

TOWN COUNCIL

MEETING

PACKET

August 1, 2016



Town Council

Agenda
Monday, August 1, 2016
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 Minutes –July 18, 2016
 - B) ***Second Reading-** Ordinance No. 2016-142, An Ordinance Establishing a Street Maintenance Fee
- 7) **STAFF REPORTS**
- 8) **OLD BUSINESS**
- 9) **NEW BUSINESS**
 - A) Consider Hotel Liquor License Renewal for Bonefish Grill #6604
 - B) Presentation of 2015 Audit- Mr. John Cutler, CPA-John Cutler & Associates LLC
 - C) Consider Award of Contract to Northern Colorado Constructors Inc., for the Central Weld County Water District Emergency Water Interconnect Project
- 10) **COUNCIL REPORTS AND COMMENTS**
- 11) **MAYOR'S COMMENTS**
- 12) **ADJOURN**

WORK SESSION

- 1) Discussion of Preliminary Design for the Weld County Road (WCR) 50 Improvements Project – Rob Van Uffelen –Galloway Engineering



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-B

CONSENT

AGENDA

- **Council Meeting Minutes – July 18, 2016**
 - **Ordinance No. 2016-142**
(Establishing Street Maintenance Fee)
(*2nd Reading)

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: August 1, 2016

ITEM NUMBER: 6A-B

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-July 18, 2016
- B) ****Second Reading**-Ordinance No. 2016-142, An Ordinance Establishing a Street Maintenance Fee

****Per Town Council's direction, the street maintenance fee ordinance was amended on first reading to add Subsection 17-283(b), specifying that the street maintenance fee shall be imposed commencing on January 1, 2017 and shall terminate on December 31, 2021. The other subsections were renumbered accordingly.**

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: I move to deny approval of the Consent Agenda.

Reviewed:


Town Manager

**COUNCIL
MINUTES**

The Town Council of the Town of Johnstown met on Monday, July 18, 2016 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor James led the Pledge of Allegiance.

Roll Call

Those present were: Councilmembers Davis, Lebsack, Mitchell, Mellon, Molinar Jr. and Young

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

Agenda Approval

Councilmember Lebsack made a motion seconded by Councilmember Molinar Jr. to approve the Agenda as submitted. Motion carried with a unanimous vote.

Consent Agenda

Councilmember Mellon made a motion seconded by Councilmember Molinar Jr. to approve the Consent Agenda with the following items:

- July 6, 2016 Town Council Meeting Minutes
- Payment of Bills
- June Financial Statements

Motion carried with a unanimous vote.

New Business

A. Consider Tavern Liquor License Renewal – Candlelight Dinner Playhouse – Councilmember Mellon made a motion seconded by Councilmember Young to approve the tavern liquor license renewal for the Candlelight Dinner Playhouse. Motion carried with a unanimous vote.

B. **Public Hearing** – (First Reading) Consider Ordinance Number 2016-142, An Ordinance Establishing a Street Maintenance Fee – A street maintenance fee (SMF) is a monthly fee collected from all residential, industrial and commercial properties based upon a property's traffic generation characteristics and implied use of the local street system. The SMF fee would be appended to the Town's monthly utility billing in the same manner as the current storm drainage fee. Revenues from the SMF would support ongoing maintenance of the Town's street system. Street maintenance fees would be used for resurfacing and pothole repairs, as well as seal coating, chip seal and asphalt overlay, etc.

Mayor James opened the Public Hearing at 7:20 p.m. Two residents spoke opposing the fee. After having no public comments in favor of the fee, Mayor James closed the Public Hearing at 8:00 p.m.

Councilmember Mellon made a motion seconded by Councilmember Lebsack to amend the ordinance to include "The street maintenance fee shall be effective on January 1, 2017 and shall terminate on December 31, 2021, and the annual adjustment for inflation shall begin January 1, 2018. The motion passed with the following Councilmembers voting aye: Lebsack, Mellon, Molinar Jr. and Mayor James. The following Councilmembers voted no: Davis, Mitchell and Young.

There being no further business to come before the Council the meeting adjourned at 8:43 p.m.

Mayor

Town Clerk/Treasurer

ORDINANCE

No. 2016-142

TOWN OF JOHNSTOWN, COLORADO

ORDINANCE NO. 2016-142

**AN ORDINANCE ESTABLISHING
A STREET MAINTENANCE FEE**

WHEREAS, the Town of Johnstown (“Town”) maintains a network of streets that are essential to the transportation needs of the Town; and

WHEREAS, the Town incurs costs in connection with the maintenance of the Town streets; and

WHEREAS, the Town recently completed a physical inspection and analysis of street conditions throughout the Town, the Johnstown Street Inventory 2015, and, based upon the analysis contained therein, the Town Council determined that there may be a need to create a street maintenance fee system to defray the costs of the maintenance of the Town streets; and

WHEREAS, a street maintenance fee is a monthly fee collected from all residential and nonresidential properties based on a property’s traffic generation characteristics and implied use of the streets; and

WHEREAS, the Town Council retained BBC Research and Consulting (“BBC”) to evaluate and study a street maintenance fee system for the Town, to assess the maintenance costs attributable to residential and nonresidential users and to recommend the appropriate street maintenance fees to defray the costs of the maintenance of the Town streets; and

WHEREAS, in conducting its research, BBC divided the Town streets into two categories, arterial and neighborhood/collector streets, afforded each residential and nonresidential property a value representing its traffic generation characteristics for each category of street and allocated maintenance costs between the categories based on existing lane miles; and

WHEREAS, BBC provided its final report to the Town, entitled *Town of Johnstown: Development Impact and Street Maintenance Fees: Fee Design and Calculations*, on November 5, 2015 (“Street Maintenance Fee Report”), and presented its findings and conclusions to the Town Council on November 16, 2015 and July 18, 2016; and

WHEREAS, BBC recommended that the Town impose the following monthly street maintenance fees:

	<u>Monthly Fee</u>
Residential Development (per unit)	\$4.48
Nonresidential (per 1,000 square feet)	
Retail	\$3.05
Office	\$0.63
Industrial/Other	\$0.27

WHEREAS, based on the findings and conclusions contained in the Street Maintenance Fee Report, the Town Council seeks to adopt a street maintenance fee system for the Town and the street maintenance fees recommended by BBC; and

WHEREAS, revenues from the street maintenance fees shall be used to fund ongoing maintenance of the Town streets, including but not limited to, resurfacing, pothole repair, periodic seal coating, chip seal application and asphalt overlay, and shall not be used to expand the street system, replace or add traffic signals, maintain pedestrian trails, pay for street sweeping or snow removal or other such expenses unrelated to maintenance of the Town streets; and

WHEREAS, the street maintenance fees established herein are reasonably related to the costs incurred by the Town in carrying out its legitimate goal of maintaining an effective network of Town streets; and

WHEREAS, the street maintenance fees established herein are reasonably designed to defray the costs of the maintenance of the Town streets, and reasonably related to the needs created by those who are subject to the street maintenance fees; and

WHEREAS, the street maintenance fees established herein shall be dedicated to the purpose of defraying the costs of the maintenance of the Town streets and shall not be permitted to be used for any other purpose; and

WHEREAS, the Town Council deems it to be in the best interests of the citizens of the Town to adopt a street maintenance fee system for the Town and to enact Article XV of Chapter 17 of the Johnstown Municipal Code to establish and regulate street maintenance fees.

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

Section 1. Chapter 17 of the Johnstown Municipal Code shall be amended by the addition of Article XV, which shall read as follows:

ARTICLE XV
Street Maintenance Fees

Sec. 17-281. Purpose and intent.

The purpose of this Article is to establish a street maintenance fee system designed to defray the costs of maintaining the Town streets. The amount of the street maintenance fees established herein are reasonably related to the costs incurred by the Town to maintain the streets, and the funds collected from residential and nonresidential properties in the Town shall be set aside and utilized for the sole purpose of defraying such costs.

Sec. 17-282. Definitions; administration.

(a) Definitions. For purposes of this Article:

- (1) "Maintenance" or "maintaining" means activities performed for ongoing maintenance of the Town streets, including but not limited to, resurfacing, patching, pothole repair, periodic seal coating, chip seal application, asphalt overlay and other similar expenses. "Maintenance" or "maintaining" shall not include expanding the street system, replacing or adding traffic signals, maintaining pedestrian trails, street sweeping or snow removal or other such activities unrelated to maintenance of the Town streets.
- (2) "Street" means all arterial and neighborhood/collector streets within the boundaries of the Town that are used, or intended for use, by vehicular traffic and are operated and maintained by the Town.

(b) Administration. The administration of this Article is hereby vested in and shall be exercised by the Town Manager, who may prescribe forms and rules and regulations for the proper administration and enforcement of the provisions hereof. The Town Manager may delegate the administration of this Article or any part of it, subject to the limitations of this Code, to duly qualified employees and agents of the Town.

Sec. 17-283. Street maintenance fee imposed.

(a) Street maintenance fee. The following street maintenance fees are imposed on residential and nonresidential properties in the Town for the time period set forth in Subsection (b):

	<u>Monthly Fee</u>
Residential Development (per unit)	\$4.48
Nonresidential (per 1,000 square feet)	

Retail	\$3.05
Office	\$0.63
Industrial/Other	\$0.27

(b) Duration of street maintenance fee. The street maintenance fee shall be effective on January 1, 2017 and shall be imposed on properties in the Town commencing on such date. The street maintenance fee shall terminate on December 31, 2021 and shall not thereafter be imposed on properties in the Town.

(c) Adjustments to the street maintenance fee.

(1) Annual adjustment for inflation.

(A) On January 1, 2018, and on January 1st of each year thereafter in which street maintenance fees are in effect, the amount of the street maintenance fee shall be automatically adjusted to account for inflationary increases in the Town's cost of maintaining the streets, utilizing the most recent data from the Engineering News Record Construction Cost Index for the Denver metropolitan area.

(B) In lieu of the automatic annual adjustment, the Town Council may, at its option, adjust the street maintenance fee pursuant to the review process set forth in Subsection (c)(2).

(C) Nothing herein shall prevent the Town Council from electing to maintain an existing street maintenance fee or from electing to waive the inflationary adjustment for any given fiscal year.

(2) Adjustment based on changed circumstances. The street maintenance fees shall be reviewed periodically to ensure that the fees are reasonably related to the overall cost of maintaining the streets and reasonably designed to defray such maintenance costs. When appropriate, the street maintenance fees may be amended based upon revised estimates of the cost of maintaining the Town streets, revised categories of users, uses and traffic generation factors, the needs created or contributed to by those who are subject to the fee and any other factor reasonably related to the Town's legitimate goal of maintaining an effective network of Town streets.

(3) The street maintenance fees may be amended, as set forth above, by Town Council by resolution.

Sec. 17-284. Billing for street maintenance fee; exemptions.

(a) Billing. The street maintenance fee may be billed and collected with the Town's monthly water and sewer bill for residential and nonresidential properties utilizing the Town's water and sewer services and billed and collected separately for properties not utilizing such Town services. All such bills shall be paid to the Town Treasurer, and shall become due and payable in

accordance with the rules and regulations of this Code pertaining to the collection of such charges.

(b) Exemptions. The following properties are exempt from payment of the street maintenance fees:

- (1) All public park land;
- (2) All public or private ponds, lakes, reservoirs, rivers, creeks, natural water courses, wetlands or irrigation ditch/canal rights-of-way;
- (3) All public streets, highways, rights-of-way and alleys;
- (4) All railroad rights-of-way except railroad property not utilized for railroad purposes;
- (5) All cemeteries; and
- (6) All lands actively used for agriculture and larger than two (2) acres in size.

Sec. 17-285. Use of street maintenance fee; establishment of fund.

(a) Use of funds. All funds received from the street maintenance fees shall be used for the sole purpose of maintaining the Town streets and not for any other purpose.

(b) Establishment of street maintenance fee fund. A street maintenance account shall be established by the Town and shall be called the "Street Maintenance Fee Fund." All street maintenance fees collected by the Town shall be deposited into the account, which shall be interest-bearing. All interest earned on monies deposited to such account shall be credited to and shall be considered funds of the account. The Town shall establish and implement necessary accounting controls to ensure that the street maintenance fees are properly deposited, accounted for and appropriated in accordance with this provision and any other applicable legal requirements.

Sec. 17-286. Enforcement.

The street maintenance fees due under this Article which are not paid when due may be recovered in an action at law by the Town. The Town Manager is hereby empowered and directed to enforce this provision as to any and all delinquent property owners.

Sec. 17-287. Unpaid fees to be a lien.

The street maintenance fee charged pursuant to this Article shall become a permanent lien upon the property to which such fee is associated from the date said fee becomes due until paid. The owner of the property shall be obligated to pay the fee, which obligation may be enforced by the Town Manager as set forth in Section 17-286 or by suit to enforce the lien. If a

tenant in possession of property fails to pay the fee, such failure shall not relieve the owner from the obligation and lien, and the Town shall not be required to seek recovery from any person other than the owner of the property. No changes of ownership, occupation or use shall affect the application of this Section, and the failure of a new owner to discover that a lien exists shall not impact the new owner's responsibility for payment of the fee. Notwithstanding any provision to the contrary, any delinquent amount may be enforced by assessment and lien upon the property so served and certification thereof to the County Treasurer for collection, with ten-percent administrative fee.

Sec. 17-288. Administrative review; appeals.

(a) **Petition.** An owner who disputes the amount of the street maintenance fee imposed against such owner's property or who disputes any determination made by or on behalf of the Town pursuant to and by the authority of this Article may petition for a hearing on a revision or modification of such fee or such determination. The petition shall be in writing, filed with the Town Clerk and contain facts and figures in support of the position alleged therein. The petition shall be submitted under oath in writing or orally at the duly scheduled hearing. A property owner may only file one petition in connection with a particular fee or determination, except upon a showing of changed circumstances sufficient to justify the filing of an additional petition.

(b) **Hearing.** The Town Manager may hold a hearing on the petition or may designate another person as a hearing officer with authority to hold such hearing. The hearing shall be held within a reasonable time after the filing of a petition at the Town Hall or other place as designated by the hearing officer, and notice thereof and the proceedings shall otherwise be in accordance with the rules and regulations issued by the Town. The petitioner shall have the burden of proof.

(c) **Final Order.** Within thirty (30) days of a hearing, the hearing officer shall make written findings of fact and conclusions based upon all relevant information contained in the petition and presented at the hearing. The hearing officer's determination shall be considered a final order, which may, within thirty (30) days of its issuance, be appealed to the Town Council.

(d) **Appeal to Town Council.** An appeal to the Town Council shall be in writing, filed with the Town Clerk and allege with particularity the errors and omissions contained in the final order. The appellant shall, at that time of making such appeal, pay to the Town Treasurer a docket fee in the amount of fifty dollars (\$50.00). Written notice of the hearing shall be given to all parties concerned at least seven (7) days prior to the hearing. The appellant shall have the burden of proof on appeal. Within thirty (30) days of the hearing, the Town Council shall make its final determination and affirm, modify or reverse the final order.

(e) **Service.** Service by certified mail, return receipt requested, shall be conclusive evidence of service for the purpose of this Article.

Secs. 17-289—17-300. Reserved.

Section 2. Publication and Effective Date. This Ordinance, after its passage on final reading, shall be numbered, recorded, published and posted as required by the Town Charter and the adoption, posting and publication shall be authenticated by the signature of the Mayor and the Town Clerk and by the Certificate of Publication. This Ordinance shall become effective upon final passage as provided by the Home Rule Charter of the Town of Johnstown, Colorado. Copies of the entire Ordinance are available at the office of the Town Clerk.

INTRODUCED, AND APPROVED on first reading by the Town Council of the Town of Johnstown, Colorado, this ___ day of July, 2016.

TOWN OF JOHNSTOWN, COLORADO

ATTEST:

By: _____
Diana Seele, Town Clerk

By: _____
Scott James, Mayor

PASSED UPON FINAL APPROVAL AND ADOPTED on second reading by the Town Council of the Town of Johnstown, Colorado, this _____ day of _____, 2016.

TOWN OF JOHNSTOWN, COLORADO

ATTEST:

By: _____
Diana Seele, Town Clerk

By: _____
Scott James, Mayor

AGENDA ITEM 9A

**HOTEL
RESTAURANT
LIQUOR LICENSE
RENEWAL
(Bonefish Grill #6604)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: August 1, 2016

ITEM NUMBER: 9A

SUBJECT: Consider Hotel and Restaurant Liquor License Renewal - Bonefish Grill #6604

ACTION PROPOSED: Approve Hotel and Restaurant Liquor License Renewal

PRESENTED BY: Town Clerk, Police Chief

AGENDA ITEM DESCRIPTION: Mr. Joseph J. Kadow, Executive Vice President and Secretary of the Bonefish OSI Restaurant LLC, has submitted a renewal application to the Town Clerk for a Hotel and Restaurant Liquor License (malt, vinous and spirituous) for the Bonefish Grill #6604 located at 4920 Thompson Parkway, Johnstown. The required fees have been submitted to the Town. According to the Johnstown Police Department, the establishment has cooperated with law enforcement officials and there have been no violations of the liquor code during the last licensing period.

Bonefish Grill #6604 has also submitted an application for a change of operating manager. The new manager is listed as Joseph Turco.

The Town Council acts as the Local Licensing Authority and is responsible for reviewing and issuing liquor licenses.

LEGAL ADVICE: N/A

FINANCIAL ADVICE: N/A

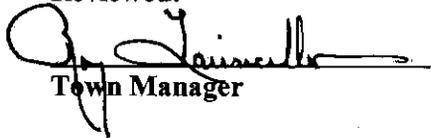
RECOMMENDED ACTION: Approve the hotel and restaurant liquor license renewal.

SUGGESTED MOTIONS:

For Approval: I move to approve the hotel and restaurant liquor license renewal for the Bonefish Grill #6604.

For Denial: I move to deny approval of the hotel and restaurant liquor license renewal for the Bonefish Grill #6604.

Reviewed:


Town Manager

**RENEWAL
APPLICATION**

**RETAIL LIQUOR OR 3.2 BEER
 LICENSE RENEWAL APPLICATION**

BFG 6604

RECEIVED MAY 16 2016

BONEFISH GRILL #6604
 2202 N WEST SHORE BLVD 5TH FLOOR
 TAMPA FL 33607

Fees Due	
Renewal Fee	\$500.00
Storage Permit \$100 x _____	_____
Optional Premise \$100 x _____	_____
Related Resort \$75 x _____	_____
Amount Due/Paid	

Make check payable to: **Colorado Department of Revenue**.
 The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

PLEASE VERIFY & UPDATE ALL INFORMATION BELOW

RETURN TO CITY OR COUNTY LICENSING AUTHORITY BY DUE DATE

Licensee Name BONEFISH GRILL LLC		DBA BONEFISH GRILL #6604		
Liquor License # 42925140002	License Type Hotel & Restaurant (city)	Sales Tax License # 42925140002	Expiration Date 08/29/2016	Due Date 07/15/2016
Operating Manager Joseph Turco	Date of Birth 5/17/1989	Home Address 5449 S. Prince St., Littleton, CO 80120		
Manager Phone Number 970-663-3474	Email Address licensespermits@bloominbrands.com			
Street Address 4920 THOMPSON PKWY JOHNSTOWN CO 80534-6425				Phone Number 8132821225
Mailing Address 2202 N WEST SHORE BLVD 5TH FLOOR TAMPA FL 33607				

- Do you have legal possession of the premises at the street address above? YES NO
 Is the premises owned or rented? Owned Rented* *If rented, expiration date of lease 7.31.2022
127. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. YES NO
NOTE TO CORPORATION, LIMITED LIABILITY COMPANY AND PARTNERSHIP APPLICANTS: If you have added or deleted any officers, directors, managing members, general partners or persons with 10% or more interest in your business, you must complete and return immediately to your Local Licensing Authority, Form DR 8177: Corporation, Limited Liability Company or Partnership Report of Changes, along with all supporting documentation and fees.
- Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. YES NO
- Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation.
 YES NO See Attached
- Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. YES NO See Attached

AFFIRMATION & CONSENT
 I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

Type or Print Name of Applicant/Authorized Agent of Business Joseph J. Kadow	Title Executive VP
Signature 	Date 7/21/16

REPORT & APPROVAL OF CITY OR COUNTY LICENSING AUTHORITY
 The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 12, Articles 46 and 47, C.R.S. **THEREFORE THIS APPLICATION IS APPROVED.**

Local Licensing Authority For	Date
Signature	Title
	Attest

Bloomin Brands, Inc.
Liquor License Violations
July 2015 - July 2016

Concept	Store No.	City/State	Violation Date	Licensee	License Number and/or Citation Number	Description of Violation	Agency	Fine/Suspension
Outback Steakhouse	4433	Lufkin, TX	07/14/15	Outback Beverages of Texas, LLC	Admin Notice #308954	Sale to minor	Texas Alcoholic Beverage Commission	2,400.00
Outback Steakhouse	4910	Martinsburg, WV	07/15/15	Outback Steakhouse of West Virginia, Inc.	Case No. 2015-001582	Sale to minor	West Virginia Alcohol Beverage Control Administration	Warning
Outback Steakhouse	3446	Durham, NC	07/20/15	Outback Steakhouse of Florida, LLC	None	Sale to minor	North Carolina Alcoholic Beverage Control Commission	1,500.00
Outback Steakhouse	1614	Sioux City, IA	07/27/15	Outback Steakhouse of Florida, LLC	Docket No. STA0124652 Resolution No. 2015-0676	Sale to minor	City of Sioux City (City also sends a copy of the Resolution to the state ABC.)	500.00
Outback Steakhouse	3951	North Hills, PA	07/31/15	Outback Steakhouse of Florida, LLC	Citation No. 15-1582 LID - 61345	Failure to complete RAMP training in allotted time.	Commonwealth of Pennsylvania	225.00
Outback Steakhouse	4953	Charleston, WV	08/15/15	Outback Steakhouse of West Virginia, Inc.	License No. 20-A-312-003890 Case No. 2015-001656	Sale to minor	West Virginia Alcohol Beverage Control Administration	N/A
Fleming's Prime Steakhouse	4403	Charlotte, NC	08/23/15	OSI/Fleming's, LLC	None	Sale to minor	North Carolina Alcoholic Beverage Control Commission	2,000.00
Bonefish Grill	7402	Algonquin, IL	08/25/15	Bonefish Grill, LLC	License No. 1A-0099404 Case ID: 0-676-186-112	State liquor license not displayed Information on State & Local License, IBT Certificate, and Federal Tax Stamp are not consistent. Contaminated liquor found.	Illinois Liquor Control Commission	100.00
Outback Steakhouse	3656	Columbus-Reynoldsburg, OH	08/29/15	Outback Steakhouse of Florida, LLC	License No. 6607382-0030 Violation No. I-3006	Sale to minor	Ohio Department of Public Safety Ohio Investigative Unit	Pending
Bonefish Grill	7502	Greenwood, IN	09/08/15	Bonefish Grill, LLC	Permit # RR4189129 Complaint # EX15017875	Sale to minor	Indiana Alcoholic and Tobacco Commission	550.00
Outback Steakhouse	1083	Stuart, FL	09/21/15	Outback Steakhouse of Florida, LLC	Case No. 2015041820 License No. BEV5301630	Refilling liquor bottle	Florida Division of Alcoholic Beverages and Tobacco	250.00
Outback Steakhouse	1903	Gonzales, LA	09/24/15	Outback Steakhouse of Florida, LLC	Permit No. 0300011404 Case No. 2015-2689	Failure to report a manager	Louisiana Alcohol & Tobacco Control	Warning
Outback Steakhouse	2651	Kansas City III, MO	09/26/15	Outback Steakhouse of Florida, LLC	Case No. CASE-10-15-4584	Sale to minor	Kansas City Neighborhood and Community Services Department, Regulated Industries Division	50.00
Carrabba's Italian Grill	9305	Johnson City, TN	10/05/15	Carrabba's Italian Grill, LLC	Citation #5601 Permit #20,819	Server Permit Violation	Tenness Alcoholic Beverage Commission	150.00
Carrabba's Italian Grill	8904	Springfield, PA	10/15/15	Carrabba's Italian Grill, LLC	Citation No. 15-2080C License No. R-18444 SS	Sale to minor	Pennsylvania Liquor Control Board	1,250.00
Outback Steakhouse	906	Kona, HI	11/10/15	Outback Steakhouse of Florida, LLC	Case No 2015-05, License #REST-G-549	Failure to have manager approved Failure to post listing of approved persons in active charge of the premises	County of Hawaii, Dept. of Liquor Control	600.00
Outback Steakhouse	2141	Hunt Valley, MD	12/10/15	Outback-Carrabba's of Hunt Valley, Inc.		Sale to minor	Baltimore Coutny Liquor Board	750.00
Outback Steakhouse	1121	Conyers, GA	12/16/15	Outback Steakhouse of Florida, LLC	License No. 0034977 Citation No. 0311450300348349 Case No. IC031-1450-2723-726	Sale to minor	Georgia Department of Revenue	500.00

Outback Steakhouse	3956	Erie, PA	01/01/16	Outback Steakhouse of Florida, LLC	Citation No. 16-0139C Incident No. W08-505632 LID-61341	Sale to minor	Pennsylvania Liquor Control Board	1,400.00
Outback Steakhouse	1523	Clarksville, TN	01/16/16	Outback Steakhouse of Florida, LLC	Permit # RR1098058 Complaint # EX16001243	Sale to minor	Indiana Alcoholic and Tobacco Commission	500.00
Carrabba's Italian Grill	9302	Nashville, TN	01/16/16	Carrabba's Italian Grill, LLC	Permit #19680/Citation 1753	Permits not posted	Metropolitan Beer Permit Board	1,000.00
Carrabba's Italian Grill	6904	Metairie, LA	02/03/16	Carrabba's Italian Grill	None	Sale to minor	Jefferson Parish, Office of the Parish Attorney	N/A
Bonefish Grill	8107	Brandywine, MD	02/21/16	Bonefish Brandywine, LLC	17BLX692	Selling alcohol before 12:01PM	Prince George's County Board of License Commissioners	575.00
Carrabba's Italian Grill	6507	Schererville, IN	02/18/16	Carrabba's Italian Grill, LLC	Complaint # EX16003425 Permit # RR4530501	Sale to minor	Indiana Alcoholic and Tobacco Commission	500.00
Bonefish Grill	504	Columbia, SC	02/18/16	Bonefish Grill, LLC	License No. 32067807 Case No. 54-16-0432	Sale to minor	South Carolina Department of Revenue - SLED	500.00
Outback Steakhouse	3959	Washington, PA	03/02/16	Outback Steakhouse of Florida, LLC	Citation No. 16-0283 Incident No. W04-506307 LID-61097	Failure to clean beer taps at least once every seven (7) days	Pennsylvania Liquor Control Board	250.00
Outback Steakhouse	4311	Chattanooga, TN	03/16/16	Outback Steakhouse of Florida, LLC	Citation 3762	Sale to minor	Tenness Alcoholic Beverage Commission	1,500.00
Outback Steakhouse	4315	Johnson City, TN	03/16/16	Outback Steakhouse of Florida, LLC	Citation 5481	Sale to minor	Tenness Alcoholic Beverage Commission	1,000.00
Carrabba's Italian Grill	7309	Troy, MI	03/31/16	Carrabba's Italian Grill, LLC		Sale to minor	Michigan Liquor Control Commission	
Outback Steakhouse	1510	Indianapolis (Castleton), IN	03/31/16	Outback Steakhouse of Florida, LLC	Permit No. RR4990211 Complaint No. EX16006803	Failure to have Employee Permit	Indiana Alcoholic and Tobacco Commission	100.00
Outback Steakhouse	1951	W. Monroe, LA	05/25/16	Outback Steakhouse of Florida, LLC	License No. AR.37.00000130000-BL Violation No. 201605251356-142	Failure to post pregnancy sign and 7 unclean bottles	Louisiana Alcohol & Tobacco Control	250.00

Bloomin' Brands, Inc.
 Colorado Location List 2016

Concept	Code	Address 1	City	County	State	Zip	Phone
Bonefish Grill	6601	10438 Towncenter Drive	Westminster	Broomfield	CO	80021	(303) 423-3474
Bonefish Grill	6602	8100 West Crestline Avenue, Unit F	Denver	Arapahoe	CO	80123	(303) 948-3474
Bonefish Grill	6604	4920 Thompson Parkway	Johnstown	Weld	CO	80534	(970) 663-3474
Bonefish Grill	6603	4948 South Yosemite Street	Greenwood Village	Arapahoe	CO	80111	(303) 741-3474
Bonefish Grill	6605	5102 North Nevada Avenue	Colorado Springs	El Paso	CO	80907	(719) 598-0826
Bonefish Grill	6606	14770 West Colfax Avenue	Lakewood	Jefferson	CO	80401	(303) 279-6078
Carrabba's Italian Grill	0601	7401 West 92nd Avenue	Westminster	Broomfield	CO	80021	(303) 940-5620
Carrabba's Italian Grill	0602	2815 Geyser Drive	Colorado Springs	El Paso	CO	80906	(719) 527-1126
Carrabba's Italian Grill	0605	1212 Oakridge Drive	Fort Collins	Larimer	CO	80525	(970) 225-6800
Carrabba's Italian Grill	0606	2088 South Abilene Street	Aurora	Arapahoe	CO	80014	(303) 338-8600
Carrabba's Italian Grill	0607	7120 Campus Drive	Colorado Springs	El Paso	CO	80920	(719) 264-0401
Carrabba's Italian Grill	0608	575 South McCaslin Boulevard	Louisville	Boulder	CO	80027	(303) 926-4411
Carrabba's Italian Grill	5605	14760 West Colfax Avenue	Lakewood	Jefferson	CO	80401	(303) 279-6151
Fleming's	1601	191 Inverness Drive West	Englewood	Arapahoe	CO	80112	(303) 768-0827
Outback Steakhouse	0610	8601 West Cross Drive	Littleton	Arapahoe	CO	80123	(303) 932-0315
Outback Steakhouse	0611	9329 North Sheridan Boulevard	Westminster	Jefferson	CO	80030	(303) 427-2714
Outback Steakhouse	0612	7065 Commerce Center Drive	Colorado Springs	El Paso	CO	80919	(719) 590-6283
Outback Steakhouse	0613	807 East Harmony Road	Fort Collins	Larimer	CO	80525	(970) 229-0889
Outback Steakhouse	0614	15 West Springer Drive	Highlands Ranch	Douglas	CO	80129-2315	(303) 791-1500
Outback Steakhouse	0615	497 East 120th Avenue	Thornton	Adams	CO	80233-5706	(303) 450-4111
Outback Steakhouse	0616	988 Dillon Road	Louisville	Boulder	CO	80027	(303) 661-9855
Outback Steakhouse	0617	2825 Geyser Drive	Colorado Springs	El Paso	CO	80906	(719) 527-8745
Outback Steakhouse	0618	10443 East Costilla Avenue	Centennial	Arapahoe	CO	80112	(303) 792-2903
Outback Steakhouse	0619	2066 South Abilene Street	Aurora	Arapahoe	CO	80014	(303) 695-9600
Outback Steakhouse	0620	14295 West Colfax Avenue	Golden	Jefferson	CO	80401	(303) 216-2460
Outback Steakhouse	0621	2432 Highway 6 and 50	Grand Junction	Mesa	CO	81505	(970) 257-7550
Outback Steakhouse	0622	2895 New Center Point	Colorado Springs	El Paso	CO	80922	(719) 638-7650
Outback Steakhouse	0624	16301 East 40th Avenue	Denver	Denver	CO	80239	(303) 576-6633
Outback Steakhouse	0626	4687 Milestone Lane	Castle Rock	Douglas	CO	80104	(303) 814-0099
Outback Steakhouse	0628	1315 Dry Creek Drive	Longmont	Boulder	CO	80503	(303) 684-8149

PERMIT APPLICATION AND REPORT OF CHANGES

CURRENT LICENSE NUMBER 42925140002
ALL ANSWERS MUST BE PRINTED IN BLACK INK OR TYPEWRITTEN
LOCAL LICENSE FEE \$ 50
APPLICANT SHOULD OBTAIN A COLORADO LIQUOR & BEER CODE BOOK TO ORDER CALL (303) 370-2165

1. Applicant is a <input type="checkbox"/> Corporation <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Limited Liability Company		PRESENT LICENSE NUMBER 42925140002
2. Name of Licensee Bonefish Grill, LLC	3. Trade Name Bonefish Grill	
4. Location Address 4920 Thompson Parkway		
City Johnstown	County Larimer	ZIP 80534

SELECT THE APPROPRIATE SECTION BELOW AND PROCEED TO THE INSTRUCTIONS ON PAGE 2.

Section A - Manager reg/change	Section C
<p>• License Account No. <u>42925140002</u></p> <p>1983-750 (999) <input checked="" type="checkbox"/> Manager's Registration (Hotel & Restr.)...\$75.00</p> <p>2012-750 (999) <input type="checkbox"/> Manager's Registration (Tavern).....\$75.00</p> <p><input type="checkbox"/> Change of Manager (Other Licenses) NO FEE</p>	<p>2210-100 (999) <input type="checkbox"/> Retail Warehouse Storage Permit (ea) \$100.00</p> <p>2200-100 (999) <input type="checkbox"/> Wholesale Branch House Permit (ea).... 100.00</p> <p>2260-100 (999) <input type="checkbox"/> Change Corp. or Trade Name Permit (ea) . 50.00</p> <p>2230-100 (999) <input type="checkbox"/> Change Location Permit (ea)..... 150.00</p> <p>2280-100 (999) <input type="checkbox"/> Change, Alter or Modify Premises \$150.00 x _____ Total Fee _____</p> <p>2220-100 (999) <input type="checkbox"/> Addition of Optional Premises to Existing H/R \$100.00 x _____ Total Fee _____</p> <p>1988-100 (999) <input type="checkbox"/> Addition of Related Facility to Resort Complex \$75.00 x _____ Total Fee _____</p>
Section B - Duplicate License	
<p>• Liquor License No. _____</p> <p>2270-100 (999) <input type="checkbox"/> Duplicate License\$50.00</p>	

DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY

DATE LICENSE ISSUED	LICENSE ACCOUNT NUMBER	PERIOD
-750 (999)	-100 (999)	<p style="font-size: small;">The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.</p> <p style="text-align: right;">TOTAL AMOUNT DUE \$ _____</p>

INSTRUCTION SHEET

FOR ALL SECTIONS, COMPLETE QUESTIONS 1-4 LOCATED ON PAGE 1

Section A

To Register or Change Managers, check the appropriate box in section A and complete question 8 on page 4. Proceed to the Oath of Applicant for signature (Please note: Hotel, Restaurant, and Tavern licensees are required to register their managers).

Section B

For a Duplicate license, be sure to include the liquor license number in section B on page 1 and proceed to page 4 for Oath of Applicant signature.

Section C

Check the appropriate box in section C and proceed below.

- 1) *For a Retail Warehouse Storage Permit*, go to page 3 complete question 5 (be sure to check the appropriate box). Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 2) *For a Wholesale Branch House Permit*, go to page 3 and complete question 5 (be sure to check the appropriate box). Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 3) *To Change Trade Name or Corporation Name*, go to page 3 and complete question 6 (be sure to check the appropriate box). Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 4) *To modify Premise*, go to page 4 and complete question 9. Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 5) *For Optional Premises or Related Facilities* go to page 4 and complete question 9. Submit the necessary information and proceed to page 4 for Oath of Applicant signature.
- 6) *To Change Location*, go to page 3 and complete question 7. Submit the necessary information and proceed to page 4 for Oath of Applicant signature.

STORAGE PERMIT

5. Retail Warehouse Storage Permit or a Wholesalers Branch House Permit

Retail Warehouse Permit for:

On-Premises Licensee (Taverns, Restaurants etc.)

Off-Premises Licensee (Liquor stores)

Wholesalers Branch House Permit

Address of storage premise: _____

City _____, County _____, Zip _____

Attach a deed/ lease or rental agreement for the storage premises.
Attach a detailed diagram of the storage premises.

CHANGE TRADE NAME OR CORPORATE NAME

6. Change of Trade Name or Corporation Name

Change of Trade name / DBA only

Corporate Name Change (Attach the following supporting documents)

- Certificate of Amendment filed with the Secretary of State, or
- Statement of Change filed with the Secretary of State, and
- Minutes of Corporate meeting, Limited Liability Members meeting, Partnership agreement.

Old Trade Name	New Trade Name
Old Corporate Name	New Corporate Name

CHANGE OF LOCATION

7. Change of Location

NOTE TO RETAIL LICENSEES: An application to change location has a local application fee of \$750 payable to your local licensing authority. You may only change location within the same jurisdiction as the original license that was issued. Pursuant to 12-47-311 (1) C.R.S. Your application must be on file with the local authority thirty (30) days before a public hearing can be held.

Date filed with Local Authority _____ **Date of Hearing** _____

(a) Address of current premises _____

City _____ County _____ Zip _____

(b) Address of proposed New Premises (Attach copy of the deed or lease that establishes possession of the premises by the licensee)

Address _____

City _____ County _____ Zip _____

(c) New mailing address if applicable.

Address _____

City _____ County _____ State _____ Zip _____

(d) Attach detailed diagram of the premises showing where the alcohol beverages will be stored, served, possessed or consumed. Include kitchen area(s) for hotel and restaurants.

CHANGE OF MANAGER

8. Change of Manager or to Register the Manager of a Tavern or a Hotel and Restaurant liquor license.

(a) Change of Manager (attach Individual History DR 8404-I H/R and Tavern only)

Former manager's name Andrew Cowan

New manager's name Joseph Turco

(b) Date of Employment 03/26/2016

Has manager ever managed a liquor licensed establishment?..... Yes No

Does manager have a financial interest in any other liquor licensed establishment?..... Yes No

If yes, give name and location of establishment Has managed a Bonefish Grill in CA, NV and also in Denver and Greenwood, CO

MODIFY PREMISES OR ADDITION OF OPTIONAL PREMISES OR RELATED FACILITY

9. Modification of Premises, Addition of an Optional Premises, or Addition of Related Facility

NOTE: Licensees may not modify or add to their licensed premises until approved by state and local authorities.

(a) Describe change proposed _____

(b) If the modification is temporary, when will the proposed change:

Start _____ (mo/day/year) End _____ (mo/day/year)

NOTE: THE TOTAL STATE FEE FOR TEMPORARY MODIFICATION IS \$300.00

(c) Will the proposed change result in the licensed premises now being located within 500 feet of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary?

(If yes, explain in detail and describe any exemptions that apply)..... Yes No

(d) Is the proposed change in compliance with local building and zoning laws?..... Yes No

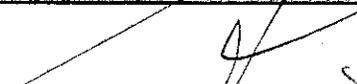
(e) If this modification is for an additional Hotel and Restaurant Optional Premises or Resort Complex Related Facility, has the local authority authorized by resolution or ordinance the issuance of optional premises?..... Yes No

(f) Attach a diagram of the current licensed premises and a diagram of the proposed changes for the licensed premises.

(g) Attach any existing lease that is revised due to the modification.

OATH OF APPLICANT

I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto and that all information therein is true, correct, and complete to the best of my knowledge.

Signature 	Title <u>Joseph J. Kadow, Exec. VP</u>	Date <u>7-21-16</u>
--	---	------------------------

REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY/COUNTY)

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the applicable provisions of Title 12, Articles 46 and 47, C.R.S. as amended. **THEREFORE, THIS APPLICATION IS APPROVED.**

Local Licensing Authority (City or County)	Date filed with Local Authority
--	---------------------------------

Signature	Title	Date
-----------	-------	------

REPORT OF STATE LICENSING AUTHORITY

The foregoing has been examined and complies with the filing requirements of Title 12, Article 47, C.R.S. as amended.

Signature	Title	Date
-----------	-------	------

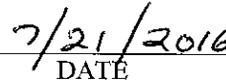
**POLICE
REPORTS**

TOWN OF JOHNSTOWN POLICE DEPARTMENT

Information 3.2% Beer or Liquor Application

- Name and address of Applicant} Bonefish Grill, LLC
2202 N West Shore Blvd. 5th Floor
Tampa, Florida 33607
1. Trade Name and Address} Bonefish Grill #6604
4920 Thompson Parkway
Johnstown, CO 80534
2. Date of Application } 07/22/2016
3. Type of Application: Hotel & Restaurant License
4. Documents Accompanying Application
A. Local and State License Fees} Submitted with application
B. Evidence of Correct Zoning} CBD
C. Building Plans and or Sketch of Interior} N/A
D. Distance from School as per State} N/A
E. Deed or Lease or Assignment of Lease or Ownership} Leased
5. Evidence of Public Notice
A. Posting of Premises} N/A
B. Legal Publication } N/A
6. Investigation: Police Department Case#}
A. Applicant has made application for renewal of their Hotel and Restaurant License
B. Bonefish Grill #6604 has operated legally during its last license period.
C. Cooperation with law enforcement has been good.
7. Findings of fact:
A. Bonefish Grill presently holds license 42-92514-0002 that expires August 29, 2016.
B. The required fees were submitted.
C. It is my recommendation that the renewal be approved.


CHIEF OF POLICE


DATE

**JOHNSTOWN POLICE DEPT.
LIQUOR LICENSE RENEWAL INFORMATION SHEET**

APPLICANT: **Bonfish Grill #6604**

ADDRESS: **4920 Thompson Pkwy**

TYPE LICENSE: **Hotel & Restaurant**

POLICE CALLS FOR SERVICE AT THIS LOCATION: **2 calls for service. A traffic accident and an assault**

LIQUOR VIOLATIONS AT THIS LOCATION: **None**

ARRESTS DUE TO ALCOHOL AT THIS LOCATION: **None**

JPD RECOMMENDATION FOR RENEWAL: YES XXX NO _____

REPORTING OFFICER: **Commander Aaron Sanchez**

DATE: **July 21, 2016**

EMPLOYEES ATTENDED ALCOHOL TRAINING CLASSES: **No one from this establishment attended our training in 2015.**

AGENDA ITEM 9B

**PRESENTATION
OF
2015
AUDIT
(John Cutler, CPA)**

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: August 1, 2016

ITEM NUMBER: 9B

SUBJECT: Presentation of 2015 Annual Audit Report

ACTION PROPOSED: Accept 2015 Annual Audit Report

PRESENTED BY: Mr. John Cutler, CPA (John Cutler & Associates, LLC)

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, 2015.

Note: Mr. John Cutler, CPA will be in attendance to present the Town's 2015 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, 2015.

SUGGESTED MOTION:

For Acceptance: I move to accept the annual audit report for the year ending December 31, 2015.

Reviewed:


Town Manager

2015
AUDIT

TOWN OF JOHNSTOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2015

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FINANCIAL SECTION

Honorable Mayor and Members of the Town Council
Town of Johnstown
Johnstown, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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, 2015, which collectively comprise the basic financial statements of the Town, as listed in the table of contents. These financial statements are the responsibility of the Town of Johnstown, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnstown, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 34-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Johnstown's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

June 15, 2015

BASIC FINANCIAL STATEMENTS

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 59,852,286	\$ 24,854,071	\$ 84,706,357
Restricted Cash and Investments	388,727	-	388,727
Receivables			
Property Taxes	3,525,729	-	3,525,729
Sales and Other	400,358	2,497	402,855
Accounts	-	433,717	433,717
Interfund Amounts	(21,133)	21,133	-
Net Pension Asset	107,336	-	107,336
Capital Assets, Not Depreciated	99,633	3,024,654	3,124,287
Capital Assets, Depreciated			
Net of Accumulated Depreciation	11,152,632	14,009,765	25,162,397
TOTAL ASSETS	75,505,568	42,345,837	117,851,405
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	47,226	-	47,226
LIABILITIES			
Accounts Payable	141,198	123,446	264,644
Accrued Salaries and Benefits	64,645	24,828	89,473
Developer Escrow	255,677	-	255,677
Deposits	-	92,672	92,672
Noncurrent Liabilities			
Accrued Compensated Absences	28,652	32,760	61,412
TOTAL LIABILITIES	490,172	273,706	763,878
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	2,211	-	2,211
Deferred Property Tax Revenue	3,525,726	-	3,525,726
TOTAL DEFERRED INFLOWS OF RESOURCES	3,527,937	-	3,527,937
NET POSITION			
Net Investment in Capital Assets	11,252,265	17,034,419	28,286,684
Restricted for Emergencies	425,000	-	425,000
Unrestricted	59,857,420	25,037,712	84,895,132
TOTAL NET POSITION	\$ 71,534,685	\$ 42,072,131	\$ 113,606,816

The accompanying notes are an integral part of the financial statements.

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 726,157	\$ 1,119,114	\$ -	\$ -
Public Safety	1,917,187	144,382	-	-
Public Works	3,163,846	1,909,397	-	518,236
Health and Welfare	99,220	81,100	375,745	57,971
Culture and Recreation	923,692	-	-	-
Total Governmental Activities	6,830,102	3,253,993	375,745	576,207
Business-Type Activities				
Water	1,537,506	2,701,191	-	1,656,761
Wastewater	1,155,384	1,885,985	-	-
Drainage	136,756	495,782	-	-
Total Business-Type Activities	2,829,646	5,082,958	-	1,656,761
Total Primary Government	\$ 9,659,748	\$ 8,336,951	\$ 375,745	\$ 2,232,968

GENERAL REVENUES

Sales Taxes
Property Taxes
Franchise Taxes
Other Taxes
Interest
Other

TRANSFERS

TOTAL GENERAL REVENUES
AND TRANSFERS

CHANGE IN NET POSITION

Prior Period Adjustment

NET POSITION, Beginning, As Restated

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ 392,957	\$ -	\$ 392,957
(1,772,805)	-	(1,772,805)
(736,213)	-	(736,213)
415,596	-	415,596
(923,692)	-	(923,692)
<u>(2,624,157)</u>	<u>-</u>	<u>(2,624,157)</u>
-	2,820,446	2,820,446
-	730,601	730,601
-	359,026	359,026
<u>-</u>	<u>3,910,073</u>	<u>3,910,073</u>
(2,624,157)	3,910,073	1,285,916
4,789,085	-	4,789,085
3,912,183	-	3,912,183
395,387	-	395,387
509,142	-	509,142
179,783	74,508	254,291
141,083	-	141,083
(96,826)	96,826	-
<u>9,829,837</u>	<u>171,334</u>	<u>10,001,171</u>
7,205,680	4,081,407	11,287,087
(100,934)	-	(100,934)
<u>64,429,939</u>	<u>37,990,724</u>	<u>102,420,663</u>
<u>\$ 71,534,685</u>	<u>\$ 42,072,131</u>	<u>\$ 113,606,816</u>

TOWN OF JOHNSTOWN, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2015

	General Fund	Impact Fee Fund	Use Tax Capital Improvement Fund	Other Governmental Funds	TOTAL
ASSETS					
Cash and Investments	\$ 30,521,427	\$ 10,881,247	\$ 14,358,634	\$ 4,090,978	\$ 59,852,286
Restricted Cash and Investments	388,727	-	-	-	388,727
Taxes Receivable	3,525,729	-	-	-	3,525,729
Accounts Receivable	392,140	-	-	8,218	400,358
Due from Other Funds	-	-	3,789	3,743	7,532
TOTAL ASSETS	\$ 34,828,023	\$ 10,881,247	\$ 14,362,423	\$ 4,102,939	\$ 64,174,632
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 141,120	\$ -	\$ 78	\$ -	\$ 141,198
Accrued Liabilities	56,495	-	-	8,150	64,645
Developer Escrows and Deposits	255,677	-	-	-	255,677
Due to Other Funds	24,876	-	-	3,789	28,665
TOTAL LIABILITIES	478,168	-	78	11,939	490,185
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	3,525,726	-	-	-	3,525,726
FUND EQUITY					
Fund Balance					
Restricted for Emergencies	425,000	-	-	-	425,000
Restricted for Culture and Recreation	-	-	-	1,794,308	1,794,308
Restricted for Parks & Recreation	-	-	-	2,163,763	2,163,763
Restricted for Capital Improvements	-	10,881,247	14,362,345	27,898	25,271,490
Restricted for Cemetery Maintenance	-	-	-	105,031	105,031
Committed for Contingencies	1,232,070	-	-	-	1,232,070
Committed for Equipment Replacement	1,426,894	-	-	-	1,426,894
Unassigned	27,740,165	-	-	-	27,740,165
TOTAL FUND EQUITY	30,824,129	10,881,247	14,362,345	4,091,000	60,158,721
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	\$ 34,828,023	\$ 10,881,247	\$ 14,362,423	\$ 4,102,939	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. 11,252,265

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the fund. These include Accrued Compensated Absences (\$28,652), Net Pension Asset \$107,336, Deferred Outflows Related to Pensions \$47,226, and Deferred Inflows Related to Pensions of (\$2,211). 123,699

Net position of governmental activities \$ 71,534,685

The accompanying notes are an integral part of the financial statements.

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2015

	General Fund	Impact Fee Fund	Use Tax Capital Improvement Fund	Other Governmental Funds	TOTAL
REVENUES					
Taxes and Fees	\$ 7,108,659	\$ -	\$ 2,306,918	\$ 190,220	\$ 9,605,797
Licenses and Permits	581,206	1,909,397	-	81,100	2,571,703
Intergovernmental	518,236	-	-	433,716	951,952
Charges for Services	537,908	-	-	-	537,908
Fines and Forfeitures	144,382	-	-	-	144,382
Interest Income	99,331	28,575	45,531	6,346	179,783
Miscellaneous	131,228	-	-	9,855	141,083
TOTAL REVENUES	9,120,950	1,937,972	2,352,449	721,237	14,132,608
EXPENDITURES					
General Government	589,263	-	-	-	589,263
Public Safety	1,729,677	115,474	-	-	1,845,151
Public Works	1,177,527	1,133,949	582,184	95,300	2,988,960
Health and Welfare	99,220	-	-	-	99,220
Culture and Recreation	293,725	-	-	563,173	856,898
Capital Outlay	110,367	-	128,180	-	238,547
TOTAL EXPENDITURES	3,999,779	1,249,423	710,364	658,473	6,618,039
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,121,171	688,549	1,642,085	62,764	7,514,569
OTHER FINANCING SOURCES (USES)					
Transfers In	43,350	-	42,284	373,099	458,733
Transfers Out	(555,299)	-	-	(260)	(555,559)
TOTAL OTHER FINANCING SOURCES (USES)	(511,949)	-	42,284	372,839	(96,826)
NET CHANGE IN FUND BALANCES	4,609,222	688,549	1,684,369	435,603	7,417,743
FUND BALANCES, Beginning, as restated	26,315,841	10,192,698	12,677,976	3,655,397	52,841,912
Prior Period Adjustment	(100,934)	-	-	-	(100,934)
FUND BALANCES, Ending	\$ 30,824,129	\$ 10,881,247	\$ 14,362,345	\$ 4,091,000	\$ 60,158,721

The accompanying notes are an integral part of the 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, 2015

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 7,417,743
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. This is the amount by which depreciation (\$452,487) exceeded capital outlay \$238,547.	(213,940)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes change in accrued compensated absences of (\$28,652).	(28,652)
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>30,529</u>
Change in Net Position of Governmental Activities	<u>\$ 7,205,680</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2015

ASSETS	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTAL
Current Assets				
Cash and Investments	\$ 14,187,659	\$ 8,406,370	\$ 2,260,042	\$ 24,854,071
Accounts Receivable, net	159,028	229,581	45,108	433,717
Inventory	2,497	-	-	2,497
Due from Other Funds	-	-	21,133	21,133
Total Current Assets	14,349,184	8,635,951	2,326,283	25,311,418
Noncurrent Assets				
Capital Assets, net of Accumulated Depreciation	11,598,674	5,435,745	-	17,034,419
TOTAL ASSETS	25,947,858	14,071,696	2,326,283	42,345,837
LIABILITIES				
Current Liabilities				
Accounts Payable	59,133	64,107	206	123,446
Accrued Expenses	9,586	12,301	2,941	24,828
Accrued Compensated Absences	15,087	17,673	-	32,760
Total Current Liabilities	83,806	94,081	3,147	181,034
Noncurrent Liabilities				
Deposits	92,672	-	-	92,672
Total Noncurrent Liabilities	92,672	-	-	92,672
TOTAL LIABILITIES	176,478	94,081	3,147	273,706
NET POSITION				
Net Investment in Capital Assets	11,598,674	5,435,745	-	17,034,419
Unrestricted	14,172,706	8,541,870	2,323,136	25,037,712
TOTAL NET POSITION	\$ 25,771,380	\$ 13,977,615	\$ 2,323,136	\$ 42,072,131

The accompanying notes are an integral part of the financial statements.

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2015

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTAL
OPERATING REVENUES				
Charges for Services	\$ 2,384,572	\$ 1,640,347	\$ 495,782	\$ 4,520,701
Miscellaneous	316,619	245,638	-	562,257
TOTAL OPERATING REVENUES	2,701,191	1,885,985	495,782	5,082,958
OPERATING EXPENSES				
Administration	168,463	195,159	81,635	445,257
Operations	1,065,675	822,885	55,121	1,943,681
Depreciation	303,368	137,340	-	440,708
TOTAL OPERATING EXPENSES	1,537,506	1,155,384	136,756	2,829,646
OPERATING INCOME	1,163,685	730,601	359,026	2,253,312
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	33,944	34,839	5,725	74,508
TOTAL NON-OPERATING REVENUES (EXPENSES)	33,944	34,839	5,725	74,508
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,197,629	765,440	364,751	2,327,820
Capital Contributions	1,438,661	218,100	-	1,656,761
Transfers In	182,200	-	-	182,200
Transfers Out	(85,374)	-	-	(85,374)
NET INCOME	2,733,116	983,540	364,751	4,081,407
NET POSITION, Beginning, as restated	23,038,264	12,994,075	1,958,385	37,990,724
NET POSITION, Ending	\$ 25,771,380	\$ 13,977,615	\$ 2,323,136	\$ 42,072,131

The accompanying notes are an integral part of the financial statements.

TOWN OF JOHNSTOWN, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE

Year Ended December 31, 2015

Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,560,032	\$ 1,870,890	\$ 492,673	\$ 4,923,595
Cash Paid to Suppliers	(1,296,919)	(940,625)	(133,609)	(2,371,153)
Net Cash Provided by Operating Activities	<u>1,263,113</u>	<u>930,265</u>	<u>359,064</u>	<u>2,552,442</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Property and Equipment	(716,580)	(122,134)	-	(838,714)
Capital Contributions	1,438,661	218,100	-	1,656,761
Deposits from Customers	92,672	-	-	92,672
Payments from Other Funds	186,302	-	-	186,302
Payments to Other Funds	(113,614)	(109,687)	(50,140)	(273,441)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>887,441</u>	<u>(13,721)</u>	<u>(50,140)</u>	<u>823,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	33,944	34,839	5,725	74,508
Net Cash Provided by Investing Activities	<u>33,944</u>	<u>34,839</u>	<u>5,725</u>	<u>74,508</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,184,498	951,383	314,649	3,450,530
CASH AND INVESTMENTS, Beginning	<u>12,003,161</u>	<u>7,454,987</u>	<u>1,945,393</u>	<u>21,403,541</u>
CASH AND INVESTMENTS, Ending	<u>\$ 14,187,659</u>	<u>\$ 8,406,370</u>	<u>\$ 2,260,042</u>	<u>\$ 24,854,071</u>
OPERATING ACTIVITIES				
Operating Income	<u>\$ 1,163,685</u>	<u>\$ 730,601</u>	<u>\$ 359,026</u>	<u>\$ 2,253,312</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation and Amortization	303,368	137,340	-	440,708
Changes in Assets and Liabilities				
Accounts Receivable	(141,159)	(15,095)	(3,109)	(159,363)
Inventory	-	-	-	-
Accounts Payable	(72,367)	64,106	206	(8,055)
Accrued Expenses	(5,501)	(4,360)	2,941	(6,920)
Accrued Compensated Absences	15,087	17,673	-	32,760
Total Adjustments	<u>99,428</u>	<u>199,664</u>	<u>38</u>	<u>299,130</u>
Net Cash Provided by Operating Activities	<u>\$ 1,263,113</u>	<u>\$ 930,265</u>	<u>\$ 359,064</u>	<u>\$ 2,552,442</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Johnstown, Colorado, is a Colorado Home Rule Town and was organized on March 21, 1907. The Town is administered by an elected Mayor and Town Council.

The Town provides the following services to the residents and businesses: public safety, highways and streets, sanitation, water, culture and recreation, public improvements, planning and zoning, judicial, and general administrative services.

The accounting policies of the Town of Johnstown, Colorado (the "Town") conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of Johnstown has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use, 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 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 fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 Town.

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, are recorded only when payment is due.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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. 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.

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

In the fund financial statements, 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 Town, 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 account for various maintenance and capital projects throughout the Town.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for user charges and 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.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, 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 at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

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

Compensated Absences

Employees of the Town are allowed to accumulate unused paid time off up to a max of 80 hours. Upon termination of employment from the Town, an employee will be compensated for all accrued paid time off at their current pay rate.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type 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 position. Bond premiums, discounts, and bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

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 issuances are 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. As of December 31, 2015, the Town does not report any balances as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the Impact Fee, Use Tax Capital Improvement, the Cemetery, the Paving Fee and the Johnson's Corner Capital Funds as restricted because their revenues are restricted by the municipal code or taxpayer initiative; the Library Fund is classified as restricted as the revenues are restricted through taxpayer initiatives and other governments, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports unspent balances appropriated by the Town Council for contingencies and equipment replacement.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Private Purpose Trust Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2015 follows:

Petty Cash	\$	50
Cash Deposits		30,105,317
Investments		<u>54,989,717</u>
Total	\$	<u>85,095,084</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments	\$	84,706,357
Restricted Cash and Investments		<u>388,727</u>
Total	\$	<u>85,095,084</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2015, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has implemented a policy regarding custodial credit risk for deposits.

At December 31, 2015, the Town had deposits with financial institutions with a carrying amount of \$30,105,317. The bank balances with the financial institutions were \$30,408,910. Of these balances, \$750,000 was covered by federal depository insurance and \$29,658,910 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2015 the Town had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>0 – 1 Years</u>	<u>1 – 5 Years</u>
U.S. Government Securities	\$ 10,332,965	\$ 3,003,633	\$ 7,329,332
U.S. Government Agencies	13,691,374	1,499,955	12,191,419
Corporate Bonds	7,510,703	2,506,066	5,004,637
Commercial Paper	499,962	499,962	-
Money Market Funds	128,683	128,683	-
Mutual Funds	20,391	20,391	-
Local Government Investment Pools	<u>22,805,071</u>	<u>22,805,071</u>	-
Total	<u>\$ 54,989,149</u>	<u>\$ 30,463,761</u>	<u>\$ 24,525,388</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk

The Town has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities. The Town's securities at December 31, 2015, are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Services for its U.S. Government Agencies and Securities. The Town's Corporate Debt and Commercial Paper is rated at least AA- by Standard and Poor's and Aa3 by Moody's Investors Services. The Town's Mutual Funds are not rated.

The Town had invested \$11,264,864 in the Colorado Government Liquid Asset Trust (COLOTRUST) and \$11,540,207 in the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colostrust and CSAFE are rated AAAM by Standard and Poor's.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2015 is summarized below:

	Balances 12/31/14 (as restated)	Additions	Deletions	Balances 12/31/15
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 99,633	\$ -	\$ -	\$ 99,633
Capital Assets, depreciated				
Buildings	9,643,336	-	-	9,643,336
Improvements	2,938,016	-	-	2,938,016
Equipment	<u>2,703,589</u>	<u>238,547</u>	<u>-</u>	<u>2,942,136</u>
Total Capital Assets, depreciated	<u>15,284,941</u>	<u>238,547</u>	<u>-</u>	<u>15,523,488</u>
Less Accumulated Depreciation				
Buildings	1,432,676	190,266	-	1,622,942
Improvements	582,782	57,902	-	640,684
Equipment	<u>1,902,911</u>	<u>204,319</u>	<u>-</u>	<u>2,107,230</u>
Total Accumulated Depreciation	<u>3,918,369</u>	<u>452,487</u>	<u>-</u>	<u>4,370,856</u>
Total Capital Assets, depreciated, Net	<u>11,366,572</u>	<u>(213,940)</u>	<u>-</u>	<u>11,152,632</u>
Governmental Activities, Capital Assets, Net	<u>\$ 11,466,205</u>	<u>\$ (213,940)</u>	<u>\$ -</u>	<u>\$ 11,252,265</u>

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

Governmental Activities

General Government	\$ 108,242
Public Safety	102,565
Public Works	174,886
Culture and Recreation	<u>66,794</u>
Total	<u>\$ 452,487</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 4: CAPITAL ASSETS (Continued)

	Balances 12/31/14 <u>(as restated)</u>	<u>Additions</u>	<u>Deletions</u>	Balances 12/31/15
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 72,405	\$ -	\$ -	\$ 72,405
Water Rights	<u>2,952,249</u>	<u>-</u>	<u>-</u>	<u>2,952,249</u>
Total Capital Assets, not depreciated	<u>3,024,654</u>	<u>-</u>	<u>-</u>	<u>3,024,654</u>
Capital Assets, depreciated				
Utility Systems	20,271,916	663,676	-	20,935,592
Equipment	<u>14,941</u>	<u>175,038</u>	<u>-</u>	<u>189,979</u>
Total Capital Assets, depreciated	<u>20,286,857</u>	<u>838,714</u>	<u>-</u>	<u>21,125,571</u>
Less: Accumulated Depreciation				
Utility Systems	6,660,157	433,127	-	7,093,284
Equipment	<u>14,941</u>	<u>7,581</u>	<u>-</u>	<u>22,522</u>
Total Accumulated Depreciation	<u>6,675,098</u>	<u>440,708</u>	<u>-</u>	<u>7,115,806</u>
Total Capital Assets, depreciated, Net	<u>13,611,759</u>	<u>398,006</u>	<u>-</u>	<u>14,009,765</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 16,636,413</u>	<u>\$ 398,006</u>	<u>\$ -</u>	<u>\$ 17,034,419</u>

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

Business-type Activities

Water Fund	\$ 303,368
Wastewater Fund	<u>137,340</u>
Total	<u>\$ 440,708</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2015.

	Balance <u>12/31/14</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/15</u>	<u>Due In One Year</u>
Accrued Compensated Absences	\$ 96,525	\$ -	\$ 67,873	\$ 28,652	\$ -

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2015.

	Balance <u>12/31/14</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/15</u>	<u>Due In One Year</u>
Accrued Compensated Absences	\$ 32,760	\$ -	\$ -	\$ 32,760	\$ -

Accrued Compensated Absences are being paid from resources generated by the Water, Wastewater, and Drainage Funds.

NOTE 6: INTERFUND AMOUNTS

As of December 31, 2015, the following amounts were reported as Due to/from other funds:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
Use Tax Capital Improvement Fund	Johnson's Corner Tax Fund	\$ 3,789
Johnson's Corner Tax Fund	General Fund	3,743
Water Fund	General Fund	<u>21,133</u>
Total		<u>\$ 28,665</u>

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 6: INTERFUND AMOUNTS (Continued)

At December 31, 2015, these amounts are owed between funds due to timing differences related to receipts and disbursements.

Interfund transfers for the year ended December 31, 2015, were comprised of the following:

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Water Fund	\$ 43,350
Library Fund	General Fund	373,099
Use Tax Capital Improvement Fund	Paving Fee Fund	260
Use Tax Capital Improvement Fund	Water Fund	42,024
Water Fund	General Fund	<u>182,200</u>
Total		<u>\$ 640,933</u>

The transfers between the Water Fund and the General Fund were made to assist with operating, administrative, and capital costs. The transfers to the Library Fund were made to transfer the Town's share of property taxes restricted to support to the Library. The transfers to the Use Tax Capital Improvement Fund were made to assist with capital improvements. These transfers are budgeted annually.

NOTE 7: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Plan

Summary of Significant Accounting Policies

Pensions. The Town's full-time police officers participate in an FPPA Supplemental Social Security Program designed to provide supplementary coverage under the Statewide Defined Benefit Pension Plan ("SWDB Plan"), a cost-sharing multiple employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Plan (Continued)

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with a least five years of accredited service may leave contributions with the SWDP Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Plan (Continued)

General Information about the Pension Plan (Continued)

Members of the SWDB Plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

At December 31, 2015 the Town reported an asset in the amount of \$107,336 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2014 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2014, the Town's proportion was 0.09511%, which was a decrease of 0.00287% from its proportion measured as of December 31, 2013.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Plan (Continued)

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

For the year ended December 31, 2015 the Town recognized pension expense of \$5,649. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$ 2,211
Net difference between projected and actual earnings on pension plan investments	\$ 8,463	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 2,320	N/A
Contributions subsequent to the measurement date	\$ 36,443	N/A
Total	\$ 47,226	\$ 2,211

\$36,443 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2016	\$ 2,127
2017	\$ 2,127
2018	\$ 2,127
2019	\$ 2,126
Thereafter	\$ 64

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Plan (Continued)

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

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Salary increases, including wage inflation	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table, with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Plan (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
Global Equity	40.0%	8.9%
Equity Long/Short	10.0%	7.5%
Illiquid Alternatives	18.0%	10.5%
Fixed Income	15.0%	4.6%
Absolute Return	12.0%	6.5%
Managed Futures	4.0%	5.5%
Cash	1.0%	2.5%
Total	100.0%	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate, based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Plan (Continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is +97.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 101,197	(\$107,336)	(\$281,280)

Pension plan fiduciary net position. Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. The Plan is administered by Pension Management. The Town matches up to 4.2% for regular full time employees and 9.2% for Department Heads. All full time employees are eligible to participate in the plan upon hire and are immediately invested. The Town contributed \$82,628, to the plan for the year ended December 31, 2015, equal to the required contribution.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 10: RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town carries commercial insurance to cover these risks. The Town has not had any claims that exceeded insurable amounts for the last three years.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 2013, voters within the Town approved the collection, retention and expenditure the full amount of the town taxes, grants and all other revenue collected from all sources including property taxes, received in 2012 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2015, the emergency reserve of \$425,000 was recorded in the General Fund.

NOTE 12: RESTATEMENT OF NET POSITION

The Beginning Net Position of the Government Type Activities was increased by \$121,822 as the Town implemented Governmental Accounting Standards Board Statement (GASB) No. 68. In Addition, the Beginning Net Position of the Government Type Activities was increased and the Beginning Net Position of the Business-type Activities was decreased by \$3,832,154. The balances were restated to report the Town's Library Fund, previously reported as a proprietary fund, as special revenue fund.

NOTE 13: PRIOR PERIOD ADJUSTMENT

The Beginning Fund Balance of the of the General Fund was increased by \$2,059,736 to combine the Town's Contingent Fund and Equipment Replacement Fund with the General Fund.

In addition, the Beginning Fund Balance of the General Fund and Beginning Net Position of the Government Type Activities was decreased by \$100,934 to properly report Developer Deposits collected for development as a deposit liability of the Town.

TOWN OF JOHNSTOWN, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 14: SUBSEQUENT EVENTS

The Town has evaluated subsequent events through the date which the financial statements were issued. There were no material subsequent events that required recognition or additional disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JOHNSTOWN, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Taxes and Fees	\$ 5,679,000	\$ 7,108,659	\$ 1,429,659
Licenses and Permits	293,000	581,206	288,206
Intergovernmental	466,000	518,236	52,236
Charges for Services	467,300	537,908	70,608
Fines and Forfeitures	77,000	144,382	67,382
Interest Income	48,700	99,331	50,631
Miscellaneous	31,500	131,228	99,728
TOTAL REVENUES	7,062,500	9,120,950	2,058,450
EXPENDITURES			
General Government	656,400	589,263	67,137
Public Safety	2,003,400	1,729,677	273,723
Public Works	1,219,200	1,177,527	41,673
Health and Welfare	130,400	99,220	31,180
Culture and Recreation	492,700	293,725	198,975
Capital Outlay	136,600	110,367	26,233
Contingencies	1,215,500	-	1,215,500
TOTAL EXPENDITURES	5,854,200	3,999,779	1,854,421
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,208,300	5,121,171	3,912,871
OTHER FINANCING SOURCES (USES)			
Transfers In	45,000	43,350	(1,650)
Transfers Out	(720,300)	(555,299)	165,001
TOTAL OTHER FINANCING SOURCES (USES)	(675,300)	(511,949)	163,351
NET CHANGE IN FUND BALANCE	533,000	4,609,222	4,076,222
FUND BALANCES, Beginning, as restated	23,720,700	26,315,841	2,595,141
Prior Period Adjustment	-	(100,934)	(100,934)
FUND BALANCE, Ending	\$ 24,253,700	\$ 30,824,129	\$ 6,570,429

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

IMPACT FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015			VARIANCE Positive (Negative)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Licenses and Permits	\$ 595,000	\$ 595,000	\$ 1,909,397	\$ 1,314,397
Interest Income	35,000	35,000	28,575	(6,425)
TOTAL REVENUES	<u>630,000</u>	<u>630,000</u>	<u>1,937,972</u>	<u>1,307,972</u>
EXPENDITURES				
Public Safety	122,200	122,200	115,474	6,726
Public Works	<u>1,228,000</u>	<u>1,428,000</u>	<u>1,133,949</u>	<u>294,051</u>
TOTAL EXPENDITURES	<u>1,350,200</u>	<u>1,550,200</u>	<u>1,249,423</u>	<u>300,777</u>
NET CHANGE IN FUND BALANCE	(720,200)	(920,200)	688,549	1,608,749
FUND BALANCE, Beginning	<u>9,578,100</u>	<u>9,578,100</u>	<u>10,192,698</u>	<u>614,598</u>
FUND BALANCE, Ending	<u>\$ 8,857,900</u>	<u>\$ 8,657,900</u>	<u>\$ 10,881,247</u>	<u>\$ 2,223,347</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

USE TAX CAPITAL IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 850,000	\$ 2,306,918	\$ 1,456,918
Interest Income	-	45,531	45,531
TOTAL REVENUES	850,000	2,352,449	1,502,449
EXPENDITURES			
Public Works	597,320	582,184	15,136
Capital Outlay	128,180	128,180	-
TOTAL EXPENDITURES	725,500	710,364	15,136
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	124,500	1,642,085	1,517,585
OTHER FINANCING USES			
Transfers In	45,100	42,284	(2,816)
TOTAL OTHER FINANCING USES	45,100	42,284	(2,816)
NET CHANGE IN FUND BALANCES	169,600	1,684,369	1,514,769
FUND BALANCES, Beginning	10,984,300	12,677,976	1,693,676
FUND BALANCES, Ending	\$ 11,153,900	\$ 14,362,345	\$ 3,208,445

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>
Town's proportionate share of the Net Pension Liability (Asset)	0.098%	0.095%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (87,606)	\$ (107,336)
Town's covered-employee payroll	\$ 853,314	\$ 868,643
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	-10.3%	-12.4%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Statutorily required contributions	34,043	\$ 34,216	\$ 36,443
Contributions in relation to the Statutorily required contributions	<u>34,043</u>	<u>34,216</u>	<u>36,443</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 853,314	\$ 868,643	\$ 911,068
Contributions as a percentage of covered-employee payroll	3.99%	3.94%	4.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

December 31, 2015

	SPECIAL REVENUE					TOTAL
	LIBRARY FUND	CEMETERY FUND	PAVING FEE FUND	JOHNSON'S CORNER CAPITAL FUND	CONSERVATION TRUST FUND	
ASSETS						
Cash and Investments	\$ 1,802,458	\$ 105,031	\$ 252	\$ 19,474	\$ 2,163,763	\$ 4,090,978
Accounts Receivable	-	-	-	8,218	-	8,218
Due from Other Funds	-	-	-	3,743	-	3,743
TOTAL ASSETS	\$ 1,802,458	\$ 105,031	\$ 252	\$ 31,435	\$ 2,163,763	\$ 4,102,939
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	8,150	-	-	-	-	8,150
Due to Other Funds	-	-	-	3,789	-	3,789
TOTAL LIABILITIES	8,150	-	-	3,789	-	11,939
FUND EQUITY						
Fund Balance						
Restricted for Culture and Recreation	1,794,308	-	-	-	-	1,794,308
Restricted for Parks & Recreation	-	-	-	-	2,163,763	2,163,763
Restricted for Capital Improvements	-	-	252	27,646	-	27,898
Restricted for Cemetery Maintenance	-	105,031	-	-	-	105,031
TOTAL FUND EQUITY	1,794,308	105,031	252	27,646	2,163,763	4,091,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,802,458	\$ 105,031	\$ 252	\$ 31,435	\$ 2,163,763	\$ 4,102,939

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2015

	SPECIAL REVENUE					TOTAL
	LIBRARY FUND	CEMETERY FUND	PAVING FEE FUND	JOHNSON'S CORNER CAPITAL FUND	CONSERVATION TRUST FUND	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 101,660	\$ 88,560	\$ 190,220
Licenses and Permits	-	-	-	-	81,100	81,100
Intergovernmental	375,745	-	-	-	57,971	433,716
Interest Income	2,003	113	-	33	4,197	6,346
Miscellaneous	4,869	3,273	-	-	1,713	9,855
TOTAL REVENUES	382,617	3,386	-	101,693	233,541	721,237
EXPENDITURES						
Public Works	-	-	-	95,300	-	95,300
Culture and Recreation	438,328	-	-	-	124,845	563,173
TOTAL EXPENDITURES	438,328	-	-	95,300	124,845	658,473
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(55,711)	3,386	-	6,393	108,696	62,764
OTHER FINANCING SOURCES (USES)						
Transfers In	373,099	-	-	-	-	373,099
Transfers Out	-	-	(260)	-	-	(260)
TOTAL OTHER FINANCING SOURCES (USES)	373,099	-	(260)	-	-	372,839
NET CHANGE IN FUND BALANCE	317,388	3,386	(260)	6,393	108,696	435,603
FUND BALANCE, Beginning	1,476,920	101,645	512	21,253	2,055,067	3,655,397
FUND BALANCE, Ending	\$ 1,794,308	\$ 105,031	\$ 252	\$ 27,646	\$ 2,163,763	\$ 4,091,000

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

LIBRARY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Intergovernmental	\$ 379,724	\$ 375,745	\$ (3,979)
Interest Income	1,000	2,003	1,003
Miscellaneous	8,500	4,869	(3,631)
TOTAL REVENUES	<u>389,224</u>	<u>382,617</u>	<u>(6,607)</u>
EXPENDITURES			
Culture and Recreation	<u>687,750</u>	<u>438,328</u>	<u>249,422</u>
TOTAL EXPENDITURES	<u>687,750</u>	<u>438,328</u>	<u>249,422</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(298,526)</u>	<u>(55,711)</u>	<u>242,815</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	373,099	373,099
Transfers Out	<u>373,100</u>	<u>-</u>	<u>(373,100)</u>
TOTAL OTHER FINANCING SOURCES	<u>373,100</u>	<u>373,099</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	74,574	317,388	242,814
FUND BALANCE, Beginning	<u>1,431,600</u>	<u>1,476,920</u>	<u>45,320</u>
FUND BALANCE, Ending	<u>\$ 1,506,174</u>	<u>\$ 1,794,308</u>	<u>\$ 288,134</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CEMETERY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Sale of Lots	\$ 2,800	\$ 3,273	\$ 473
Interest Income	200	113	(87)
TOTAL REVENUES	<u>3,000</u>	<u>3,386</u>	<u>386</u>
EXPENDITURES			
Operations and Maintenance	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,000</u>	<u>3,386</u>	<u>386</u>
FUND BALANCES, Beginning	<u>102,400</u>	<u>101,645</u>	<u>(755)</u>
FUND BALANCES, Ending	<u>\$ 105,400</u>	<u>\$ 105,031</u>	<u>\$ (369)</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

PAVING FEE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Taxes	\$ -	\$ -	\$ -
Interest Income	-	-	-
TOTAL REVENUES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers Out	300	260	40
TOTAL OTHER FINANCING SOURCES	300	260	40
NET CHANGE IN FUND BALANCE	(300)	(260)	40
FUND BALANCE, Beginning	300	512	212
FUND BALANCE, Ending	\$ -	\$ 252	\$ 252

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

JOHNSON'S CORNER CAPITAL IMPROVEMENT FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 90,000	\$ 101,660	\$ 11,660
Interest Income	10	33	23
TOTAL REVENUES	90,010	101,693	11,683
EXPENDITURES			
Public Works	99,210	95,300	3,910
TOTAL EXPENDITURES	99,210	95,300	3,910
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,200)	6,393	15,593

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Use Tax	\$ 62,500	\$ 88,560	\$ 26,060
Licenses and Permits	40,000	81,100	41,100
Intergovernmental	50,000	57,971	7,971
Interest Income	3,500	4,197	697
Miscellaneous	1,000	1,713	713
TOTAL REVENUES	<u>157,000</u>	<u>233,541</u>	<u>76,541</u>
EXPENDITURES			
Culture and Recreation	<u>191,400</u>	<u>124,845</u>	<u>66,555</u>
TOTAL EXPENDITURES	<u>191,400</u>	<u>124,845</u>	<u>66,555</u>
NET CHANGE IN FUND BALANCE	(34,400)	108,696	143,096
FUND BALANCE, Beginning	<u>1,911,900</u>	<u>2,055,067</u>	<u>143,167</u>
FUND BALANCE, Ending	<u>\$ 1,877,500</u>	<u>\$ 2,163,763</u>	<u>\$ 286,263</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Charges for Services	\$ 1,700,000	\$ 2,384,572	\$ 684,572
Contributions	-	1,438,661	1,438,661
Interest Income	25,000	33,944	8,944
Miscellaneous	110,000	316,619	206,619
Transfers In	182,200	182,200	-
TOTAL REVENUES	<u>2,017,200</u>	<u>4,355,996</u>	<u>2,338,796</u>
EXPENDITURES			
Administration	208,700	168,463	40,237
Operations	1,006,400	1,065,675	(59,275)
Capital Outlay	1,414,300	716,580	697,720
Transfers Out	90,000	85,374	4,626
TOTAL EXPENDITURES	<u>2,719,400</u>	<u>2,036,092</u>	<u>683,308</u>
NET INCOME, Budget Basis	<u>\$ (702,200)</u>	2,319,904	<u>\$ 3,022,104</u>
GAAP BASIS ADJUSTMENTS			
Capital Outlay		716,580	
Depreciation Expense		(303,368)	
NET INCOME, GAAP Basis		2,733,116	
NET POSITION, Beginning		<u>23,038,264</u>	
NET POSITION, Ending		<u>\$ 25,771,380</u>	

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

WASTEWATER FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Charges for Services	\$ 1,500,000	\$ 1,640,347	\$ 140,347
Contributions	-	218,100	218,100
Interest Income	30,000	34,839	4,839
Miscellaneous	10,000	245,638	235,638
TOTAL REVENUES	<u>1,540,000</u>	<u>2,138,924</u>	<u>598,924</u>
EXPENDITURES			
Administration	270,400	195,159	75,241
Operations	938,100	822,885	115,215
Capital Outlay	221,600	122,134	99,466
TOTAL EXPENDITURES	<u>1,430,100</u>	<u>1,140,178</u>	<u>289,922</u>
NET INCOME, Budget Basis	<u>\$ 109,900</u>	998,746	<u>\$ 888,846</u>
GAAP BASIS ADJUSTMENTS			
Capital Outlay		122,134	
Depreciation Expense		(137,340)	
TOTAL GAAP BASIS ADJUSTMENTS		<u>(15,206)</u>	
NET INCOME, GAAP Basis		983,540	
NET POSITION, Beginning		<u>12,994,075</u>	
NET POSITION, Ending		<u>\$ 13,977,615</u>	

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

DRAINAGE ENTERPRISE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2015

	2015		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Drainage Fees	\$ 345,000	\$ 495,782	\$ 150,782
Interest Income	6,000	5,725	(275)
TOTAL REVENUES	<u>351,000</u>	<u>501,507</u>	<u>150,507</u>
EXPENDITURES			
Administration	87,400	81,635	5,765
Operations	153,500	55,121	98,379
Capital Outlay	6,300	-	6,300
TOTAL EXPENDITURES	<u>247,200</u>	<u>136,756</u>	<u>110,444</u>
NET INCOME, Budget Basis	<u>\$ 103,800</u>	364,751	<u>\$ 260,951</u>
GAAP BASIS ADJUSTMENTS			
Capital Outlay		-	
NET INCOME, GAAP Basis		364,751	
NET POSITION, Beginning		<u>1,958,385</u>	
NET POSITION, Ending		<u>\$ 2,323,136</u>	

See the accompanying independent auditors' report.

STATE COMPLIANCE

AGENDA ITEM 9C

**AWARD
OF
CONTRACT**

**(Central Weld Water District Emergency
Water Interconnect Project)**

(Northern Colorado Constructors Inc.)

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE: August 1, 2016

ITEM NUMBER: 9C

SUBJECT: Consider Award of Contract to Northern Colorado Constructors Inc., for the Central Weld County Water District Emergency Water Interconnect Project

ACTION PROPOSED: Award Contract to Northern Colorado Constructors Inc.

PRESENTED BY: Town Manager and Town Attorney

AGENDA ITEM DESCRIPTION: In June 2015, the Town Council approved an agreement with Central Weld Water District (CWCWD) to provide an emergency water interconnect to the Town's water system. CWCWD agreed to construct at Town expense (\$164,543) the necessary tap and valves, and to install a concrete vault for housing the equipment near Weld County Road (WCR) 42 and Parish Avenue. The Town would be responsible for installing the water line from the vault to existing mains in the Pioneer Ridge subdivision. On August 17, 2015 the Town awarded a contract to MSK Consulting to prepare a detailed design including drawings and specifications for the construction of 700' of 12" water main and installation of a backflow device.

The Town advertised for bids in the Johnstown Breeze and also distributed bid documents to five (5) contractors with whom the Town had previously worked. The following two contractors submitted bids in response to the Town's solicitation:

- 1) Northern Colorado Constructors Inc. - **\$88,580**
- 2) Gopher Excavation Inc. - **\$102,380**

Following a review of the bids by the Town's consulting engineer (MSK Consulting), the Town is recommending the bid for the CWCWD Emergency Water Interconnect Project be awarded to Northern Colorado Constructors Inc. (refer to attached letter of recommendation).

LEGAL ADVICE: The Town Attorney has reviewed the attached agreement

FINANCIAL ADVICE: According to the Town Treasurer, sufficient funds are available in the Water Fund budget for the project.

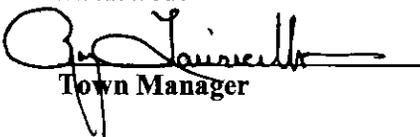
RECOMMENDED ACTION: Award contract to Northern Colorado Constructors Inc.

SUGGESTED MOTIONS:

For Approval: I move to award the contract for the CWCWD Emergency Water Interconnect Project to Northern Colorado Constructors Inc., in a total amount not to exceed **\$88,580** and also, authorize the Town Manager to approve change orders in an amount not to exceed ten (10%) of the contract amount and authorize the Mayor to sign the agreement.

For Denial: I move to deny the award of the contract for the CWCWD Emergency Water Interconnect Project to Northern Colorado Constructors Inc.

Reviewed:


Town Manager

CONTRACT

1.5.8 AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 2016, by and between the Town of Johnstown, hereinafter called "TOWN", and Northern Colorado Constructors, Inc., hereinafter called "CONTRACTOR".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR shall commence and complete the construction of CWCWD Connection Waterline.
2. The CONTRACTOR shall furnish all material, supplies, tools, equipment, labor and other services necessary for the construction and completion of the project described herein.
3. The CONTRACTOR shall commence and complete the work required by the Contract Documents in accordance with the date stated in the Special Conditions, which dates may be subsequently modified by the Notice to Proceed or otherwise extended by the Contract Documents.
4. The CONTRACTOR agrees to perform all the work described in the Contract Documents and comply with the terms therein for the sum of Eighty-eight thousand, five hundred and eighty dollars (\$88,580.00) for the CWCWD Connection Waterline
5. The term "Contract Documents" means and includes the following, all of which are material terms and incorporated as if fully set forth herein:
 - (A) Invitation for Bids
 - (B) Information for Bidders
 - (C) Non-Collusion Statement
 - (D) Bid Proposal
 - (E) Bid Schedule
 - (F) Bid Bond
 - (G) Notice of Award
 - (H) Acceptance of Notice
 - (I) Agreement
 - (J) Payment Bond
 - (K) Performance Bond
 - (L) Certificates of Insurance
 - (M) Notice to Proceed
 - (N) Special Conditions
 - (O) General Conditions
 - (P) Specifications
 - (Q) Drawings Dated July 2016
 - (R) Change Order
 - (S) Addendum
Response to questions, dated 7/18/2016
 - (T) Notice of Contractor's Settlement
 - (U) Final Receipt and Guarantee

- (V) Notice Regarding Illegal Aliens
- (W) Other

6. The TOWN shall pay the CONTRACTOR in the manner and at such time as set forth in the Contract Documents.
7. Pursuant to § 24-91-103.6, C.R.S., as may be amended from time to time, the TOWN has appropriated the money necessary to fund this project. No change order or other form of directive shall be issued by the TOWN requiring additional compensable work to be performed, which causes the aggregate amount payable under this Agreement to exceed the amount appropriated for the original contract amount, unless the CONTRACTOR is given written assurance by the TOWN that lawful appropriations have been made by the TOWN to cover the cost of the additional work or unless such work is covered under the remedy-granting provisions of this Agreement.
8. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.
9. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.
10. Colorado Labor Clause: Contractor agrees, pursuant to Title 8, Article 17, C.R.S., that Contractor shall employ Colorado labor (as defined below in this paragraph) to perform the Work to the extent of not less than eighty percent of each type or class of labor in the several classifications of skilled and common labor employed under this Agreement. "Colorado labor" as used in this Agreement means any person who is a resident of the state of Colorado, at the time of employment, without discrimination as to race, color, creed, sex, sexual orientation, marital status, national origin, ancestry, age, or religion except when sex or age is a bona fide occupational qualification.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement, each of which shall be deemed an original on the date first written above.

Northern Colorado Constructors, Inc.

THE TOWN OF JOHNSTOWN

CONTRACTOR

BY _____
 NAME Scott James
 TITLE Mayor

BY Chris Zabel
 NAME Chris Zabel
 TITLE Treasurer
 ADDRESS _____

 Northern Colorado Constructors, Inc.
 9075 WCF 10
 Fort Lupton, CO 80621

(SEAL)

ATTEST:

NAME _____
TITLE _____

ATTEST:

NAME *My Subl*
TITLE *Vice President*

APPROVED AS TO FORM:

Johnstown Town Attorney

LETTER
OF
RECOMMENDATION
(MSK Consulting)

MEMORANDUM



Date: July 20, 2016
To: Roy Lauricello, Town of Johnstown
From: Dave Takeda, MSK Consulting, LLC
RE: CWCWD Connection Waterline

The CWCWD Connection Waterline project received two bids for the construction contract. Northern Colorado Constructors, Inc. (NCC) was the low bidder with a bid of \$88,580.00. Gopher Excavation, Inc. was second with a bid of \$102,380.00. The Engineer's Estimate was \$110,600.00.

Based on their bid and previous positive experience with the Town of Johnstown, MSK Consulting is recommending the construction contract be awarded to NCC.

