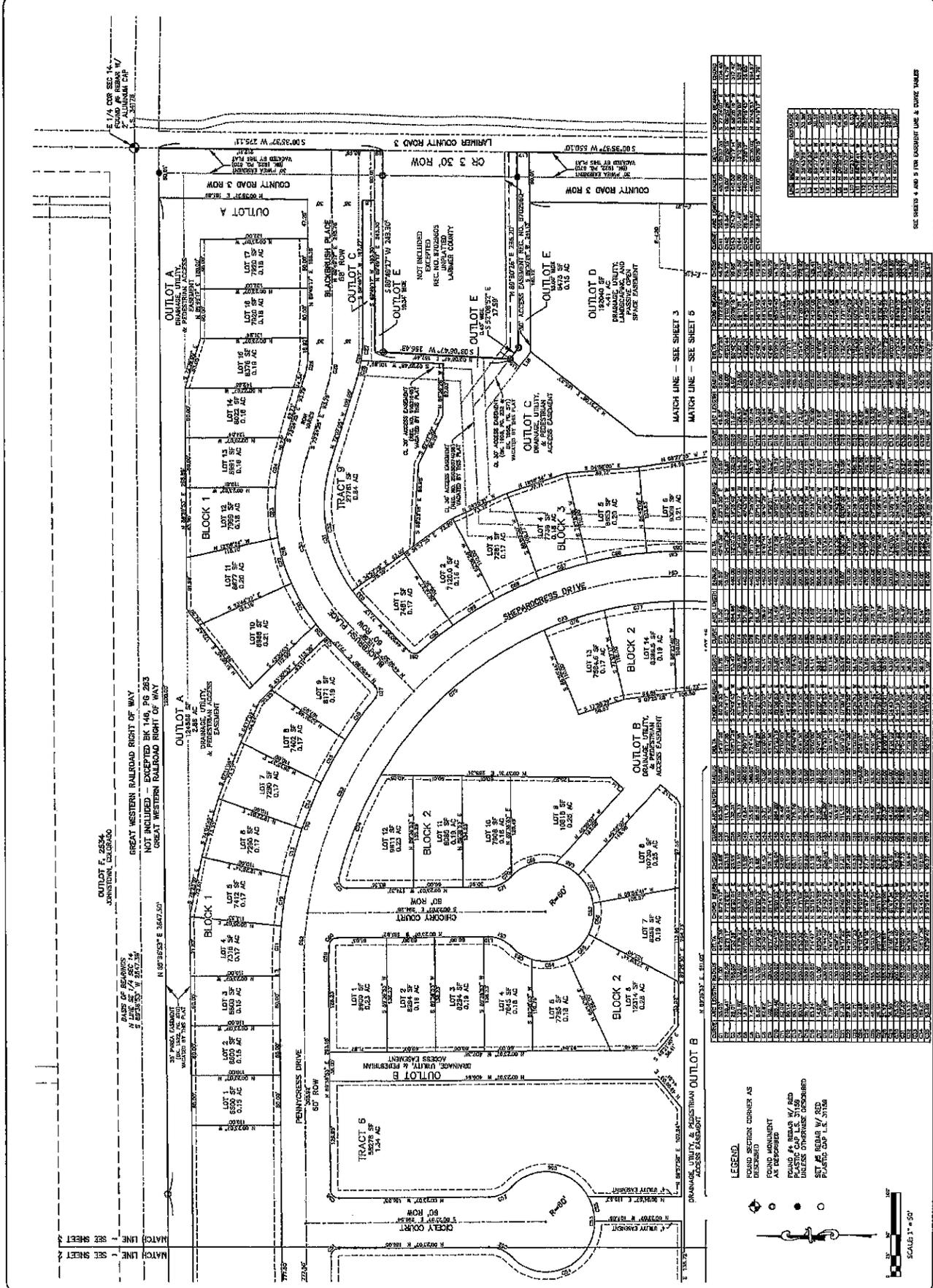
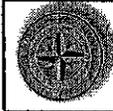
BY COMMISSION EXPRESSES: _____

NOTARY PUBLIC: _____

NOTARY PUBLIC: _____

NOTARY PUBLIC: _____

NOTARY



SEC. 36(2)(a) AND (b) FOR EXISTING LINES & SURVEY VALUES

LINE NO.	BEARING	DISTANCE	AREA
1	N 89° 59' 37" W	50.00	0.00
2	S 89° 59' 37" E	50.00	0.00
3	N 89° 59' 37" W	50.00	0.00
4	S 89° 59' 37" E	50.00	0.00
5	N 89° 59' 37" W	50.00	0.00
6	S 89° 59' 37" E	50.00	0.00
7	N 89° 59' 37" W	50.00	0.00
8	S 89° 59' 37" E	50.00	0.00
9	N 89° 59' 37" W	50.00	0.00
10	S 89° 59' 37" E	50.00	0.00
11	N 89° 59' 37" W	50.00	0.00
12	S 89° 59' 37" E	50.00	0.00
13	N 89° 59' 37" W	50.00	0.00
14	S 89° 59' 37" E	50.00	0.00
15	N 89° 59' 37" W	50.00	0.00
16	S 89° 59' 37" E	50.00	0.00
17	N 89° 59' 37" W	50.00	0.00
18	S 89° 59' 37" E	50.00	0.00
19	N 89° 59' 37" W	50.00	0.00
20	S 89° 59' 37" E	50.00	0.00

LOT NO.	AREA (SQ. FT.)	AREA (AC.)	REMARKS
LOT 1	7,000 SF	0.16 AC.	
LOT 2	7,000 SF	0.16 AC.	
LOT 3	7,000 SF	0.16 AC.	
LOT 4	7,000 SF	0.16 AC.	
LOT 5	7,000 SF	0.16 AC.	
LOT 6	7,000 SF	0.16 AC.	
LOT 7	7,000 SF	0.16 AC.	
LOT 8	7,000 SF	0.16 AC.	
LOT 9	7,000 SF	0.16 AC.	
LOT 10	7,000 SF	0.16 AC.	
LOT 11	7,000 SF	0.16 AC.	
LOT 12	7,000 SF	0.16 AC.	
LOT 13	7,000 SF	0.16 AC.	
LOT 14	7,000 SF	0.16 AC.	
LOT 15	7,000 SF	0.16 AC.	
LOT 16	7,000 SF	0.16 AC.	
LOT 17	7,000 SF	0.16 AC.	
LOT 18	7,000 SF	0.16 AC.	
LOT 19	7,000 SF	0.16 AC.	
LOT 20	7,000 SF	0.16 AC.	

LEGEND:
 ROUND SECTION CORNER AS DESCRIBED
 DRINKAGE UTILITY & ASSISTANT ACCESS PASSAGE
 PLASTIC CAP I.S. 21/28 UNLESS OTHERWISE DESCRIBED
 SET AS REAR W/ AED PLASTIC CAP I.S. 21/28

SCALE 1" = 50'

REV	DESCRIPTION	DATE
1	REVISION RECORD	

LOWAS-SOHNERT
MEADOWS, LLC
13848 WEDGINGTON ST
SHEWAN DAVIS, CA 94010

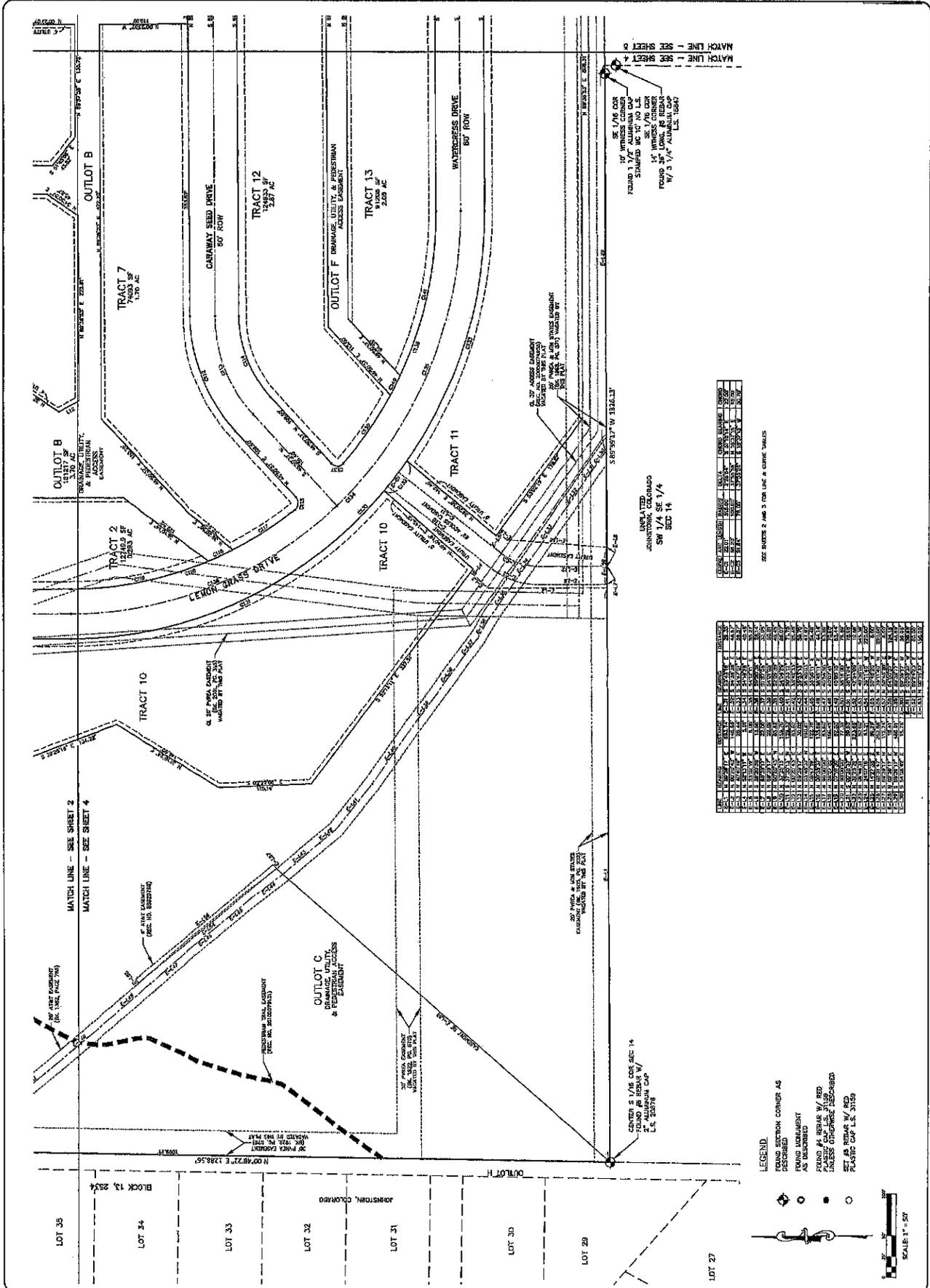


Galloway
Planning Architects Engineers
1201 E. 10th Avenue
Denver, CO 80202
Phone: 303.733.4444
Fax: 303.733.4445
www.galloway.com

PROJECT #	1000000000
DATE	04/24/2008
DESIGNED BY	SCALE
DATE	11/07
PROJECT	1000000000

THOMPSON CROSSING II,
FILING NO. 1
JOHNSTOWN, COLORADO
FINAL PLAT

Sheet
4
OF 5 SHEETS



TRACT	AREA (SF)	AREA (AC)
TRACT 2	12,280	0.28
TRACT 7	7,030	0.16
TRACT 10	12,280	0.28
TRACT 11	12,280	0.28
TRACT 12	12,280	0.28
TRACT 13	12,280	0.28

TRACT	AREA (SF)	AREA (AC)
TRACT 2	12,280	0.28
TRACT 7	7,030	0.16
TRACT 10	12,280	0.28
TRACT 11	12,280	0.28
TRACT 12	12,280	0.28
TRACT 13	12,280	0.28

EXHIBIT B-2

(RESOLUTION APPROVING PLAT OR PLAN)

(SEE ATTACHED)

TOWN OF JOHNSTOWN, COLORADO

RESOLUTION NO. 2015-06

APPROVING FINAL PLAT FOR THOMPSON CROSSING II, FILING NO. 1, CONSISTING OF APPROXIMATELY 76± ACRES, LOCATED IN THE NORTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF SECTION 14, TOWNSHIP 5 NORTH, RANGE 68 WEST OF THE 6TH P.M., COUNTY OF LARIMER, STATE OF COLORADO.

WHEREAS, an application has been made to the Town of Johnstown for approval of a Final Plat for subdivision of certain lands located in the North one-half of the Southeast one-quarter of Section 14, Township 5 North, Range 68 West of the 6th P.M., County of Larimer, State of Colorado; and

WHEREAS, on December 10, 2014, the Planning Commission held a hearing and reviewed the request and recommended that the Town Council approve the Final Plat with certain conditions; and

WHEREAS, on May 18, 2015, the Town Council held a hearing concerning the Final Plat and after considering the Planning Commission's recommendations, reviewing the file, and conducting a hearing, finds as follows with regard to the Final Plat:

1. The data requirements, design standards, and required improvements shown meet the requirements of the Johnstown Municipal Code Subdivision Regulations.
2. The Final Plat, as submitted, conforms substantially with the Preliminary Plat as approved.

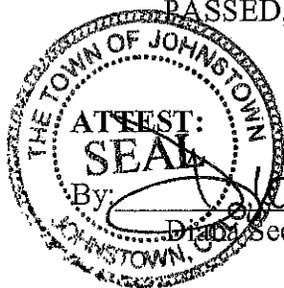
NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO,

Section 1. Final Plat Approval. The Final Plat of Thompson Crossing II, Filing No. 1, described as in the North one-half of the Southeast one-quarter of Section 14, Township 5 North, Range 68 West of the 6th P.M., County of Larimer, State of Colorado, as more specifically described on the attached "Exhibit A," is hereby approved.

Section 2. Conditions. Prior to the issuance of any building permits, all conditions shown in the attached "Exhibit B" must be met.

Section 3. Recording. The Town Clerk is hereby directed to obtain the appropriate signatures for the Final Plat and once the conditions are satisfied regarding the form of the Final Plat, to have it properly recorded at the office of the Weld County Clerk and Recorder.

PASSED, SIGNED, APPROVED, AND ADOPTED this 15th day of June, 2015.



By: *Diana Seele*
Diana Seele, Town Clerk

TOWN OF JOHNSTOWN, COLORADO

By: *Mark Romanowski*
Mark Romanowski, Mayor

EXHIBIT B-3

ADDITIONAL TERMS, CONDITIONS OR PROVISIONS (Thompson Crossing II, Filing No. 1)

1. Developer agrees to improve High Plains Blvd. (LCR 3) to an Interim Arterial section along the Property frontage, and a special Rural Section extending to Ronald Reagan Blvd., and along the two outparcels (Coonrad and Comer) adjoining the subdivision.
2. As part of High Plains Blvd. improvements noted in 1. Above, Developer shall construct the Railroad Crossing per PUC and GWRR approvals, including final acceptance upon completion.
3. Developer has determined and the Town Engineer has confirmed an estimated cost of widening the Big Thompson River Bridge to accommodate two lanes of traffic plus shoulders to be \$450,000. The developer agrees to pay a proportional share of this estimated cost based upon calculated traffic impact from this filing and subsequent filings in the amount of \$135.00 per dwelling unit, due at time of building permit.
4. Decorative street lighting and signage shall be maintained by the Owners Association and not the Town.
5. Development is subject to Johnstown Review Committee (JRC) approval of the Final Site Development Plan per the Thompson Crossing Design Guidelines.
6. Developer agrees to install a 'Speed Table' on Tarragon Drive in a location and design approved by Town staff, approximately 990' west of this filing.
7. Developer agrees to purchase of water taps from the Town.
8. Developer will install the private neighborhood park. Upon completion of the park improvements, acceptance by the Town and Town approval of certified as-built costs, Town agrees to reimburse Developer for the cost of the park improvements from the Neighborhood Park Development Fee collected with each dwelling unit permit in Thompson Crossing II. The amount of reimbursement shall not exceed the approved park cost.
9. Developer may request reimbursement for the cost of extending completed and accepted roadway improvements on High Plains Blvd. (LCR 3) which adjoin other properties. Additionally, Developer may request reimbursement from benefitting properties for oversizing completed and accepted water and sanitary sewer. Reimbursements shall be subject to Town Council approval of a Reimbursement Agreement, with notice to benefitting properties and other requirements of the Johnstown Municipal Code.

EXHIBIT C
SCHEDULE OF PUBLIC IMPROVEMENTS
(ATTACHED)

**ENGINEER'S OPINION OF PROBABLE COST
THOMPSON CROSSING- PHASE 1**

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
1	Aggregate Base Course (Class 6) (8.5" depth)	Square Yard	16,083	\$ 6.75	\$ 108,560.25
2	Hot Mix Asphalt Pavement (Gr SX)(SP75, PG 64-22) 2.0" depth)	Square Yard	16,083	\$ 8.50	\$ 136,705.50
3	Hot Mix Asphalt Pavement (Gr S)(SP75, PG 64-22) (2.0" depth)	Square Yard	16,083	\$ 8.50	\$ 136,705.50
4	Town of Johnstown Crosspans (6-Foot)	Each	2	\$ 1,350.00	\$ 2,700.00
5	18" Reinforced Concrete Pipe (Class III)	Linear Foot	447	\$ 34.00	\$ 15,198.00
6	24" Reinforced Concrete Pipe (Class III)	Linear Foot	315	\$ 45.00	\$ 14,175.00
7	30" Reinforced Concrete Pipe (Class III)	Linear Foot	851	\$ 58.00	\$ 49,358.00
8	42" Reinforced Concrete Pipe (Class III)	Linear Foot	970	\$ 115.00	\$ 111,550.00
9	48" Reinforced Concrete Pipe (Class III)	Linear Foot	148	\$ 116.00	\$ 17,168.00
10	54" Reinforced Concrete Pipe (Class III)	Linear Foot	27	\$ 117.00	\$ 3,159.00
11	66" Reinforced Concrete Pipe (Class III)	Linear Foot	350	\$ 200.00	\$ 70,000.00
12	4' Dia. Storm Sewer Manhole	Each	4	\$ 2,700.00	\$ 10,800.00
13	6' Dia. Storm Sewer Manhole	Each	10	\$ 4,900.00	\$ 49,000.00
14	8' Dia. Storm Sewer Manhole	Each	4	\$ 9,500.00	\$ 38,000.00
15	24" RCP Flared End Section	Each	1	\$ 750.00	\$ 750.00
16	66" RCP Flared End Section	Each	1	\$ 900.00	\$ 900.00
17	Type H Rip Rap w/ Bedding	Cubic Yard	35	\$ 80.00	\$ 2,800.00
18	Type L Rip Rap w/ Bedding	Cubic Yard	15	\$ 81.00	\$ 1,215.00
19	Area Inlet	Each	3	\$ 4,000.00	\$ 12,000.00

**ENGINEER'S OPINION OF PROBABLE COST
THOMPSON CROSSING- PHASE 1**

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
20	Inlet, Type R (5')	Each	2	\$ 4,500.00	\$ 9,000.00
21	Inlet, Type R (10')	Each	10	\$ 6,000.00	\$ 60,000.00
22	Inlet, Type R (15')	Each	2	\$ 7,750.00	\$ 15,500.00
23	Pond Outlet Structure	Each	1	\$ 11,000.00	\$ 11,000.00
24	Concrete Sidewalk (6")	Square Yard	896	\$ 12.50	\$ 11,200.00
25	Concrete Curb (Pedestrian) Ramp	Each	18	\$ 1,450.00	\$ 26,100.00
26	Curb and Gutter, Mountable	Linear Foot	6,652	\$ 13.50	\$ 89,802.00
27	Curb and Gutter, Vertical	Linear Foot	2,827	\$ 12.50	\$ 35,337.50
28	Speed Limit Signs	Each	8	\$ 575.00	\$ 4,600.00
29	Stop Signs	Each	10	\$ 450.00	\$ 4,500.00
30	Street Name Signs	Each	26	\$ 450.00	\$ 11,700.00
31	8" Sanitary SDR 35 PVC Pipe, (Complete in place)	Linear Foot	6,176	\$ 35.00	\$ 216,160.00
32	4' Dia. Sanitary Sewer Manhole	Each	35	\$ 3,200.00	\$ 112,000.00
33	Fire Hydrant Assembly with 6" Gate Valve	Each	7	\$ 5,700.00	\$ 39,900.00
34	8" Water C900 PVC PIPE (Complete in Place)	Linear Foot	4,525	\$ 22.00	\$ 99,550.00
35	8" Gate Valve	Each	32	\$ 1,600.00	\$ 51,200.00
36	6"x8" Tee	Each	7	\$ 485.00	\$ 3,395.00
37	8"x8" Tee	Each	12	\$ 485.00	\$ 5,820.00
38	Water Main Bends	Each	34	\$ 340.00	\$ 11,560.00

**ENGINEER'S OPINION OF PROBABLE COST
THOMPSON CROSSING- PHASE 1**

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
39	Sanitary Services	Each	88	\$ 1,000.00	\$ 88,000.00
40	Water Services	Each	62	\$ 1,650.00	\$ 102,300.00
41	Connect to existing Sanitary	Each	1	\$ 1,600.00	\$ 1,600.00
42	Water Main Plug	Each	5	\$ 200.00	\$ 1,000.00
				\$	<u>1,790,968.75</u>

**ENGINEER'S OPINION OF PROBABLE COST
THOMPSON CROSSING- PHASE 2**

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
1	Aggregate Base Course (Class 6) (8.5" depth)	Square Yard	7,133	\$ 6.75	\$ 48,147.75
2	Hot Mix Asphalt Pavement (Gr SX)(SP75, PG 64-22) 2.0" depth)	Square Yard	7,133	\$ 8.50	\$ 60,630.50
3	Hot Mix Asphalt Pavement (Gr S)(SP75, PG 64-22) (2.0" depth)	Square Yard	7,133	\$ 8.50	\$ 60,630.50
4	Town of Johnstown Crosspans (6-Foot)	Each	1	\$ 1,350.00	\$ 1,350.00
5	18" Reinforced Concrete Pipe (Class III)	Linear Foot	38	\$ 34.00	\$ 1,292.00
6	24" Reinforced Concrete Pipe (Class III)	Linear Foot	316	\$ 45.00	\$ 14,220.00
7	36" Reinforced Concrete Pipe (Class III)	Linear Foot	121	\$ 80.00	\$ 9,680.00
8	42" Reinforced Concrete Pipe (Class III)	Linear Foot	80	\$ 115.00	\$ 9,200.00
9	4' Dia. Storm Sewer Manhole	Each	2	\$ 2,700.00	\$ 5,400.00
10	8' Dia. Storm Sewer Manhole	Each	3	\$ 9,500.00	\$ 28,500.00
11	Inlet, Type R (10')	Each	1	\$ 6,000.00	\$ 6,000.00
12	Inlet, Type R (15')	Each	1	\$ 7,750.00	\$ 7,750.00
13	Concrete Sidewalk (6")	Square Yard	2,161	\$ 12.50	\$ 27,012.50
14	Concrete Curb (Pedestrian) Ramp	Each	2	\$ 1,450.00	\$ 2,900.00
15	Curb and Gutter, Mountable	Linear Foot	3,889	\$ 13.50	\$ 52,501.50
16	8" Sanitary SDR 35 PVC Pipe, (Complete in place)	Linear Foot	886	\$ 35.00	\$ 31,010.00
17	4' Dia. Sanitary Sewer Manhole	Each	4	\$ 3,200.00	\$ 12,800.00
18	Fire Hydrant Assembly with 6" Gate Valve	Each	3	\$ 5,700.00	\$ 17,100.00
19	8" Water C900 PVC PIPE (Complete in Place)	Linear Foot	1,953	\$ 22.00	\$ 42,966.00

**ENGINEER'S OPINION OF PROBABLE COST
THOMPSON CROSSING- PHASE 2**

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
20	8" Gate Valve	Each	10	\$ 1,600.00	\$ 16,000.00
21	6"x8" Tee	Each	3	\$ 485.00	\$ 1,455.00
22	8"x8" Tee	Each	2	\$ 485.00	\$ 970.00
23	Water Main Bends	Each	11	\$ 340.00	\$ 3,740.00
24	Sanitary Services	Each	18	\$ 1,000.00	\$ 18,000.00
25	Water Services	Each	44	\$ 1,650.00	\$ 72,600.00
26	Connect to existing Sanitary	Each	1	\$ 1,600.00	\$ 1,600.00
27	Water Main Plug	Each	1	\$ 200.00	\$ 200.00
				\$	<u>553,455.75</u>

**ENGINEER'S OPINION OF PROBABLE COST
THOMPSON CROSSING- PHASE 3**

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
1	Aggregate Base Course (Class 6) (8.5" depth)	Square Yard	10,210	\$ 6.75	\$ 68,917.50
2	Hot Mix Asphalt Pavement (Gr SX)(SP75, PG 64-22) 2.0" depth)	Square Yard	10,210	\$ 8.50	\$ 86,785.00
3	Hot Mix Asphalt Pavement (Gr S)(SP75, PG 64-22) (2.0" depth)	Square Yard	10,210	\$ 8.50	\$ 86,785.00
4	18" Reinforced Concrete Pipe (Class III)	Linear Foot	1,253	\$ 34.00	\$ 42,602.00
5	24" Reinforced Concrete Pipe (Class III)	Linear Foot	31	\$ 45.00	\$ 1,395.00
6	4' Dia. Storm Sewer Manhole	Each	2	\$ 2,700.00	\$ 5,400.00
7	Area Inlet	Each	1	\$ 4,000.00	\$ 4,000.00
8	Inlet, Type R (5')	Each	1	\$ 4,500.00	\$ 4,500.00
9	Inlet, Type R (10')	Each	2	\$ 6,000.00	\$ 12,000.00
10	Inlet, Type R (15')	Each	1	\$ 7,750.00	\$ 7,750.00
11	Concrete Sidewalk (6")	Square Yard	2,165	\$ 12.50	\$ 27,062.50
12	Curb and Gutter, Mountable	Linear Foot	3,897	\$ 13.50	\$ 52,609.50
13	Curb and Gutter, Vertical	Linear Foot	722	\$ 12.50	\$ 9,025.00
17	8" Sanitary SDR 35 PVC Pipe, (Complete in place)	Linear Foot	2,216	\$ 35.00	\$ 77,560.00
18	4' Dia. Sanitary Sewer Manhole	Each	11	\$ 3,200.00	\$ 35,200.00
19	Fire Hydrant Assembly with 6" Gate Valve	Each	5	\$ 5,700.00	\$ 28,500.00
20	8" Water C900 PVC PIPE (Complete in Place)	Linear Foot	1,898	\$ 22.00	\$ 41,756.00
21	16" Water C900 PVC PIPE (Complete in Place)	Linear Foot	715	\$ 45.00	\$ 32,175.00
22	16" Gate Valve	Each	2	\$ 1,599.00	\$ 3,198.00

**ENGINEER'S OPINION OF PROBABLE COST
THOMPSON CROSSING- PHASE 3**

ITEM NO.	DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	COST
23	8" Gate Valve	Each	4	\$ 1,600.00	\$ 6,400.00
24	6"x8" Tee	Each	5	\$ 485.00	\$ 2,425.00
25	8"x8" Tee	Each	12	\$ 485.00	\$ 5,820.00
26	Water Main Bends	Each	8	\$ 340.00	\$ 2,720.00
27	Sanitary Services	Each	61	\$ 1,000.00	\$ 61,000.00
28	Water Services	Each	61	\$ 1,650.00	\$ 100,650.00
29	Connect to existing Sanitary	Each	3	\$ 1,600.00	\$ 4,800.00
				\$	811,035.50

NO.	REV.	DATE	DESCRIPTION

LOMAS PARTNERS
 68145 LOMAS AVENUE
 PALM SPRINGS, CA 92252

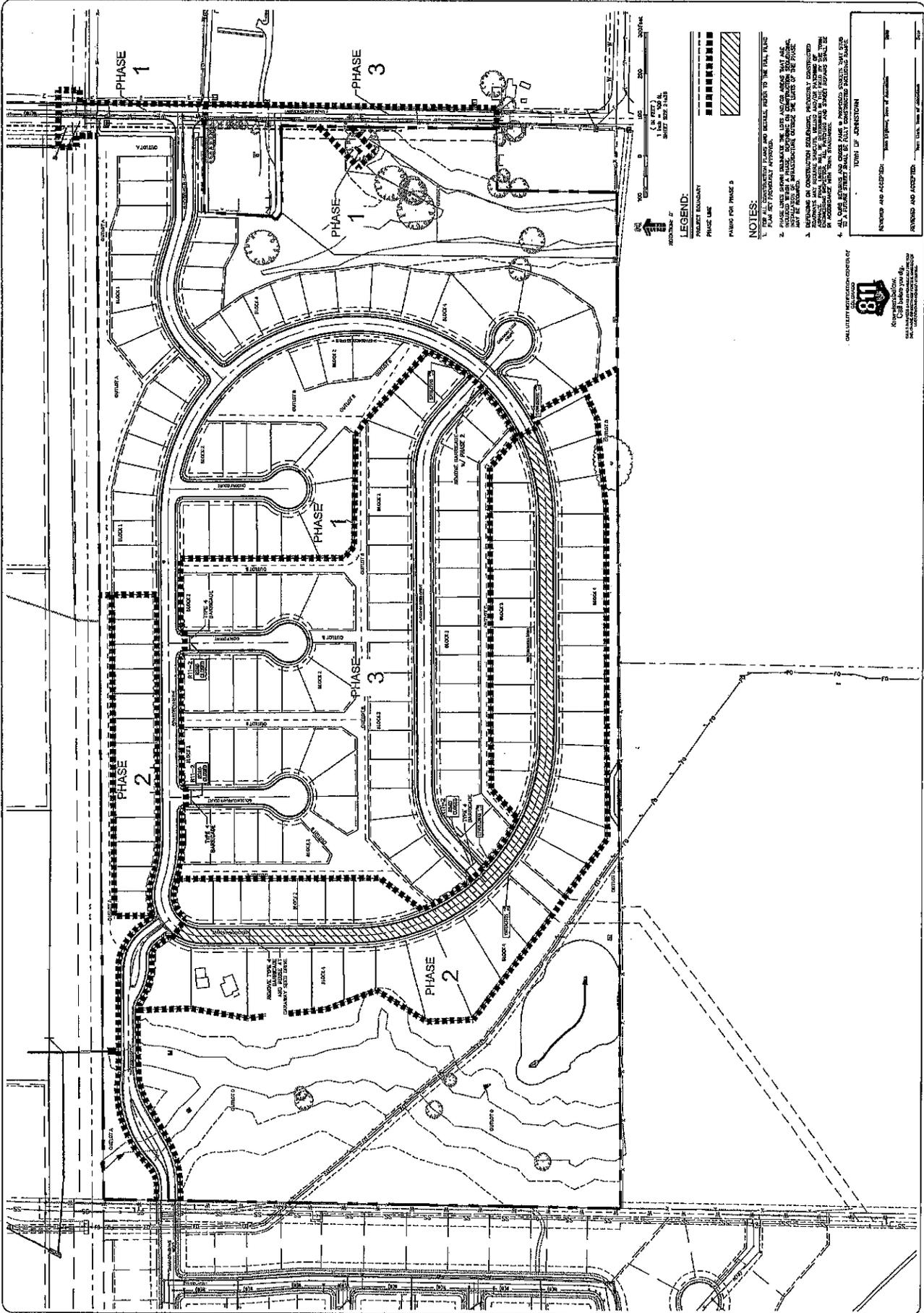


Galloway
 Planning & Architecture
 2000 N. GARDEN AVENUE
 SUITE 100
 PALM SPRINGS, CA 92262
 PHONE: 951.241.1000
 FAX: 951.241.1001
 WWW.GALLOWAYPA.COM

PROJECT NO.	10000000000000000000
DATE	10/15/2010
SCALE	AS SHOWN
PROJECT	THOMPSON CROSSING II
PHASE	PHASE 2
DATE	10/15/2010

**THOMPSON CROSSING II
 PHASE 2
 ROAD AND SIGNAGE PLAN**

EXHIBIT 2
 SHEET
 OF 2 SHEETS



LEGEND:
 PROJECT BOUNDARY
 PHASE LINE
 PHASE FOR PHASE 2

NOTES:
 1. THE PROPOSED ROAD AND SIGNAGE PLAN IS SUBJECT TO THE FINAL PERMITS AND APPROVALS FROM THE LOCAL AGENCIES.
 2. PHASE LINES SHOW WHERE THE LOTS AND/OR AREAS THAT ARE TO BE DEVELOPED IN A PHASE ARE BOUNDARY. THE PHASE LINES ARE NOT TO BE CONSIDERED AS A GUARANTEE OF THE PHASE LINES.
 3. THE PHASE LINES ARE SUBJECT TO CHANGE AND WILL BE SUBJECT TO THE PHASE LINES AND PHASE LINES AND WILL BE SUBJECT TO THE PHASE LINES AND PHASE LINES AND WILL BE SUBJECT TO THE PHASE LINES AND PHASE LINES.
 4. ALL ROAD SIGNAGE AND ROAD MARKS TO BE PROPOSED AND SHALL BE SUBJECT TO THE PHASE LINES AND PHASE LINES AND SHALL BE SUBJECT TO THE PHASE LINES AND PHASE LINES.

REVISIONS AND ACCEPTED: _____
 REVIEWED AND ACCEPTED: _____
 TOWN OF JOHNSTON



THIS PLAN IS THE PROPERTY OF GALLOWAY PLANNING & ARCHITECTURE. IT IS TO BE USED ONLY FOR THE PROJECT AND PHASE SPECIFICALLY IDENTIFIED HEREON. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF GALLOWAY PLANNING & ARCHITECTURE.

LOMAS PARTNERS
 1000 CALIFORNIA AVENUE
 SACRAMENTO, CALIFORNIA 95811
 PHONE: (916) 441-1000
 FAX: (916) 441-1001
 WWW.LOMASPARTNERS.COM

Galloway
 CIVIL ENGINEERING
 1000 CALIFORNIA AVENUE
 SACRAMENTO, CALIFORNIA 95811
 PHONE: (916) 441-1000
 FAX: (916) 441-1001
 WWW.GALLOWAYENGINEERS.COM

PROJECT NO. 15-0000
 DATE: 01/21/2015
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]

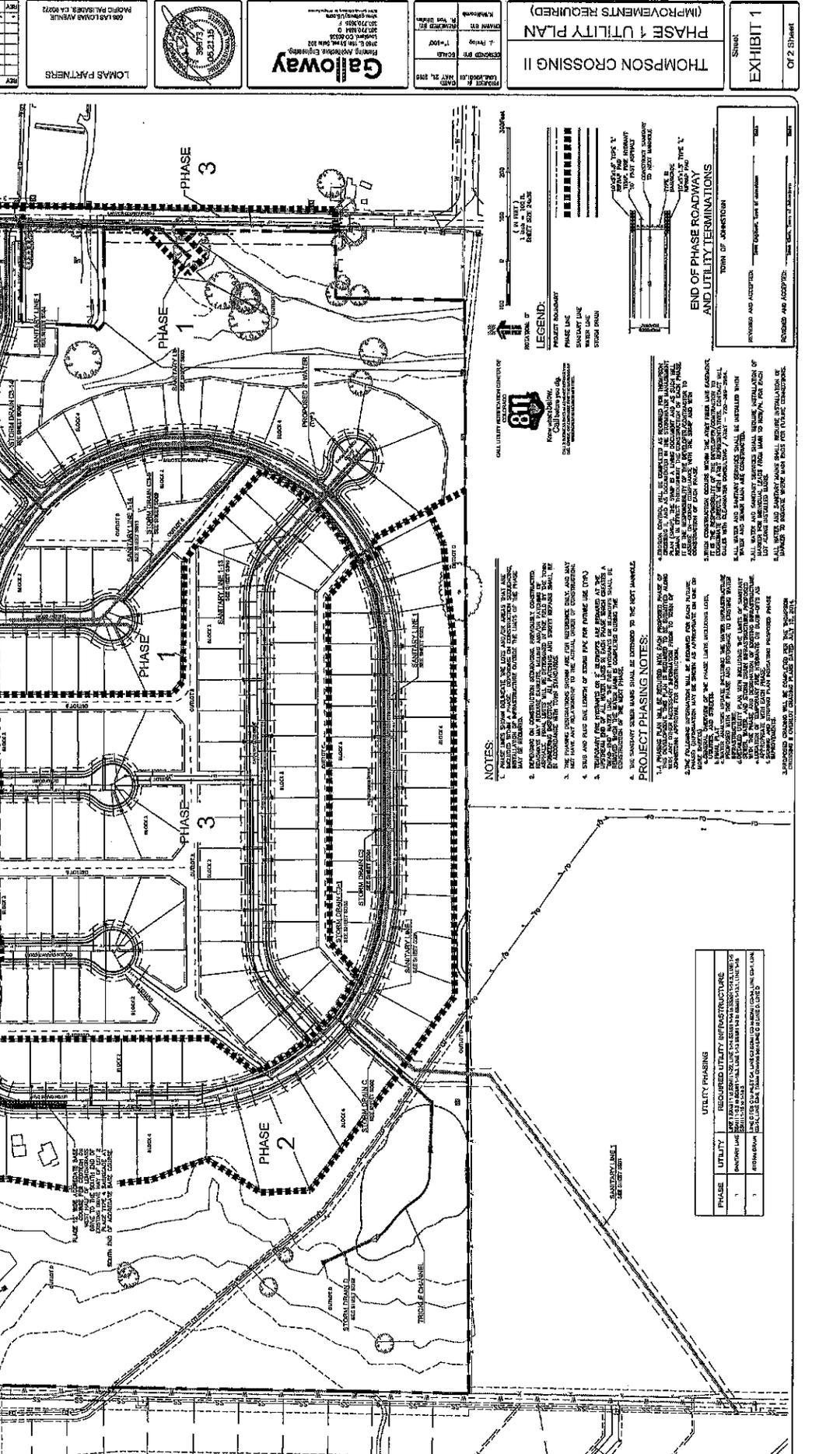


EXHIBIT D

FORM--IRREVOCABLE LETTER OF CREDIT

NAME OF ISSUING BANK _____
ADDRESS OF ISSUING BANK _____

Town of Johnstown
450 So. Parish
P. O. Box 609
Johnstown, CO 80534

ATTENTION: TOWN OF JOHNSTOWN ATTORNEY AND TOWN MANAGER

We hereby establish, at the request and for the account of this Irrevocable Letter of Credit in favor of the Town of Johnstown in the amount of \$ _____. The purpose of this Letter of Credit is to secure performance of a Development Agreement for _____, dated this day _____ of _____, 20____, between the Town of Johnstown and _____.

You are hereby authorized to draw on sight by drafts or written demands up to the aggregate amount of \$ _____. The sole condition for payment of any demand made or draft drawn against this Irrevocable Letter of Credit is that the Town's demand or draft be accompanied by a letter, on the Town's stationery, signed by the Town Manager to the effect that "the Town of Johnstown has declared a default under the Development Agreement."

Partial and multiple drawings are permitted hereunder.

We hereby agree with the Town of Johnstown and its drawers, endorsers, and bona fide holders of demands made or drafts negotiated under this Letter of Credit that the same shall be duly honored upon presentation and delivery of the documents as specified above.

This Irrevocable Letter of Credit is not transferable.

This Letter of Credit shall be for a twelve (12) month term from the date of execution hereof. It is a condition of this Letter of Credit that it shall be automatically renewed, without amendment, for additional periods of one year each from the present or any future expiration date, unless, at least sixty (60) calendar days prior to the effective expiration date, the Town Manager notifies you in writing delivered by certified U.S. mail, return receipt requested, to your address set forth above that the Town of Johnstown elects not to renew this Letter of Credit for any further additional period. Upon your receipt of our written notification of impending expiration, you may draw the unused balance of this Irrevocable Credit upon your written demand or your sight draft.

EXHIBIT E

NOTICE

Please take notice that on the ____ day of _____, 20__, the Town Council of the Town of Johnstown approved the final plat for the development known as _____, which development was submitted and processed in accordance with the Town of Johnstown's Municipal Code. In conjunction therewith, the Town Council also approved a Development Agreement dated _____, 20__, between the Town Johnstown and the Developer, pursuant to and under which certain rights and obligations of the Developer will pass on to subsequent owners, heirs, assigns and transferees of the below-described property. The Development Agreement is on file and may be reviewed in the office of the Town Clerk of the Town of Johnstown. The subject property for which such Development Agreement applies is described as follows:

LEGAL DESCRIPTION ATTACHED

DATED this _____ day of _____, 20__.

Town Clerk

Town Manager

AGENDA ITEM 9B

**PRESENTATION
OF
2014
ANNUAL AUDIT
REPORT**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2015

ITEM NUMBER: 9B

SUBJECT: Presentation of 2014 Annual Audit Report

ACTION PROPOSED: Accept 2014 Annual Audit Report

PRESENTED BY: Mr. Raymond E. Derr, P.C. (CPA)

AGENDA ITEM DESCRIPTION: Colorado Revised Statutes (CRS) 29-1-603 (Colorado Local Government Audit Law, Audits Required) provides in part for the following:

- The governing body of each local government in the state shall cause to be made an annual audit of the financial statements of the local government for each fiscal year.
- Such audit shall be made as of the end of the fiscal year of the local government, or, at the option of the governing body, audits may be made at more frequent intervals.
- An auditor shall conduct audits of each local government in accordance with generally accepted auditing standards.
- The expenses of audits required by this part six (6) shall be paid by the local government for which the audit is made. It is the duty of the governing body of the local government to make provision for payment of said expenses.
- The entities shall annually have an audit made by a certified public accountant and shall file a copy of the audit report made pursuant to such audit with the state auditor no later than thirty days after the report is received by such entity.

Additionally, Section 4-22 (Annual Audit) of the Johnstown Municipal Code requires that an annual audit be conducted regarding the financial affairs and transactions of the Town in accordance with the requirements of state law. The attached audit report is for the year ending December 31, 2014.

Note: Mr. Raymond Derr, CPA (Town Auditor) will be in attendance to present the Town's 2014 Annual Audit Report.

LEGAL ADVICE: N/A

FINANCIAL ADVICE: According to the Town Treasurer, sufficient funds have been budgeted for the audit.

RECOMMENDED ACTION: Accept annual audit report for the year ending December 31, 2014.

SUGGESTED MOTION:

For Acceptance: I move to accept the annual audit report for the year ending December 31, 2014.

Reviewed:

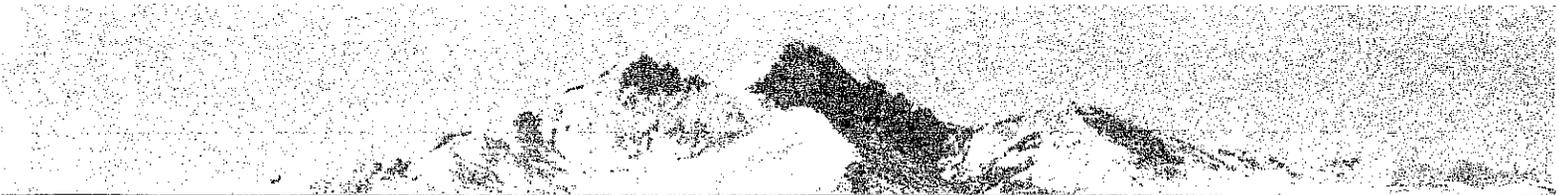

Town Manager

2014
ANNUAL AUDIT
REPORT

TOWN OF JOHNSTOWN, COLORADO

FINANCIAL REPORT

December 31, 2014



RAYMOND E. DERR, P.C.
Certified Public Accountant

TOWN OF JOHNSTOWN, COLORADO

FINANCIAL REPORT

December 31, 2014

CONTENTS

	PAGE

INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-10
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet-Governmental Funds	13
Reconciliation of the Balance Sheet to the	
Statement of Net Assets	14
Statement of Revenues, Expenditures, and	
Changes in Fund Balances-Governmental Funds	15
Reconciliation of Statement of Revenues, Expenditures	
and Changes in Fund Balances of Governmental Funds	
to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in	
Fund Balance-Actual and Budget (Legal Basis)	
General Fund	17
Use Tax Capital Improvement Fund	18
Impact Fee Fund	19
Statement of Net Assets-Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in	
Fund Net Assets-Proprietary Funds	21
Statement of Cash Flows-Proprietary Funds	22-23
Notes to Financial Statements	24-39

REQUIRED SUPPLEMENTAL INFORMATION

Combining and Individual Fund Statements and Schedules:

General Fund Schedule of Revenues-Actual and Budget (Legal Basis)	40
General Fund Schedule of Expenditures-Actual and Budget (Legal Basis)	41-44

OTHER SUPPLEMENTAL INFORMATION

Nonmajor Special Revenue Funds	
Combining Balance Sheet	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	46
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Actual and Budget (Legal Basis)	
Contingent Fund	47
Cemetery Fund	48
Paving Fee Fund	49
Equipment Replacement Fund	50
Johnson's Corner Capital Improvement Fund	51
Conservation Trust Fund	52
Major Enterprise Funds	
Schedule of Revenues and Expenses-Actual and Budget (Legal Basis)	
Water Enterprise Fund	53-54
Wastewater Enterprise Fund	55-56
Drainage Enterprise Fund	57
Library Enterprise Fund	58
Local Highway Finance Report	59-60

RAYMOND E. DERR, CPA, P.C.
PSKOV SPG Financial Group

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Council
Town of Johnstown, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnstown, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Johnstown, Colorado, as listed in the Table of Contents.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Johnstown, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules and local highway finance report, listed in the Table of Contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



RAYMOND E. DERR, P.C.
Certified Public Accountant
Longmont, Colorado
May 19, 2015

TOWN OF JOHNSTOWN, COLORADO

Management's Discussion and Analysis

As management of the Town of Johnstown, Colorado, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Johnstown, Colorado, for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

Financial Highlights

The Town's assets exceeded its liabilities at December 31, 2014, by \$102,298,841 (net assets).

The Town's total net assets increased by \$12,632,051 in 2014.

At December 31, 2014, the restricted fund balance for the general fund was \$24,256,105 or approximately 4.44 times total general fund expenditures.

The Town's total debt decreased by \$1,866,746 during the 2014 fiscal year. The key factor for this decrease was the payment of debt and no additional borrowings during 2014.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the Town of Johnstown's basic financial statements. The Town's basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all the Town's assets and liabilities, with the difference between the two being reported as net assets. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town of Johnstown's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation time).

Both of the government-wide financial statements distinguish functions of the Town of Johnstown 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 and charges (business-type activities). The governmental activities of the Town of Johnstown include general government, public safety, public works, community development, culture, and parks and recreation. The business-type activities of the Town of Johnstown include water, wastewater, drainage and library.

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 Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into two categories: governmental and proprietary.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Readers may then better understand the long-term impact of the Town's short-term financing decisions. Both the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general fund and other major funds. The non-major funds are combined in the Other Governmental Funds into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual fund statements elsewhere in this report.

Proprietary Funds. The Town of Johnstown maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, wastewater, drainage and library operations, all of which are considered to be major funds of the Town of Johnstown.

Notes to 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.

REPORTING THE TOWN AS A WHOLE GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net assets may serve over time as a useful indicator of the Town's financial position. For the year ending December 31, 2014, the Town's combined assets exceeded liabilities by \$102,298,841.

Cash of \$74,010,968 is one the Town's largest portion of total assets (72.3 percent) and may be used to meet the Town's ongoing obligations to citizens and creditors.

The other largest portion of the Town of Johnstown's net assets (27.5 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its 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. Unrestricted net assets may be used to meet the Town's ongoing obligations to citizens and creditors. Our analysis below focuses on the net assets of the Town's governmental and business-type activities.

NET ASSETS

As of December 31, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	\$51,130,507	\$22,880,461	\$ 74,010,968
Capital Assets	9,110,971	18,991,646	28,102,617
Other Assets	3,794,862	302,086	4,096,948
	-----	-----	-----
Total Assets	64,036,340	42,174,193	106,210,533
	-----	-----	-----
Long-Term Liabilities			
Other Liabilities	3,560,377	351,315	3,911,692
	-----	-----	-----
Total Liabilities	3,560,377	351,315	3,911,692
	-----	-----	-----
Net Assets:			
Invested in Capital Assets, Net of Related Debt	9,110,971	18,991,646	28,102,617
Restricted	51,364,992	22,831,232	74,196,224
	-----	-----	-----
Total Net Assets	\$60,475,963	\$41,822,878	\$102,298,841
	=====	=====	=====

NET ASSETS

As of December 31, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash	\$43,483,392	\$20,945,882	\$64,429,274
Capital Assets	9,324,352	17,985,479	27,309,831
Other Assets	3,396,587	309,536	3,706,123
	-----	-----	-----
Total Assets	56,204,331	39,240,897	95,445,228
	-----	-----	-----
Long-Term Liabilities		1,445,000	1,445,000
Other Liabilities	3,679,712	653,726	4,333,438
	-----	-----	-----
Total Liabilities	3,679,712	2,098,726	5,778,438
	-----	-----	-----
Net Assets:			
Invested in Capital Assets, Net of Related Debt	9,324,352	16,577,479	25,901,831
Restricted	43,200,267	20,564,692	63,764,959
	-----	-----	-----
Total Net Assets	\$52,524,619	\$37,142,171	\$89,666,790
	=====	=====	=====

CHANGE IN NET ASSETS
For The Year Ended December 31, 2014

	Governmental Activities	Business-Type Activities	Total
	-----	-----	-----
Revenues:			
Program Revenues:			
Charges for Services	\$ 4,199,906	\$ 4,749,998	\$ 8,949,904
Operating Grants and Contributions		2,877,043	2,877,043
Capital Grants & Contributions			
General Revenues:			
Property Taxes	3,431,025		3,431,025
Sales and Use Taxes	6,006,200		6,006,200
Other Taxes/Licenses	671,177		671,177
Earnings on Investments	224,813	105,136	329,949
	-----	-----	-----
Total Revenues	14,533,121	7,732,177	22,265,298
	-----	-----	-----
Expenses:			
General Government	659,305		659,305
Public Safety	1,798,463		1,798,463
Public Works	2,533,013		2,533,013
Health and Welfare	113,901		113,901
Culture and Recreation	1,025,715		1,025,715
Interest on Long-Term Debt		133	133
Water		1,507,894	1,507,894
Wastewater		1,286,702	1,286,702
Drainage		239,100	239,100
Library		469,021	469,021
	-----	-----	-----
Total Expenses	6,130,397	3,502,850	9,633,247
	-----	-----	-----
Excess Before Transfers	8,402,724	4,229,327	12,632,051
Transfers	(451,380)	451,380	
	-----	-----	-----
Increase in Net Assets	7,951,344	4,680,707	12,632,051
	-----	-----	-----
Net Assets January 1, 2014	52,524,619	37,142,171	89,666,790
	-----	-----	-----
Net Assets December 31, 2014	\$60,475,963	\$41,822,878	\$102,298,841
	=====	=====	=====

CHANGE IN NET ASSETS
For The Year Ended December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for Services	\$ 4,220,312	\$ 4,418,780	\$ 8,639,092
Operating Grants and Contributions			
Capital Grants & Contributions		2,751,400	2,751,400
General Revenues:			
Property Taxes	3,061,819		3,061,819
Sales and Use Taxes	5,014,048		5,014,048
Other Taxes/Licenses	571,785		571,785
Earnings on Investments	49,214	18,600	67,814
	12,917,178	7,188,780	20,105,958
Expenses:			
General Government	602,044		602,044
Public Safety	1,751,717		1,751,717
Public Works	2,194,401		2,194,401
Health and Welfare	95,733		95,733
Culture and Recreation	557,518		557,518
Interest on Long-Term Debt		111,851	111,851
Water		1,362,852	1,362,852
Wastewater		1,334,656	1,334,656
Drainage		156,007	156,007
Library		481,342	481,342
	5,201,413	3,446,708	8,648,121
Total Expenses			
Excess Before Transfers	7,715,765	3,742,072	11,457,837
Transfers	(432,386)	432,386	
	7,283,379	4,174,458	11,457,837
Increase in Net Assets			
Net Assets January 1, 2013	45,241,240	32,967,713	78,208,953
Net Assets December 31, 2013	\$52,524,619	\$37,142,171	\$89,666,790

Government-wide activities. The Town of Johnstown continues to experience growth of new construction of homes and commercial buildings. The Town charges tap fees for water and wastewater services, impact fees and building permits to builders for development. These charges account for most of the \$12,632,051 and \$11,457,837 increase in net assets for the year ending December 31, 2014 and 2013, respectively.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As explained earlier, the Town of Johnstown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Johnstown's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

At December 31, 2014, the Town's governmental funds reported a combined ending fund balance of \$51,364,992, an increase of \$8,164,725. The General Fund is the major operating fund of the Town. At the end of the fiscal year 2014, the fund balance increased by \$3,927,666 from \$20,328,439 to \$24,256,105.

The other two major governmental funds' fund balance at December 31, 2014, were \$10,192,698 for the Impact Fee Fund and \$12,677,976 for the Use Tax Capital Improvement Fund. All fund balances of the Town's governmental funds are considered to be adequate levels and available for spending at the Town's discretion.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted for General Fund expenditures of \$6,466,800 for the year ended December 31, 2014. Actual expenditures were \$5,467,477.

The General Fund's 2014 actual revenues of \$9,395,143 exceed the budgeted revenues of \$6,523,400 by \$2,871,743.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town of Johnstown's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$28,102,167 (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings and system improvements, machinery and equipment, and park facilities. The Town of Johnstown's investment in capital assets for the current fiscal year increased by \$1,649,708 for governmental and business-type activities.

Long-Term Debt. At December 31, 2014, the Town of Johnstown had no long-term debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The annual budget provides for the efficient, effective and economical use of the Town's financial resources while assuring established goals are successfully accomplished in a timely fashion. The 2015 budget continues to reflect the Town's sustained commitment to financial responsibility, effective management of the Town's resources, and the continuation of comprehensive and cost efficient service delivery to the citizens of Johnstown.

The 2015 budget was approved by the Town Council on December 1, 2014. A total of \$14,750,500 was allocated for all funds, which represents approximately an fifteen percent (15%) decrease over the 2014 budget.

A strong emphasis continues to be placed upon the maintenance and upgrade of the Town's buildings and infrastructure.

The focus for 2015 is implementing Council's priority projects and making a commitment to continue serving our citizen's with the levels of service necessary to making noticeable enhancements to the quality of life in Johnstown.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town of Johnstown's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Town of Johnstown
Attn: Diana Seele, Clerk/Treasurer
PO Box 609
Johnstown, CO 80534

BASIC FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF NET ASSETS

December 31, 2014

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash	\$51,130,507	\$22,880,461	\$ 74,010,968
Receivables-Net	3,592,319	274,354	3,866,673
Inventory		2,497	2,497
Due from Other Funds	202,543	25,235	227,778
Total Current Assets	54,925,369	23,182,547	78,107,916
Noncurrent Assets:			
Capital Assets			
Land and Water Rights	99,633	3,024,654	3,124,287
Depreciable Buildings, Property, And Equipment, net	9,011,338	15,966,992	24,978,330
Total Noncurrent Assets	9,110,971	18,991,646	28,102,617
Total Assets	64,036,340	42,174,193	106,210,533
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	370,666	163,248	533,914
Due to Other Funds	39,711	188,067	227,778
Deferred Revenue	3,150,000		3,150,000
Total Current Liabilities	3,560,377	351,315	3,911,692
Noncurrent Liabilities:			
Total Liabilities	3,560,377	351,315	3,911,692
NET ASSETS			
Invested in Capital Assets, net of related debt	9,110,971	18,991,646	28,102,617
Restricted	51,364,992	22,831,232	74,196,224
Total Net Assets	\$60,475,963	\$41,822,878	\$102,298,841

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating and Contributions	Costs Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	\$ 659,305	\$1,149,743	\$	\$
Public Safety	1,798,463	266,217		
Public Works	2,533,013	2,064,540		
Health and Welfare	113,901	24,592		
Culture and Recreation	1,025,715	694,814		
Total Governmental Activities	6,130,397	4,199,906		
Business-Type Activities:				
Water	1,507,894	2,292,837		2,219,000
Wastewater	1,286,702	1,617,835		658,043
Drainage	239,233	459,290		
Library	469,021	380,036		
Total Business-Type Activities	3,502,850	4,749,998		2,877,043
Total Primary Government	\$ 9,633,247	\$8,949,904	\$	\$ 2,877,043

General Revenues:

Property Taxes
Specific Ownership Taxes
Sales and Use Taxes
Franchise Taxes
Earnings on Investments
Transfers

Total General Revenues
and Transfers

Change in Net Assets

Net Assets, Beginning
January 1, 2014

Net Assets, Ending
December 31, 2014

Net (Expense) Revenue and Changes in Net Assets

 Primary Government

Governmental Activities	Business-Type Activities	Total
-----	-----	-----
\$ 490,438	\$	\$ 490,438
(1,532,246)		(1,532,246)
(468,473)		(468,473)
(89,309)		(89,309)
(330,901)		(330,901)
-----	-----	-----
(1,930,491)		(1,930,491)
-----	-----	-----
	3,003,943	3,003,943
	989,176	989,176
	220,057	220,057
	(88,985)	(88,985)
-----	-----	-----
	4,124,191	4,124,191
-----	-----	-----
(1,930,491)	4,124,191	2,193,700
-----	-----	-----
3,431,025		3,431,025
277,006		277,006
6,006,200		6,006,200
394,171		394,171
224,813	105,136	329,949
(451,380)	451,380	
-----	-----	-----
9,881,835	556,516	10,438,351
-----	-----	-----
7,951,344	4,680,707	12,632,051
-----	-----	-----
52,524,619	37,142,171	89,666,790
-----	-----	-----
<u>\$60,475,963</u>	<u>\$41,822,878</u>	<u>\$102,298,841</u>

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO
 BALANCE SHEET - GOVERNMENTAL FUNDS
 December 31, 2014

	General -----	Impact Fee -----
ASSETS		
Cash	\$ 24,032,307	\$ 10,192,698
Accounts Receivable	442,319	
Due from Other Funds	188,067	
General Property Taxes Receivable	3,150,000	
	-----	-----
Total Assets	\$ 27,812,693	\$ 10,192,698
	=====	=====
LIABILITIES		
Accounts Payable	\$ 370,666	\$
Due to Other Funds	35,922	
Deferred Revenue	3,150,000	
	-----	-----
Total Liabilities	3,556,588	
	-----	-----
FUND BALANCES		
Restricted	24,256,105	10,192,698
	-----	-----
Total Liabilities and Fund Balances	\$ 27,812,693	\$ 10,192,698
	=====	=====

Use Tax Capital Improvement	Other Governmental Funds	Total
-----	-----	-----
\$ 12,674,187	\$ 4,231,315	\$ 51,130,507
3,789	10,687	442,319
-----	-----	202,543
\$ 12,677,976	\$ 4,242,002	3,150,000
=====	=====	=====
\$	\$	\$ 370,666
-----	3,789	39,711
-----	-----	3,150,000
-----	3,789	3,560,377
-----	-----	-----
12,677,976	4,238,213	51,364,992
-----	-----	-----
\$ 12,677,976	\$ 4,242,002	\$ 54,925,369
=====	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
December 31, 2014

Total Governmental Fund Balances	\$51,364,992
Capital assets used in governmental activities	<u>9,110,971</u>
Net assets of governmental activities	<u><u>\$60,475,963</u></u>

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
Year Ended December 31, 2014

	General -----	Impact Fee -----
REVENUES		
Taxes	\$ 6,944,850	\$
Licenses & Permits	1,028,099	1,585,586
Intergovernmental Revenue	529,031	
Charges for Services	539,124	
Fines & Forfeits	131,488	
Other	50,819	
Earnings on Investments	128,382	30,237
	-----	-----
Total Revenues	9,351,793	1,615,823
	-----	-----
EXPENDITURES		
General Government	570,763	
Public Safety	1,627,895	8,588
Public Works	1,157,403	111,310
Health and Welfare	113,901	
Culture and Recreation	859,921	
	-----	-----
Total Expenditures	4,329,883	119,898
	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,021,910	1,495,925
	-----	-----
OTHER FINANCING SOURCES (USES)		
Transfers In	43,350	
Transfers Out	(1,137,594)	
	-----	-----
Total Other Financing Sources (Uses)	(1,094,244)	
	-----	-----
NET CHANGE IN FUND BALANCE	3,927,666	1,495,925
	-----	-----
RESTRICTED FUND BALANCE		
January 1, 2014	20,328,439	8,696,773
	-----	-----
December 31, 2014	\$24,256,105	\$10,192,698
	=====	=====

Use Tax Capital Improvement	Other Governmental Funds	Total
-----	-----	-----
\$ 3,063,231	\$ 100,321	\$10,108,402
	149,350	2,763,035
	60,587	589,618
		539,124
		131,488
	125,822	176,641
58,082	8,112	224,813
-----	-----	-----
3,121,313	444,192	14,533,121
-----	-----	-----
		570,763
77,592	81,374	1,795,449
1,040,896	118,386	2,427,995
		113,901
21,604	127,383	1,008,908
-----	-----	-----
1,140,092	327,143	5,917,016
-----	-----	-----
1,981,221	117,049	8,616,105
-----	-----	-----
46,664	600,000	690,014
	(3,800)	(1,141,394)
-----	-----	-----
46,664	596,200	(451,380)
-----	-----	-----
2,027,885	713,249	8,164,725
-----	-----	-----
10,650,091	3,524,964	43,200,267
-----	-----	-----
\$12,677,976	\$4,238,213	\$51,364,992
=====	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2014

Net change in fund balances - total governmental funds \$8,164,725

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense (213,381)

Change in net assets of governmental activities \$7,951,344
=====

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (LEGAL BASIS)
GENERAL FUND

Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Taxes	\$ 6,944,850	\$ 5,219,000	\$ 1,725,850
Licenses and Permits	1,028,099	291,800	736,299
Intergovernmental	529,031	445,500	83,531
Charges for Services	539,124	380,100	159,024
Fines and Forfeits	131,488	60,500	70,988
Other	50,819	39,500	11,319
Earnings on Investments	128,382	42,000	86,382
	-----	-----	-----
Total Revenues	9,351,793	6,478,400	2,873,393
	-----	-----	-----
EXPENDITURES			
General Government	570,763	616,500	45,737
Public Safety	1,627,895	1,941,400	313,505
Public Works	1,157,403	1,182,800	25,397
Health and Welfare	113,901	122,700	8,799
Culture and Recreation	859,921	1,465,800	605,879
	-----	-----	-----
Total Expenditures	4,329,883	5,329,200	999,317
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,021,910	1,149,200	3,872,710
OTHER FINANCING SOURCES (USES)			
Transfers In	43,350	45,000	(1,650)
Transfers Out	(1,137,594)	(1,137,600)	6
	-----	-----	-----
NET CHANGE IN FUND BALANCE	3,927,666	56,600	3,871,066
RESTRICTED FUND BALANCE			
January 1, 2014	20,328,439	19,004,000	1,324,439
	-----	-----	-----
December 31, 2014	\$24,256,105	\$19,060,600	\$ 5,195,505
	=====	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - ACTUAL AND BUDGET (LEGAL BASIS)
 USE TAX CAPITAL IMPROVEMENT FUND
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Use Tax	\$ 3,063,231	\$ 850,000	\$ 2,213,231
Earnings on Investments	58,082	50,000	8,082
	-----	-----	-----
Total Revenues	3,121,313	900,000	2,221,313
	-----	-----	-----
EXPENDITURES	1,140,092	1,778,000	637,908
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,981,221	(878,000)	2,859,221
	-----	-----	-----
OTHER FINANCING SOURCES (USES)			
Transfers In	46,664	48,800	(2,136)
Transfers Out			
	-----	-----	-----
Total Other Financing Sources (Uses)	46,664	48,800	(2,136)
	-----	-----	-----
NET CHANGE IN FUND BALANCE	2,027,885	(829,200)	2,857,085
	-----	-----	-----
RESTRICTED FUND BALANCE			
January 1, 2014	10,650,091	10,545,200	104,891
	-----	-----	-----
December 31, 2014	<u>\$12,677,976</u>	<u>\$ 9,716,000</u>	<u>\$ 2,961,976</u>

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (LEGAL BASIS)
IMPACT FEE FUND
Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Impact Fees	\$ 1,585,586	\$ 594,000	\$ 991,586
Earnings on Investments	30,237	40,000	(9,763)
	-----	-----	-----
Total Revenues	1,615,823	634,000	981,823
	-----	-----	-----
EXPENDITURES			
	119,898	1,119,100	999,202
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	1,495,925	(485,100)	1,981,025
	-----	-----	-----
OTHER FINANCING SOURCES (USES)			
Transfers Out			
	-----	-----	-----
NET CHANGE IN FUND BALANCE	1,495,925	(485,100)	1,981,025
	-----	-----	-----
RESTRICTED FUND BALANCE			
January 1, 2014	8,696,773	8,361,900	334,873
	-----	-----	-----
December 31, 2014	<u>\$10,192,698</u>	<u>\$7,876,800</u>	<u>\$2,315,898</u>

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2014

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Drainage
ASSETS			
Current Assets:			
Cash	\$12,003,161	\$ 7,454,987	\$ 1,945,393
Accounts Receivable, net	17,869	214,486	41,999
Inventory	2,497		
Due from Other Funds	4,102		21,133
Total Current Assets	12,027,629	7,669,473	2,008,525
Capital Assets			
Land & Water Rights	3,013,648	11,006	
Improvements-Other	12,941,931	7,329,985	
Equipment	14,523	418	
	15,970,102	7,341,409	
Less accumulated depreciation	(4,784,640)	(1,890,459)	
Total Capital Assets	11,185,462	5,450,950	
Total Assets	23,213,091	13,120,423	2,008,525
LIABILITIES			
Current Liabilities:			
Payable from Current Assets:			
Accounts Payable	131,500		
Accrued Liabilities	15,087	16,661	
Due to Other Funds	28,240	109,687	50,140
Total Current Liabilities	174,827	126,348	50,140
Long-Term Liabilities:			
Total Liabilities	174,827	126,348	50,140
NET ASSETS			
Invested in Capital Assets, net			
of related debt	11,185,462	5,450,950	
Restricted	11,852,802	7,543,125	1,958,385
Total Net Assets	\$23,038,264	\$12,994,075	\$ 1,958,385

Library	Total
\$ 1,476,920	\$22,880,461
	274,354
	2,497
	25,235
----- 1,476,920 -----	----- 23,182,547 -----
	3,024,654
2,895,084	23,167,000
	14,941
----- 2,895,084 (539,850) -----	----- 26,206,595 (7,214,949) -----
2,355,234	18,991,646
----- 3,832,154 -----	----- 42,174,193 -----
	131,500
	31,748
	188,067
	----- 351,315 -----
	----- 351,315 -----
2,355,234	18,991,646
1,476,920	22,831,232
----- \$ 3,832,154 =====	----- \$41,822,878 =====

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Drainage
OPERATING REVENUES			
Charges for Services	\$ 2,058,475	\$ 1,548,930	\$ 400,280
Other	234,362	68,905	59,010
Total Operating Revenues	2,292,837	1,617,835	459,290
OPERATING EXPENSES			
Operations & Maintenance	997,065	872,709	239,100
Administration	188,625	279,953	
Depreciation	299,079	134,040	
Amortization	23,125		
Total Operating Expenses	1,507,894	1,286,702	239,100
OPERATING INCOME (LOSS)	784,943	331,133	220,190
NONOPERATING REVENUES (EXPENSES)			
Grants			
Earnings on Investments	45,405	52,518	5,753
Interest on Indebtedness			(133)
CHANGE IN NET ASSETS BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	830,348	383,651	225,810
TRANSFERS			
In	182,200		
Out	(86,214)		
CAPITAL CONTRIBUTIONS	2,219,000	658,043	
CHANGE IN NET ASSETS	3,145,334	1,041,694	225,810
TOTAL NET ASSETS			
January 1, 2014	19,892,930	11,952,381	1,732,575
December 31, 2014	<u>\$23,038,264</u>	<u>\$12,994,075</u>	<u>\$1,958,385</u>

Library	Total
\$ 353,787	\$ 4,361,472
26,249	388,526
380,036	4,749,998
411,171	2,520,045
57,850	468,578
	490,969
	23,125
469,021	3,502,717
(88,985)	1,247,281
1,460	105,136
	(133)
(87,525)	1,352,284
355,394	537,594
	(86,214)
	2,877,043
267,869	4,680,707
3,564,285	37,142,171
\$3,832,154	\$41,822,878

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2014

	Business-type Activities-Enterprise Funds		
	Water	Wastewater	Drainage
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers & users	\$ 2,026,220	\$ 1,584,864	\$ 459,290
Cash paid to suppliers	(631,788)	(794,778)	(159,694)
Cash paid to employees	(261,875)	(346,410)	(84,605)
Net cash provided by operating activities	1,132,557	443,676	214,991
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	182,200		
Transfers Out	(86,214)		
Net Cash Provided By Noncapital Financing Activities	95,986		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Notes and Bonds	(1,408,000)		(353,800)
Interest Paid on Notes and Bonds			(133)
Capital Assets Acquisition		(1,497,136)	
Contributed Capital received	2,219,000	658,043	
Proceeds from Loan			
Net Cash Used For Capital And Related Financing Activities	811,000	(839,093)	(353,933)
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on Investments	45,405	52,518	5,753
INCREASE (DECREASE) IN CASH	2,084,948	(342,899)	(133,189)
CASH AND CASH EQUIVALENTS			
January 31, 2014	9,918,213	7,797,886	2,078,582
December 31, 2014	\$12,003,161	\$ 7,454,987	\$ 1,945,393

Library	Total
\$ 380,036	\$ 4,450,410
(176,316)	(1,762,576)
(234,855)	(927,745)
(31,135)	1,760,089
355,394	537,594
355,394	(86,214)
355,394	451,380
	(1,761,800)
	(133)
	(1,497,136)
	2,877,043
	(382,026)
1,460	105,136
325,719	1,934,579
1,151,201	20,945,882
<u>\$ 1,476,920</u>	<u>\$22,880,461</u>

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended December 31, 2014

Business-type Activities-Enterprise Funds

	Water	Wastewater	Drainage	Library	Totals
--	-------	------------	----------	---------	--------

RECONCILIATION OF OPERATING
 INCOME (LOSS) TO NET CASH
 PROVIDED (USED) BY OPERATING
 ACTIVITIES

Operating Income (Loss)	\$ 784,943	\$ 331,133	\$ 220,190	\$ (88,985)	\$ 1,247,281
-------------------------	------------	------------	------------	--------------	--------------

Adjustments to reconcile
 operating income (loss)
 to net cash provided (used)
 by operating activities:

Depreciation & Amortization	322,204	134,040		57,850	514,094
Grant					

Change in assets and
 liabilities:

(Increase) decrease in accounts receivable	26,617	(32,971)	(3,532)		(9,886)
(Increase) decrease in inventory	113				113
Increase (decrease) in accounts payable	(5,637)	(5,187)			(10,824)
Increase (decrease) in accrued liabilities	8,419	16,661	(1,667)		23,413
Increase (decrease) in due to other funds	(4,102)				(4,102)

Total adjustments	347,614	112,543	(5,199)	57,850	512,808
-------------------	---------	---------	----------	--------	---------

NET CASH PROVIDED BY

OPERATING ACTIVITIES	\$ 1,132,557	\$ 443,676	\$ 214,991	\$ (31,135)	\$ 1,760,089
----------------------	--------------	------------	------------	--------------	--------------

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The Town of Johnstown, Colorado, is a Colorado Home Rule Town and was organized on March 21, 1907, as an incorporated municipality under applicable Colorado statutes and is administered by an elected Mayor and Town Council. The Town provides the following services to the residents and businesses: public safety (police and building inspection), highways and streets, sanitation, water, culture-recreation, public improvements, planning and zoning, judicial, and general administrative services.

Management has considered all potential component units in defining the Town for financial reporting purposes. As required by generally accepted accounting principles, these financial statements present the Town of Johnstown, Colorado (the primary government). There are no component units included in the Town's reporting entity.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use,

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, cigarette taxes, sales taxes, use taxes, interest revenue and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Impact Fee Fund is a special revenue fund that was established to account for all impact fee revenues specifically earmarked for maintenance and improvements.

The Use Tax Capital Improvement Fund is a special revenue fund that was created to make capital improvements for the Town with use tax.

The Town reports the following major proprietary funds:

The Water Fund accounts for user charges and the expenses for operating, financing and maintaining the Town's water system.

The Wastewater Fund accounts for user charges and expenses for operating, financing and maintaining the Town's sanitary sewer system.

The Drainage Fund accounts for user charges and expenses for operating, financing and maintaining the Town's drainage system.

The Library Fund accounts for user charges and expenses for operating, financing and maintaining the Town's library system.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The Town applies all applicable FASB pronouncements as well as private-sector standard issued on or before November 30, 1989, to the government-wide financial statements and the proprietary fund types, unless those pronouncements conflict with or contradict GASB pronouncements. The Town has elected not to apply private-sector standards issued after November 30, 1989.

Accounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on February 28 and June 15, or in total on April 30. Property taxes are billed and collected by Weld and Larimer Counties, Colorado. Taxes for the following year are levied no later than December 15 and are recorded as a receivable with a corresponding offset to deferred revenue.

Cash and Deposits:

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investment practices are governed by the Town's own investment policy and procedures. Interest income earned on pooled investments is allocated based on each fund's share of those investments.

Receivables and Payables:

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

TOWN OF JOHNSTOWN, COLORADO
NOTES TO FINANCIAL STATEMENTS - continued

Inventories and Prepaid Items:

Inventories of enterprise funds are valued at cost using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Reserved/Restricted Assets:

All of the Town's assets are restricted as of December 31, 2014.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, stormwater drainage, traffic signals, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Retroactive reporting of general governmental infrastructure has not been implemented.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

Estimated useful lives for asset types are as follows:

Buildings and Improvements	10-50 years
Machinery and Equipment	3-30 years
Infrastructure	10-50 years

Compensated Absences:

It is the policy of the Town to permit employees to accumulate a limited amount of earned but unused vacation and sick leave benefits. Upon separation from Town service, earned but unused vacation is paid to the employees and is recorded and recognized in the financial statements. Earned but unused sick leave is not paid to the employees and is not recorded nor recognized in the financial statements.

Long-term Obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bonds payable are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS- continued

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information:

The Town follows the Colorado Local Government Budget Law procedures in establishing the budgetary data reflected in the financial statements.

. Prior to October 15, the person designated by the Council submits a proposed budget for the calendar year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.

. The Notice of Budget is published and public hearings are conducted during council meetings to obtain taxpayer comments.

. Prior to December 15, the final budget is adopted and the certification of mill levies to the Weld and Larimer County Commissioners is approved.

. Prior to December 31, the Council adopts an ordinance or a resolution making appropriations for the ensuing calendar year.

. Amendments to the current calendar year budget must be approved prior to spending money not included in the original or prior budgets.

. The budgets for the Town of Johnstown are adopted and presented on a basis consistent with generally accepted accounting principles (GAAP) except that bond proceeds are treated as other financing sources and bond principal payments are treated as expenditures.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

. Expenditures may not legally exceed budgeted appropriations at the fund level for all funds. Appropriations for all funds lapse at year-end.

Tax, Spending, and Debt Limitations:

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayers Bill of Rights or TABOR. TABOR contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Town of Johnstown, Colorado, voters chose to waive the revenue limitations imposed by TABOR. The Town believes it is in compliance with the other requirements of the Amendment. However, the Town has made certain interpretations of the Amendment's language in order to determine its compliance. The Amendment is complex and subject to judicial interpretation.

NOTE 2 - CASH, DEPOSITS AND INVESTMENTS

The Town invests excess idle cash funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; 3) yield. The Town Clerk/Treasurer is responsible for all of the deposits and investments of the Town. As the Town's need for funds is not constant, investments are scheduled in coordination with all funds of the Town such that there is as little idle cash as practical. The Town funds are invested in FDIC insured checking, savings, certificate of deposit accounts and collateralized local investment pools.

Cash, deposits and investments are carried at cost. Colorado state statutes require all eligible public depositories to pledge collateral with a custodian having a market value equal to at least one hundred-two percent of the aggregate of all deposits. All institutions holding Town of Johnstown deposits are currently certified as eligible public depositories in accordance with the statutes.

At December 31, 2014, the Town's cash, deposits and investments were insured or secured as follows:

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

Type	Rating	Carrying Value
-----	-----	-----
Deposits:		
First National Bank		\$48,496,506
NorthStar Bank Colorado		2,304,221
County Treasurer		88,320
Cash		50
Investments		
COLOTRUST	AAAm	11,602,242
CSAFE	AAAm	11,519,629

Total Deposits and Investments		\$74,010,968
		=====

The investment pools represent investments in the Colorado Government Liquid Asset Trust (COLOTRUST) and Colorado Surplus Asset Fund Trust (CSAFE) which are a 2a7 - like pool. The fair value of the pool is determined by the pools' share price. The Town has no regulatory oversight for the pool.

Interest Rate Risk - The Town minimizes the risk by investing operating funds in shorter term securities (with a maximum of no more than five years) and local investment pools.

Credit Risk - Colorado Statues limits investments in which local governments may invest. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - The Town has no policy on the amount the Town may invest in any one issuer.

NOTE 3 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The Town utilizes commercial insurance to meet its insurance needs, including workman's compensation.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

NOTE 4 - JOINT VENTURE

The Town participates with other towns and cities in the Weld 911 Emergency Telephone Service Authority (the Authority which provides emergency 911 dialing services to telephone customers within the Town limits. This joint venture does not meet criteria for inclusion in the Town's financial statements because the Authority is fully independent of the Town. The Authority has separate governance and management having the authority to receive the dispensed funds, approve budgets, sign contracts, determine services to be provided, hire personnel, acquire agencies, or any other legal function within the scope of its organizational documents and bylaws.

The Authority is primarily funded through a \$.50 per month surcharge to each customer's telephone bill. Accounting responsibility has been placed with Weld County, Colorado which treats this Authority as an agency fund for its purposes.

NOTE 5 - POLICEMEN'S PENSION FUND

The Town of Johnstown, Colorado, contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the Colorado Fire and Police Pension Association. This is a non-contributory plan. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30, of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 303-770-3772 in the Denver metro area, or 1-800-332-FPPA (3772) from outside the metro area.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

Benefits to officers from the Statewide Defined Benefit Plan are integrated with benefits provided by Social Security.

Plan members and the Town are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 31, Article 30, Part 10, of the CRS, as amended. The contribution rate for members is 3.8% of covered salary and for the Town is 3.8% of covered salary. During 2014, the Town and officers of the Police Department each contributed \$49,345 to the Statewide Defined Benefit Plan.

NOTE 6 - SALES AND USE TAX

A 3% tax is imposed on the sale or use of all tangible personal property in the Town. The State of Colorado administers the collection of such taxes from licensed vendors and remits the collections on a monthly basis to the Town.

The 3% tax has no restrictions and is used for general operating purposes within the General Fund.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2014, are as follows:

Fund	Interfund Receivables	Interfund Payables
-----	-----	-----
Governmental Activities:		
General Fund	\$ 188,067	\$ 35,922
Contingent Fund		
Cemetery Fund	3,155	
Conservation Trust Fund		
Use Tax Capital Improvement	3,789	
Johnson's Corner Capital Improvement	7,532	3,789
Impact Fee Fund		
Business-type Activities:		
Water Fund	4,102	28,240
Wastewater Fund		109,687
Library Fund		
Drainage Fund	21,133	50,140
	-----	-----
	\$ 227,778	\$ 227,778
	=====	=====

NOTES TO FINANCIAL STATEMENTS - continued

NOTE 8 - INTERFUND TRANSFERS

Fund -----	Interfund Transfers In -----	Interfund Transfers Out -----
Governmental Activities:		
General Fund	\$ 43,350	\$1,137,594
Contingent Fund	225,000	
Paving Fee Fund		3,800
Impact Fee Fund		
Use Tax Capital Improvement Fund	46,664	
Equipment Replacement Fund	375,000	
Public Works Construction Fund		
Business-type Activities:		
Water Fund	182,200	86,214
Wastewater Fund		
Drainage Fund		
Library Fund	355,394	
	<u>\$1,227,608</u>	<u>\$1,227,608</u>

NOTE 9 - CHANGES IN LONG-TERM DEBT

	Balance January 1, 2014 -----	Additions -----	Reductions -----	Balance December 31, 2014 -----	Due Within One Year -----
Governmental Activities:					
Capital Leases	\$	\$	\$	\$	\$
Business-type Activities:					
Notes Payable	\$	\$	\$	\$	\$
Bonds Payable	1,760,000		1,760,000		
	<u>\$1,760,000</u>	<u>\$</u>	<u>\$1,760,000</u>	<u>\$</u>	<u>\$</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

NOTE 10 - CHANGES IN CAPITAL ASSETS

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
	-----	-----	-----	-----
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 99,633	\$	\$	\$ 99,633
	-----	-----	-----	-----
Capital assets, being depreciated:				
Buildings	9,643,336			9,643,336
Improvements, other than buildings	42,932			42,932
Equipment	2,551,017	152,572		2,703,589
	-----	-----	-----	-----
Total capital assets, being depreciated	12,237,285	152,572		12,389,857
	-----	-----	-----	-----
Less accumulated depreciation for:				
Buildings	(1,242,411)	(190,265)		(1,432,676)
Improvements, other than buildings	(42,932)			(42,932)
Equipment	(1,727,223)	(175,688)		(1,902,911)
	-----	-----	-----	-----
Total accumulated depreciation	(3,012,566)	(365,953)		(3,378,519)
	-----	-----	-----	-----
Total capital assets, being depreciated, net	9,224,719	(213,381)		9,011,338
	-----	-----	-----	-----
Governmental activities capital assets, net	\$ 9,324,352	\$(213,381)	\$	\$ 9,110,971
	=====	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
	-----	-----	-----	-----
Business-type Activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 3,024,654	\$	\$	\$ 3,024,654
Capital assets, being depreciated:				
Improvements, other than buildings	21,669,864	1,497,136		23,167,000
Equipment	14,941			14,941
Total assets being depreciated	21,684,805	1,497,136		23,181,941
Less accumulated depreciation for:				
Improvements other than buildings	(6,709,039)	(490,969)		(7,200,008)
Equipment	(14,941)			(14,941)
Total accumulated depreciation	(6,723,980)	(490,969)		(7,214,949)
Total capital assets, being depreciated, net	14,960,825	(1,006,167)		15,966,992
Business-type activities capital assets, net	<u>\$17,985,479</u>	<u>\$(1,006,167)</u>	<u>\$</u>	<u>\$18,991,646</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS - continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 88,542
Public Safety	84,388
Public Works	176,216
Culture and recreation	16,807

Total depreciation expense- governmental activities	\$365,953
	=====
Business-type activities:	
Water	\$299,079
Wastewater	134,040
Library	57,850

Total depreciation expense- business-type activities	\$490,969
	=====

REQUIRED AND OTHER SUPPLEMENTAL INFORMATION

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND

The General Fund is used to account for all transactions of a government which are not accounted for in another fund.

The General Fund is used to account for the ordinary operations of a governmental unit which are financed from taxes and other general revenues.

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES - ACTUAL AND BUDGET (LEGAL BASIS)

Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
TAXES			
General Property Taxes	\$3,427,206	\$2,860,000	\$ 567,206
Specific Ownership Taxes	277,006	190,000	87,006
Sales Taxes	2,842,648	1,875,000	967,648
Franchise Taxes	394,171	290,000	101,171
Interest on Delinquent Taxes	3,819	4,000	(181)
	-----	-----	-----
Total Taxes	\$6,944,850	\$5,219,000	\$1,725,850
	=====	=====	=====
LICENSES AND PERMITS			
Business Licenses and Building Permits	\$1,023,211	\$ 289,400	\$ 733,811
Nonbusiness Licenses and Permits	4,888	2,400	2,488
	-----	-----	-----
Total Licenses and Permits	\$1,028,099	\$ 291,800	\$ 736,299
	=====	=====	=====
INTERGOVERNMENTAL			
State Shared			
Cigarette Taxes	\$ 15,758	\$ 13,500	\$ 2,258
Highway Users' Taxes	373,432	330,000	43,432
Motor Vehicle Registration Fees	47,591	37,000	10,591
County Shared			
Road & Bridge Apportionment	92,250	65,000	27,250
	-----	-----	-----
Total Intergovernmental	\$ 529,031	\$ 445,500	\$ 83,531
	=====	=====	=====
CHARGES FOR SERVICES			
General Government	\$ 55,067	\$ 2,100	\$ 52,967
Sanitation-Trash Fees	461,521	360,000	101,521
Cemetery-Lots & Care	22,536	18,000	4,536
	-----	-----	-----
Total Charges for Services	\$ 539,124	\$ 380,100	\$ 159,024
	=====	=====	=====
FINES AND FORFEITS			
Municipal Court	\$ 131,488	\$ 60,500	\$ 70,988
	-----	-----	-----
OTHER	\$ 50,819	\$ 39,500	\$ 11,319
	=====	=====	=====
EARNINGS ON INVESTMENTS	\$ 128,382	\$ 42,000	\$ 86,382
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
GENERAL GOVERNMENT			
Legislative	\$ 28,185	\$ 36,600	\$ 8,415
	-----	-----	-----
Judicial	43,140	30,400	(12,740)
	-----	-----	-----
Elections	12,778	20,000	7,222
	-----	-----	-----
Administration			
Salaries/Manager	129,338	131,700	2,362
Payroll Taxes	9,178	10,500	1,322
Retirement	9,117	9,100	(17)
Health Insurance	25,312	30,000	4,688
Telephone	2,107	2,100	(7)
Utilities	5,274	5,000	(274)
Office Expenses	9,994	11,700	1,706
Repair & Maintenance	8,142	12,700	4,558
Insurance & Bonds	9,816	13,800	3,984
Audit and Accounting	8,900	8,900	
Legal Services	33,093	40,000	6,907
Publishing	3,601	6,000	2,399
Dues and Subscriptions	2,319	2,800	481
Other	24,677	32,700	8,023
Treasurer's Fees	44,892	45,000	108
	-----	-----	-----
Total Administration	325,760	362,000	36,240
	-----	-----	-----
Planning and Zoning	160,900	167,500	6,600
	-----	-----	-----
Total General Government	\$570,763	\$616,500	\$ 45,737
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
PUBLIC SAFETY			
Police			
Salaries	\$ 957,632	\$1,004,000	\$ 46,368
Payroll Taxes	67,714	76,800	9,086
Health Insurance	226,813	290,200	63,387
Telephone	6,236	9,100	2,864
Utilities	15,072	16,400	1,328
Repairs & Maintenance	9,670	18,000	8,330
Gas & Oil	27,959	38,000	10,041
Supplies	3,441	6,000	2,559
Insurance & Bonds	40,038	44,000	3,962
Uniforms & Cleaning	5,561	5,000	(561)
Operating Equipment	29,716	38,700	8,984
Workmen's Compensation	35,332	38,000	2,668
Retirement & Contributions	49,345	65,000	15,655
Other	7,686	9,800	2,114
Training	7,695	10,000	2,305
Office Supplies	5,794	6,000	206
Professional Services	27,403	43,200	15,797
	-----	-----	-----
Total Police	1,523,107	1,718,200	195,093
	-----	-----	-----
Protective Inspections	104,788	223,200	118,412
	-----	-----	-----
Total Public Safety	\$1,627,895	\$1,941,400	\$313,505
	=====	=====	=====
PUBLIC WORKS			
Maintenance of Condition			
Salaries	\$ 258,480	\$ 282,400	\$ 23,920
Payroll Taxes	18,197	22,000	3,803
Retirement	14,411	17,800	3,389
Health Insurance	59,249	80,000	20,751
Utilities	6,220	15,000	8,780
Repairs & Maintenance	19,091	25,000	5,909
Gas and Oil	22,225	22,500	275
Operating Equipment	5,790	26,500	20,710
Professional Services	2,376	3,000	624

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (LEGAL BASIS)
 Year ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
PUBLIC WORKS (Continued)			
Streets (Continued)			
Operating Supplies	\$ 4,952	\$ 4,500	\$(452)
Insurance & Bonds	23,000	24,000	1,000
Workmen's Compensation	8,607	16,000	7,393
Other	5,052	6,100	1,048
	-----	-----	-----
Total Maintenance of Condition	447,650	544,800	97,150
	-----	-----	-----
Snow and Ice Removal			
Contracted Services	16,244	20,000	3,756
	-----	-----	-----
Indirect Functions			
Street Lighting	232,671	218,000	(14,671)
	-----	-----	-----
Total Streets	696,565	782,800	86,235
	-----	-----	-----
Sanitation			
Trash Service	460,838	400,000	(60,838)
	-----	-----	-----
Total Public Works	\$1,157,403	\$1,182,800	\$ 25,397
	=====	=====	=====
HEALTH AND WELFARE			
Communicable Disease Control			
Animal Control Services	\$ 77,424	\$ 81,500	\$ 4,076
	-----	-----	-----
Cemetery	36,477	41,200	4,723
	-----	-----	-----
Total Health & Welfare	\$ 113,901	\$ 122,700	\$ 8,799
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
 SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	<u>-----</u>	<u>-----</u>	<u>-----</u>
CULTURE AND RECREATION			
Special Programs			
Senior Citizens	\$ 54,187	\$ 55,500	\$ 1,313
Community Recreation	36,880	53,000	16,120
Community Development	727,797	1,299,500	571,703
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Special Programs	818,864	1,408,000	589,136
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Parks	41,057	57,800	16,743
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Culture and Recreation	\$ 859,921	\$1,465,800	\$605,879
	<u>=====</u>	<u>=====</u>	<u>=====</u>
TRANSFERS			
Library Fund	\$ 355,394	\$ 355,400	\$ 6
Equipment Replacement Fund	375,000	375,000	
Contingent Fund	225,000	225,000	
Water Fund	182,200	182,200	
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Transfers	\$1,137,594	\$1,137,600	\$ 6
	<u>=====</u>	<u>=====</u>	<u>=====</u>

TOWN OF JOHNSTOWN, COLORADO

SPECIAL REVENUE FUNDS

Special Revenue Fund types are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government.

MAJOR SPECIAL REVENUE FUNDS

Use Tax Capital Improvement Fund was established to account for collection of use tax revenues for acquisition, improvement, and construction of capital improvements.

Impact Fee Fund is used to account for permit fees received from builders for specific purposes for acquisition, improvement, and construction of capital improvements.

NONMAJOR SPECIAL REVENUE FUNDS

Contingent Fund was established as a financing source for unforeseen expenditures.

Cemetery Fund is to account for monies to be used in the maintenance of the Town's cemetery.

Paving Fee Fund is to account for monies received from builders for paving streets within the Town.

Public Works Construction Fund was established in 2011 to account for the receipts and expenditures for the construction of a new Public Works building.

Equipment Replacement Fund was established in 2004 to accumulate monies for equipment replacement.

Johnson's Corner Capital Improvement Fund is to account for sales tax revenues for the purpose of capital improvements.

Conservation Trust Fund is to account for receipts from the State of Colorado lottery for parks and recreation expenditures.

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2014

	Contingent Fund	Cemetery Fund	Paving Fee Fund	Public Works Construction Fund
	-----	-----	-----	-----
ASSETS				
Cash	\$1,026,027	\$ 98,490	\$ 512	\$
Due From Other Funds		3,155		
	-----	-----	-----	-----
Total Assets	<u>\$1,026,027</u>	<u>\$101,645</u>	<u>\$ 512</u>	<u>\$</u>
LIABILITIES				
Accounts Payable	\$	\$	\$	\$
Due To Other Funds				
	-----	-----	-----	-----
Total Liabilities	-----	-----	-----	-----
FUND BALANCES				
Restricted	<u>1,026,027</u>	<u>101,645</u>	<u>512</u>	
TOTAL LIABILITIES AND FUND BALANCES				
	<u>\$1,026,027</u>	<u>\$101,645</u>	<u>\$ 512</u>	<u>\$</u>

Equipment Replacement Fund	Johnson's Corner Capital Improvement Fund	Conservation Trust Fund	Total
\$1,033,709	\$ 17,510 7,532	\$2,055,067	\$4,231,315 10,687
<u>\$1,033,709</u>	<u>\$ 25,042</u>	<u>\$2,055,067</u>	<u>\$4,242,002</u>
\$	\$ 3,789	\$	\$ 3,789
	3,789		3,789
<u>1,033,709</u>	<u>21,253</u>	<u>2,055,067</u>	<u>4,238,213</u>
<u>\$1,033,709</u>	<u>\$ 25,042</u>	<u>\$2,055,067</u>	<u>\$4,242,002</u>

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 Year Ended December 31, 2014

	Contingent Fund	Cemetery Fund	Paving Fee Fund	Public Works Construction Fund
	-----	-----	-----	-----
REVENUES				
Taxes	\$	\$	\$	\$
Licenses and Permits			850	
Intergovernmental Revenue				
Other	19,512	2,056		
Earnings on Investments	1,065	81	3	
	-----	-----	-----	-----
Total Revenues	20,577	2,137	853	
	-----	-----	-----	-----
EXPENDITURES				
Public Safety				
Culture and Recreation				
Public Works	3,591			
	-----	-----	-----	-----
Total Expenditures	3,591			
	-----	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	16,986	2,137	853	
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	225,000			
Operating Transfers Out			(3,800)	
	-----	-----	-----	-----
NET CHANGE IN FUND BALANCES	241,986	2,137	(2,947)	
RESTRICTED FUND BALANCES				
January 1, 2014	784,041	99,508	3,459	
	-----	-----	-----	-----
December 31, 2014	\$1,026,027	\$101,645	\$ 512	\$
	=====	=====	=====	=====

Equipment Replacement Fund	Johnson's Corner Capital Improvement Fund	Conservation Trust Fund	Total
\$	\$ 100,321	\$	\$ 100,321
		148,500	149,350
		60,587	60,587
10,925		93,329	125,822
3,687	20	3,256	8,112
<u>14,612</u>	<u>100,341</u>	<u>305,672</u>	<u>444,192</u>
81,374			81,374
		127,383	127,383
17,500	97,295		118,386
<u>98,874</u>	<u>97,295</u>	<u>127,383</u>	<u>327,143</u>
(84,262)	3,046	178,289	117,049
375,000			600,000
			(3,800)
<u>290,738</u>	<u>3,046</u>	<u>178,289</u>	<u>713,249</u>
742,971	18,207	1,876,778	3,524,964
<u>\$1,033,709</u>	<u>\$ 21,253</u>	<u>\$2,055,067</u>	<u>\$4,238,213</u>

TOWN OF JOHNSTOWN, COLORADO

SPECIAL REVENUE FUNDS
 CONTINGENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Other	\$ 19,512	\$	\$ 19,512
Earnings on Investments	1,065	900	(165)
	-----	-----	-----
Total Revenue	20,577	900	19,677
	-----	-----	-----
TRANSFER			
From Other Funds	225,000	225,000	
	-----	-----	-----
EXPENDITURES	(3,591)	(929,700)	926,109
	-----	-----	-----
TRANSFER			
To Other Funds			
	-----	-----	-----
EXCESS OF REVENUES AND TRANSFERS OVER (UNDER) EXPENDITURES	241,986	(703,800)	945,786
RESTRICTED FUND BALANCE			
January 1, 2014	784,041	703,800	80,241
	-----	-----	-----
December 31, 2014	\$1,026,027	\$	\$1,026,027
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

SPECIAL REVENUE FUNDS
CEMETERY FUND

SCHEDULE OF REVENUES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (LEGAL BASIS)
Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Sale of Lots	\$ 2,056	\$ 2,800	\$(744)
Earnings on Investments	81	200	(119)
	-----	-----	-----
Total Revenues	2,137	3,000	(863)
	-----	-----	-----
EXPENDITURES			
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	2,137	3,000	(863)
RESTRICTED FUND BALANCE			
January 1, 2014	99,508	99,300	208
	-----	-----	-----
December 31, 2014	\$101,645	\$102,300	\$(655)
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

SPECIAL REVENUE FUNDS
 PAVING FEE FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014.

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Paving Fees	\$ 850	\$	\$ 850
Earnings on Investments	3		3
	-----	-----	-----
Total Revenues	853		853
	-----	-----	-----
EXPENDITURES			
	-----	-----	-----
TRANSFER TO OTHER FUNDS	(3,800)	(3,800)	
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,947)	(3,800)	853
RESTRICTED FUND BALANCE			
January 1, 2014	3,459	3,800	(341)
	-----	-----	-----
December 31, 2014	\$ 512	\$	\$ 512
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

SPECIAL REVENUE FUNDS
 EQUIPMENT REPLACEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Other	\$ 10,925	\$	\$ 10,925
Earnings on Investments	3,687	3,000	687
	-----	-----	-----
Total Revenues	14,612	3,000	11,612
	-----	-----	-----
TRANSFER			
From Other Funds	375,000	375,000	
	-----	-----	-----
EXPENDITURES	(98,874)	(114,000)	15,126
	-----	-----	-----
TRANSFER			
To Other Funds	-----	-----	-----
EXCESS OF REVENUES AND TRANSFERS OVER (UNDER) EXPENDITURES	290,738	264,000	26,738
RESTRICTED FUND BALANCE			
January 1, 2014	742,971	689,700	53,271
	-----	-----	-----
December 31, 2014	\$1,033,709	\$ 953,700	\$ 80,009
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

SPECIAL REVENUE FUNDS
 JOHNSON'S CORNER CAPITAL IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Sales Tax	\$ 100,321	\$ 89,000	\$ 11,321
Earnings on Investments	20	10	10
	-----	-----	-----
Total Revenues	100,341	89,010	11,331
	-----	-----	-----
TRANSFERS			
From Other Funds	-----	-----	-----
EXPENDITURES	(97,295)	(98,010)	715
	-----	-----	-----
TRANSFERS			
To Other Funds	-----	-----	-----
EXCESS OF REVENUES AND TRANSFERS OVER (UNDER) EXPENDITURES	3,046	(9,000)	12,046
RESTRICTED FUND BALANCE			
January 1, 2014	18,207	9,000	9,207
	-----	-----	-----
December 31, 2014	\$ 21,253	\$	\$ 21,253
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

SPECIAL REVENUE FUNDS
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Park Fees	\$ 148,500	\$ 62,500	\$ 86,000
Colorado Lottery Distribution	60,587	50,000	10,587
Other	93,329	46,000	47,329
Earnings on Investments	3,256	5,000	(1,744)
	-----	-----	-----
Total Revenues	305,672	163,500	142,172
	-----	-----	-----
TRANSFERS			
From (To) Other Funds			
	-----	-----	-----
EXPENDITURES			
	(127,383)	(180,800)	53,417
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS			
	178,289	(17,300)	195,589
RESTRICTED FUND BALANCE			
January 1, 2014	1,876,778	1,760,900	115,878
	-----	-----	-----
December 31, 2014	\$ 2,055,067	\$ 1,743,600	\$ 311,467
	=====	=====	=====

TOWN OF JOHNSTOWN, COLORADO

MAJOR ENTERPRISE FUNDS

These funds are established to finance and account for the acquisition, operation and maintenance of governmental facilities and services.

The Major Enterprise Funds are Water, Wastewater, Drainage and Library funds.

TOWN OF JOHNSTOWN, COLORADO

WATER ENTERPRISE FUND
 SCHEDULE OF REVENUES AND EXPENSES
 ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Water Sales	\$2,058,475	\$1,675,000	\$ 383,475
Other	234,362	100,000	134,362
Earnings on Investments	45,405	35,000	10,405
Transfer-From Other Funds	182,200	182,300	(100)
	-----	-----	-----
Total Revenues	2,520,442	1,992,300	528,142
	-----	-----	-----
EXPENSES			
Operations			
Salaries	197,500	209,100	11,600
Payroll Taxes	14,178	16,000	1,822
Retirement	9,595	11,000	1,405
Utilities	201,303	171,500	(29,803)
Repairs & Maintenance	77,249	176,000	98,751
Gas & Oil	11,691	14,500	2,809
Operating Supplies	270,866	597,600	326,734
Insurance	20,902	26,000	5,098
Professional Services	52,098	62,000	9,902
Health Insurance	45,477	54,500	9,023
Water Assessment	88,706	96,000	7,294
Workmen's Compensation	7,500	7,500	
	-----	-----	-----
Total Operations	997,065	1,441,700	444,635
	-----	-----	-----

TOWN OF JOHNSTOWN, COLORADO

WATER ENTERPRISE FUND - continued
 SCHEDULE OF REVENUES AND EXPENSES
 ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
Administration			
Salaries/Manager	64,375	68,200	3,825
Payroll Taxes	4,683	5,600	917
Retirement	4,633	5,500	867
Office Expense	15,025	17,100	2,075
Telephone	1,871	1,800	(71)
Health Insurance	13,171	16,000	2,829
Other	13,154	15,700	2,546
Legal	2,813	8,000	5,187
Professional Services	68,900	73,700	4,800
	-----	-----	-----
Total Administration	188,625	211,600	22,975
	-----	-----	-----
Interest on Debt		7,200	7,200
Retirement of Debt	1,408,000	1,408,000	
Capital Outlay			
Transfer to Other Funds	86,214	90,000	3,786
	-----	-----	-----
Total Expenses	2,679,904	3,158,500	478,596
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENSES	(159,462)	\$ (1,166,200)	\$ 1,006,738
		=====	=====
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add:			
Capital Outlay			
Principal Payments	1,408,000		
Capital Contributions	2,219,000		
Less:			
Depreciation	(299,079)		
Amortization	(23,125)		

NET INCOME (GAAP BASIS)	\$3,145,334		
	=====		

TOWN OF JOHNSTOWN, COLORADO

WASTEWATER ENTERPRISE FUND
 SCHEDULE OF REVENUES AND EXPENSES-
 ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Wastewater Fees	\$1,548,930	\$1,230,000	\$ 318,930
Earnings on Investments	52,518	30,000	22,518
Other	68,905	7,500	61,405
	-----	-----	-----
Total Revenues	1,670,353	1,267,500	402,853
	-----	-----	-----
EXPENSES			
Operations			
Salaries	236,068	238,700	2,632
Payroll Taxes	23,975	24,300	325
Retirement	11,391	13,700	2,309
Utilities	249,081	200,000	(49,081)
Repairs & Maintenance	97,536	139,700	42,164
Supplies	144,496	216,400	71,904
Insurance	22,792	26,600	3,808
Professional Service	32,190	26,000	(6,190)
Health Insurance	55,180	65,300	10,120
	-----	-----	-----
Total Operations	872,709	950,700	77,991
	-----	-----	-----
Administration			
Salaries/Manager	110,342	112,000	1,658
Payroll Taxes	7,664	8,800	1,136
Retirement	8,034	8,100	66
Health Insurance	23,472	29,000	5,528
Office Expense	14,025	18,500	4,475
Other	116,416	153,900	37,484
	-----	-----	-----
Total Administration	279,953	330,300	50,347
	-----	-----	-----

TOWN OF JOHNSTOWN, COLORADO

WASTEWATER ENTERPRISE FUND - continued
 SCHEDULE OF REVENUES AND EXPENSES-
 ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual -----	Original and Final Budget -----	Variance Favorable (Unfavorable) -----
Retirement of Debt			
Interest on Debt			
Transfer to Other Funds			
Capital Outlay	1,497,136	1,512,000	14,864
	-----	-----	-----
Total Expenses	2,649,798	2,793,000	143,202
	-----	-----	-----
EXCESS OF REVENUES			
OVER (UNDER) EXPENSES	(979,445)	\$(1,525,500)	\$ 546,055
		=====	=====
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add:			
Capital Outlay	1,497,136		
Principal Payments			
Capital Contributions	658,043		
Less:			
Depreciation	(134,040)		

NET INCOME (GAAP BASIS)	\$1,041,694		
	=====		

TOWN OF JOHNSTOWN, COLORADO

DRAINAGE ENTERPRISE FUND
 SCHEDULE OF REVENUES AND EXPENSES
 ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Final Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Drainage Fees	\$ 400,280	\$ 300,000	\$ 100,280
Earnings on Investments	5,753	8,000	(2,247)
Other	59,010		59,010
Transfer from Other Funds			
	-----	-----	-----
Total Revenues	465,043	308,000	157,043
	-----	-----	-----
EXPENSES			
Operating Expenses	239,100	327,000	87,900
Interest on Debt	133	300	167
Retirement of Debt	353,800	353,800	
Transfer to Other Funds			
	-----	-----	-----
Total Expenses	593,033	681,100	88,067
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENSES	(127,990)	\$(373,100)	\$ 245,110
		=====	=====
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add:			
Principal Payments	353,800		

NET INCOME (GAAP BASIS)	\$ 225,810		
	=====		

TOWN OF JOHNSTOWN, COLORADO

LIBRARY ENTERPRISE FUND
 SCHEDULE OF REVENUES AND EXPENSES
 ACTUAL AND BUDGET (LEGAL BASIS)
 Year Ended December 31, 2014

	Actual	Original and Budget	Variance Favorable (Unfavorable)
	-----	-----	-----
REVENUES			
Transfer from Other Funds	\$ 355,394	\$ 355,400	\$(6)
Weld County Library District	353,787	355,005	(1,218)
Other	26,249	8,500	17,749
Earnings on Investments	1,460	1,000	460
	-----	-----	-----
Total Revenues	736,890	719,905	16,985
	-----	-----	-----
EXPENSES			
Operations:			
Salaries	234,855	300,000	65,145
Payroll Taxes/Health Insurance	38,320	50,000	11,680
Utilities/Telephone	32,406	47,500	15,094
Library Books & Materials	32,489	50,000	17,511
Supplies	43,493	130,750	87,257
Repairs & Maintenance	29,608	50,000	20,392
Transfer to Other Funds			
	-----	-----	-----
Total Operations	411,171	628,250	217,079
Retirement of Debt			
Interest on Debt			
	-----	-----	-----
Total Expenses	411,171	628,250	217,079
	-----	-----	-----
EXCESS OF REVENUES OVER (UNDER) EXPENSES	325,719	\$ 91,655	\$ 234,064
		=====	=====
RECONCILIATION TO NET INCOME (GAAP BASIS)			
Add:			
Principal Payments			
Less:			
Depreciation	(57,850)		

NET INCOME (GAAP BASIS)	\$ 267,869		
	=====		

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT

City or County:
Town of Johnstown
YEAR ENDING :
December 2014

This Information From The Records Of (example - City of _ or County of _)
Town of Johnstown
Prepared By: Diana Seele
Phone: -4281.00

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	239,000
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	375,000
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,000
2. General fund appropriations	393,678	b. Snow and ice removal	16,200
3. Other local imposts (from page 2)	277,000	c. Other	80,000
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	97,200
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	400,000
a. Bonds - Original Issues		6. Total (1 through 5)	1,111,200
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	670,678	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	440,522	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,111,200	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,111,200

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		1,111,200	1,111,200		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	277,000	g. Other Misc. Receipts	
6. Total (1. through 5.)	277,000	h. Other	
c. Total (a. + b.)	277,000	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	373,432	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	47,590	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) HS&EM	19,500	f. Other Federal	
f. Total (a. through e.)	67,090	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	440,522	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		239,000	239,000
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	239,000	239,000
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	239,000	239,000
			(Carry forward to page 1)

Notes and Comments:

AGENDA ITEM 9C

**PROPOSAL
FOR
ENGINEERING/COST CERTIFICATION
SERVICES
(Tamarack Consulting LLC)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2015

ITEM NUMBER: 9C

SUBJECT: Consider Approval of Tamarack Consulting, LLC Proposal to Provide Engineering and Cost Certification Services ("Proposal")

ACTION PROPOSED: Approve Tamarack Consulting, LLC's Proposal

PRESENTED BY: Town Attorney

AGENDA ITEM DESCRIPTION: In order to assist with the JP, LLC project, the Town's special counsel, MaryAnn McGeady, recommended that the Town enter into an engagement agreement with Tamarack Consulting, LLC ("Tamarack"). Tamarack will be engaged to verify that the developer's projected costs are eligible expenses for public financing and that the costs may be paid from the proceeds of tax-exempt bonds. Once funds are expended for the development, Tamarack will then verify that the actual expenses are similarly eligible.

Tamarack's Proposal provides that it may be terminated with 30-day's notice. Once the new district is organized, the new district will either assume the agreement or enter into a new agreement with Tamarack. Given that, the Town's engagement with Tamarack is anticipated to terminate before the end of the year.

Fees for the engagement will be paid by the developer pursuant to the cost recovery agreement between the Town and the developer.

LEGAL ADVICE: The Proposal was reviewed by the Town Attorney.

FINANCIAL ADVICE: Tamarack will be paid by JP, LLC from the developer's fund.

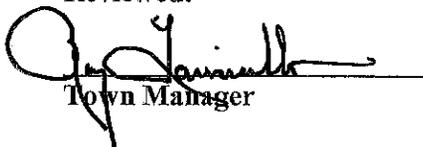
RECOMMENDED ACTION: Approve Tamarack Consulting, LLC Proposal to Provide Engineering and Cost Certification Services.

SUGGESTED MOTION:

For Approval: I move to approve Tamarack Consulting, LLC Proposal to Provide Engineering and Cost Certification Services and authorize the Mayor to sign it.

For Denial: I move to deny to approval of Tamarack Consulting, LLC Proposal to Provide Engineering and Cost Certification Services.

Reviewed:


Town Manager

PROPOSAL



Tamarack Consulting LLC

8840 West Colfax Avenue
Lakewood, CO 80215

Ph. (303) 233-3265

www.tamarackconsultingllc.com

June 29, 2015

Town of Johnstown
450 South Parish
Johnstown, CO 80534

**RE: Proposal for Engineering and Cost Certification Services
Town of Johnstown**

Thank you for the opportunity to provide the attached proposal for Engineering and Cost Certification Services for the Town of Johnstown ("Town"). This proposal is based on information gathered in our initial cost estimate work and our experience from previous cost certifications.

Within this proposal are the following:

- Project Location and General Understanding
- Exhibit A - Scope of Work
- Exhibit B - Compensation
- General Conditions
- Signature Page
- Tamarack Consulting LLC 2015 Charge Rates Schedule

This proposal is written on behalf of the Town. At the time a metropolitan district is created, these services can be transferred to the new district, or Tamarack can provide a new proposal upon request.

As you review each of these, please note any questions or comments that you may have, as we are happy to discuss those at your convenience. However, if the proposal meets your approval, please sign the Agreement and return a signed copy to your Tamarack Project Manager, Collin Koranda, at collin.koranda@tamarackconsultingllc.com.

If you do have questions about the proposal, please call Collin at (720) 695-3974.

Thank you for the opportunity to serve you!

Sincerely,

Tamarack Consulting LLC

A handwritten signature in black ink, appearing to read "Timothy A. McCarthy", is written over a horizontal line.

Timothy A. McCarthy, PE
Principal

PROJECT LOCATION AND GENERAL UNDERSTANDING

The project is located near the intersection of US-34 and I-25, in the Town of Johnstown in Larimer County, Colorado.

Tamarack Consulting LLC will provide Engineering and Cost Certification Services as outlined herein as **TASK 1.0 – Initial Engineer's Report and Certification of Current Eligible Costs** and **TASK 2.0 – Monthly Engineer's Report and Certification of Eligible Costs**. The first task will include certification and reporting of costs to date, with the second task providing similar services on a monthly basis. For months during which little or no construction activity is invoiced, Tamarack will write a letter to the Town stating that no certification was performed so that the Town will have a complete record accounting for all months.

EXHIBIT A – SCOPE OF WORK**TASK 1.0 Initial Engineer's Report and Certification of Current Town Eligible Costs**

- 1.1. Receive and review documentation (i.e. plans, contracts, agreements, invoices, pay applications, proofs of payment, etc.).
- 1.2. Determine Town eligible costs and verify as reasonable and paid.
- 1.3. Perform a site visit (photographs of constructed improvements will be taken for the Town's record) to verify reasonableness of percentages complete as indicated by the contractor pay applications.
- 1.4. Categorize all Town eligible costs according to the Service Plan categories, or as otherwise directed by the Town.
- 1.5. Meet with or call the Town as necessary to provide updates and receive answers to questions that may arise.
- 1.6. Prepare and deliver an Engineer's Report and Certification, as a single PDF document, to the Town.

TASK 2.0 Monthly Engineer's Report and Certification of Town Eligible Costs

- 2.1. Receive and review documentation (contracts, agreements, invoices, pay applications, proofs of payment and change orders that were not provided during the Initial Certification).
- 2.2. Determine Town eligible costs and verify as reasonable and paid.
- 2.3. Perform a site visit (photographs of constructed improvements will be taken for the Town's record) to verify reasonableness of percentages complete as indicated by the contractor pay applications.
- 2.4. Categorize all Town eligible costs according to the Service Plan categories, or as otherwise directed by the Town.
- 2.5. Meet with or call the Town as necessary to provide updates and receive answers to questions that may arise.
- 2.6. Prepare and deliver an Engineer's Report and Certification, as a single PDF document, to the Town monthly.

ON-CALL SERVICES

Tamarack is available to perform an array of additional services. Any services not outlined within a Task will be considered "On-Call" and will be pre-approved by the Client.

DIRECT EXPENSES

Direct expenses will be billed at Cost plus 15%.

EXHIBIT B – COMPENSATION

(For all Services provided on a Time and Expense (T&E) Basis, a 2015 Charge Rates Schedule is attached for reference.)

TASK 1.0 Initial Engineer's Report and Certification of Current Town Eligible Costs

Services will be billed monthly on a T&E basis per the current Charge Rates Schedule.

TASK 2.0 Monthly Engineer's Report and Certification of Town Eligible Costs

Services will be billed monthly on a T&E basis per the current Charge Rates Schedule. Tamarack estimates that the fees for Task 2.0 will range from \$1,500 - \$2,000 per month.

ON CALL SERVICES

On-Call Services will be pre-approved by the client and billed on a T&E basis per the current Charge Rates Schedule.

DIRECT EXPENSES

Direct Expenses will be billed at Cost Plus 15%.

MILEAGE

Mileage will be billed at the current IRS Standard Mileage Rate. The 2015 IRS Standard Mileage Rate is \$0.575 per mile.

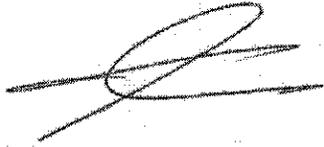
GENERAL CONDITIONS

These General Conditions are made a part of the attached Agreement between Tamarack Consulting LLC (Tamarack) and the Client, who has authorized the described Scope of Work.

- A. Authorization to Proceed: Signing the contract shall be construed as authorization by CLIENT for Tamarack to proceed with the work, unless otherwise provided for in the Authorization.
- B. Cost Estimates: Any cost estimates provided by Tamarack Consulting LLC will be on a basis of experience and judgement, but since it has no control over market conditions or bidding procedures Tamarack cannot warrant that bids or ultimate construction costs will not vary from these cost estimates.
- C. Professional Standards: Tamarack shall be responsible, to the level of competency currently maintained by other practicing professional engineers in the same type of work in CLIENT'S community, for the professional and technical soundness, accuracy, and adequacy of all designs, drawings, specifications, and other work and materials furnished under this authorization. Tamarack makes no other warranty, express, or implied.
- D. Termination: Either CLIENT or Tamarack may terminate this Authorization by giving 30 days written notice to the other party. In such event, CLIENT shall forthwith pay Tamarack in full for all expenses incurred and work previously authorized and performed prior to effective date of termination is given, relationships and obligations created by this Authorization shall be terminated upon completion of all applicable requirements of this Authorization.
- E. Mediation: All claims, disputes, and other matters in questions arising out of, or relating to, this Authorization, or breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure.
- F. Legal Expenses: In the event legal action or arbitration is brought by CLIENT or Tamarack against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for fees, costs, and expenses as may be set by the court, or arbitrator.
- G. Limitation of Liability: To the maximum extent permitted by law, the Client agrees to limit Tamarack liability for the Client's damages to the sum of the Tamarack fee. This limitation shall apply regardless of the cause of action or legal theory pled or asserted for liability on this contract between the parties.
- H. Invoices are issued monthly by Tamarack and are due and payable on receipt. Interest is charged at a periodic rate of 1-1/2% per month (18% APR) on all invoices not paid within thirty (30) days. If any invoice is not paid in full within 60 days after the invoice date, then in addition to any other remedies available to Tamarack it may cease performing work hereunder upon delivery of written notice of its intention thereof to the CLIENT. Further, in the event of such default, Tamarack shall have the right, but not the obligation, to cease performing work under any other contract then outstanding between the CLIENT and Tamarack Consulting LLC.
- I. Reimbursable Expenses: Sub Consultant/outside services, mileage, and reproductions etc. required to complete the job that are not itemized in the Scope of Work are invoiced as Reimbursable Expenses, at cost plus 15%.
- J. Additional Services: If the CLIENT requests changes in the Scope of Work, Tamarack will invoice CLIENT at its standard hourly rates in effect at the time of the request.
- K. Past Due Amounts: Should Tamarack incur expenses to collect any past due sum, the CLIENT agrees to pay said expenses in addition to all other charges due under this contract.
- L. Third Party Payments: CLIENT and Tamarack agree that payment to Tamarack is not subject to any payments due CLIENT from any third party and payments due Tamarack will not be delayed pending a third party disbursement.
- M. Project Delays: The fees related to the scope of work are good for 60 days after the date that they are prepared. If, at any time during the completion of the scope, the project is delayed for more than 60 days then Tamarack has the right to re-evaluate the fees accordingly.
- N. Electronic Data: Tamarack shall retain full rights to all electronic data created by Tamarack Consulting LLC, unless specifically agreed upon as a part of this agreement.

As stated in the General Conditions, this proposed Scope of Work and Compensation are valid for two months from the date of this letter. Any additional services not a part of the Scope of Work provided will be documented and approved by the client prior to performing those services. In the event there are additional services requested, the attached Charge Rate Schedule will apply for hourly rates, and is made part of this agreement by reference.

If you accept this proposal, please sign below and return one original to return a signed copy to your Tamarack Project Manager, Collin Koranda, collin.koranda@tamarackconsultingllc.com.



Timothy A. McCarthy, P.E.
Principal

Approved and accepted this _____ day of _____, 2015, by

(Signature) (Print Name)

_____, for _____
(Title) (Client Name)

2015 CHARGE RATES SCHEDULE
Hourly Rates

Principal	\$180
Professional Engineer (P.E.)	\$140
Professional Land Surveyor (P.L.S)	
GIS Professional / Computer Programmer	
Project Manager	\$130
Project Administrator	\$120
Staff Engineer / Field Engineer / Construction Manager	\$120
1-Man Survey Crew	\$120
2-Man Survey Crew	\$180
GIS or CAD Technician	\$95
Field Technician	\$95
Administrative Assistant	\$65
Printing & Reproduction* <i>Small format: Letter, legal and ledger (11x17)</i> <ul style="list-style-type: none"> • Black/white • Color <i>*Prices are for in-house services; third-party printing and reproduction will be charged as a direct expense</i>	\$0.10 / Page \$0.45 / Page
<i>Large format: 12x18 and larger</i> <ul style="list-style-type: none"> • Black/white • Color <i>*Prices are for in-house services; third-party printing and reproduction will be charged as a direct expense</i>	\$1.25 / SF \$6.00 / SF
<ul style="list-style-type: none"> • Direct Expenses 	Cost plus 15%
Mileage	\$0.575 per mile

Rates are subject to annual revision and may be project specific.

AGENDA ITEM 9D

**ENGAGEMENT
AGREEMENT
(Appraisal Services)
(McCloud & Associates)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: July 6, 2015

ITEM NUMBER: 9D

SUBJECT: Consider Approval of McCloud & Associates Engagement Agreement (“Agreement”)

ACTION PROPOSED: Approve McCloud & Associates’ Engagement Agreement

PRESENTED BY: Town Attorney

AGENDA ITEM DESCRIPTION: In order to assist with the JP, LLC project, the Town’s special counsel, MaryAnn McGeady, recommended that the Town enter into an engagement agreement with McCloud & Associates (“McCloud”). McCloud will be engaged to perform an appraisal of the portion of the land that JP, LLC, once purchased by the developer, will sell to the newly formed district. More specifically, JP, LLC intends to sell the public portion of the land to the district, which includes primarily the parking lots. If the public portion of the land is valued at a sufficient amount, the developer will be able to more easily reach its goal of issuing tax exempt bonds in the amount of \$90,000,000 for eligible public expenses.

Fees for the engagement will be paid by the Developer pursuant to the cost recovery agreement between the Town and the Developer.

LEGAL ADVICE: The Agreement was reviewed by the Town Attorney.

FINANCIAL ADVICE: McCloud will be paid by JP, LLC from the developer’s fund.

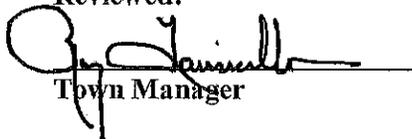
RECOMMENDED ACTION: Approve McCloud & Associates Engagement Agreement.

SUGGESTED MOTION:

For Approval: I move to approve McCloud & Associates Engagement Agreement and authorize the Mayor to sign it.

For Denial: I move to deny to approval of McCloud & Associates Engagement Agreement.

Reviewed:


Town Manager

AGREEMENT

MC CLOUD & ASSOCIATES

Real Estate Appraisers and Consultants
18690 E Plaza Drive, Suite #109
Parker, Colorado 80134

Harold S. McCloud, MAI
hdmcloud@comcast.net

(720) 747-4710
Fax (303) 805-9910

Specializing in Special
Purpose Property & General
Property Appraisals

June 15, 2015

Town of Johnstown
450 South Parish
Johnstown, Colorado 80534

RE: Johnstown Plaza Project
Southeast corner of Interstate 25 and Highway 34
Town of Johnstown, Colorado

Gentlemen:

This letter is to serve as a bid estimate for professional appraisal services to be rendered by **McCloud & Associates** hereinafter referred to as the appraiser and the **Town of Johnstown** herein after referred to as the client.

The appraiser agrees to provide an appraisal report of the above referenced property. The appraiser's conclusions will be communicated to the client in an **appraisal** report format. The intended user of this appraisal report is the client and their legal counsel. The appraiser's conclusions are intended to be used for the acquisition of 71.96 acres which is a portion of the Johnstown Plaza Project. This acquisition is not an eminent domain issue.

The report will conform to the requirements of the *Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (2014-2015)*. The appraisal report will consist of a PDF file copy only. This agreement allows for engagement of the appraiser by the Mayor Johnstown on behalf of the Town Council. The final appraisal report will be delivered to the client on or before 60 business days assuming prompt engagement of the appraiser. The final completion date may be extended when delays occur for reasons beyond the control of the appraiser or if the scope of the assignment is changed. The fee for professional services will range from **\$17,000.00 to \$20,000.00 (includes travel)**. A retainer of **\$8,000.00** is required with the remainder of the fee due upon delivery of the final PDF report.

In the event that this contract is not executed within the specified time, all references regarding appraisal fees and delivery dates are null and void and no other representations will be accepted unless with the prior written approval of the appraiser.

If, at some time after the appraiser commences this appraisal assignment, the client decides to cancel or modify this contract, written notice signed by client of such intent shall be delivered to the appraiser. In such case, it is agreed that the appraiser shall receive compensation from the client for all time spent on this appraisal assignment at the rate of \$175.00 per hour not to exceed **\$20,000.00**. Should the client decide to modify this contract, the amount of compensation owed to the appraiser shall be agreed upon in writing by the parties. In addition, the cost to the appraiser for exhibits, surveys, photos, consultant fees, depositions, etc. spent prior to receipt of written notice to stop work shall be due and payable to the appraiser.

The appraiser shall not be required to give deposition, testimony or be in attendance at arbitration, mediation or in court by reason of this report unless prior arrangements have been made in writing. If any deposition, arbitration, courtroom or administrative testimony is required in connection with this report, a fee of \$300.00 per hour, with a minimum ½ day fee shall be charged for those services. Any support administrative charges associated with any attorney requests pertaining to this assignment will be billed at \$50.00/hour plus \$0.15/copy.

If this proposal meets with your approval, please execute by having the Mayor of Johnston sign one copy of this engagement document on behalf of the Town Council and return one copy to me with a retainer of \$8,000.00.

Sincerely,



Harold S. McCloud, MAI
Certified General Appraiser
in Colorado #CGO1313633

ACCEPTED By:

By: Mayor of Johnston on behalf of the
Town of Johnstown

Date

Assumptions and Limiting Conditions

This Appraisal Report is subject to the following Assumptions and Limiting Conditions:

Legal Matters and Title

1. No investigation of title to the subject property has been made, and it is assumed to be good and marketable, free and clear of all deeds of trust, use restrictions and reservations, easements, cases or actions pending, tax liens, and bonded indebtedness, unless otherwise specified.
2. No responsibility for legal matters is assumed.
3. All existing liens and encumbrances have been disregarded and the subject property is appraised as though free and clear, unless otherwise specified.
4. The subject property is valued as if free and clear of leases and available for lease.

Limitations on the Extent of the Appraisal Process

1. The appraiser assumes that there are no hidden or unapparent conditions of the subject property, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such deficiencies.
2. The appraiser has made no investigation into the presence or absence of asbestos, PCBs, or other hazardous materials in the subject property. The reader should be aware that no consideration has been given to the impact, if any, on the valuation of the subject property if any of these materials should be present. The appraiser assumes no responsibility for addressing such conditions, if any, or for engineering which might be required to discover such deficiencies.

Limitations on information contained in this Appraisal Report

1. Care has been taken to obtain all information from reliable sources. However, the appraiser cannot guarantee or be responsible for the accuracy of this information.
2. Any sketches in this report are intended to be visual aids and should not be construed as surveys or engineering drawings.

3. The appraiser reserves the right to amend and/or alter statements, analyzes and conclusions if information pertinent to this assignment is made known to the appraiser after the completion of the report.

Limitations on value estimates contained in this Appraisal Report

1. If the valuation contained herein relates to an estate that is less than the whole fee simple estate and is a fractional interest only, the value of this fractional interest, plus the value of all other fractional interests, may or may not equal the value of the entire fee simple estate considered as a whole.
2. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other report and are invalid if so used.
3. The value reported for each geographical portion relates to such portion only and should not be construed as applying with equal validity to other portions of the larger parcel or tract. The value reported for each geographical portion plus the value of all other geographical portions may or may not equal the value of the entire parcel or tract considered as a whole.
4. No consideration has been given to any furniture, trade fixtures, or special equipment. Any discussion of those items is for reference purposes only, and I accept no responsibility for the valuation of those items.
5. In the current market, real estate price levels for income-producing properties are dictated by the present value of future expectations. Under the circumstances, appraisers must quantify market projections, which are, by their character, imprecise. Property earnings and financial projections contained in this report represent my informed judgment as to present and anticipated market trends. Any cash flow analysis implemented for valuation purposes represents an orderly financial process superimposed on a market, which is typically erratic in behavior. Any aberrations and/or dramatic changes in the local and national economy may impact the subject property's capacity to generate the earnings set forth herein with a concomitant impact on value.

Publication and use of this Appraisal Report

1. Possession of this report or a copy thereof does not imply right of publication, nor use for any purpose by any other than the person or company to whom it is addressed, without the written consent of the author.
2. The report and data investigated, except that furnished by the client, remain the sole property of this firm.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the authors or firm with which they are connected, or any reference to the Appraisal Institute and the Appraisal Foundation, or to the MAI and SRA Designations.
4. I have no objection to your use of the firm's name as the author of the report which is to be prepared, and hereby consent to your making reference to such report in your reports or financial statements and in any document filed with any governmental agency, provided that: 1) prior to making any such reference in any report or statement or any document filed with The Securities and Exchange Commission or other governmental agency, I am allowed to review and approve the text of such reference to determine the accuracy and adequacy of such reference to the report prepared by our firm; 2) in my opinion, the proposed reference is not untrue or misleading and is adequate for the purposes intended in light of the circumstances under which it is made; and, 3) such reference to the report includes language to be approved by this firm.
5. Any dispute regarding matters involved with this assignment will be decided in Douglas County, Colorado, and the parties agree that the courts of Douglas County, Colorado will have the jurisdiction and venue to decide any such dispute. The prevailing party in such dispute shall be awarded from the other party reasonable attorneys' fees, costs and expenses incurred in connection with such dispute.
6. Loss or removal of any portion of this report invalidates the entire report.
7. Transfer of this report via electronic means is restricted to the client for whom this report has been prepared and the specific use stated herein and no other. Possession of an electronic copy thereof does not imply right of publication, nor use for any purpose other than that stated in the report or by any other than the person or company to whom it is addressed, without the written consent of the author.
8. The appraiser is not responsible for the unauthorized use of this report.

General Limitations on the Appraisal

1. The terms of the agreement between the client and the appraiser is such that the appraiser has no obligation to update the report or revise it in any manner because of events or transactions occurring subsequent to the date of such report.
2. The appraiser shall not be required to give testimony or be in attendance in court by reason of this report unless prior arrangements have been made in writing. If any courtroom or administrative testimony is required in connection with this report, an additional fee shall be charged for those services.
3. Other Assumptions and Limiting Conditions have been made where they logically apply and are specified in the report.

Appraisal Institute Requirements

1. Disclosure of the contents of the report is governed by the bylaws and regulations of the professional appraisal organizations with which the appraiser is affiliated: specifically the Appraisal Institute.
2. When the signatory of the report is a candidate or a member of the Appraisal Institute, its bylaws and regulations require the member or candidate to control the use and distribution of the report. Therefore, except as hereinafter provided, the party for whom this report was prepared may distribute copies of the report, in its entirety, to such third parties as may be selected by the party for whom this consulting report was prepared. However, selected portions of this report shall not be given to third parties without the prior written consent of the signatory of this report. Further, neither all, nor any part of this report shall be disseminated to the general public by use of advertising media, public relations media, new media, sales media or other media for public communication without the prior written consent of the signatory of this report. Nor shall the consultants, firm, or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

Extraordinary Assumptions

1. As needed

Hypothetical Conditions

1. As needed

Qualifications of the Appraiser

NAME: Harold S. McCloud

EDUCATION: Bachelor of Arts, Metropolitan State College May, 1991, Major: History: Minor: Real Estate - Various Classes & Continuing Education Seminars

APPRAISAL

ASSOCIATIONS: **MAI** (Member, Appraisal Institute),
Certificate No. 9758, December 1992
Colorado Chapter President 2006
Region 2 - Regional Representative-Variou Years
Colorado Chapter Director1993-2002
Approved Appraiser - Colorado Department of Transportation
Review Appraiser - Colorado Department of Transportation

MEMBER OF: President, Parker Properties I (Closed), Canterbury I & II
Metropolitan Districts, 1990-Present
President-Canterberry Crossing (1,700 homes) 1993-2000
Council-member-Town of Parker 1994-1996
Member: DRCOG, CML & E-470 Authority 1994-1996
Member: National Golf Foundation - 1996-Present

STAFF INSTRUCTOR: Construction Lending School current, Arapahoe Community
College and Emily Griffith Opportunity School - 1993-1999
Marshall & Swift - Marshall Valuation Service

APPASAL INSTITUTE INSTRUCTOR:

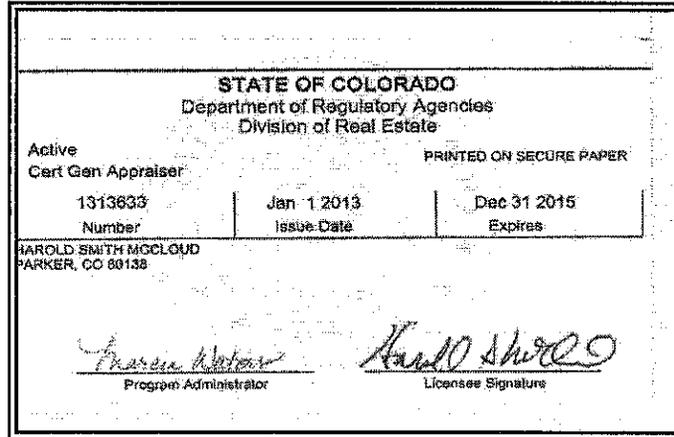
Course-Appraisal Principles
Course-Appraisal Procedures
Course-Sales Comparison Approach
Course-Site Valuation & Cost Approach
Course-Income Capitalization Approach Part I
Course-Income Capitalization Approach Part II
Course- Business Practices and Ethics
Course-Real Estate Finance, Statistics & Valuation Modeling
Course-Market Analysis & Highest and Best Use
Course-Advanced Market Analysis & Highest and Best Use
Course-Advanced Income Capitalization Approach
Course-Advanced Concepts & Case Studies

Various one-day seminars

- Business Practices and Ethics
- Subdivision Valuation
- Marketability Studies: 6 Step Process Basic Applications
- Two-Day Advanced Income Capitalization/Part A
- Two-Day Advanced Income Capitalization/Part B

LICENSES:

Certified General Appraiser in Colorado - #CGO1313633
Colorado Real Estate Broker - #ER01100755
Class B Contractors License (inactive)
Certified – Master Scuba Diver



BUSINESS

AFFILIATIONS:

McCloud & Associates
18690 East Plaza Drive, Suite #109
Parker, Colorado 80134
Telephone: 720-747-4710
Fax: 303-805-9910
E-Mail: hdmcccloud@comcast.net

APPRAISAL EXPERIENCE:

Land: Commercial pads, residential, multi-family, industrial and commercial parcels, residential & commercial subdivisions from 100 to 3,600 acres

Adams County: Land area 100 acres to 640+ acres (**Subdivisions:** Amber Creek, Northend Station, Big Dry Creek, Buffalo Run, Buckley Ranch, Fallbrook Farms and Turnberry)

Arapahoe County: Land area 100 acres to 800+ acres (**Subdivisions:** Antelope Hills, Estancia and Southshore)

Broomfield County: Land area 30 acres to 2,000+ acres (**Subdivisions:** Wildgrass, Hyland Village and Vista Ridge)

Douglas County: Land area 100 acres to 3,600+ acres (**Subdivisions:** Hunting Hills, Stroh Ranch, Canterbury Crossing, Pine Bluffs, Idyllwilde, Dawson Ridge, Hidden Valley, Plum Creek, Bell Mountain Ranch, Perry Park, Sageport, Puma Ridge and Castle Pines)

Jefferson County: Land area 100 acres to 1,500+ acres

Elbert County: Land area ¼ Section to 2,500+ acres (**Subdivisions:** Blue Sky Ranch and Spring Valley Ranch)

Weld County: Land area 50 to 320+ acres (**Subdivisions:** Bartley, Mesa Ridge & Ridgeland III)

Apartments: Low, Medium & High-rise buildings, projects & condominiums from 6 to 800 units

Industrial: Single & Multi-tenant buildings from 1,000 to 1,300,000 square feet

Office: Low, Medium & High-rise buildings & projects, condominiums from 2,000 to 500,000 square feet Class C to AA

Retail: Single & Multi-tenant buildings, Stand-alone, Small Strip Center to Super Regional Mall

Special Purpose:

Aggregate production, airplane hangars/terminals, bowling alleys, casinos, car washes, conference centers, congregate care facilities, day-care facilities, gentlemen's clubs, golf courses & driving ranges, hotels, ice arenas, mobile home parks, marina's, motels, mini-marts, quick-lubes, recreational properties, restaurants, theaters veterinary clinic/hospitals and water storage facilities. Furniture, Fixtures & Equipment and Business component valued and presented separately

Construction Experience:

I have been licensed as a general contractor since 1977, and have extensive bid estimation experience. I have processed the reproduction cost for more than 700 properties using the quantity survey method per the Construction Specifications Institute (CSI). I last functioned as a general contractor by constructing my own 3,028 square foot office building in Parker that received its certificate of occupancy in November 2004. I am a Marshall & Swift instructor and have past the Marshall Cost Estimation Course.

Interests: Fee simple, leasehold and leased fee interests. Condominium and partial ownership interests and right-of-way & facade easements. Historic designations, historic districts and national landmarks

Major Assignments:

Douglas County - Eminent Domain - various projects
National Park Service – Grand Canyon National Park
Yellowstone National Park
Grand Teton National Park
Mesa Verde National Park
Lake Mead National Recreation Area
Glen Canyon National Recreation Area

CAREER HISTORY:

Owner, McCloud & Associates and Unique Properties Valuation and Consulting. Principal Appraiser with MacTaggart and Mosier from 1990 to 1995; Associate Appraiser with Joseph Farber & Company, Inc. from 1986 to 1990. Two years with John Ratkovich, Century 21 as a commercial real estate salesman. From 1969 to 1984, Held various positions in construction from journeyman to management

E & O INSURANCE Zurich American Insurance Company - #EOC 9827639 01

EXPERT WITNESS TESTIMONY

- Adams County District Court
- Arapahoe County District Court
- Boulder County District Court
- Denver District Court
- Douglas County District Court
- Elbert County District Court
- Gilpin County District Court
- Jefferson County District Court
- Summit County District Court
- Weld County District Court
- Anoka County District Court, Minnesota
- Cook County, Illinois
- Santa Fe, New Mexico
- Numerous tax appeals at County & State level
- US Tax Court

